













Contents

Letter to the Stakeholders	2
Corporate Information	3
Financial Highlight	4
Director' Profile	5
Director's Report	6
Annexure to Director's Report	10
Certificate on Corporate Governance	12
Management's Discussion and Analysis	13
CEO and CFO Certification	15
Auditor's Report	16
Balance- Sheet	21
Statement of Profit and Loss Account	22
Cash Flow Statement	23
Notes on significant Accounting Policies	24
Corporate Governance Report	44
Shareholder Information	54
Notice to the 28th Annual General Meeting	58
Proxy Form	65
Attendence Slip	67
Form for registration of email	69

LETTER TO STAKEHOLDERS

Dear Stakeholders,

The state of world economy has been the most decisive factor impacting the fortunes of every developing economy in the recent past. Indian economic growth during the year 2013 was 4.7% and registering below 5% growth for a second consecutive year. Investments or capital formation fell due to high interest rate. The challenges being faced by our Country are common to all emerging economies. Though, lately, there has been some comfort on account of decline of fiscal and current account deficits, high inflation continues to be a matter of concern leading to a tight monetary policy and there is no sign of a reduction in interest rates in the near future. Unless the borrowing cost is reduced, there may not be a revival of investments in industry. However, with improving economic fundamentals and a clear electoral mandate, our new government would be able to achieve better prospects for 2014-15 and beyond.

The performance of the Company has not been up to a desired level due to various factors prevailing in the country which includes but not limited to increasing cost of raw material. With the expected revival in the global economy and the business environment, the Company is expected to perform better in the years to come. I would like to extend my gratitude to all our stakeholders including the staff members and customers for their unstinted contribution and support for the Company.

By Order of the Board

Sd/Pradeep Jain
Chairman & Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pradeep Jain Ms. Pooja Sabharwal

Ms. Usha Jain

Mr. Umesh Kumar Khaitan

Mr. R. Shankar Mr. S. B. Mohapatra

AUDIT COMMITTEE

Mr. Umesh Kumar Khaitan Mr. S. B. Mohapatra

Mr. R. Shankar

Ms. Pooja Sabharwal

REMUNERATION COMMITTEE

Mr. Umesh Kr. Khaitan

Mr. Pradeep Jain

Ms. Pooja Sabharwal

Mr. S. B. Mohapatra

Mr. R. Shankar

STATUTORY AUDITORS

M/s Haribhakti & Co. LLP

3rd, Floor, 52B

Okhla Indutrial Area III New Delhi – 110020

www.dhc.co.in

COST AUDITORS

M/s Ravindra Kumar Mishra & Co.

Cost Accountants

A-74, Naya Bazar, Najafgarh

New Delhi-110043

Chairman & Managing Director

Joint Managing Director

Director

Independent Director Independent Director

Independent Director

SHARE TRANSFER & INVESTOR GRIEVANCE COMMITTEE

Mr. R. Shankar

Mr. Pradeep Jain

Ms. Pooja Sabharwal

COMPANY SECRETARY

Ms. Preeti Choudhary

INTERNAL AUDITORS

M/s D. C. Chhajed & Associates

Chartered Accountants

307, RG Trade Tower, Plot no: B-4

Netaji Subhash Place, Delhi - 110034

BANKERS

Allahabad Bank

Industrial Finance Branch 17, Parliament Street New Delhi-110001

FINANCIAL HIGHLIGHTS

(₹ in Lac)

PARTICULARS	2013-14	2012-13	2011-12
Turnover	3721.39	3281.10	3598.60
PBIDT	205.57	407.83	465.61
Interest	521.97	401.81	390.96
PBDT	(316.64)	6.02	74.65
Depreciation	278.2	406.95	407.91
Profit /(Loss) Before Tax and Extraordinary Items	(594.6)	(400.93)	(333.26)
Taxation	NIL	NIL	NIL
PAT	(594.6)	(400.93)	(333.26)
Net Worth	352.54	947.13	1348.06
Gross Fixed Assets	14249.55	11262.44	9789.11
EPS (₹)	(2.64)	(1.67)	(1.39)
Book Value Per Share (₹)	1.80	3.94	5.61

DIRECTOR'S PROFILE

Mr. Pradeep Jain (DIN 01720702)

RTL is headed by the Managing Director, Mr. Pradeep Jain. He is a Mechanical Engineer by profession and has extensive experience of more than four decades in the field of textiles. His association with Textiles is almost 4 decades old. He had started his carrier in Textiles in 1969 and had represented Textile mills of National repute. He has also rich experience in exports of silk garments and silk fabrics to Western Europe and Asia. He is well travelled, and year on year, has attended all the textile related fairs whether it is Heim Textil or Industoff.

His experience spans all areas of the textile value chain. The intensity of his affinity for Textiles was the driving factor for takeover of Amethi Textiles. He is driven to create a success story for Runeecha Texiles (formerly known as Amethi Textiles).

Ms. Pooja Sabharwal (DIN 02269482)

Ms. Pooja Sabharwal, an alumnus of Shri Ram College of Commerce and the University of Leeds (UK), is a Joint Managing Director with RTL. She is dynamic, creative and is constantly stimulated by the ambition of making RTL a successful and an integrated Textile organisation.

She is responsible for Corporate Strategy and New Business Initiatives of the Group.

She brings in rich experience in the field of marketing and business development. Her pedigree also stems from her association at senior capacity in multinationals such as SmithKline Beecham, Perfetti Vanmelle, Amway.

Mr. Umesh Kumar Khaitan (DIN 01180359)

Mr. Umesh Khaitan is the managing partner of Khaitan Sud & Partners. He has four decades of legal experience dealing with all aspects of civil litigation but his forte lies in corporate law. He was admitted to the Bar in 1972, and earned his Solicitor's degree in the same year. His prominent clients include major players in the pharmaceutical and petrochemical sectors, one of the India's largest brewery, numerous food processing companies, leading hoteliers, infrastructure development corporations, banks and financial institutions as well as leading information technology companies. In addition to his vast legal practice, Mr. Khaitan has been entrusted with the Directorship of many large corporate groups and also with the Trusteeship of a few select organizations, such as the Mamta Health Foundation. Mr. Khaitan is also involved in various charitable projects such as developing of schools for girls in rural areas.

He is on Board of M/s Bank of India, M/s Sutlej Industries Ltd., M/s Indo-Continental Hotels and Resorts Ltd., M/s Aiyer Manis Rubber Estate Ltd., M/s Ferro Alloys Corporation Ltd and many more eminent corporations.

Mr. S. B. Mohapatra (DIN 00327410)

Mr. S.B. Mohapatra, is a Former Secretary, Ministry of Textiles, Govt. of India. He has done M.Sc. (Development Studies, University of Bath, U.K.) and had handled various honourable positions in Government of India.

He is a former Special Secretary at the Ministry of Home Affairs, Govt. of India, additional Secretary and Financial Advisor, Ministry of Commerce, Govt. of India, Director General of Foreign Trade at Ministry of Commerce, Govt. of India and Managing Director, Industrial development Corporation, Orissa.

Mr. R. Shankar (DIN 01154218)

Mr. R. Shankar is a Mechanical Engineer, a sports man and a visionary. He has rich experience in the field of Banking (National and International) sectors. He has comprehensive experience of over more than 5 decades in areas of operations, handling credit, strategy and business development.

He has worked as Chief Executive of the banks for Indian Overseas Bank Hongkong operations for more than 5 years.

Ms. Usha Jain (DIN 01484308)

Ms. Usha Jain along with Mr. Pradeep Jain serves as a promoter director of the company. She is been associated with the company since March 30, 1995 and made a remarkable contribution in uplifting and overcoming various issues pertaining to the management. She provides an objective, independent and constructive view of the plans and decisions of the executive board. She provided fresh and more objective view point to the board and upholds high standard of integrity and probity.

DIRECTORS' REPORT

Dear Member,

We have pleasure in presenting the 28th Annual Report of the Company along with the Audited Financial Statements of Account and Auditor's Report thereon for the year ended 31st March, 2014.

COMPANY'S PERFORMANCE

The performance of the Company during the year was not satisfactory because of adverse market conditions prevailing in all business segments coupled with higher input costs and increasing interest rates. Your Company's performance during the financial year 2013-14 is summarized below:

(₹ In Lacs)

PARTICULARS	Current Year ended on 31.03.2014	Previous Year ended on 31.03.2013
Income		
Revenue from operations	3721.39	3281.11
Other Income	54.46	5.99
Total Revenue	3775.85	3287.10
Expenses		
Cost of material consumed	725.78	2345.23
Purchase of traded goods	2439.7	264.17
Change in inventories of finished goods and work-in-progress	42.17	(270.12)
Employee benefits expenses	173.56	243.20
Other expenses	186.1	295.79
Prior Period Items and tax	2.96	1.00
Total Expenses	3570.27	2879.27
(Loss)/profit before depreciation, finance cost and tax	205.58	407.83
Finance Cost	521.97	401.81
(Loss)/profit after finance cost but before depreciation and tax	(316.39)	6.02
Deprecation	278.2	406.95
(Loss)/profit after depreciation but before tax	(594.59)	(400.93)
Extraordinary item	-	-
Tax expense		
a. Current Tax	-	-
b. Minimum alternate tax entitlement	-	-
Net (Loss)/ Profit for the year	(594.59)	(400.93)

FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS

Directors are pleased to report the Company's business operations performance as follows:-

PRODUCTION & SALES REVIEW

During the year under review, your company had registered revenue from operations (turnover) of ₹ 3721.39 Lakh as compared to ₹ 3281.11 Lakh showing an increase of ₹ 440.28 Lakh over previous year. Your directors are striving towards making effort in order to increase the turnover thereby facilitating new projects in consonance with the objectives of the company which could contribute in the increase of revenue from the mainstream business activities.

Weaving

During the year, the Production of Grey Fabric in house was 10.64 Lac Meters (Previous Year 29.50 Lacs Meters) besides buying of Fabric from the market of 22.49 Lacs meters (Previous Year 29.09 Lacs Meters) to complement the Sales Orders from the Customers.

Spinning

Our major raw material cotton is an agricultural produce which suffers from climatic volatility and the increasing demand has put greater pressure on the prices and pressure on the Textile Industry as a whole. Though the spinning Industry has fared somewhat better those with a presence in weaving, processing or even composite businesses are facing to heat due to increase in input without being able to pass on such higher cost to the customers as the market is simply unable to absorb the same.

RESOURCES UTILISATION

Fixed Assets: The Fixed assets as at 31st March, 2014 were ₹ 6380.49 Lakh as compared to ₹ 3688.64 Lakh in the previous financial year.

Current Assets: The current assets as at 31st March, 2014 were ₹ 4440.48 Lakh as against ₹ 3903.75 Lakhs in the previous financial year. Inventory level was at ₹ 734.24 Lakh as compared to the previous year level of ₹ 675.23 Lakh.

OPERATIONS

Manufacturing Capacities: A state of the art manufacturing facility in Jagdishpur, District Amethi (UP).

Spinning: Current capacity of 11,520 spindles, 12 ring frames, 2 open end and 432 rotors backed by all prepartories from Reiter.

Weaving: There are 72 PU 7100 Sulzer Rueti Shuttle-less Projectile Looms backed by weaving prepatory from Benninger for Wraping and Sucker Muller high production Sizing Machines.

EXTENSION OF TIME TO HOLD ANNUAL GENERAL MEETING

The Company had applied to the Registrar of Companies, Maharashtra for granting extension of time to convene its Annual General Meeting for the financial year 2013-14 since the operations of the company were interrupted due to severe thunderstorm because of which the data of the company was lost and the retrieval of the same took lot of time and as such the accounts of the company could not be finalized on time. The Registrar of Companies, being satisfied, granted two month's extension to hold the Annual General Meeting on 19th September 2014.

DIVIDEND

In the view of Losses suffered by the company, the Directors regret for their inability to recommend dividend for the year under review.

DEPOSITS

The company did not accept any deposits from the public during the financial year. Hence no information is required to be appended to this report.

BOARD OF DIRECTORS

The Board appointed Mr. Pradeep Jain as the Managing Director of the company w.e.f. 01st August 2013 and Ms. Pooja Sabharwal as the Joint Managing Director. We thank the shareholders for their support in confirming the appointment of Mr. Pradeep Jain and Ms. Pooja Sabharwal at the AGM of the company held on 14th August 2013.

As per the provisions of the Companies Act, 2013, Ms. Usha Jain and Mr. Umesh Kumar Khaitan will retire at the ensuing Annual General Meeting, and being eligible Ms. Usha Jain seeks re-appointment. The Board of director recommends her re-appointment.

The Company had also received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

CHANGES IN KEY MANAGERIAL PERSONNEL

Ms. Jaya Ranglani has resigned from the post of Company Secretary and the Board of Directors has appointed Ms. Preeti Choudhary as the Company Secretary and Compliance Officer w.e.f. 30.06.2014, being a Key Managerial Personnel at the meeting of the Board of directors.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act 1956, the Directors, based on the representations received from the operating management and after due inquiry confirm that:

- 1. That in the preparation of annual accounts for the financial year ended 31st March 2014, the applicable mandatory accounting standards have been followed and there are no material departures.
- 2. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2014 and of the loss of the Company for the year ended on that date.
- 3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- 4. That the Company has prepared the Annual Accounts of the Company on a "Going Concern" basis;

PROCUREMENT AND DISTRIBUTION

The division purchases raw cotton and processes into cotton yarn for the weaving division. Entire output is consumed internally for the manufacturing of grey fabrics and the division gets cotton yarn from the spinning division and purchases combed yarn from other spinners. Sales are controlled by marketing department.

TECHNOLOGY AND NEW PRODUCT DEVELOPMENT

Management's endeavour is to maximise the quality and quantity of output from the spinning and weaving department. All the efforts are focused on processing higher margin products with improved efficiency. The focus of the company has been on Exports and Technical Textiles (including products for institutional sector). Our products are well accepted in International Market as well as in Defence, Paramilitary forces, Steel and Oil Companies. RTL is planning to leverage the safety and security solutions with an understanding that there has been a buying of more than ₹ 4000 crores of such products.

CORPORATE GOVERNANCE

The Company has committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

A certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance Clause of the Listing Agreement is annexed to the report on Corporate Governance.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed to this report.

