

**23rd
ANNUAL REPORT
2002-2003**



**Certified to be True Copy,
For R. T. Exports Ltd.**

M. C. Bhargava
Director,



R. T. EXPORTS LIMITED

R.T. EXPORTS LIMITED**23rd ANNUAL REPORT 2002-2003****DIRECTORS****RASHMI BHIMJYANI**

Chairman & Managing Director

SANAT MEHTA
MANISH PAREKH
DEEPAK POPAT
TULSI BHIMJYANI

AUDITORS

CHATURVEDI & SHAH
Chartered Accountant

BANKERS**CANARA BANK****REGISTERED OFFICE**

508, 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. EXPORTS LIMITED

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of R.T. EXPORTS LIMITED will be held on Friday the 28th day of November, 2003 at 09:45 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, 2003, the Profit and Loss Account for the year ended 31st March, 2003 and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Deepak Popat, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider, and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT M/s Dhiren T Shah & Co., Chartered Accountants, Mumbai, be and are hereby appointed as the Auditors of the Company in place of M/s Chaturvedi & Shah, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at remuneration to be agreed upon between the Auditors and the Board of Directors of the Company plus out of pocket expenses as may be incurred by them."

SPECIAL BUSINESS:

4. Voluntary Delisting of the Company's Equity Shares from certain stock Exchanges
To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"Resolved that, subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and actions, as may be necessary and subject to conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution). Consents hereby accorded to the Board of delist the Company's Equity Shares from all or any of the stock exchanges viz, The Stock Exchange, Ahmedabad at Ahmedabad, The Delhi Stock

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Exchange Association Limited at Delhi and The Saurashtra & Kutch Stock Exchange at Rajkot."
For and on behalf of the Board of Directors
For R.T.EXPORTS LTD.

Rashmi Bhimjyani
Chairman & Managing Director

Place : Mumbai
Date : 3rd November , 2003

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. 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.
4. 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 consolidation of all such shareholdings into one account, to the Company's Registrar and Share Transfer Agents.
5. 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.
6. 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

Place : Mumbai
Date : 3rd November , 2003
Registered office :
508, Dalamal House, Jamnalal Bajaj Road,
Narman Point, Mumbai-21

Rashmi Bhimjyani
Chairman & Managing Director

R.T. EXPORTS LIMITED**INFORMATION TO BE FURNISHED UNDER THE LISTING AGREEMENT**

Details of Directors seeking appointment/ reappointment in the 23rd Annual General Meeting fixed on 28th November, 2003

Name:	Mr. Deepak Popat
Age:	38 Years
Qualifications:	Graduation
Expertise/ Occupation:	Over 15 years experience in rice trade. Instrumental in setting up rice milling facility at Kundki, Haryana

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No.3**

M/s Chaturvedi & Shah, Chartered Accountants, Mumbai have indicated to the Company that they do not wish to seek re-appointment as the Auditors of the Company. The Company proposes to appoint M/s Dhiren T. Shah & Co., Chartered Accountants, Mumbai, as the Auditors of the Company.

Pursuant to Section 225(1) of the Companies Act, 1956, a special Notice has been received from a member proposing the appointment of M/s Dhiren T Shah & Co., Chartered Accountants, Mumbai as the Auditors of the Company. The retiring Auditors have informed that Company that they have no representation to make to the members of the Company.

The Directors recommend the Resolution for your approval.

None of the Directors are interested in the Resolution.

Item No.4

Presently the Company's Equity Shares are listed on the following 4 stock Exchanges in India: The Stock Exchange, Mumbai (BSE) The Stock Exchange, Ahmedabad (ASE) The Delhi Stock Exchange Association Limited (DSE) The Saurashtra & Kutch Stock Exchange, Rajkot. With the wide and extensive networking of centers of the BSE, the investors have access to online dealings in the Company's Equity Shares across the country. Moreover, the Company's Equity shares are one of the scrips which Securities and Exchange Board of India (herein to as "SEBI") has specified for settlement only in demat form by all investors. The trading volumes of the Company's Equity Shares on the stock Exchanges at Ahmedabad, Delhi and Rajkot (hereinafter referred to as "the said delisting Stock Exchanges") are nil. From the information received from

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the Stock Exchanges regarding trading volumes on the said Stock Exchanges, it appears that out of the total trading volume on the 4 stock Exchanges the combined trading of the said delisting stock Exchanges constituted Nil volume for the financial years 2001-02 and 2002-03 respectively. The annual recurring listing fees paid to the said Stock Exchanges, do not now offer commensurate benefits to Company / its investors in the changed scenario of the nationwide trading terminals set up by BSE. The continued listing on the said Stock Exchanges is therefore, not considered necessary. It would further contribute to reduction in administrative costs/efforts of the Company. The proposed voluntary delisting of the Company's Equity Shares from the said delisting Stock Exchanges will not adversely effect any investors including the Members located in the regions where the said Stock Exchanges are situated. Pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, it is now proposed to seek the Member's approval by way of a Special Resolution for voluntary delisting of the Company's Equity Shares from the said three delisting stock Exchanges as set out in the Resolution at item no.4 in terms of the said Guidelines, as the Company's Equity Shares shall continue to remain listed on the BSE, no exit Option is required to be offered to the Shareholders. The proposed delisting is in the interest of the Company and the Board recommends the Resolution for acceptance by the Members. None of the Directors of the Company is concerned or interested in the Resolution at item no.4.

