

22nd
ANNUAL REPORT
2001-2002



R. T. EXPORTS LIMITED

DIRECTORS22nd ANNUAL REPORT 2001-2002**RASHMI BHIMJYANI**

Chairman & Managing Director

SANAT MEHTA

T.N.V. AYYAR

MANISH PAREKH

DEEPAK POPAT

TULSI BHIMJYANI

AUDITORS

CHATURVEDI & SHAH

Chartered Accountants

BANKERS

CANARA BANK

REGISTERED OFFICE508, Dalamal House, Jamnalal Bajaj Road,
Nariman Point, Mumbai 400 021**REGISTRARS & TRANSFER AGENTS**

INTIME SPECTRUM REGISTRY PVT. LTD.

260-A, Shanti Industrial Estate,

Sarojini Naidu Road,

Mulund (West), Mumbai 400 080.

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R.T.EXPORTSLIMITED**NOTICE**

NOTICE is hereby given that the Twenty second Annual General Meeting of R.T. EXPORTS LIMITED will be held on Monday the 12th day of August, 2002 at 11:30 A.M. at 508, Dalamal House, J.B.Road, Nariman Point, Mumbai 400021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002, the Profit and Loss Account for the year ended 31st March, 2002 and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr.T.N.V.Ayyar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Guidelines on Preferential issue of shares issued by the Securities and Exchange Board of India (SEBI), and other applicable Regulations / Guidelines and subject to such other approvals, permissions, sanctions, consents as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions and modifications as may be considered appropriate by the Board of Directors, (the term 'Board' shall be deemed to include for the purpose of this resolution any committee of Directors) consent of the Company be and is hereby accorded to the Board of offer, issue and allot not exceeding 8,00,000 Equity shares of Rs.10/- each to such persons and/or such class of persons including resident outside India, Mutual Fund, Institutional investors etc. on preferential basis in one or more tranches at a price computed as per the guidelines issued by SEBI and/or such other authorities, or such other higher price as the Board may decide, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit. And that the Board be and is hereby authorized to finalise all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force in that behalf.

RESOLVED FURTHER THAT the 'Relevant Date' under SEBI Guidelines on Preferential issue in relation to the shares for the purpose of determining the issue prices shall be 12th July, 2002 being the date 30 days prior to the date of passing this Resolution.

RESOLVED FURTHER THAT the equity shares rank pari passu with the existing equity shares of the Company expect that the shares allotted during the financial year shall be entitled to the dividend, if any, declared for that Financial year on a pro-rata basis from the date of allotment of shares.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to agree, make and accept all such conditions(s), modification(s) and alteration(s), if any,

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stipulated by any relevant authorities while according approvals or consents to the issue as may be considered necessary, proper or expedient, to effect such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all documents and required to seek any further consent or approval of the company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution."

For and on behalf of the Board of Directors
For **R.T.EXPORTS LTD**

Mumbai
5th July, 2002

Rashmi Bhimjyani
Chairman & Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Proxies, in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered office of the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 5th August, 2002 to 12th August, 2002 (both days inclusive).
4. Members holding shares in physical form are requested to notify any change in their address / mandate / bank details to the Company's Registrar and Share Transfer Agents.
5. Members holding shares in physical form, who have multiple accounts in identical names or joint accounts in the same order are requested to send all the Share Certificate(s) for consolidatin of all such shareholdings into one account, to the Company's Registrar and Share Transfer Agents.
6. Members are requested to intimate immediately, any change in their address to our Registrar & Transfer Agents, INTIME SPECTRUM REGISTRY PVT. LTD., 260-A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai 400 080.
7. Members are requested to bring their copies of the Annual Report to the Meeting.

For and on behalf of the Board of Directors
For **R.T.EXPORTS LTD**

Mumbai
5th July, 2002

Rashmi Bhimjyani
Chairman & Managing Director

Registered Office :
508, Dalamai House,
Jamnalal Bajaj Road,
Nariman Point, Mumbai - 21.