PARTICULARS OF EMPLOYEES

There is no such employee in the Company who is drawing remuneration in excess of limits laid down u/s 217 (2A) of Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 and therefore, no such particulars are furnished herewith.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India is presented in a separate section forming part of the Annual Report.

AUDITORS

M/s. HARIBHAKTI & CO. LLP, the Statutory Auditors' of the Company will retire at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment. The company has received certificate from the auditor to

the effect that their re-appointment as the statutory auditor of the company, if made, would be in accordance with Section 141 of the Companies Act, 2013.

COMMENTS ON AUDITORS REPORT

The Auditors Report is self explanatory and there are no adverse observations / qualifications contained in the Auditors Report.

COST AUDITORS

For the financial year 2013-14, the Board of Directors of the Company had appointed on the recommendation of the Audit Committee, M/s. Ravindra Kumar Mishra & Co., Cost Accountants (Firm's Registration No. 101355), as Cost Auditors for auditing the cost accounts. Their appointment was approved by the Central Government.

For the financial year 2014-15, though the Company had re-appointed M/s Ravindra Kumar Mishra & Co. as Cost Auditors for the financial year 2014-15, yet textiles Industries have been excluded from conducting cost audit as per Companies (cost records and audit) Rules, 2014. Therefore, the company may not be requiring the services of M/s Ravindra Kumar Mishra & Co. in the capacity of cost Auditors.

GREEN INITIATIVE

The company had started a sustainability initiative with the aim of going green and minimizing our impact on the environment. Like the previous years, this year too, we are publishing only the statutory disclosures in the print version of the Annual report. Additional information is available on our website: www.runeecha.com.

Electronic copies of the Annual Report 2014 and notice of the 28th AGM is send to all the members whose email addresses are registered with the company/depositary participant(s). For members who have not registered their email addresses, physical copies of the Annual report 2014 and notice of 28th AGM are sent in the permitted mode. Members requiring physical copies may send their request to the Company Secretary.

ACKNOWLEDGEMENT

Your Directors are pleased to place on record their sincere gratitude to the Government, Financial Institutions, Bankers, customers, vendors and Business Constituents for their continued and valuable co-operation and support to the Company. They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the operations of the Company during the year.

Your Directors also convey their grateful thanks to the shareholders for their continued assistance, cooperation and patronage.

For and on behalf of the Board of Directors

Dated: 05.11.2014 Place: Noida

CIN: L99999MH1986PLC038532

Sd/-(Pradeep Jain) Chairman & Managing Director

ANNEXURES TO THE DIRECTOR'S REPORT

a) Particulars pursuant to Companies (Disclosure of Particulars in the report of the Board of Directors) Rules 1988

Conservation of energy

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014 in respect of conservation of energy is provided hereinbelow:

"FORM A"

Form of Disclosure of Particulars with respect to Conservation of Energy

A.	Power and fuel consumption	Current Year 2013-14	Previous Year 2012-13
1.	Electricity Purchased		
	Units	487938	1918639
	Total Amount (₹)	5077328	13572607
	Average Rate/Unit (₹)	10.41	7.07
2.	Own Generation		
	a) through Diesel Generator		
	Units	278583	220548
	Total Amount (₹)	1002900	2836508
	Average Rate/Unit (₹)	3.6	12.86
	b) through steam turbine/generator		
	Units	Nil	Nil
	Total Amount (₹)	Nil	Ni
	Average Rate/Unit (₹)	Nil	Ni
3.	Coal(specify quality and where used)		
	Total cost	Nil	Ni
	Average rate	Nil	Ni
4.	Furnace Oil		
	Quantity (k. liters)	Nil	Ni
	Total amount	Nil	Ni
	Average Rate	Nil	Ni
5.	Others/internal generation (please give details)		
	Quantity	Nil	Ni
	Total cost	Nil	Ni
	Average Rate/unit	Nil	Ni
В.	Consumption per unit of production		
	Electricity	2.18	2.73
	Furnace Oil	Nil	Ni
	Coal (specify quantity)	Nil	Ni
	Others (specify)	Nil	Ni

Technology absorption

Efforts made in technology absorption are provide as per "Form B".

"FORM-B"

Form for Disclosure of Particulars with respect to Technology Absorption Research and development (R & D)

1.	Specific areas in which R & D carried out by the company	Nil
2.	Benefits derived as a result of the above R & D	Nil
3.	Future plan of action	Nil
4.	Expenditure on R & D	Nil

- (a) Capital
- (b) Recurring
- (c) Total
- (d) Total R & D as a percentage of total turnover

Technology absorption, adaptation and innovation

- 1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
- 2. Benefits derived as a result of above efforts, e.g. Product improvement, cost reduction, Product development, import substitution etc
- In case of imported technology (imported during the last 5 years
 reckoned from the beginning of the financial year), following information
 may be published
 - (a) Technology imported
 - (b) Year of import
 - (c) Has technology been fully absorbed
 - (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action

FOREIGN EXCHANGE EARNING AND OUTGO

I. Total foreign exchange usedII. Total foreign exchanged earnedNil

For and on behalf of the Board of Directors

Dated: 05.11.2014 Sd/Place: Noida (Pradeep Jain)
CIN: L99999MH1986PLC038532 Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of,

RUNEECHA TEXTILES LIMITED

We have examined the compliance of conditions of Corporate Governance by **RUNEECHA TEXTILES LIMITED** ("the Company"), for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March 31, 2014, no grievances are pending against the Company as per the records maintained by the Company.

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 VLA & Associates Company Secretaries

Sd/-Vishal L Aggarwal (Prop.) C. P. No.7622

Place: New Delhi Dated: 10.08.2014

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted the Code of Conduct for all Board Members and Senior Management Personnel of the Company.

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Management Personnel for the financial year 2013-14.

Place: Noida Dated: 05.11.2014 Sd/-Pradeep Jain Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF INDIAN TEXTILE INDUSTRIES

India is the one of the world's largest producers of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and 8 per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021.

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 per cent to industrial production, 4 per cent to the gross domestic product (GDP), and 27 per cent to the country's foreign exchange inflows. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the India's economy.

GOVERNMENT INITIATIVES

The Government of India has promoted a number of export promotion policies for the textiles sector. It has also allowed 100 percent FDI in the Indian textiles sector under automatic route and taken a lot of initiatives for the welfare and development of the weavers and the handloom sector. Under revival, reform and restructuring (RRR) package, financial assistance to the tune of ₹ 1,019 crore (US\$ 169.66 million) has been approved and the Indian government has released ₹ 741 crore (US\$ 123.42 million). Encouraged by turnaround in textiles exports, the Government of India plans to set up a US\$ 60 billion target for the current financial year, a jump of over 30 percent from the previous financial year. The Cabinet Committee on Economic Affairs (CCEA) has approved an Integrated Processing Development Scheme (IPDS) with a corpus of ₹ 500 crore (US\$ 83.28 million) to make textiles processing units more environment-friendly and globally competitive. The Government of India plans to set up ₹ 100 crore (US\$ 16.62 million) venture capital fund to provide equity support to start-ups in the textiles sector, in order to encourage innovative ideas in this export intensive sector. The Government of India has allotted ₹ 700 crore (US\$ 116.60 million) in the 12th Five Year Plan for the development of technical textiles. In 2012–13, the technical textiles industry reached ₹ 7.48 trillion (US\$ 124.60 billion) at an annual growth rate of 3.5 percent. The Finance minister in the Union Budget 2014-15 had also proposed to finance ₹ 200 crore for setting up of six textile cluster at various places.

INDUSTRY STRUCTURE AND DEVELOPMENT

Raw material costs have been increasing globally, coupled with a shortage of skilled workers. While a shift is taking place of textiles industries from China and Bangladesh to India, the industrial climate in India has also become adverse due to regular increases in input costs. Any further appreciation of the Rupee will adversely affect exports from India. Though the spinning industry has fared somewhat better those with a presence in weaving, processing or even composite businesses are facing the heat due to increases in input cost without being able to pass on such higher costs to customers as the market is simply unable to absorb the same.

OPPORTUNITIES AND THREATS

There is good scope for growth for the textile industry as India's share in the global trade in textiles is weak compared to other countries. The free trade environment is a great opportunity for the Indian textile industry to increase its share in the global market. Chinese exports are slowing down on account of various factors inclusive of increase in domestic demand and rising costs. This is a good opportunity of which our textile industry should make use.

Lack of uninterrupted power, increased power costs, higher transaction costs, high cost of labour are hindering the progress. However, we are making all out efforts to cope with all these challenges by continuous efforts at cost reduction, process improvements, diversification of products and improving productivity by improving efficiencies

BUSINESS OUTLOOK

We expect your company will outperform the industry in terms of sales and profit growth over the medium term. In our opinion in the absence of a severe slowdown in the economy, the sluggishness would be temporary, for which the global economic forecast for the next couple of years is healthy.

While there are near-term concerns around slowing market growth and inflationary pressures on consumers, we are confident of the medium to long term growth prospects of textile sector and remain focused on delivering consistent and competitive growth with sustainable operating margin improvement.

We are focusing on Exports and Technical Textiles (including products for institutional sector). Our products are well accepted in International Market as well as in Defence, Paramilitary forces, Steel and Oil Companies. RTL is planning to leverage the safety and security solutions with an understanding that there has been a buying of more than ₹ 4000 crore of such products.

RISK MANAGEMENT

The ability to take risks is the hallmark of any good enterprise, but if those risks are managed ineffectively, then growth can be adversely affected. Corporate reality is today besieged with challenges. Whether those challenges relate to governance, people, process or technology, there has to be methodology to address all of them efficiently. In our company, we adopt a risk intelligent approach to manage financial, technology and business risks. Our risk management initiatives are directed so as to better align our business objectives and strategies with the need of today's competitive market.

Runeecha Textiles Limited has a well-defined risk management framework in place. Under this framework, the Management identifies and monitors business risks on a continuous basis, and initiates appropriate risk mitigation steps as and when deemed necessary. Our company has established procedures to periodically place before the Board the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate those risks through a properly defined framework.

QUALITY

Quality is intrinsic to Runeecha Textiles' philosophy, and is visible everywhere in its process driven manufacturing and control systems. Well defined quality tests are employed at every stage of the production process from the selection and procurement of raw materials, to inspection of final product and after sales support. In addition, customer satisfaction exercises are frequently conducted for feedback. Stringent control processes ensure that Runeecha Textiles' products meet rigorous quality norms. Long term relationships with customers, especially in the quality conscious European markets, are a testimony to our high and consistent standards.

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

Your Company has adopted a progressive policy for helping employees to develop their organizational skill, knowledge, and abilities to achieve greater efficiency. The focus of all aspects of Human Resource Development is on developing superior workforce so that the organization and individual employees can accomplish their work goals of service to customers. Welfare and training at all levels of our employees continue to be areas of major focus for the Company. Your Company recognises human resources as the backbone of its long term success. It emphasis on safe work practices and productivity improvement is unrelenting.

The industrial relations remained cordial throughout the year. The employees of the Company are extending a very productive co-operation in the efforts of the management to carry the Company to greater heights.

INFORMATION TECHNOLOGY

Runeecha Textiles extensively leverages IT tools in its operations to achieve greater productivity and efficiency.

INTERNAL CONTROL SYSTEM

Your Company has an adequate and effective internal control system to ensure that assets and interests of the Company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances.

The internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements. The Audit Committee, Board of Directors, Statutory Auditors and the business heads are periodically appraised of the internal audit findings and the corrective actions taken. The company has already appointed Internal auditors for strengthening the internal control system of the company and they are conducting Audit on regular basis. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

ENVIRONMENT AND SAFETY

The Company continues to focus on maintenance and performance improvement of related pollution control facilities like effluent treatment plant and waste disposal facility at its manufacturing locations. The Company recognises protection and management of environment as one of its highest priorities and every effort is made to conserve and protect the environment.

The management of Runeecha Textiles has always given special attention to maintain harmonious industrial relations and this year also the Industrial Relations generally remained cordial.

CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

CERTIFICATION BY CEO AND CFO OF THE COMPANY

To,
The Board of Directors
Runeecha Textiles Limited
Mumbai

- 1. We have reviewed financial statements and the cash flow statement of Runeecha Textiles Limited for the year ended 31st March, 2014 and 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.
- 2. 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 violate the Company's Code of Conduct.
- 3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- 4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

Sd/-Pradeep Jain Managing Director & CEO

Place: Noida Dated: 05.11.2014

AUDITORS' REPORT

To

The Members of Runeecha Textiles Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Runeecha Textiles Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- (a) We draw attention to Note no. 36 of the financial statements, regarding preparation of the financial results on a going concern basis.
- (b) We draw attention to Note no. 27 of the financial statements, regarding accrual of interest on loan payable to State Trading Corporation.
- (c) We draw attention to Note 37 of the financial statements, wherein the management has explained the basis for write-back of certain old liabilities.

- (d) We draw attention to Note 28 of the financial statements, wherein the management has explained the basis for revaluation of plant and machinery.
- (e) We draw attention to Note 39 of the financial statements, wherein the management has explained reasons for disclosing optionally convertible cumulative preference shares which are overdue for redemption as preference shares under shareholders' funds.
- (f) We draw attention to Note 40 of the financial statements, wherein the Company has explained the position regarding forfeiture of shares against which there were calls in arrear amounting to ₹ 2,407,000.

Our report is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

> Sd/-[Raj Kumar Agrawal] Partner Membership No.074715

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Runeecha Textiles Limited on the financial statements for the year ended March 31, 2014

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in clauses (iii)(a), (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the Order are not applicable to the Company.
 - b) The Company has taken unsecured interest free loans from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1,900,000 and the year-end balance of loans taken from such parties was ₹ 1,900,000.
 - c) In our opinion, the rate of interest and other terms and conditions for such loans are not, *prima facie*, prejudicial to the interest of the Company.
 - d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated. The loans are interest free.
- (iv) According to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets. In our opinion, the existing internal control system needs to be further strengthened to be commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.

There are no transactions with respect to sale of services.

