

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of the Members of **RUIA COTEX LIMITED** will be held on Saturday, 13th August, 2005 at 11.00 a.m. at "LANDMARK", 5th Floor, 228A, A.J.C. Bose Road, Kolkata – 700 020 to transact the following business :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2005, the Profit and Loss Account and Cash Flow Statement for the Financial Year ended 31st, March, 2005 together with report of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri M.C.Gupta , who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri D.B.Lal , who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. K.N.Gutgutia & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place : Kolkata
Dated : 16-07-2005


K.K. Chamaria
Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxies in order to be effective must be received by the company not less than 48 hours before commencement of the meeting.
2. Members are requested to notify the change in address, if any.
3. Members are requested to intimate to the Companies queries, if any, regarding these accounts/reports at least ten days before the Annual General Meeting to enable the Company to keep the information ready at the meeting.
4. Members are requested to bring their copy of the Annual Report to the meeting.

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For RUIA COTEX LIMITED


Director.

RUIA COTEX LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors hereby present the Twelfth Annual Report together with the Audited Statement of accounts of the company for the year ended 31st March 2005.

FINANCIAL RESULTS

	Current Year 2004 - 2005 (Rs in lacs)	Last Year 2003 - 2004 (Rs in lacs)
Turnover	154.48	8055.72
Profit before Depreciation & Interest	25.01	(993.28)
Depreciation	202.19	185.71
Interest	0.22	0.04
Profit before Tax	(177.44)	(1179.03)
Profit after Tax / Deferred tax	(177.44)	(1181.16)
Balance brought forward	(944.27)	236.89
Amount available for Appropriation carried to Balance Sheet	(1121.71)	(944.27)

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TURNOVER

During the year under review, the company's operations were badly affected due to closure of its Dyeing and Mercerizing Plant and shortage of working capital for its Knitting and Garmenting business. The company operated its Knitting Plant mainly on jobwork basis. Hence, the turnover of the company for the year mainly comprise of jobwork income only.

The company is taking necessary steps to arrange working capital fund and also to re-start its Dyeing & Mercerizing plant and expects to achieve higher turnover in current year.

DYEING & MERCERISING UNIT

Your directors hereby inform that due to initial teething problems, labour unrest, sluggish market situation and non-availability of sufficient working capital, the overall capacity utilization of Dyeing & Mercerising unit of the company was not satisfactory in previous year and the company was incurring huge operating losses which forced the company to stop the operation at the unit. The company is taking all necessary steps to sort out the problems and to re-start the plant at the earliest opportunity available to it.

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For RUIA COTEX LIMITED


Director,

RUIA COTEX LIMITED

AUDIT COMMITTEE

Sri P K Ruia, director of the company, was elected as members of Audit Committee w.e.f. 6th April, 2005 and Sri S K Singhi ceased to be member of Audit Committee w.e.f. 6th April, 2005.

Audit Committee had 3 (three) meetings since September, 2004 i.e. on 25-10-04, 12-01-05 and 12-07-05.

DIVIDEND

Your Directors do not recommend any dividend for the year in view of loss incurred during the year under consideration.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and Rules made thereunder.

PERSONNEL

The Board wishes to place on record its appreciation of the contribution made by all employees to the company and maintaining cordial relations with the management during the year.

DIRECTORS

During the period under review :

- a) Shri S K Singhi and Sri K V Deshpande resigned from the Board w.e.f. 6th April, 2005. Your company wishes to place on record the valuable services rendered by them during their tenure as director of the company.
- b) Shri M C Gupta and Shri D B Lal retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS AND AUDITORS' REPORT

M/s. K. N. Gutgutia & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

- = The observations of the Auditors are self- explanatory and do not require further clarifications.

Certified True Copy
For RUIA COTEX LIMITED


Director.

RUIA COTEX LIMITEDDIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors' state :

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

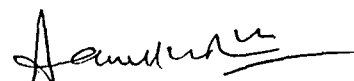
The Board desires to place on record its appreciation for the support and co-operation that company received from the Central Government, State Government of West Bengal and Rajasthan, Financial Institutions, Bankers, Shareholders, Customers, Suppliers, Buyers and others associated with the company.

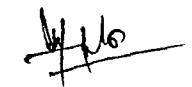
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On behalf of the Board of Directors

Place : Kolkata


Date : The 16th day of July , 2005


Chairman


Director

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For RUIA COTEX LIMITED


2005

RUIA COTEX LIMITEDPARTICULARS OF EMPLOYEES

The Company has not employed any person drawing remuneration equal to or in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the year under review.

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

I CONSERVATION OF ENERGY

- a) Energy Conservation Measures taken :
- Close monitoring of power consumption are being maintained to set optimum result and steps being taken to minimize use of generator.
- b) Additional Investments :
- No major expenditure is envisaged at present.
- c) Benefits derived as a result of above efforts :
- Power consumption per unit of production reduced.
- d) Power & Fuel Consumption :
- As per Annexure ' A ' attached

II. TECHNOLOGY ABSORPTION

- a) Research & Development with latest technology has enabled the company to improve quality of product / services.
- b) Technology Absorption, Adoption and Innovation :
- Technology has been fully absorbed.

