

RUIA COTEX LIMITED

74 - 77, New Jessore Road, Doltala, Kolkata - 700 132

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of **RUIA COTEX LIMITED** will be held on Monday, 18th August, 2008 at 11.30 a.m. at "LANDMARK", 5th Floor, 228A, A. J. C. Bose Road, Kolkata - 700 020 to transact the following business :

AS ORDINARY BUSINESS :

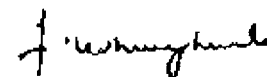
- 1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2008, the Profit and Loss Account and Cash Flow Statement for the Financial Year ended on 31st March, 2008 together with report of the Directors and the Auditors thereon.
- 2) To appoint Director in place of Shri Sunil Kumar Mall who retires by rotation and is eligible for re-appointment.
- 3) 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.

AS SPECIAL BUSINESS :

To consider and, if thought fit, to pass with or without modification the following Resolution as Ordinary Resolution :-

- 4) "RESOLVED that Shri Anil Kumar Jhunjunwala, who was appointed as an Additional Director of the Company w.e.f. 1st November, 2007 under Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation".

By Order of the Board



Place : Kolkata

[ANIL KUMAR JHUNJHUNWALA]
Director

Dated : 20th June, 2008

- Notes :-
- 1 A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the Company. The proxy form, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
 - 2 The Register of Member's and Share Transfer Register of the Company will remain closed from 14th August, 2008 to 18th August, 2008 (both days inclusive).

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- 3 In case of Joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
- 4 Members are requested to bring their copy of Annual Report with them at the Meeting as copies of Annual report will not be distributed at the Annual General Meeting.
- 5 The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business under Item No. 3, Item No. 4 and Item No. 5 of the Notice to be transacted at Annual General Meeting is appended below.

EXPLANATORY STATEMENT :-**ITEM – 4 :-**

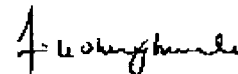
Shri Anil Kumar Jhunjhunwala was appointed by the Board of Directors as an Additional Director at its meeting held on 1st November, 2007. Shri Anil Kumar Jhunjhunwala will hold office till the ensuing Annual General Meeting as per provisions of Section 260 of the Companies Act, 1956.

A notice in writing from a member of the Company proposing the candidature of Shri Anil Kumar Jhunjhunwala for the office of director and signifying his intention to move the resolution as set out under Item No. 4 of the Notice has been received pursuant to the provisions of Section 257 of the Companies Act, 1956.

Your Directors feel that it is in the interest of the Company to continue to avail itself of his services and accordingly recommend his appointment as a Director.

None of the Directors is, in any way, concerned or interested in the said resolution except Shri Anil Kumar Jhunjhunwala who is proposed to be appointed as Director.

By Order of the Board



[ANIL KUMAR JHUNJHUNWALA]
Director

Place : Kolkata

Dated : 20th June, 2008

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DIRECTORS' REPORT**TO THE MEMBERS :-**

Your Directors hereby present the Fifteenth Annual Report together with the Audited Statement of accounts of the company for the year ended 31st March 2008.

FINANCIAL RESULTS :-

	Current Year 2007 – 2008 (Rs in lacs)	Previous Year 2006 – 2007 (Rs in lacs)
Turnover	31.45	67.32
Profit before Depreciation & Interest	(14.05)	(2.35)
Depreciation	59.49	192.07
Profit before Tax	(73.54)	(194.42)
Profit after Tax / Deferred tax	(73.54)	(194.42)
Payment of Fringe Benefit Tax	0.08	0.10
Balance brought forward	(1516.66)	(1322.14)
Amount available for Appropriation carried to Balance Sheet	(1591.92)	(1516.66)

TURNOVER :-

During the year under review, the company's operations were badly affected due to continued 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 job-work basis. Hence, the turnover of the company for the year mainly comprise of job-work 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 of utilizing the Dyeing & Mercerising unit of the company was not satisfactory in previous years and the company was incurring huge operating losses which forced the company to shut down its operation at the said 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.

SETTLEMENT OF DUES WITH IDBI :-

Your Company and Stressed Assets Stabilisation Fund of IDBI has agreed for One Time Settlement (OTS) for the dues of the Company towards IDBI. Accordingly, your Company was required to pay Rs 1,116.10 lacs for settlement of total dues to IDBI which your Company is in the process of repay through its financier. Necessary adjustments in the books of Accounts of the Company will be made on final disposal of settlement proposal.

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AUDIT COMMITTEE :-

Shri Ravi Kumar Murarka, Shri Sunil Kumar Mall and Shri Anil Kumar Jhunjunwala, Directors of the Company, were elected as Members of Audit Committee w.e.f. 9th January, 2007, 19th April, 2007 and 1st November, 2007 respectively and Shri Suresh Kumar Garodia ceased to be member of the Audit Committee w.e.f. 10th December, 2007.

Audit Committee had 3 (three) meetings i.e. on 17th August, 2007, 14th December, 2007 and 11th April, 2008.

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 the 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 :

In accordance with provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Sunil Kumar Mall, Director retires by rotation and being eligible, offers himself for reappointment.

Your company wishes to place on record the valuable services rendered by him during his tenure as director of the company.

Shri Anil Kumar Jhunjunwala was appointed as Additional Director of the Company w.e.f. 1st November, 2007 and will hold office until the conclusion of forthcoming Annual General Meeting in accordance with Section 260 of the Companies Act, 1956.

AUDITORS AND AUDITORS' REPORT :-

M/s. K. N. Gutgutia & Co., Chartered Accountants, Statutory Auditors of the Company will 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.

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PARTICULARS 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 – Nil)

b) Foreign Exchange Earned : Nil

DIRECTORS' 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;

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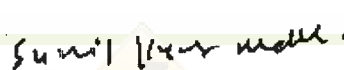
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- 2) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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.

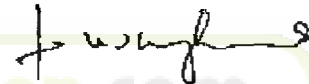
ACKNOWLEDGEMENT :-

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.

On behalf of the Board of Directors



[SUNIL KUMAR MALL]
Director



[ANIL KUMAR JHUNJHUNWALA]
Director

Place : Kolkata

Date : The 20th day of June, 2008

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

PHONE: 2287 3735/56
FAX: 91- 033- 22873756
GRAMS: "GUTGUTIAKO"
6C, MIDDLETON STREET
FLAT NO.23, 2ND FLOOR
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 2008, and also the Profit & Loss Account 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 18.
3. The Balance Sheet and Profit and Loss Account 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, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