- (v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five Lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) The Company has an internal audit system, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax have not been regularly deposited with the appropriate authorities and there have been delays.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth tax, Service tax, Sales tax, Excise duty, Customs Duty, Cess and other statutory dues wherever applicable were outstanding at the year end for a period of more than six months from the date they became payable, other than as explained below:

Nature of the dues	Amount (₹)	Period to which the amount relates	Due date	Date of Payment
Income Tax	1,562,434	2010-11	September 30, 2011	Not Paid till date

- b) According to the information and explanation given to us, there are no dues of income tax and cess which have not been deposited on account of any dispute.
 - Further, as explained undisputed dues in respect of Investor Education and Protection Fund, Sales Tax, Service Tax, Excise Duty, Wealth tax and Custom Duty were not applicable to the company during the year.
- (x) In our opinion, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. Further, the Company has incurred cash losses during the financial year; however, it has not incurred cash losses in the immediately preceding financial year. The effects of qualifications described in the Basis of Opinion paragraph in our Audit Report are currently unascertainable and accordingly cash losses have not been adjusted for consequential effect resulting from such qualifications.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly provisions stated in clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly provisions stated in clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year. Accordingly provisions stated in clause (xix) of paragraph 4 of the Order are not applicable to the Company.
- (xx) According to the information and explanations given to us, the Company has not raised any money by way of public issues during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

> Sd/-[Raj Kumar Agrawal] Partner Membership No.074715

BALANCE SHEET AS AT MARCH 31, 2014

			Amount in ₹
	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	263,061,020	263,061,020
Reserves and surplus	4	318,200,495	80,321,834
		581,261,515	343,382,854
Non-current liabilities			
Long term borrowings	5	270,915,980	293,712,667
Long term provisions	6	1,441,153	1,768,758
		272,357,133	295,481,425
Current liabilities			
Short term borrowings	6A	127,014,414	75,361,551
Trade payables	7	11,397,756	16,017,238
Other current liabilities	8	95,069,062	33,635,968
Short term provisions	6	1,450,547	1,561,503
		234,931,779	126,576,260
Total		1,088,550,427	765,440,539
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	9A	638,048,930	368,863,724
Long term loans and advances	10	3,013,178	3,013,178
Other non-current assets	11	3,440,460	3,188,943
		644,502,568	375,065,845
Current assets			
Inventories	12	73,424,035	67,522,796
Trade receivables	13	366,503,205	319,195,401
Cash and bank balances	14	85,087	697,107
Short term loans and advances	15	4,035,532	2,959,390
		444,047,859	390,374,694
Total		1,088,550,427	765,440,539

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For **Haribhakti & Co. LLP**Chartered Accountants

ICAI Registration No.: 103523W

For and on behalf of board of directors of Runeecha Textiles Limited

Sd/-Sd/-Sd/-Sd/-Raj Kumar AgarwalPreeti ChoudharyPooja SabharwalPradeep JainPartnerCompany SecretaryJoint ManagingManaging DirectorMembership No.: 074715Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

	Note	Year ended March 31, 2014	Amount in ₹ Year ended March 31, 2013
Income			
Revenue from operations	16	372,139,177	328,110,642
Other income	17	5,445,767	598,904
Total Revenue		377,584,944	328,709,546
Expenses			
Cost of material consumed	18	72,577,767	234,522,829
Purchase of traded goods	19	243,970,716	26,417,260
Changes in inventories of finished goods and work-in-progress	20	4,217,411	(27,011,947)
Employee benefits expenses	21	17,355,999	24,320,138
Finance cost	22	52,196,879	40,180,739
Depreciation expense	9B	27,819,821	40,695,163
Other expenses	23	18,609,669	29,579,227
Total expenses		436,748,262	368,703,409
Loss before prior period items and tax		(59,163,318)	(39,993,863)
Prior period expense	24	296,000	99,455
Loss before tax		(59,459,318)	(40,093,318)
Tax expense a. Current tax		-	-
Loss for the year		(59,459,318)	(40,093,318)
Loss per equity share (') (nominal value of ₹ 10 per share) - Basic - Diluted	30	(2.64) (2.64)	(1.67) (1.67)

Summary of significant accounting policies

2

The notes form an integral part of the financial statements.

As per our report of even date

For **Haribhakti & Co. LLP**Chartered Accountants

For and on behalf of board of directors of Runeecha Textiles Limited

ICAI Registration No.: 103523W

Sd/-Sd/-Sd/-Sd/-Raj Kumar AgarwalPreeti ChoudharyPooja SabharwalPradeep JainPartnerCompany SecretaryJoint ManagingManaging DirectorMembership No.: 074715Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2014

		Amount in ₹
	Year ended March 31, 2014	Year ended March 31, 2013
A Cash flow from operating activities:		
Net loss before tax and after prior period items	(59,459,318)	(40,093,318)
Non cash adjustments:		
Depreciation	27,819,821	40,695,163
Loss on sale of fixed assets	113,672	-
Interest and finance charges	52,196,879	40,180,739
Liabilities written back	(4,761,538)	(339,522)
Interest income	(315,825)	(259,227)
	15,593,691	40,183,835
Adjustments for changes in working capital		
(Increase) in inventories	(5,901,239)	(18,365,910)
(Increase) in trade receivables	(47,307,804)	(47,420,421)
(Increase) in loans and advances	(1,076,142)	(633,010)
Increase in trade and other payables	4,748,560	18,441,685
Increase/(decrease) in provisions	(410,608)	355,296
Cash used in operations Less: Taxes paid	(34,353,542) (27,953)	(7,438,525) (25,928)
Net (cash used) in operating activities	(34,381,495)	(7,464,453)
B Cash flow from investing activities:		
Purchase of fixed assets	(291,543)	(5,747,917)
Proceeds from sale of fixed assets	230,000	-
Interest income on fixed deposit	64,308	52,591
Investment in fixed deposits	-	(515,000)
Net cash (used in)/generated from investing activities	2,765	(6,210,326)
C Cash flow from financing activities:		
Proceeds from long term term borrowings (net)*	34,310,726	11,668,793
Proceeds from short term borrowings (net)*	51,652,863	42,603,053
Interest paid**	(52,196,879)	(40,180,739)
Net cash generated from financing activities	33,766,710	14,091,107
Net Increase/(Decrease) in cash & cash equivalents	(612,020)	416,328
Opening balance of cash and cash equivalents	697,107	280,779
Closing balance of cash and cash equivalents	85,087	697,107
Cash and Cash Equivalents comprise		
Cash on hand	1,347	11,012
Balance with Banks in Current Account	83,740	686,095
	85,087	697,107

Summary of significant accounting policies

2

As per our report of even date For **Haribhakti & Co. LLP** Chartered Accountants ICAI Registration No.: 103523W

For and on behalf of board of directors of Runeecha Textiles Limited

Sd/-Sd/-Sd/-Sd/-Raj Kumar AgarwalPreeti ChoudharyPooja SabharwalPradeep JainPartnerCompany SecretaryJoint ManagingManaging DirectorMembership No.: 074715Director

i. The notes form an integral part of the financial statements.

ii. The above cash flow statement has been prepared under the indirect method set out in AS-3 of the Companies (Accounting Standard) Rules, 2006 (as amended).

^{*} The proceeds from long/short term loans represent accumulation of monthly interest on these loans into Funds Invested Term Loan (FITL) account pursuant to loan restructuring agreement dated November 18, 2011.

^{**} Finance cost represents accumulation of monthly interest on terms and working capital loans into Funds Invested Term Loan (FITL) account pursuant to loan restructuring agreement dated November 18, 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014

1. Background

Runeecha Textiles Limited (herein referred to as "the Company") is a manufacturer of 100% cotton yarn and grey fabric. Mr. Pradeep Jain and his Associates are the promoters of the Company. The Company's manufacturing facilities are located at Jagdishpur (Uttar Pradesh). The accompanying financial statements reflect results of activities undertaken by the Company during the year ended March 31, 2014. The shares of the Company are listed at The Bombay Stock Exchange Limited and The Calcutta Stock Exchange Limited.

2. Summary of significant accounting policies

(a) Basis of preparation

The Financial Statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provision of the Companies Act, 1956.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Use of estimates

The preparation of financial statements in confirmity with Generally Accepted Accounting Principals require management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities as at the reported date and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in future, actual results ultimately may differ from estimates. Any revision to accounting estimates is recongnised prospectively in current and future period.

(c) Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition net of CENVAT (wherever applicable), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred. Losses arising from the retirement of, and gain or losses arising from disposal of tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the Statement of Profit and Loss.

(d) Depreciation

Depreciation on all tangible fixed assets is provided on the straight line method at rates specified in Schedule XIV to the Companies Act, 1956. In case of revalued assets the difference between the depreciation on the revalued book value and on the original cost is withdrawn from revaluation reserve and credited to the Statement of Profit and Loss.

Depreciation on addition to tangible fixed assets is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale, deduction, discardment as the case may be.

All tangible fixed assets costing ₹ 5,000 or below are depreciated in full by way of a one-time depreciation charge.

(e) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used. Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, Cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis. Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty payable, if any, on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty, if any, is deferred till the clearance of goods from the factory premises. Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

(g) Revenue recognition

Revenue on account of sale of goods is recognized on delivery of the goods to the customer, when the property in the goods is transferred for a price and significant risk and rewards have been transferred and no effective ownership control is retained. Sales are net off discounts and sales return, sales tax/ value added tax, if any. Income from interest on deposits is recognized on the time proportion method.

(h) Employee benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and bonus etc are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Long term employee benefits

i) Defined contribution plan:

Provident Fund and employees' state insurance schemes:

- a) All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India.
- b) In addition, some employees of the Company are covered under the employees' state insurance scheme, which is also a defined contribution scheme recognised and administered by the Government of India.

The Company's contributions to both these schemes are expensed off in the Statement of profit and loss. The Company has no further obligations under these plans beyond its monthly contributions.

ii) Defined Benefit Plans: Gratuity

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial

gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the statement of profit and loss.

iii) Other long term employee benefits: Leave encashment

Benefits under the Company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary using Projected Unit Credit Method at the end of the year. Actuarial gain and losses are recognized immediately in the statement of profit and loss.

(i) Income Taxes

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income-tax law) and deferred tax charge or credit.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961 issued by the Institute of Chartered Accountant of India, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(j) Leases

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

(k) Provision, contingent liabilities and contingent assets

Provision

Provisions are recognized when the Company has a present obligation as a result of past events and it is more likely that an outflow of resources will be required to settle the obligations and the amount has been reliably estimated. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect management's current estimates.

Contingent liabilities

A disclosure for a contingent liability is made where it is more likely than not that a present obligation or possible obligation may result in or involve an outflow of resources. When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.

Contingent assets

Contingent assets are neither recorded nor disclosed in the financial statements.

(I) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturity of three months or less.

(m) Borrowing cost

Borrowing costs relating to acquisition or construction or production of assets which take substantial period of time to get ready for its intended use are also included as cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

(o) Material Events

Material Events occurring after Balance Sheet date are taken into cognizance.

3. Share Capital

The Company has two classes of shares i.e. equity shares and 16% optionally convertible cumulative preference shares, both having a par value of ₹ 10 per share.

Particulars	March 3	1, 2014	March 3	1, 2013
	Numbers	Amount in ₹	Numbers	Amount in ₹
Authorised Shares				
Equity shares of ₹ 10 each (previous year ₹ 10 each)	24,050,000	240,500,000	24,050,000	240,500,000
16% Optionally convertible cumulative preference shares of ₹ 10 each (previous year ₹ 10 each)	2,500,000	25,000,000	2,500,000	25,000,000
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10 each (previous year ₹ 10 each)	24,046,802	240,468,020	24,046,802	240,468,020
Less: Calls in arrear (refer note 40)	-	2,407,000	-	2,407,000
_	24,046,802	238,061,020	24,046,802	238,061,020
16% Optionally convertible cumulative preference shares of ₹ 10 each (previous year ₹ 10 each)* (refer note 39)	2,500,000	25,000,000	2,500,000	25,000,000
Total	26,546,802	263,061,020	26,546,802	263,061,020

^{*}During the financial year 2008-09 as per terms of Shareholders' Subscription Agreement executed with SIDBI Venture Capital Limited on July 22, 2008, the Company had allotted 2,500,000 16% optionally cumulative convertible preference shares to SIDBI Venture Capital Limited amounting ₹ 25,000,000. The dividend on these preference shares are payable from the date of allotment @16% p.a., however in view of brought forward losses, the Company has not provided/paid any dividend on such shares. The corresponding entries in respect of the dividend and taxes thereon will be done in the year of payment of such dividend or in the year in which the shares are converted/redeemed.

a) Reconciliation of shares outstanding as at the beginning and at the end of the reporting period

Equity shares

Particulars	March 3	1, 2014	March 31, 2013		
	Numbers	Amount in ₹	Numbers	Amount in ₹	
Authorised Shares					
At the beginning of the year	24,046,802	240,468,020	24,046,802	240,468,020	
Issued during the year	-	-	-	-	
Outstanding at the end of the year	24,046,802	240,468,020	24,046,802	240,468,020	

Note: Equity shares above include calls in arrears of ₹2,407,000 (Previous year ₹2,407,000)

Preference shares

Particulars	March 3	1, 2014	March 31, 2013	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	2,500,000	25,000,000	2,500,000	25,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,500,000	25,000,000	2,500,000	25,000,000

b) Terms/rights attached to equity share

Equity shares

Voting

Each holder of equity share is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in the case where interim dividend is distributed.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

Preference shares

Dividend

The Company shall pay preferential dividend @ 16% per annum on the optionally convertible cumulative preference shares subscribed by the investor from the date of allotment. The investor shall have the option to convert (either fully, partly or none) the accumulated unpaid dividend into equity shares at par in the ratio of 1:1.

c) Details of shares held by each shareholder holding more than 5% shares:

Equity shares

Name of Share holders	ľ	/larch 31, 2014	1	M	arch 31, 2013	
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
i. Pradeep Jain	8,356,550	83,565,500	34.75	8,356,550	83,565,500	34.75
ii. Usha Jain	3,811,350	38,113,500	15.85	3,811,350	38,113,500	15.85
iii. Runeecha Fabrics (P) Ltd	1,427,815	14,278,150	5.94	1,427,815	14,278,150	5.94
iv. Runeecha Polymers (P) Ltd	1,263,083	12,630,830	5.25	1,263,083	12,630,830	5.25

Preference shares

Name of Share holders	March 31, 2014		March 31, 2014 March 31, 201		arch 31, 2013	
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
i. SIDBI Venture Capital Limited	2,500,000	25,000,000	100	2,500,000	25,000,000	100

- d) Arrears of dividend on 2,500,000 16% optionally convertible cumulative preference shares is ₹ 22,772,603 (Previous year ₹ 18,772,603) has not been provided in the books of accounts.
- e) No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.