R.T.EXPORTSLIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

To increase the network and to augment the working capital requirements, the Board of Directors, subject to the approval of the shareholders, have decided to offer, issue and allot 8,00,000 Equity Shares of Rs.10/- each to

- Rashmi C. Bhimjyani, resident of Jeevan Villa, Napeansea Road, Mumbai 400006
- Tulsi C. Bhimjyani, resident of 285, Menka, Petit Hall, Napeansea Road, Mumbai 400006
- Rekha R. Bhimjyani, resident of Jeevan Villa, Napeansea Road, Mumbai 400006
- Leena T. Bhimjyani, resident of 285, Menka, Petit Hall, Napeansea Road, Mumbai 400006
- Rashmi C. Bhimjyani (HUF), resident of Jeevan Villa, Napeansea Road, Mumbai 400006
- Tulsi C. Bhimjyani (HUF), resident of 285, Menka, Petit Hall, Napeansea Road, Mumbai 400006

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to issue further shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said section, unless shareholders decide otherwise in the general meeting.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, SEBI Guidelines and in terms of the provisions of the Listing Agreement to issue and allot equity shares as stated in the Special Resolution.

The disclosures which are required to be given in the notice of the General Meeting (called for the purpose of consideration of the preferential allotment) in accordance with Regulation 3(1) (c) (ii) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 are furnished below.

1. Allottee Details

a) Name of the Allottee

- Rashmi C. Bhimjyani
- Tulsi C. Bhimjyani
- Rekha R. Bhimjyani
- Leena T. Bhimjyani

b) Its relation, if any with the existing promoters

- Rashmi C. Bhimjyani (HUF)
- Tulsi C. Bhimjyani (HUF)
- Rashmi C. Bhimjyani - promoter
- Tulsi C. Bhimjyani - promoter
- Rekha R. Bhimjyani - relative (wife of Rashmi C. Bhimjyani)
- Leena T. Bhimjyani - relative (wife of Tulsi C. Bhimjyani)

In case, the allottee is a Company identify its Promoters or persons in control over the Company and the group they belong to

N.A.

2. Acquisition Details

a) No. and % of shares proposed to be allotted pursuant to special resolution passed under Section 81 (1A) Preferential Allotment.

8,00,000 Equity Shares of Rs.10/- each 21% (on expanded capital)

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- b) No. and % of shares proposed to be allotted to each of the allottee mentioned at (1) above
- | Name | No. of Shares | % |
|---------------------------|---------------|------|
| Rashmi C. Bhimjyani | 1,00,000 | 2.62 |
| Tulsi C. Bhimjyani | 1,00,000 | 2.62 |
| Rekha R. Bhimjyani | 1,50,000 | 3.93 |
| Leena T. Bhimjyani | 1,50,000 | 3.93 |
| Rashmi C. Bhimjyani (HUF) | 1,50,000 | 3.93 |
| Tulsi C. Bhimjyani (HUF) | 1,50,000 | 3.93 |
- c) Price at which allotment is proposed Rs.10/- each
- d) Purpose and reason of the said allotment To increase the networth and to augment the working capital requirement.
- e) Consequential changes, if any, in the Board of Directors No change
- f) Consequential changes, if any, in the shareholding pattern of the target company
- | | Pre allotment
in terms of shares | | Post allotment
in terms of shares | |
|--|-------------------------------------|-------|--------------------------------------|--------|
| | No. | % | No. | % |
| 1. Promoter Group | 2041725 | 67.85 | 2041725 | 53.60 |
| 2. Acquirer (promoter) | - | - | 800000 | 21.00 |
| 3. Mutual Funds / FIIs/ Fis/ NRIs/ OCB) | 171475 | 5.69 | 171475 | 4.50 |
| 4. Public | 795800 | 26.44 | 795800 | 20.89 |
| Total Paid up Equity capital of the Target Company | 3009000 | 100 | 3809000 | 100.00 |
- g) Consequential changes, if any, in voting rights
- | | Pre allotment
in terms of shares | | Post allotment
in terms of shares | |
|--|-------------------------------------|-------|--------------------------------------|--------|
| | No. | % | No. | % |
| 1. Promoter Group | 2041725 | 67.85 | 2041725 | 53.60 |
| 2. Acquirer (promoter) | - | - | 800000 | 21.00 |
| 3. Mutual Funds / FIIs/ Fis/ NRIs/ OCB) | 171475 | 5.69 | 171475 | 4.50 |
| 4. Public | 795800 | 26.44 | 795800 | 20.89 |
| Total Paid up Equity capital of the Target Company | 3009000 | 100 | 3809000 | 100.00 |
- h) Whether the said allotment would result in change in control over the company No change in control is envisaged.