III. FOREIGN EXCHANGE EARNING AND OUTGO

- a) Foreign Exchange Used : Nil (P/Y - Rs. 1.45 lacs)
- b) Foreign Exchange Earned : Nil

For RUIA COTEX LIMITED
W
P

RUIA COTEX LIMITED

ANNEXURE 'A' TO DIRECTORS' REPORT

A)	POWER & FUEL CONSUMPTION	Unit	2004-05		2003-04	
			K&G Unit	D&M Unit	K&G Unit	D&M Unit
1	Electricity					
	a) Purchased	Units	377,297	-	371,137	22,960
	Total Amount	Rs.'000	1,800	-	1,713	164
	Rate / Unit	Rs.	4.77	-	4.62	6.79
	b) Own Generation	Units	26,140	-	19,265	42,500
	Cost of Fuel	Rs.'000	236	-	140	258
	Unit per Ltr of Diesel Oil	Units	2.86	-	2.87	3.43
	Cost per Unit	Rs.	8.77	-	7.28	6.07
2	Consumption per unit of production					
	Product : Hosiery Fabric	MT	3.617	-	15.287	-
	Hosiery Fabric (Job)	MT	986.614	-	786.947	-
	Fabric Processing (Job)	MT	-	-	-	35.693
			990.231	-	802.234	35.693
	Electricity	Unit/Kg	0.41	-	0.49	1.83
	(including units generated by DG Set)	Rs./Kg.	2.06	-	2.31	11.82

On behalf of the Board of Directors


Chairman

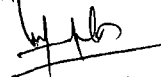

Director

Place : Kolkata

Date : 16th day of July, 2005

Certified True Copy

For M&A, CS&A, etc.


2005

K.N.GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
KOLKATA & NEW DELHI

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KOLKATA - 700 071

AUDITORS' REPORT

**TO
THE MEMBERS OF
RUIA COTEX LIMITED**

We have audited the attached Balance Sheet of RUIA COTEX LIMITED as at 31st March 2005 and also the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government, in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in Paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books except note no.5 of Schedule 19.
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
4. On the basis of written representations received from the directors, as on 31st March, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

Confidential
For RUIA COTEX LIMITED

[Signature]
Director.



K.N.GUTGUTIA & CO.

CHARTERED ACCOUNTANTS
KOLKATA & NEW DELHI

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5. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956, *except Accounting Standard "9" regarding Accrual Basis of Accounting in relation to items stated in point no (a) of Significant Accounting Policies, Non-provision of Interest on Loan taken as stated in point no.(3) of Notes on Accounts and Non-provision of Depreciation on Fixed Assets of Dyeing & Mercerizing Division as stated in point no. (9) of Notes on Accounts of Schedule No. 19 forming part of the Accounts.*
6. Attention is drawn to the following notes of Schedule 19 -
- (a) *Significant Accounting Policy No.(a) of Schedule No. 19 related to Basis of Accounting for items accounted for on other than accrual basis.*
- (b) *Note No.3 - Schedule 19 regarding non-provision of interest on term loans and working capital loans since 1st April,2001*
- (c) *Note No.9- Schedule 19 regarding non-provision of depreciation on the Fixed Assets of the Dyeing & Mercerizing unit.*

Subject to the above, whose impact on the company's loss for the year and the debit balance of the Profit & Loss Account is not presently ascertainable.

In our opinion and to the best to our information and explanations given to us, the accounts subject to above and read with the Schedule and other Notes appearing in Schedule 19 give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

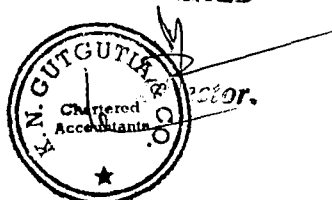
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005
- (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6C, Middleton Street
Kolkata - 700 071

Dated : 16th July , 2005

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For RUIA COTEX LIMITED



FOR K. N. GUTGUTIA & CO.

Sharma
(K. C. SHARMA)
Partner

CHARTERED ACCOUNTANTS
No. No. 50819

K.N.GUTGUTIA & CO.

CHARTERED ACCOUNTANTS
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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date to the members of Ruia Cotex Limited as at
and for the year ended 31st March, 2005)

- I) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) No Substantial part of the fixed assets have been disposed off during the year.
- II) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and the book records.
- III) (a) The Company has neither granted nor taken any loan secured/unsecured from Companies covered in the register maintained under section 301 of the Companies Act, 1956 (1 of 1956).
- (b) As stated above sub clause (b) to (g) of Clause (iii) of Companies (Auditors Report) order, 2003 are not applicable.
- IV) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of Inventory and Fixed Assets and Sale of Goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- V) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that, sub clause (a) & (b) of Clause (v) of the Companies (Auditors' Report) order, 2003, are not applicable since no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into by the Company during the year.

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For RUIA COTEX LIMITED