4. Reserves and surplus

4.1 Revaluation reserves (Refer note 28)

		Amount in ₹
	March 31, 2014	March 31, 2013
Opening balance	23,669,770	83,683,285
Addition during the year (Refer note 9)	299,337,149	141,585,507
Utilised for set off against depreciation (Refer note 9)	(1,999,170)	(1,599,022)
Closing balance (A)	521,007,749	223,669,770

4.2 (Deficit) in the Statement of Profit and Loss

		Amount in 3
	March 31, 2014	March 31, 2013
Opening balance	(143,347,936)	(103,254,618)
Add: Net (loss) for the year as per Statement of Profit and Loss	(59,459,318)	(40,093,318)
Closing balance (B)	(202,807,254)	(143,347,936)
Total reserves and surplus (A+B)	318,200,495	80,321,834

5. Long term borrowings

		Amount in ₹
	March 31, 2014	March 31, 2013
Term loan		
- From Bank – Secured (Refer footnotes)	269,620,010	286,781,868
- From others – Unsecured		
State Trading Corporation (Refer note 27 for continuing default)	-	5,634,829
SREI Infrastructure Finance Limited	1,295,970	1,295,970
Total	270,915,980	293,712,667

- i) Secured against
 - a) First charge on land situated at A-3, Sector-22, Jagdishpur Industrial Area, Jagdishpur, Distt. Amethi-227 817 (UP).
 - b) Entire fixed assets situated at A-3, Sector-22, Jagdishpur Industrial Area, Jagdishpur, Distt. Amethi-227 817 (UP).
 - c) Personal Guarantee of Mr. Pradeep Jain (Managing Director) and Mrs. Usha Jain (Director).
 - d) Collateral security: Equitable mortgage of house property in the name of Mr. Pradeep Jain (Manging Director) valued around ₹ 30.2 million and second pari-passu charge over the entire current assets of the Company including raw material, WIP, FG, Chemicals, stores/ spares not relating to plant both present and future.
- ii) Term loan from bank carries interest rate of AB base rate+0.25%. The loan is repayable in pre-scheduled 28 quarterly instalments commencing from quarter ending December 31, 2013.

6. Provisions

Amount in ₹

	Long	-term	Short	-term
_	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for employee benefits (Also refer note 29)				
Provision for gratuity	1,163,728	1,525,181	119,064	126,015
Provision for leave encashment	277,425	243,577	83,950	160,002
_	1,441,153	1,768,758	203,014	286,017
Other provision				
Provision for income tax (Net of advance tax and tax deducted at source of ₹ 314,901 (Previous year ₹ 286,9	- 948))	-	1,247,533	1,275,486
-	-	-	1,247,533	1,275,486
Total	1,441,153	1,768,758	1,450,547	1,561,503

6A. Short term borrowings

		Amount in ₹
	March 31, 2014	March 31, 2013
Working capital loan		
- From Bank – Secured (Refer footnote i and ii)	124,114,414	71,461,551
- From others – Unsecured (Refer footnote iii)		
Individuals	1,000,000	1,000,000
Combine Finance Private Limited	-	1,000,000
- Loan from related parties - Unsecured (Refer note 34 and footnote iii)	1,900,000	1,900,000
	127,014,414	75,361,551

- i) Secured against charge over entire current assets of the Company including stock of raw material, work in process, finished goods, stores and spares, book debts, receivables and other current assets of the Company, both present and future.Collateral security: Equitable mortgage of house property in the name of Mr. Pradeep Jain (Manging Director) valued around ₹ 30.2 million and Second Pari-passu charge on the entire factory land/ Building (33673 sq meter), other fixed assets of the Company, both present and future.
- ii) Working capital loan from bank carries interest rate of AB base rate+0.25% p.a. and Funded Interest Term Loan carrying interest rate of AB base rate p.a.
- iii) The unsecured loans taken from various parties including related parties are interest free. The said loans are payable on demand.

7. Trade payables

		Amount in ₹
	March 31, 2014	March 31, 2013
Trade payables (Refer note 33 for details of dues to Micro, Small and Medium Enterprises)	11,397,756	16,017,238
Total	11,397,756	16,017,238

8. Other current liabilities

		Amount in ₹
	March 31, 2014	March 31, 2013
Current maturities of long term debt (Refer note 5 and its footnotes)	79,167,556	22,060,143
Other payables:		
- Advance from customers and others	65,763	3,243,511
- Interest payable on loan from State Trading Corporation (Refer note 27	7) 4,365,171	
- Book overdraft	200,516	-
- Employees related payables	3,058,010	4,257,614
- Expenses payable (Refer note 33)	7,256,363	2,850,420
- Payables for capital expenditure (Refer note 33)	139,860	420,683
- Statutory dues payable	815,823	803,597
Total	95,069,062	33,635,968

(Amount in ₹)

Notes to the financial statements for the year ended on March 31, 2014

Tangible assets

As at March 31, 2013 1,356,179 532,112 1,206,992 305,531 368,863,724 74,833,000 168,365,000 79,520,634 117,577,276 Net Block As at March 31, 2014 843,720 270,333 336,671 168,365,000 75,240,870 391,863,925 1,128,411 638,048,930 368,863,724 168,365,000 As at March 31, 2014 1,088,011 806,110 729,203,379 1,422,336 786,905,673 757,381,172 52,895,787 1,490,050 **Accumulated Depreciation** Depreciation Disposals/ for the Adjus-Year tments 294,490 294,490 35,198 195,441 25,050,500 89,301 168,787 29,818,991 42,294,185 4,279,764 Up to April 1, 2013 716,809 48,616,023 704,152,879 1,454,852 1,226,895 1,213,714 757,381,172 715,086,987 As at March 31, 2014 1,760,383 1,126,244,896 128,136,657 1,121,067,304 1,934,521 1,759,007 1,424,954,603 168,365,000 168,365,000 1,931,731 Disposals 638,162 638,162 Gross lock (at cost) Revalued During the Year*** 299,337,149 299,337,149 93,532,000 141,585,507 10,720 Additions 5,747,917 Up to April 1, 2013 1,760,383 2,569,893 1,923,801 168,365,000 128,136,657 821,730,155 1,759,007 1,126,244,896 978,911,472 74,833,000 Plant and machinery**# Factory building**# Furniture & fittings Office equipments Own assets Previous year Particular Computers Vehicle Land* Land* Total

9B. Depreciation expense

F 4: -0 W

		AIIIOUIIL
Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Depreciation for the year	29,818,991	42,294,185
Less: Transferred to revaluation reserve	1,999,170	1,599,022
Depreciation expense for the year	27,819,821	40,695,163

^{*} The land was revalued during the financial year 2008-09 & 2012-2013. Original cost of land was ₹ 1,374,859 (Refer note 28).

^{**} The factory building was revalued during the financial year 2008-09 & 2012-2013. Original cost of the factory building was ₹ 69,396,490 (Refer note 28). *** The plant and machinery was revalued during the current financial year. Original cost of plant and machinery was ₹ 821,730,155 (Refer note 28).

[#] Additional depreciation on factory building and plant and machinery on account of revaluation is adjusted against the revaluation reserves. (Refer note 28)

10. Long term loans and advances

		Amount in ₹
	March 31, 2014	March 31, 2013
Unsecured, considered good		
Security deposits	1,394,016	1,394,016
Minimum alternate tax credit	1,619,162	1,619,162
Total	3,013,178	3,013,178

11. Other non-current assets

		Amount in ₹
	March 31, 2014	March 31, 2013
Non-current bank balance		
Non-current bank balances (Refer note 14)	2,834,835	2,834,835
Interest accrued on fixed deposits	605,625	354,108
Total	3,440,460	3,188,943

12. Inventories (valued at lower of cost and net realisable value)

		Amount in ₹
	March 31, 2014	March 31, 2013
Raw materials	19,028,708	8,776,258
Work in progress	32,470,048	10,903,007
Finished goods	14,628,279	40,412,731
Stores, spares and packing material	7,297,000	7,430,800
Total	73,424,035	67,522,796

13. Trade receivables

		Amount in ₹
	March 31, 2014	March 31, 2013
Unsecured, considered good		
Outstanding for a period exceeding six months from		
the date they are due for payment	293,284,271	210,779,596
Others	73,218,934	108,415,805
Total	366,503,205	319,195,401

14. Cash and bank balances

Ar	noun	t in	<	
rent				

	Current		Non-current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash and cash equivalents				
Balances with banks				
- in current accounts	83,740	686,095	-	-
Cash on hand	1,347	11,012	-	-
Total (A)	85,087	697,107	-	-
Other bank balances				
Deposits with maturity after 12 months from reporting date (Refer Footnote a)	-	-	2,834,835	2,834,835
Total (B)	-	-	2,834,835	2,834,835
Amount disclosed under other non-current assets (Refer note 11) (C)	-	-	2,834,835	2,834,835
Total (A+B-C)	85,087	697,107	-	-

Footnote:

15. Short term loans and advances

		Amount in ₹
	March 31, 2014	March 31, 2013
Unsecured and considered good		
Imprest to employees	1,421,188	807,642
Prepaid expenses	462,352	457,928
Other advances recoverable in cash or in kind		
- Advances to suppliers	2,151,992	1,693,820
	4,035,532	2,959,390

16. Revenue from operations

	Amount in ₹
Year ended March 31, 2014	Year ended March 31, 2013
109,429,109	285,983,275
2,844,575	14,470,258
68,886	638,366
112,204,798	299,815,167
259,121,881	28,190,765
259,121,881	28,190,765
	March 31, 2014 109,429,109 2,844,575 68,886 112,204,798 259,121,881

a. It represents deposits with banks as margin money against various letter of credits facility opened with Allahabad Bank.

		Amount in ₹
	Year ended March 31, 2014	Year ended March 31, 2013
Other operating revenue		
- Job Work Charges	812,498	4,500
- Others (including Scrap sale)	-	100,210
	812,498	104,710
Total	372,139,177	328,110,642
Footenote:		
The Company is engaged in manufacturing of 100% cotton yarn and duty.	grey fabric which are no	ot ssubject to excise
17. Other income		Amount in ₹
	Year ended March 31, 2014	Year ended March 31, 2013
Interest on fixed deposits	315,825	259,227
Other non operating income:		
Liabilities no longer required written back (Refer note 37)	4,761,538	339,522
Provision for gratuity written back (Refer note 29)	368,404	-
Miscellaneous Income	-	155
	5,129,942	339,677
Total	5,445,767	598,904
18. Cost of material consumed		
		Amount in ₹
	Year ended March 31, 2014	Year ended March 31, 2013
Raw material		
Opening stock	8,776,258	15,172,836
Add: Purchases during the year	82,437,010	224,426,825
Less: Closing stock	(19,028,708)	(8,776,258)
Other consumables (sizing material)	393,207	3,699,426
Total	72,577,767	234,522,829
19. Purchase of traded goods		
		Amount in ₹
	Year ended March 31, 2014	Year ended March 31, 2013
Traded goods		
- Fabric	243,970,716	26,417,260
Total	243,970,716	26,417,260

20. Changes in inventories of finished goods and work-in-progress

		Amount in ₹
	Year ended March 31, 2014	Year ended March 31, 2013
Inventories at the beginning of the year:		
Finished goods	40,412,731	15,829,797
Work in progress	10,903,007	8,473,994
	51,315,738	24,303,791
Inventories at the end of the year:		
Finished goods	14,628,279	40,412,731
Work in progress	32,470,048	10,903,007
	47,098,327	51,315,738
Decrease/(Increase) in inventories of finished goods and work-in-progres	ss 4,217,411	(27,011,947)

21. Employee benefits expenses

		Amount in ₹
	Year ended March 31, 2014	Year ended March 31, 2013
Salaries, wages and bonus	16,428,212	22,045,983
Contribution to provident and other funds (Refer note 29)	622,051	968,812
Gratuity expenses (Refer note 29)	-	394,886
Leave encashment (Refer note 29)	11,496	-
Staff welfare expenses	294,240	910,457
	17,355,999	24,320,138

22. Finance cost

		Amount in ₹
	Year ended March 31, 2014	Year ended March 31, 2013
Interest expense on:		
- Term loan from bank	14,842,489	15,048,041
- Working capital loan from bank	32,226,012	21,788,220
- Interest on letter of credits	476,832	1,805,379
- interest on delayed payment of statutory dues	129,408	182,177
Finance charges on borrowings	156,967	1,356,922
- Interest on loan from State Trading Corporation (Refer note 27)	4,365,171	-
	52,196,879	40,180,739

23. Other expenses

23. Oth	er expenses		Amount in ₹
		Year ended March 31, 2014	Year ended March 31, 2013
Rent	t expenses (Refer note 32)	1,365,480	1,690,848
Frei	ght expenses	28,336	228,921
Pow	er & fuel expenses	6,294,222	16,717,017
Insu	rance expenses	788,309	725,817
Shar	re listing and processing fees	612,712	698,210
Lega	al & Professional fees (Refer note 35)	3,199,245	2,496,057
Rate	es and taxes	51,627	4,750
Post	age, telegraph & communication expenses	423,030	458,784
Recr	ruitment expenses	29,235	32,500
Print	ting & stationary expenses	99,509	93,948
Fees	s & subscription	56,815	62,173
Banl	k charges	78,909	163,640
Selli	ng and distribution expenses	214,813	516,677
Secu	urity charges	2,377,613	2,588,346
Loss	on sale of Vehicle	113,672	-
Dire	ctor's sitting fees	390,000	500,000
Trav	elling and conveyance expenses	1,900,756	2,058,906
Repa	airs and maintenance expenses		
-	Buildings	11,667	142,233
-	Plant and machinery	79,698	54,059
-	Others	75,603	51,248
Misc	celleneous expenses	418,418	295,093
		18,609,669	29,579,227
24. Prio	r period expenses		Amazonak in F
		V	Amount in ₹
		Year ended March 31, 2014	Year ended March 31, 2013
Frei	ght expenses	56,000	-
Lega	al & Professional fees	240,000	-
Trav	elling expenses	-	99,455
		296,000	99,455
25. Con	tingent liabilities		
			Amount in ₹
		Year ended March 31, 2014	Year ended March 31, 2013
Clair	ns against the Company not acknowledged as debts	Nil	Nil

26. Commitments

There are no outstanding capital commitments and other material commitments as at date of the Balance Sheet for the year ended March 31, 2014 and March 31, 2013.