The allotment of Equity shares is proposed to be completed within 3 months from the date of this Annual general meeting. The Board of Directors recommend the passing of this Special Resolution. Mr. Rashmi C. Bhimjyani and Mr. Tulsi C. Bhimjyani are interested in the above resolution.

R.T.EXPORTSLIMITED
DIRECTORS' REPORT

Your Directors present the 22nd Annual Report together with the audited Accounts for the year ended 31st March, 2002.

1. FINANCIAL RESULTS

	2001-2002		2000-2001	
	Current year		Previous year	
	(in lakhs)		(in lakhs)	
	Rs.	Rs.	Rs.	Rs.
Profit / (Loss) before depreciation & interest		(12.80)		114.81
Less : DepreciationInterest	124.32		141.83	
	247.96		548.83	
		372.28		690.66
Profit / (Loss) before tax		(385.08)		(575.85)
Less : Provision for tax		Nil		Nil
Profit after tax		(385.08)		(575.85)
Add : Excess provisions of earlier years' Written back				
Prior period Adjustment (net)		0.36		(9.89)
Balance brought forward from Previous year		(208.76)		234.88
Balance available for appropriation		(593.48)		(350.86)
Appropriations :				
Proposed dividend		-		-
Corporate Dividend tax		-		-
Transfer to general reserve		-		(142.10)
Balance carried forward		(593.48)		(208.76)
		(593.48)		(350.86)

2. DIVIDEND

In view of the loss incurred by the Company, the Directors regret to declare any dividend for the year under review.

3. MANAGEMENT DISCUSSION AND ANALYSIS (MD&A):

Company Financial Review

In the year 2001-02, the company had mainly focused on improving the liquidity. Sales for the year remained at Rs.33.96 crores as against Rs.34.16 crores in previous year. Major part of inventory was liquidated during the year. The raw material cost and manufacturing cost had decreased substantially due to lower production levels. Due to improved price realisation, the company was able to reduced net loss to Rs.3.85 crores from Rs.5.76 crores.

Resources & Liquidity

As stated earlier, during the year, company had focused on improving the liquidity. The company has liquidated sizeable inventory. Also, Company was able to recover insurance claim of Rs.3.99 crores and has taken steps for speedy recovery of balance claim of Rs.7.84 crores. Company has also entered into one time settlement with IDBI, which has resulted in decrease in interest cost.

Internal Structure & Development

In the next year, company proposed to shift their operations of " Parboiled rice " at Bundi. Due to lower, to local taxes and other miscellaneous expenses at Bundi as compared to Kundli, the company would be able to price its products competitively.

Business Review

Prospect of Basmati Rice is absolutely bright provided if it is developed as a brand and market it through-out the World and in the last two years Company has a major break-through in terms of having developed their own brand namely "Mallika", which has been supplied to various U S A consumer stores. There is approx. 70% increase in the turn-over in the export of Basmati rice to U S A as compared to the last year.