- **27.** 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. The court has ordered the settlement at ₹ 10,000,000 including interest. Accordingly, the amount of interest payable by the Company has been provided in the book of accounts of current year as an adjusting event.
- 28. During the financial year 2008-09, the Company revalued its land and factory buildings on the basis of report on Techno Economic Feasibility conducted by Northern India Textile Research Association (NITRA) in May 2008 in which the value of these fixed assets have been taken on the basis of its valuation report of assets of the Company conducted by NITRA which was also relied upon by the banks for the purpose of One Time Settlement (OTS). The original cost of land ₹ 1,374,859 has been revalued at ₹ 74,833,000 and the factory building with original cost of ₹ 69,396,490 has been revalued at ₹ 81,198,366. The difference between the revalued figures and the book value of the revalued assets amounting ₹ 73,458,141 was transferred to Revaluation Reserve in respect of Land and ₹ 11,801,876 in respect of factory buildings, totalling to ₹85,260,017. In the previous financial year, the Company revalued its land and factory building. The revaluation has been carried out by Government approved independent valuer, M/s Karuna Associates, through its report dated May 10, 2012 issued to Allahabad Bank. The land has been revalued to ₹ 168,365,000 and the factory building has been revalued to ₹ 82,059,200. The difference between the revalued figures and the net book value of the revalued assets amounting ₹ 93,532,000 was transferred to Revaluation Reserve in respect of land and ₹ 48,053,507 in respect of factory building, totalling to ₹ 141,585,507. Further in the current financial year, the Company revalued its plant and machinery. The revaluation has been carried out by Government approved independent valuer, Anmol Sekhri Consultant Private Limited, through its report dated November 5, 2014. The plant and machinery has been revalued at ₹ 391,863,925. The difference between the revalued figures and the net book value amounting ₹ 299,337,149 has been transferred to revaluation reserve. Depreciation is provided with reference to the total value of the fixed assets as appearing in the accounts after the revaluation. Additional depreciation as a consequence to the revaluation of buildings amounting ₹ 1,999,170 (Previous year ₹ 1,599,022) has been adjusted against Revaluation Reserve. (Refer note 9A regards Tangible asset and note 4.1 with regards to revaluation reserve)

29. Employee benefit obligations

A. Defined contribution plans

- a. Provident fund.
- b. Employers contribution to employee state insurance.

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:

		Amount in ₹
	March 31, 2014	March 31, 2013
Employers' Contribution to Provident Fund*	370,032	654,194
Employers' Contribution to Employee State Insurance*	252,019	314,618
Total	622,051	968,812

^{*} Included in contribution to provident fund and other funds under Employee benefit expenses (Refer Note 21)

B. Defined employee benefits schemes:

Gratuity

Liability in respect of gratuity is ascertained annually based on actuarial valuation carried out by independent actuary.

C. Other long term employee benefits

Leave encashment

Provision for leave encashment is made by the Company on basis of actuarial valuation carried out by independent actuary.

I. Change in defined benefit obligation

Amount in ₹

Particulars	Gratuity		Leave Er	ıcashment
	Year ended	Year Ended	Year ended	Year Ended
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Present value of obligation at the beginning of the year	1,651,196	1,256,310	403,579	443,169
Current service cost	309,621	455,964	168,337	-
Interest cost	150,259	103,017	19,722	-
Benefit paid	-	-	(53,700)	-
Net actuarial (gain)/loss recognized in the year.	(828,284)	(164,095)	(176,563)	(39,590)
Present value of obligation at the end of the year	1,282,792	1,651,196	361,375	403,579

II. Expenses recognised in the Statement of Profit and Loss for the year

Amount in ₹

Particulars	Gratuity		Leave Er	ncashment
	Year ended	Year Ended	Year ended	Year Ended
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Current service cost	309,621	455,964	168,337	-
Interest cost	150,259	103,017	19,722	-
Expected return on plan assets	-	-	-	-
Net actuarial (gain)/ loss to	(828,284)	(164,095)	(176,563)	(39,590)
be recognized				
Expense Recognised in the	(368,404)	394,886	11,496	(39,590)
Statement of Profit and Loss				

III. Amount recognised in the Balance Sheet

Amount in ₹

Particulars	Gratuity		Leave Er	ncashment
	Year ended	Year Ended	Year ended	Year Ended
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Present value of obligation as at the end of the year	1,282,792	1,651,196	361,375	403,579
Fair value of plan assets as at the end of the year	-	-	-	-
Net liability recognized in Balance Sheet as at March 31	1,282,792	1,651,196	361,375	403,579
Amount classified as:				
Short term provision(Refer note 6)	119,064	126,015	83,950	160,002
Long term provision(Refer note 6)	1,163,728	1,525,181	277,425	243,577

IV. Actuarial assumptions

Amount in ₹

Particulars	Gratuity		Leave Er	ncashment
	Year ended March 31, 2014	Year Ended March 31, 2013		
Discount rate	9.10%	8.20%	9.10%	8.20%
Salary escalation rate	10%	10%	10%	10%
Attrition rate	10%	10%	10%	10%
Expected rate of return on plan assets	N.A.	N.A.	N.A.	N.A.

V. Experience adjustments

Gratuity Amount in ₹

Particulars	Year ended March 31, 2014	
On plan liabilities	-	-
Total experience adjustments	-	-

Leave encashments Amount in ₹

Particulars	Year ended March 31, 2014	
On plan liabilities	-	-
Total experience Adjustments	-	-

- (a) The discount rate has been assumed at 9.10% p.a. which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (b) The Company's gratuity and leave encashment liability are entirely unfunded.

30. Loss per share

The calculation of loss per share has been made in accordance with Accounting Standard (AS) - 20 "Earning per Share". A statement on calculation of basic and diluted EPS is as under:

Amount in ₹

Earnings per share	Reference	Units	Year ended March 31, 2014	Year Ended March 31, 2013
Profit/ (loss) after tax & prior period items	А	₹	(59,459,318)	(40,093,318)
Less: Cumulative preference dividend	В	₹	(4,000,000)	-
Profit/ (loss) for equity shareholders	C=A-B	₹	(63,459,318)	(40,093,318)
Weighted average no. of equity shares	D	Nos.	24,046,802	24,046,802
Add: Dilutive potential equity shares	Е	Nos.	2,500,000	2,500,000
	F=D+E	Nos.	26,546,802	26,546,802
Number of equity shares (of ₹ 10 each) for dilutiv	e EPS			
Basic earnings per share (C/D)*		₹	(2.64)	(1.67)
Diluted earnings per share (A/F)*		₹	(2.64)	(1.67)

^{*}Note that basic & dilutive earning per share are same as the result would be anti-dilutive.

31. Segment reporting

The disclosure as required under Accounting Standard-17 "Segment Reporting" as notified in the Companies (Accounting Standards) Rules 2006 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.

32. Leases

The company is a lessee under the operating lease in respect of its office premises. Rental expense for operating lease for the year ended March 31, 2014 and March 31, 2013 was ₹ 1,365,480 and ₹ 1,690,848. The Company has not executed any non-cancellable operating leases.

33. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in - Trade payable			Amount in ₹
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in - Trade payable		As at	As at
any supplier as at the end of each accounting year included in - Trade payable 11,397,756 16,017,238 - Expenses payable 7,256,363 2,850,420 - Payables for capital expenditure 139,860 420,683 Principal amount due to micro and small enterprises -		March 31, 2014	March 31, 2013
- Expenses payable 7,256,363 2,850,420 - Payables for capital expenditure 139,860 420,683 Principal amount due to micro and small enterprises -			
- Payables for capital expenditure 139,860 420,683 Principal amount due to micro and small enterprises -	- Trade payable	11,397,756	16,017,238
Principal amount due to micro and small enterprises	- Expenses payable	7,256,363	2,850,420
	- Payables for capital expenditure	139,860	420,683
Interest due on above	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
		-	
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond day each accounting year	MSMED ACT 2006 along with the amounts of the payment made to the		
The amount of interest due and payable for the period of delay in - making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006	making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	· · · · · · · · · · · · · · · · · · ·	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance	-	-
			-

34. Related party disclosure

The disclosure as required by the Accounting Standard -18 (Related Party Disclosure) are given below:

a. Names of related parties:

(i) Key Management Personnel ('KMP')	Mr. Pradeep Jain
	Mrs. Pooja Sabharwal
(ii) Other directors with whom there are transations	Mrs. Usha Jain
(iii) Relative of KMP	Mrs. Prerna Jain (Daughter of Mr. Pradeep Jain)

b. Included in the financial statements are the following amounts relating to transactions with related parties:

			Amount in ₹
		Year ended March 31, 2014	Year ended March 31, 2013
Tra	ansactions with related parties:		
a)			
	Key managerial personnel		
	Pooja Sabharwal	-	650,000
	Usha Jain	-	500,000
	Pradeep Jain	-	600,000
b)	Loans repaid		
	Key managerial personnel		750,000
	Pooja Sabharwal	-	750,000
c)	•		
	Key managerial personnel		
	Directors' remuneration and sitting fees	1 074 055	675 000
	Pradeep Jain Pooja Sabharwal	1,074,955 1,200,000	675,000 975,000
	Usha Jain	60,000	20,000
۷/	Payables	00,000	20,000
uj	Key managerial personnel & their relatives		
	Loan payable:		
	Pooja Sabharwal	450,000	450,000
	Prerna Jain	350,000	350,000
	Usha Jain	500,000	500,000
	Pradeep Jain	600,000	600,000
	Director's remuneration/sitting fees payable:		
	Pooja Sabharwal	380,000	300,000
	Pradeep Jain	350,000	275,000
	Usha Jain	-	20,000
			,
	Other payables:	165.250	121 020
	Pooja Sabharwal	165,259	121,820
	Usha Jain	13,000	-
e)	Receivables		
	Key managerial personnel		
	Imprest		
	Pradeep Jain	1,313,507	707,863
35 Payme	nt to auditors (excluding service tax)(Refer note 23)		
33. Tayine	The to duditions (excluding service tax/(here) note 25)		Amount in ₹
		Year ended	Year ended
		March 31, 2014	March 31, 2013
Statuto	ory audit	275,000	275,000
Tax aud		50,000	50,000
	d review	135,000	135,000
	pocket expenses	59,967	-
			460.000
		519,967	460,000

- 36. As at March 31, 2014, the accumulated losses of the Company have exceeded the networth of the Company (excluding revaluation reserves). However, the principal bankers of the Company have accorded approval for enhancement of limits of existing loans and grant of additional loans and the Company is in the process of complying with the conditions for disbursement of loan. Also the Company is negotiating with various potential buyers and hopeful for getting good business from them. Accordingly, the management believes that the Company will have sufficient funds to meet its operational requirements and sufficient business in future and accordingly, the financial statements for the year ended March 31, 2014 have been prepared on a going concern basis.
- **37.** During the year, the Company has written back trade payables of ₹ 2,166,570 and salary payable of ₹ 2,594,969 as the same was outstanding for a long duration and in the opinion of management the same was not considered to be payable by the Company. The amount of liabilities written back in this regard have been included as a part of other income in the Statement of Profit and loss. In the opinion of the management other liabilities are good and considered payable in the normal course of business. (Refer note 17 with regards to other income (Liabilities no longer required written back))
- 38. In accordance with Accounting Standard (AS) 22, "Accounting for Taxes on Income" the Company has evaluated deferred tax assets/liabilities on the balance sheet date. No net deferred tax assets have been recognised as at the balance sheet date as no conclusive evidence of future profits is available. Deferred tax on brought forward losses/ unabsorbed depreciation has not been recognized in absence of virtual certainty of future taxable profits.
- 39. 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. However, the Company has approached SIDBI for evaluating various exit options and pending such decision the Company continues to classify these preference shares as shareholders' funds in accordance with the Guidance Note on Revised Schedule VI issued by the Institute of Chartered Accountants of India. (Refer note 3 with regards to share capital).
- **40.** With regards to calls in arrear amounting ₹ 2,407,000 which are outstanding as on balance sheet date, the Company has passed a resolution in its Board meeting held on December 11, 2013 in respect of the forfeiture of the shares against which the there were outstanding calls in arrears. As subsequent to balance sheet date the Company has received confirmation from The Calcutta Stock Exchange Limited about noting of such shares. The Company is in the process of forfeiture of such equity shares. (Refer note 3 with regards to share capital)
- 41. Previous year's figures have been regrouped/reclassified where necessary to conform to this year's classification.

As per our report of even date For Haribhakti & Co. LLP

Chartered Accountants

For and on behalf of board of directors of **Runeecha Textiles Limited**

Sd/-

ICAI Registration No.: 103523W

Sd/-Raj Kumar Agarwal **Preeti Choudhary** Pooja Sabharwal **Company Secretary** Joint Managing Partner

Director Membership No.: 074715

Place: New Delhi **Date**: 05.11.2014 Sd/-

Pradeep Jain

Managing Director

REPORT ON CORPORATE GOVERNANCE

Corporate Governance assumes a great deal of importance in the business life of the Company. It is an ethically driven business process that is committed to values aimed at enhancing organization's wealth generating capacities. This is ensured by taking firm business decisions and conducting business with firm commitment to its values while meeting shareholder's expectations. The Company's goal is to find creative and productive ways of delighting its stakeholders, i.e. investors, customers & associates, while fulfilling the role of a responsible corporate representative committed to best practices. This section besides being in compliance of the mandatory Listing Agreement gives an insight into the process of functioning of the Company.

As a listed company and a good corporate entity, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability paving the way in building confidence among all its stakeholders for achieving sustainable long term growth and profitability.

Recently the securities and exchange board of India (SEBI) sought to amend the equity listing agreement to bring in additional corporate governance norms for listed entities. These norms provide for stricter disclosure and protection of investor's right.

Many of the amendments are effective from 01st October 2014. The amended rule require company to get shareholder's approval for related party transaction, establish whistle blower mechanisms and elaborate disclosures on pay packages and to have atleast one woman director on the board. The amended norms are aligned with the provisions of the Companies Act, 2013 and is aimed to encourage companies to adopt best practices on corporate governance.

We believe that an active, well informed and independent board is necessary to ensure the highest standards of corporate governance. It is well recognized that an effective board is a pre-requisite for a strong and effective corporate governance. At Runeecha Textiles, the board of director is at the core of our corporate governance practices and oversees how the management serves and protects the long term interest of the stakeholders.

1. COMPANY'S PHILOSOPHY

Our corporate governance frame work ensures that we make timely disclosures and shares accurate information regarding our financials and performance. Our corporate governance philosophy is based on the following principles:

- Corporate Governance standard should go beyond the law and satisfy the spirit of law.
- Ensure transparence and maintain high level of disclosure.
- Have a simple and transparent corporate structure driven solely by business need.
- Clearly distinguish between personal convenience and corporate resources.

We firmly believe that Board independence is essential to bring objectivity and transparency in the management.

We also believe that corporate governance is not just a destination but a journey to constantly improve sustainable value creation. It is an upward moving target that we collectively strive towards achieving. We strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible.

2. BOARD OF DIRECTORS

a) COMPOSITION OF THE BOARD

The constitution of the Board aims at ensuring Directors commitment to participant in the affairs of the Company with understanding and competence to deal with current and emerging business issues. The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the board and separate its function of governance and management.

The current strength of the Board of Directors (Board) of the Company is of six directors, who are senior, competent and eminent experts from diverse fields and professions. Out of six directors three are promoter directors, three are Non-Executive Independent Director. The Chairman of the Board is an Executive Promoter Director. None of the directors on the board is a member on more than 10 committees and chairman of more than 5 committees (as specified in clause 49 of the listing agreement with stock exchanges), across all companies in which they are directors. The necessary disclosures in this regards have been made by the directors.

Composition of Board and directorship held as on 31st March 2014

Name of the Director	Age	No. of	Committee	Committee
		Directorship*	Chairmanship*	membership*
Managing Director				
Mr. Pradeep Jain	66	2		
Joint Managing Director				
Ms. Pooja Sabharwal	37	1		
Non- Executive Director				
Ms. Usha Jain	64	2		
Independent Directors				
Mr. S. B. Mohapatra	70	2		
Mr. R. Shankar	65	0		
Mr. Umesh Kumar Khaitan	64	9		

^{*}other than Runeecha Textiles Limited

Responsibility of Chairman and Executive Directors

Our current practice is to have an Executive Chairman of the Board- Mr. Pradeep Jain and Joint Managing Director- Ms. Pooja Sabharwal.

The responsibilities of these officials are as follows:

The Executive Chairman of the Board (the Chairman) is the leader of the board. As a chairman, he will be responsible for fostering and promoting the integrity of the board while nurturing a culture where the board works harmoniously for the long-term benefit of the company and the stakeholders. The Chairman is primarily responsible for ensuring that the board provides effective governance for the company. In doing so, the Chairman presides at the meetings of the board and the meetings of the shareholders of the company. The Chairman will take a lead role in managing the board and facilitating communication with directors. The Chairman will be responsible for matters relating to governance, including the organisation and composition of the Board, the organisation and conduct of board meetings, effectiveness of the board, board committees and individual directors in fulfilling their responsibilities. The Chairman will provide independent leadership to the Board, identify guidelines to the conduct and performance of the directors, evaluate and manage director's performance and with the assistance of Joint Managing director and the Company Secretary, oversee the management of the board's administrative activities such as meetings, schedules, agenda, communication flow and documentation.

The Joint Managing Director will focus mainly on key client relationship, dealing with broader industry issues, providing global thought leadership, directing research and innovation, leading transformation initiatives, contributing to strategy and representing the company and also responsible for achieving annual business targets and acquisitions.

Selection of Independent Directors

Considering the requirement of skills set on the Board, eminent people having independent standing in their respective field and profession and who can effectively contribute to the company's business and policy decision are considered for appointment as Independent directors on the board. The Board considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Membership term

The board constantly evaluates the contribution of the Directors and periodically shares the updates with the

shareholders about the re-appointment according to the existing statute. The current law in India mandate the retirement of 2/3rd of the board members (who are liable to retire by rotation) every year and qualifies the retiring member for re-appointment. Managing Director and Joint Managing Director are appointed for a term of five years but are eligible for re-appointment after completion of their term.

Directors' Profile

A brief resume of Directors, nature of their expertise in specific functional areas and company names in which they hold Directorships, Memberships/ Chairmanships of Board Committees, and shareholding in the Company are provided in this Annual Report.

Board Compensation policy

All board level compensations were approved by the shareholders and disclosed separately in the financial statements. Remuneration for the executive directors consists of fixed component and perquisites. The Compensation payable to the independent director is limited to sitting fees paid for attending the board and committee meetings as determined and approved by the board.

Shares held and Cash Compensation paid to the Directors for the fiscal year 2013-14

In ₹ Lakh except share data

Name of the director Fixed Sala		Fixed Salary	y Sitting fees No. of		No. of equity
	Basis	Perquisites/ Allowance	Total Salary		shares held
Pradeep Jain	9	4.5	13.5		8356750
Pooja Sabharwal	12	6	18		821260
Usha Jain				0.8	3811350
Umesh Kumar Khaitan				1.6	
R Shankar				1.8	
S. B. Mohapatra				1.2	
Pawan Malhotra*				0.4	

^{*}ceased to be director with effect from 14/08/2013

b) BOARD MEETINGS

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served.

Scheduling and Selection of agenda item for Board meetings

All the Board meetings of the company are held at the Corporate office at Noida, India. The Managing Director, Joint Managing Director and the Company Secretary draft the agenda of each meeting along with explanatory notes and distribute these in advance to the directors. Every board member can suggest the inclusion of an item in the agenda. The Board meets once in a quarter and also on the date of the AGM of the shareholders. However, the board being represented by the independent directors from various parts of the country, it may not be possible for each of them to present physically at all the meetings and hence, we use video conferencing facilities to enable their participation. Committee usually meets on the day of the board meeting or as and when require.

Number of Board meetings held with dates

During fiscal year 2013-14, the Board of M/s Runeecha Textiles Limited met four times on – 27st May, 2013, 14th August, 2013, 11th December, 2013 and 10th March, 2014 and the maximum time gap between two meetings was not more than four months. All the necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board of Directors for their consideration. The

Company adopts the system of circulating Agenda and Notes to the Directors well in advance. Further, an Action Taken Report on the matters of the previous Board Meetings is also placed before the Board.

Attendance of Directors during the Fiscal year 2013-14

Name of Director	Last AGM	Number of	Board Meetings
	14.08.2013	Held	Attended
Pradeep Jain	Yes	4	4
Pooja Sabharwal	Yes	4	4
Usha Jain	Yes	4	4
Umesh Kumar Khaitan	Yes	4	4
S. B. Mohapatra	Yes	4	3
R. Shankar	Yes	4	4
Pawan Malhotra*	No	4	1

^{*}ceased to be the Director with effect from 14/08/2013

c) INFORMATION PLACED BEFORE THE BOARD:

Information placed before the Board of Directors broadly covers the items specified in Clause 49 of the Listing Agreement and such other items which are necessary to facilitate meaningful and focused deliberations on issues concerning the Company and taking decision in an informed and efficient manner. Besides, the Directors on the Board have unrestricted access to all Company related information including that of our employees, as and when necessary. Regular updates provided to the board includes:

- Annual operating plans and budgets, capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any
 judgment or order which, may have passed strictures on the conduct of the company or taken an adverse
 view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- · Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front.
- Sale of material nature, of investments, which is not in normal course of business.
- · Non-compliance of any regulatory, statutory or listing requirements and shareholders Service.

Recording minutes of proceedings at Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

Compliance

The Company Secretary, while preparing the agenda, notes on agenda, minutes of the meeting(s), is responsible

for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 1956/ Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

d) CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

In terms of the provisions of Clause 49 of the Listing Agreement and contemporary practices of good Corporate Governance, the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been placed on the Website of the Company i.e. www.runeecha.com. All the Board Members and Senior Management Personnel's have given their affirmations of compliance with the Code. A declaration to this effect signed by Chairman & Managing Director is enclosed and forms part of the Annual Report.

3. BOARD COMMITTEES

Currently the Board has three committees: the audit committee, the remuneration committee and share transfer and investor grievance committee. The Chairman of the Board in consultation with the company secretary and the committee Chairperson determines the frequency and duration of the committee meetings. Normally, all the committees meet four times a year. Recommendation of the committee is submitted to the board for approval. The quorum of the committee is two members or one-third of the total members of the committee, whichever is higher.

a) AUDIT COMMITTEE

The company had constituted its Audit Committee which comprises of the Directors mentioned hereinbelow and the Company secretary acts as the secretary of the said committee.

- 1. Mr. U K. Khaitan (Independent Director) as its Chairman.
- 2. Mr. S. B. Mohapatra (Independent Director) as its member
- 3. Mr. R Shankar (Independent Director) as its member
- 4. Ms. Pooja Sabharwal (Joint Managing Director) as its member

Attendance of Audit Committee

Name of Member	Number	Number of Meetings		
	Held	Attended		
Umesh Kumar Khaitan	4	4		
S. B. Mohapatra	4	3		
R. Shankar*	4	1		
Pooja Sabharwal	4	4		
Pawan Malhotra**	4	1		

^{*}Appointed as member of the committee with effect from 11/12/2013

Meeting details

There were four committee meetings held during the year i.e. on 27th May 2013, 14th August 2013, 11th December 2013 and 10th March 2014. During the year under review, Mr. Pawan Malhotra, cease to be the member of the committee and Mr. R. Shankar had been introduced as the member of the committee w.e.f. 11th December 2013.

Further the committee has recommended the appointment of M/s Hari Bhakti & Co. LLP as the Statutory Auditors of the company to hold office till the conclusion of the 29th Annual General Meeting of the company and necessary resolution appointing them be place before the shareholders. The Committee also recommended the appointment of M/s D C Chhajed & Associates, Chartered Accountants as the internal auditor of the company for the financial year ending 31st March 2015 to review various operation of the company and determined and approved the fees payable to them.

^{**}Ceased to be the member of the committee with effect from 14/08/2013

Powers of the Audit Committee

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

Role of the Audit Committee inter alia, includes the following:

The terms of reference are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to
 ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, replacement or removal of the statutory auditor and the fixation of audit fees and other services.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required being included in the Directors' Responsibility Statement to be included in Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes in accounting policies and practices with reasons.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements along with accounting standards.
 - f) Disclosure of any related party transactions as per Accounting Standard (AS) 18.
 - g) Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
- · Discussion with internal auditors, any significant findings and follow-up thereon
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board
- 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
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate
- · Carrying out such other functions as may be specifically referred to the Committee by the Company's

Board of Directors and/or other Committees of Directors.

- Reviewing financial statements.
- Reviewing the following information:
- The Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of internal auditors / chief internal auditor
- To call for comments of the auditors about internal control systems, the scope of audit, including the
 observations of the auditors and review of financial statement before their submission to the Board and
 to discuss any related issue with the internal and statutory auditors and the management of the Company

b) SHARE TRANSFER & INVESTOR GRIEVANCE COMMITTEE

The company has constituted its Share Transfer & Investor Grievance Committee which comprises of the following members:

- 1. Mr. R. Shankar (Independent Director) as its Chairman.
- 2. Mr. Pradeep Jain (Managing Director) as its member
- 3. Ms. Pooja Sabharwal (Joint Managing Director) as its member

Meeting details

There were four committee meetings held during the year i.e. on 27th May, 2013, 14th August, 2013, 11th December, 2013 and 10th March, 2014. The committee expresses its satisfaction with the company's performance dealing with investor's grievances and in its share transfer system.

Attendance of the Committee

Name of Member	Number	Number of Meetings		
	Held	Attended		
R. Shankar	4	4		
Pooja Sabharwal	4	4		
Pradeep Jain	4	4		

Functions of the Committee

This Committee

- (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Share Certificates by the Company,
- (ii) looks into various issues relating to shareholders including redressal of complaints from shareholders relating to transfer of shares, non-receipt of Annual Reports, Dividends etc. and
- (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

As per the Clause 47 of the Listing Agreement, the Company has designated an e-mail ID exclusively for the purposes of registering the complaints of the investors which is cs@runeecha.com

Share Transfer and investor grievance committee report for the fiscal year ended 31st March 2014

The Committee expresses satisfaction with the company's performance in dealing with investor grievance and in its share transfer system.

The details of the complaints resolved during the fiscal year ended 31st March 2014 are as follows:

Nature of complaint	Received	Resolved	Pending
Dividend/Annual Report/	9	9	0
Share transfer			

c) REMUNERATION COMMITTEE

Although, the non mandatory requirement, the Company has a Remuneration Committee consisting of the following Directors as members

- 1. Mr. Umesh Kumar Khaitan,
- 2. Ms. Pooja Sabharwal,
- 3. Mr. Pradeep Jain,
- 4. Mr. S. B. Mohapatra and
- 5. Mr. R. Shankar.

Mr. Umesh Kumar Khaitan is the Chairman of the Committee.

Power of the Committee

The Committee is empowered to decide, review and approve the remuneration packages including pension rights and compensation payments of Executive Directors. During the fiscal year 2013-14, the committee did not meet and hence there is no change in the remuneration payable to the directors.

4. SHAREHOLDERS

Disclosure regarding appointment and re-appointment of Directors

As per the Companies Act, 2013, Ms. Usha Jain and Mr. Umesh Kumar Khaitan will retire at the ensuing AGM and being eligible Ms. Usha Jain seeks re- appointment. The Board recommends her re-appointment. The Companies Act, 2013 provide for appointment of independent director. Section 149(10) of the Companies Act 2013 (effective 1st April 2014) provides that independent directors shall hold office for a term of up to five consecutive years on the board of the company and shall be eligible for re-appointment after passing a special resolution by the shareholders of the company.

Sub- section (11) states that no independent director shall be eligible for re-appointment for more than two consecutive terms of five years. Sub-section (13) states that the provision of retirement by rotation as defined in sub-sections (6) and (7) of section 152 of the act shall not apply to such independent directors.