It is also expected that there has to be a good demand of "Parboiled" Rice in Saudi Arabia since our decision to manufacture and process rice at Bundi - in our own plant whereby we see considerable saving of local taxes as compared to the taxes being levied in Haryana.

Opportunities & Challenges

We feel Basmati Rice will continue to be cultivated locally and since hybrid variety of Pusa Basmati is being developed and it is able to match the price comparison with Pakistan and especially Europe & U.S A. Most of the restaurants in U S A prefer basmati rice, as their patrons are demanding the same over local rice.

Risk & Concern

As to develop a brand, the current scenario of competition is much larger than one can expect. Keen competition from Pakistan and the so-called other hybrid varieties will definitely dent our profit margins even-though high volume turn-over is expected. Lastly, Basmati is a seasonal commodity and the climatical Change affects the crop due to which the supply can be erratic - in other words - Demand vs. supply will be the most important criteria.

Adequacy of internal Control:

The Company has a proper and adequate system of internal control to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets and that the transactions are authorized, recorded and reported Correctly.

Human Resource Development:

The Company has a team of able and experienced industry professionals. The Number stands as 14.

R.T.EXPORTSLIMITED**4. FIXED DEPOSITS**

During the year Company has not accepted any fixed deposits from the public.

5.DIRECTORS

Mr.T.N.V.Ayyar retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Mr.T.N.V.Ayyar is a Chartered Accountant and his areas of specialisation include investment, Banking and structured corporate finance, privatisations and infrastructure financing energy sector. He has the experience of working in more than twelve developing countries across the world.

6.AUDITORS

M/s.Chaturvedi & Shah, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment and if re-appointed the same will be within the prescribed limits specified in Section 224 (1B) of the Companies Act, 1956. Members are therefore requested to consider their re-appointment and fix their remuneration.

7.AUDITORS REPORT:

Auditors' Report is self explanatory and does not need any explanations.

8.DIRECTORS RESPONSIBILITY STATEMENT-

Pursuant to the requirement under section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors state that:

- a. In the preparation of Annual Accounts for the financial year ended 31st March, 2002 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The Directors have selected such accounting policies and applied them consistently and made judgements 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 2002 and of the profit and Loss account of the Company under review.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- d. The Annual Accounts have been prepared on a going concern basis.

9.PARTICULARS OF EMPLOYEES:

As there are no employees in receipt of Remuneration of Rs.12, 00,000/- or more for the year or Rs.1, 00,000/- per month if employed for part of the year, the statement made under Section 217(2A) is not applicable.

10. PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:**I (a) Conservation of energy:**

The requirement for disclosure of particulars with respect to conservation of energy is not applicable to the rice industry.

(b) Research and development:**1. Specific areas in which other Company has put in research and development efforts are:**

- Updating the laboratories and analysis procedure.
- Receiving and improving raw material - Paddy / Rice.
- Mechanizing the product handling.
- Modifying aspiration system-Improvement in power factory & Capitative
- Power generation
- Adding Pneumatic boiler at Bundi giving heat efficient filter

2. Benefits derived as a result of the above research and development:

- Improvement in quality of Rice.
- Improved handling system for raw materials and final product.
- More efficient use of power / heat system / manpower.
- Setting up better quality for various varieties of Rice.

3. Future plans for action:

- Improvement and set up brand quality for parboiled/raw rice.
- Reduction in rejection / broken rice.
- Improvement in power heating system.

II (a) Technology absorption, adoption and innovation:

- Modifying electrical system for improvement in power factor and Control on capitative power generations.
- Improvement in aspiration system

(b) Benefits to be derived as a result of the above:

- i) Quality improvement.
- ii) Better and efficient performance.
- iii) Cost reduction in production.
- iv) Updating the quality of rice.

III. Foreign exchange earnings and outgo:**Foreign Exchange:**

Earned (on FOB basis)	11,09,64,764
Outgo	57,32,527