Our non- executive independent directors were appointed as directors liable to retire by rotation under the provision of the erstwhile Companies Act, 1956. The Board had advised that non- executive independent Directors so appointed, continued to serve for the term that was ascertained at the time of their appointment as per the resolution pursuant to which they were appointed. Therefore it stands to reason that only those directors who will complete their present term at the AGM of the company in September 2014 being eligible and seeking reappointment be considered by the shareholders for re-appointment.

Independent directors who do not complete their term would continue to hold office till the expiry of their term (based on retirement period calculation) and would thereafter re-eligible for re-appointment in accordance with the provision of the Companies Act, 2013.

Communications to the shareholders

The Company communicates with the shareholders at large through its Annual Reports, placing the information on Company's Website, publication of financial results, press releases in leading newspapers and by filing of various reports and returns with the Statutory Bodies like Stock Exchanges, the Registrar of Companies and Website of Ministry of Corporate Affairs. The quarterly results are published in prominent daily newspapers viz. Financial Express and Mahanayak.

Further, the quarterly financial results and Annual Report of the Company are also available on the Company's Website viz. www.runeecha.com.

Investor Grievance and share transfer

We have a board level share transfer and investor grievance committee to examine and redress the shareholder's and investor's complaints. The status of complaints and share transfers is reported to the entire Board. The details of shares transferred and the nature of complaints are provided in the shareholder information section of the Annual report. For shares transferred in physical form, the company provides adequate notice to the seller before registering the transfer. The said committee meets as often as required to approve the transfers. For matters regarding share transferred in physical form, share certificates, dividend, and change of address, the shareholders should communicate with 'Link Intime India Private Limited', our registrar and share transfer agent. Their address is published in the shareholder information section.

Share transaction in electronic form can be effected in much simpler and faster manner. After a confirmation of sale/purchase transaction from the broker, shareholder should approach the depositary participant with a request to debit or credit their account for the transaction. The depositary participant will immediately proceed to complete the transaction by updating the account. There is no need for separate communication to the company to register the share transfer.

Certificate on Corporate Governance

As required by clause 49 of the listing agreement, certificate on corporate governance is annexed to the Director's report.

CEO and CFO Certification

As required by clause 49 of the listing agreement, the CEO and CFO certification is annexed to the Director's report.

General Body Meetings

The details of last three Annual General Meetings are given as follows:-

Financial year ended	Date and Time	Venue	Special resolution passed
31.03.2011	29.11.2011 at 10:00a.m. IST	The Emerald Hotel, Topaz Hall, Juhu, Mumbai - 400049	
31.03.2012	14.09.2012 at 11:00a.m. IST	Sea Princess Hotel, Juhu Tara Road, Juhu Beach, Santacruz (West) Mumbai - 400 049	
31.03.2013	14.08.2013 at 11:00 a.m. IST	Sea Princess Hotel, Juhu Tara Road, Juhu Beach, Santacruz (West) Mumbai - 400 049	 a) Re- appointment of Mr. Pradeep Jain as the Managing Director. b) Appointment of Ms. Pooja Sabharwal as the Joint Managing Director

Postal Ballot

During the financial year 2013-14, resolution for shifting of registered office from the state of Maharashtra to the National Capital Territory of Delhi was passed through postal ballot. The postal ballot was conducted by Ms. Jaya Ranglani, former Company Secretary and Mr. D. K. Saxena, Practicing Chartered Accountant, was appointed as the scrutinizer and on the basis of the report submitted by him, the chairman declared the result of the postal ballot on 28th January 2014. The percentage of votes cast in favor of the resolution was 89.29% representing 98.34% of the total number of shares.

Disclosures

There are no materially significant transactions with related parties i.e. promoters, directors or the management, conflicting with the Company's interest. Also, there has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or SEBI or any other Statutory Authority during the last three years. The Company has complied with all the mandatory requirements of Clause 49 of the

Listing Agreement. The Company has also implemented certain non mandatory requirements of Clause 49.

Disclosures by Management to the Board

All details on the financial and commercial transactions where Directors may have a potential interest are provided to the Board. The interested Directors neither participate in the discussion nor vote on such matters.

a) Details of Related Party Transactions

There have been no materially significant related party transaction except for those as required by the Accounting Standard AS-18, the details of related party transactions are given in Note No. 34 to the Annual Accounts.

b) Initiatives on Prevention of Insider Trading Practices

In compliance with the SEBI regulation on Prevention of Insider Trading, the Company has instituted a comprehensive code of conduct for its management staff and relevant business associates. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the company and cautions them on consequences of violations.

c) Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its Financial Statements.

5. COMPLIANCE WITH NON- MANDATORY REQUIREMENTS OF CLAUSE 49

The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

Remuneration Committee

The Company has constituted 'Remuneration Committee' meeting the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013 details of which is provided in the annual report.

Training of Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

Evaluation of non- executive Board members

Independent director plays a vital role towards the governance, guidance and control. Some of the performance indicators based on which the independent directors are evaluated includes their ability to contribute to and monitor our corporate governance practices, adoption of best practices to addresses top management issues, active participation in long- term strategy planning and their commitment to the fulfillment of director's obligation and fiduciary responsibilities which includes their participation in the Board and Committee meetings.

Whistle Blower policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

SHAREHOLDER'S INFORMATION

Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L99999MH1986PLC038532.

Annual General Meeting

Day : Thursday

Date : 18th December 2014 Time : 11:00 a.m. IST

Venue : Kilachand Conference Room, second floor,

IMC building, IMC Marg, Churchgate, Mumbai 400020 (Maharashtra)

Financial Calendar (Tentative)

Results for the quarter ending	Tentative dates
June 30, 2014	First week of September, 2014
September 30, 2014	Fourth week of October, 2014
December 31, 2014	Fourth week of January, 2015
March 31, 2015	Fourth week of April, 2015
Annual General Meeting	September, 2015

Dates of Book Closure

Friday 12th December, 2014 to Thursday, 18th December, 2014 (both days inclusive)

Financial Year- April 1 to March 31

Investor Awareness

We are committed to maintaining the highest standards of corporate governance. In continuation of our effort in that direction, the company is providing details in connection with the performances of the company on the website of the company.

Dematerialization of shares and liquidity

The Shares of the company are tradable compulsorily in electronic mode. Through, Link Intime India Private Limited, Registrar and transfer agent, we have established connectivity with both the depositaries that is National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to our shares is INE373L01010 for the equity shares and INE373L03016 for Preference Shares.

Shares held in Demat and physical mode as on 31 March 2014 are as follows:

Category	Number of Shares	% of Total Equity
Demat Mode		
NSDL	353377	1.47
CDSL	16670025	69.32
Total	17023402	70.79
Physical Mode	7023400	29.21
Grand Total	24046802	100

To enable us to serve our investor better, we request shareholders whose shares are in physical mode to demateralise their shares and update their address and bank details with their depositaries.

Reconciliation of Share Capital Audit Report

As a measure of good corporate governance, the Board of Directors of the company had appointed Ms. Vandana Goel and M/s VLA & Associates, Practicing Company Secretaries to conduct secretarial audit of the records of the company.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, the 98 sections of the Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated September 12, 2013, the Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, all the Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, Listing Agreements with the Stock Exchanges and the Memorandum and Articles of Association of the Company.

The Company obtains a half yearly certificate of compliance from practicing Company Secretary regarding the adherence to the timely transfer of shares as provided in clause 47 (c) of the Listing Agreement and files a copy of the same with the stock exchanges.

Share Transfer in physical form

Shares send for physical transfer are effective after giving notice to the seller for confirmation of sale. Our share transfer committee meets as often as required. The total number of shares transferred in physical form during the financial year 2013-14 was 12200 as against 145200 for the previous financial year.

Distribution of Shareholding

Category (Shares)	No. of holders	% to holders	No. of shares	% to equity
1-500	48025	97.9	5483015	22.80
501- 1000	637	1.3	513717	2.14
1001-2000	233	0.48	361230	1.5
2001-3000	64	0.13	158325	0.66
3001-4000	24	0.05	86697	0.36
4001-5000	17	0.03	76800	0.32
5001-10000	25	0.05	183151	0.76
10001 and above	28	0.06	17183867	71.46
Total	49053	100	24046802	100

Shareholding Pattern

Category	Marc	h 31, 2014		Mar	ch 31, 2013	
	Shareholders (Number)	Voting Strength (%)	No. of shares held	Shareholders (Number)	Voting Strength (%)	No. of shares held
Promoters, Directors,						
Relatives and Associates						
Individual	10	58.84	14149904	10	58.84	14149904
Bodies Corporate	2	11.19	2690898	2	11.19	2690898
Public shareholding Institutional Investor						
Mutual Funds & UTI	-	-	-	-	-	-
Banks, Financial	-	-	-	-	-	-
Institutions, Insurance						
Company	-	-	-	-	-	-
Non-Institutional Investor						
Public Bodies Corporate	31	0.05	12927	32	0.15	35712
Individual Shareholders	48994	29.81	7168362	49035	29.72	7145577
Clearing Member	3	0.10	24711	3	0.10	24711
NRIs, OCBs, FIIs	-	-	-	-	-	-
Total	49040		24046802	49082		24046802

Listing on stock exchanges

Currently, the Company's securities are listed at Bombay Stock Exchange Limited under permitted category and at Calcutta Stock Exchange Limited. The Company has duly paid the listing fees to the aforesaid stock exchanges for the year 2014-15.

Exchange	Code
Calcutta Stock Exchange	11093
Bombay Stock Exchange	590124

The International Securities Identification Number (ISIN) is INE373L01010 for the equity shares and INE373L03016 for Preference Shares.

Stock Market Data

The high and low of the Share Price of the Company during each month in the last financial year at BSE were as under:

	В	BSE		E SENSEX
Month	High	Low	High	Low
2013				
April	4.45	4.45	19622.68	18144.22
May	4.45	4.43	20443.62	19451.26
June	4.88	4.44	19860.19	18467.16
July	4.88	4.88	20351.06	19126.82
August	8.57	5.10	19569.2	17448.71
September	9.8	8.46	20739.69	18166.17
October	9.51	7.37	21205.44	19264.72
November	7.85	6.48	21321.53	20137.67
December	8.5	7.8	21483.74	20568.70
2014				
January	8	8	21409.66	20343.78
March	7.61	6.87	22467.21	20920.98

Source: www.bseindia.com

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversions date and likely impact on equity.

No GDRs/ADRs/Warrants or any Convertible instruments has been issued by the Company during the fiscal year 2013-14.

INVESTOR CONTACTS

Compliance Officer

Ms. Preeti Choudhary Company Secretary

Address: G-25, Sector-3, Noida-201301 U.P.

Email: cs@runeecha.com Phone: 91-120-2533011 Fax: 91-120-2533010

Plant location Runeecha Textiles Ltd.

A-3, Sector-22,

Jagdishpur Industrial Area, Jagdishpur

Dist.: Amethi - 227817 (U.P.) Phone: 05361-294120, 292149

Fax: 05361-271421

Email: textiles@runeecha.com

Corporate Office

G-25, II Floor, Sector - 3, Noida- 201301

Addresses of Exchange

Bombay Stock Exchange

Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai- 400001

Depository for equity shares in India

National Securities Depository Limited

Kamala Mills Compound, Senapati Bapat Marg, Lower Parel Mumbai- 400013, India

Tel: 91 22 24994200 Fax: 91 22 24976351

Registrar & Transfer Agents Link Intime India Pvt. Ltd

C-13 Panna Lal Silk Compound LBS Marg, Bhandup West MUMBAI-400 078

Tel: 022-25963838, 25946970

Fax: 022-25946969

Email: mt.helpdesk@linkintime.co.in

For any queries relating to Annual Report or investors' assistance:

The Company secretary

Runeecha Textiles Limited G-25, second Floor,

Sector 3, NOIDA-201301 (UP) Phone No. 0120-2533013

Fax: 0120-2533010 Email: cs@runeecha.com

Registered Office

Level 3, Neo Vikram, New Link Road,

Andheri West, Mumbai- 400058

Calcutta Stock Exchange

7, Lyons Range, Kolkatta- 700001

Central Depository Services (India) Limited

P. J. Towers, 17th Floor, Dalal Street, Fort, Mumbai- 400001, India

Tel: 91 22 22723333 Fax: 91 22 22723199

NOTICE TO THE 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th, Annual General Meeting of the members of **Runeecha Textiles Limited** is scheduled to be held on Thursday, the 18th Day of December 2014 at 11:00 AM at Kilachand Conference Room, second floor, IMC building, IMC Marg, Churchgate, Mumbai 400020 Maharashtra to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the statement of Profit and Loss Account for the period ended as on that date, together with the Reports of the Board of Directors and Auditors thereon.
- 2. To appoint director in place of Ms. Usha Jain (DIN 01484308), who retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.
- 3. Appointment of Auditors and to fix their remuneration-

To consider and if thought fit, to pass with or without modification(s) the following resolution as ordinary resolution:

"Resolved that pursuant to the provision of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s Haribhakti & Co. LLP (Firm Registration No. 103523W), be and is hereby appointed as the Auditors of the Company to hold office from the conclusion of 28th Annual General Meeting (AGM) till the conclusion of the 29th AGM of the Company, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

Item No. 4

Retirement of Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

"Resolved not to fill for the time being the vacancy caused by the retirement of Mr. Pawan Malhotra, Director, who retired by rotation at the AGM held on 14th August 2013 and does not seek re-appointment."

Item No. 5

Retirement of Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution: "Resolved not to fill for the time being the vacancy caused by the retirement of Mr. Umesh Kumar Khaitan, Independent Director, who retires by rotation at the AGM held on 18th December 2014 and does not seek re-appointment."

Item No. 06

Appointment of Mr. Shyam Sunder Madan (DIN: 02427885) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Shyam Sunder Madan (holding DIN 02427885), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 18th December, 2014 up to 17th December, 2015.

Registered Office:

Level 3, Neo Vikram, New Link Road,

Andheri West, Mumbai- 400058 (Maharashtra)

Date: 21.11.2014

Noida

CIN: L99999MH1986PLC038532

By Order of the Board of Directors For Runeecha Textiles Limited

> Sd/-Preeti Choudhary Company Secretary

Notes:

- 1. A Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
- 2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/ HERSELF. A PROXY SO APPOINTED, NEED NOT BE A MEMBER OF THE COMPANY.
- 3. Proxies, in order to be effective, must be received at the corporate office of the company not less than forty-eight hours before meeting. A proxy form for the AGM is enclosed.
- 4. A brief resume of Directors retiring by rotation and eligible for reappointment is annexed hereto.
- 5. The Annual Report duly circulated to the members of the Company, is available on the Company's Website at www.runeecha.com.
- 6. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 7. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- 8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime.
- 10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- 11. The Register of Members and Share Transfer Books will remain closed from Friday 12th December, 2014 to Thursday, 18th December, 2014 (both days inclusive).
- 12. Members whose shareholdings are in electronic mode are requested to direct changes of address notifications to their respective Depositary Participant(s).
- 13. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Link Intime India Pvt. Ltd. for assistance in this regard.
- 14. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Link Intime India (P) Limited for their doing the needful.
- 15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Link Intime India Pvt. Ltd./Depositories.
- 16. Members seeking any information with regard to accounts are requested to write to the company at least 10 days in advance so as to enable the company to keep information ready.
- 17. Pursuant to Section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company has been sent through email to those members whose email ID is registered with the Company/ Depository. In case any member wants a physical copy of the Annual Report, he may send a request to the Company Secretary at the Corporate office. Those members who have not registered their email ID are requested to write to the RTA / their Depository Participant for registering the same.
- 18. Members are requested to:-
 - Note that copies of Annual Report will not be distributed at the Annual General Meeting.

- Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall
 will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the
 attendance slip. Photocopies of Attendance Slip will not be entertained for issuing entry slip for attending
 Annual General Meeting.
- Quote their Folio/Client ID & DP ID Nos. in all correspondence.
- Note that no gifts/coupons will be distributed at the Annual General Meeting.
- 19. Equity Shares of the Company are listed on the following Stock Exchanges:

BSE Limited CSE Limited
Phiroze Jeejeebhoy Towers, 7 Lyons Range.
Dalal Street, Fort, Kolkata – 700 001
Mumbai – 400 001

The Listing fees in all the above stated Exchanges have been paid up to 31 March 2014

20. In compliance with the provisions of Section 108 of the Act and the Rules framed hereunder, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

Instructions for Members for voting electronically are as under:-

- i) Log on to the e-voting website www.evotingindia.com
- ii) Click on "Shareholders" tab.
- iii) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- iv) If you are holding shares in electronic form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- v) For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.
	• Members who have not updated their PAN with the Company/DP are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their Sequence No. in the PAN field.
	• In case the Sequence No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and Sequence No. is 1 then enter RA00000001 in the PAN field.
Date of Birth or Date of Incorporation	Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account in dd/mm/yyyy format or enter Folio No.
OR	OR
Bank Account Number	Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No.
	Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) For Members holding shares in physical form, the login details can be used only for e-voting on the resolutions contained in this Notice. On logging in, Members holding shares in physical form will be directed to the Company selection screen.

- viii) Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the electronic holders for voting on resolutions of other companies, as well, on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) Click on the EVSN for Runeecha Textiles Limited.
- x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the "Resolutions File" Link if you wish to view the entire Notice.
- xii) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- xiv) You can also take a print of the voting done by you.
- xv) Note for Institutional Shareholders:
 - Institutional shareholders (i.e. other than Individuals, HUFs, NRIs etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of
 the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the
 same.
- xvii)In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- (i) The e-voting period commences on Thursday, 11th December 2014 (9.00 a.m. IST) and ends on Saturday, 13th December 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 05th December 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- (ii) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 05th December 2014.
- (iii) Mr. Pramod S Shah, M/s Pramod S. Shah & Associates, Practicing Company Secretary has been appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner.
- (iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (vi) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.runeecha.com and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the 28th

AGM of the Company on 18th December 2014 and communicated to BSE Limited and Calcutta Stock Exchange of India Limited, where the shares of the Company are listed.

Registered Office: Level 3, Neo Vikram, New Link Road, Andheri West, Mumbai- 400058 (Maharashtra) By Order of the Board of Directors For Runeecha Textiles Limited

Date: 21.11.2014

Noida CIN: L99999MH1986PLC038532 Sd/Preeti Choudhary
Company Secretary

Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013

Item No.4

Mr. Pawan Malhotra, was a Non- Executive (Independent) Director of the company. He joined the Board of Directors of the company in September 06, 2010. Mr. Pawan Malhotra was retired in the last AGM held on 14th August 2013 and does not seek re- appointment owing to his busy schedules and other commitment. Accordingly the board has decided not to fill the casual vacancy so created due to his retirement

No Director, Key Managerial Personnel or their relatives is concerned or interested in the resolution.

The Board recommends the resolution set out in Item 4 for approval of the members.

Item No. 5

Mr. Umesh Kumar Khaitan is a Non- Executive (Independent) Director of the company. He joined the Board of Directors of the company on September 30, 2008. Mr. Umesh Kumar Khaitan retires by rotation at the ensuing AGM under the erstwhile applicable provision of the Companies Act, 1956 and does not seek re- appointment owing to his busy schedules and other commitments. Accordingly, Mr. Umesh Kumar Khaitan retires at this AGM and the board has decided not to fill, for the time being, the vacancy so created due to his retirement.

No Director, Key Managerial Personnel or their relatives is concerned or interested in the resolution.

The Board recommends the resolution set out in Item 5 for the approval of the members.

Item No. 6

The Company had received a notice in writing under the provision of section 161 of the Companies Act, 2013 along with a deposit of Rs. 100000/- proposing the candidature of Mr. Shyam Sunder Madan for the office of Independent Director under clause 49 of the Listing Agreement. The company has received from Mr. Shyam Sunder Madan, a consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rule 2014, intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rule 2014 to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 and a declaration to the effect that he meet the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mr. Shyam Sunder Madan fulfills the conditions specified in the Act and the Rules made thereunder for his appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of Mr. Shyam Sunder Madan, as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days, during business hours upto the date of the Meeting.

No Director, Key Managerial Personnel or their relatives except Mr. Shyam Sunder Madan to whom the resolution relates, is in any way, concerned or interested in the Resolution.

The Board recommends the resolution set out in Item 6 for approval of the members.

Registered Office: Level 3, Neo Vikram, New Link Road,

Andheri West, Mumbai- 400058 (Maharashtra)

By Order of the Board of Directors For Runeecha Textiles Limited

Date: 21.11.2014

Noida

CIN: L99999MH1986PLC038532

Sd/-Preeti Choudhary Company Secretary

Additional Information on directors recommended for re-appointment as required under Clause 49 of the Listing Agreement

Ms. Usha Jain (DIN 01484308),

Ms. Usha Jain, along with Mr. Pradeep Jain serves as a promoter director of the company. She is been associated with the company since March 30, 1995 and made a remarkable contribution in uplifting and overcoming various issues pertaining to the management. She provides an objective, independent and constructive view of the plans and decisions of the executive board. She provided fresh and more objective view point to the board and upholds high standard of integrity and probity.

Companies (Other than Runeecha Textiles Limited) in which Ms. Usha Jain holds directorship

Directorship

Runeecha Fabrics Private Limited Runeecha Polymers Private Limited

Chairperson of Board CommitteeNone

Member of Board CommitteeNone

Shareholding in the Company

Ms. Usha Jain holds 3811350 equity shares of the company.

Mr. Shyam Sunder Madan (DIN: 02427885)

Mr. Shyam Sunder Madan is a retired Genaral Manager from Indian Overseas Bank. He had worked in various capacities and having a rich experience in the field of Banking sector. He was also responsible for taking care of overseas operations, Hongkong. He is B.A. CAIIB and currently working as an Independent Financial Consultant.

Companies (Other than Runeecha Textiles Limited) in which Mr. Shyam Sunder Madan holds directorship

Directorship

Swadeshi Polytex Limited

Chairperson of Board Committee None

Member of Board Committee
None

Shareholding in the Company NIL.

PROXY FORM

{Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014}

RUNEECHA TEXTILES LIMITED

CIN: L99999MF1986PLC038532

Regd. Office: Level 3, Neo Vikram, New Link Road, Andheri West, Mumbai- 400058

28th Annual General Meeting - 18th December 2014

Na	ame of the member(s) :	e-mail Id :		
Re	egistered address :	Folio No/ Client Id :		
		DP Id :		
I/W	/e, being the member(s) of shares of Runeecha	Textiles Limited, hereby appoint:		
1.	Name :	E-mail ld :		
	Address :			
		-1 .	C 111	
		Signature:	or failin	g him/her
2.	Name :	E-mail Id :		
	Address:			
		Signature:	or failin	g him/her
3.	Name :	E-mail Id :		
	Address :			
		Signature :	or failin	g him/her
36	my/our proxy to attend and vote (on a poll) for me/us and	· ·		
	mpany, to be held on Thursday, the 18th day of December 201 Iding, IMC Marg, Churchgate, Mumbai 400020 Maharashtra an			
	icated below:			
	Resolutions		For	Against
	Ordinary Business			
1.	Consider and adopt Audited Financial Statement, Reports of	f the Board of Directors and Auditors		
2.	Re-appointment of Ms. Usha Jain who retires by rotation			
3.	Appointment of Auditors and fixing their remuneration			
	Special Business			
4.	,			
	Mr. Pawan Malhotra, Director, who retired by rotation at the 14th August 2013 and does not seek re-appointment	e AGM held on		
5.		w the retirement		
٥.	of Mr. Umesh Kumar Khaitan, Independent Director, who re			
	at the AGM held on 18.12.2014 and does not seek re-appoin	•	ı <u></u>	
6.	Appointment of Mr. Shyam Sunder Madan as an Independen	nt Director upto 17th December 2015		
Sig	ned thisday of2014			
Sigi	nature of shareholder			
				Affix a 15
				paise
	ignature of first proxy holder Signature of second prox	xy holder Signature of third pro	xv holder	Revenue
		Ny fioract Signature of time pro-	xy Holdel	Stamp

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Attendance Slip

RUNEECHA TEXTILES LIMITED

CIN: L99999MF1986PLC038532 Regd. Office: Level 3, Neo Vikram, New Link Road, Andheri West, Mumbai- 400058

28th Annual General Meeting - 18th December 2014

Registered Folio no./ DP ID no./ Client ID no.:	
No. of Shares held I hereby certify that I am a member/ Proxy for the member of	the company.
I hereby record my presence at the 28th Annual General Meessecond floor, IMC building, IMC Marg, Churchgate, Mumbai 400	•
Name of the member/ Proxy (in BLOCK letters)	Signature of the Member/ Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual report to the AGMs

REGISTRATION FORM FOR SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE

To, Runeecha Textiles Limited, G-25, 2nd Floor, Sector-3, Noida-201 301 (U.P.)

Sub.:- Electronic Mode of service of documents

Ref.:- MCA General Circular No. 18/2011 dated 29.04.2011- Green Initiative

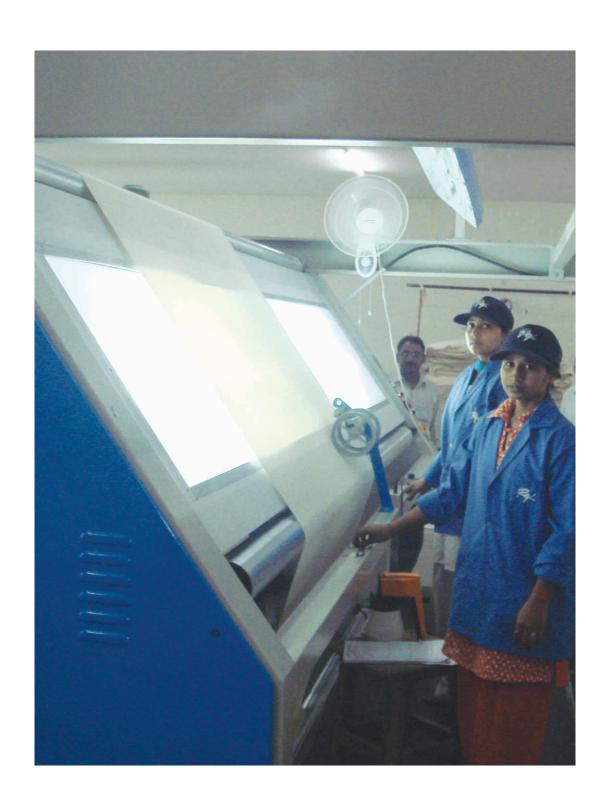
I/We agree to receive communication viz. Annual Report, Notice etc. From the Company in electronic mode as mentioned in the above referred circular. Please register my e-mail id in your records for sending such communication through e-mail.

Folio No.	:	
Name of 1st Registered Holder	:	
Name of Joint Holder(s)	:	
Registered Address	:	
E-mail ID (to be registered)	:	
Date:	Si	gnature of the first holder:

IMPORTANT NOTES:-

- 1. Shareholders are requested to keep Company informed as and when there is any change in the e-mail address.
- 2. The above form after receipt from the shareholders will be send by the company to its share transfer agent viz. M/s Link Intime India Pvt. Ltd. for doing the needful in the matter.

NOTE



FORM A (Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details		
1	Name of the Company	Runeecha Textiles Limited		
2	Annual Financial Statement for the year ended	March 31, 2014		
3	Type of Audit Observation	Matter of Emphasis - Paragraphs inserted in Auditor's report Attention is invited to: a) Note 27 of the financial statements, regarding accrual of interest on loan payable to State Trading Corporation. b) Note 28 of the financial statements, wherein the management has explained the basis for revaluation of plant and machinery.		
		c) Note 36 of the financial statements, regarding preparation of the financial results on a going concern basis. d) Note 37 of the financial statements,		
		wherein the management has explained the basis for write-back of certain old liabilities. e) Note 39 of the financial statements, wherein the management has explained reasons for disclosing optionally convertible cumulative preference shares which are overdue for redemption as preference shares under shareholders' funds.		
		f) Note 40 of the financial statements, wherein the Company has explained the position regarding forfeiture of shares against which there were calls in arrear amounting to Rs. 2,407,000		
4	Frequency of Observation	In the FY 2012-13 Points (a) and (f) were reported as qualifications. Considering actions taken by the Company these have been reported as EOM during the current year. Other matters in (b), (c), (d) and (e) have been reported for the first time.		

Managing Director

Mr. Pradeep Jain

Mr. Umesh Kumar Khaitan

Auditors of the Company

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

Raj Kumar Agarwal
Partner
Membership No. 074715

Place: New Delhi
Date: November 05, 2014