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

Rashmi Bhimjyani
Chairman & Managing Director

Registered Office :
508, Dalamal House,
Jamnalal Bajaj Road,
Nariman Point,
Mumbai 400021

Place : Mumbai
Date : 3rd November , 2003

R.T. EXPORTS LIMITED**DIRECTORS' REPORT**

Your Directors present the 23rd Annual Report together with the audited Accounts for the year ended 31st March, 2003.

1. FINANCIAL RESULTS

	2002-2003		2001-2002	
	Current year		Previous year	
	(in lakhs)		(in lakhs)	
	Rs.	Rs.	Rs.	Rs.
Profit / (Loss) before depreciation & interest		261.93		(12.80)
Less : Depreciation	122.08		124.32	
Interest	<u>132.85</u>	<u>254.93</u>	<u>247.96</u>	<u>372.28</u>
Profit / (Loss) before tax		7.00		(385.08)
Less : Provision for tax				
Profit (Loss) after tax		7.00		(385.08)
Add: Excess provisions of earlier years'				
Written back				
Prior period Adjustment		(1.87)		0.36
Income tax of previous years		(16.36)		0.00
Balance brought from last year		<u>(593.48)</u>		<u>(208.76)</u>
Balance available for appropriation		<u>(604.71)</u>		<u>(593.48)</u>
Appropriations :				
Balance carried forward		<u>(604.71)</u>		<u>(593.48)</u>

2. DIVIDEND

In view of the marginal profit during the year, the Directors regret to declare any dividend for the year under review.

3. FINANCE

During the year company made preferential allotment of 800,000 equity shares of Rupees 10/- each. The company has converted the outstanding foreign currency loan amounting to Rs. 119,825,875 in to 1,198,258 6% non cumulative preference shares of Rs. 100 each fully paid up to be redeemed on 8th March, 2013.

4. EXTENSION FOR HOLDING ANNUAL GENERAL MEETING

The Company has obtained permission for extension of holding of Annual General Meeting by two Months i.e. by 30th November 2003.

23rd ANNUAL REPORT 2002-2003**5. MANAGEMENT DISCUSSION AND ANALYSIS (MD&A):****Company Financial Review**

In the year 2002-03, the company had mainly focused on improving the liquidity. Sales for the year reduced to Rs.4.49 crores as against Rs.33.96 crores in previous year. Major part of inventory was liquidated. Due to improved price realization, the company had successfully entered lucrative segment of export of diamonds. The company also started grading and sorting of rice activity at Kandla. On account of re-structuring of business activity, the company was able to turn around with a marginal profit of Rs. 0.07 crores as against loss of Rs. 3.85 crores in the previous year.

The Company's business consists of the following major segments alongwith revenue generated.

Agro Products	Rs.44,398,651
Diamonds	Rs.12,604,985
Commission / Brokerage	Rs. 7,158,523

Resources & Liquidity

As stated earlier, during the year, company had focused on improving the liquidity. The company has liquidated sizeable inventory. The company has repaid the entire term loan of IDBI, and also issued 6% Non Cumulative redeemable preference shares of Rs. 11.98 crores which has resulted in decrease in interest cost. The company has taken all steps to come out of the liquidity problem.

Internal Structure & Development

The company has entered into export of diamonds. The company has started using its existing plant and machinery for grading and sorting of rice for doing job work at Kandla. The company propose 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. This year the company expect better crop of Basmati Paddy on account of good monsoon. It is also expected that there has to be a good demand of "Parboiled" Rice in Saudi Arabia and other part of the World since our decision to manufacture and process rice

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at Bundi – in our own plant whereby we see considerable saving of local taxes as compared to the taxes being levied in Haryana.

The export of Diamonds is a new business activity. India is regarded as one of the leading exporter of diamonds. Due to favourable international trend, the company expects to do better in this segment.

Grading activity at Kandla on job work basis will entitle the company to use its plant and machinery more efficiently as this kind of facility will facilitate value addition to other exporters at Kandla.

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. Being engaged in the export trade, there will be opportunity to export other commodities / items like diamonds etc.

Uptill now the company had only one line of activity. Now the company has diversified into export of diamonds, job work at Kandla and has become multi activity company. It has reduced its dependence on one line of activity.

Risk & Concern

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 8.

23rd ANNUAL REPORT 2002-2003**6. FIXED DEPOSITS**

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

7. DIRECTORS

Mr. Deepak Popat retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. He has over 15 years of experience in rice trade. He was instrumental in setting up the rice mill at Kundli, Haryana.

8. AUDITORS

M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai have indicated to the Company that they do not wish to seek to be appointed at the forthcoming Annual General Meeting. M/s Dhiren T Shah & Co., Chartered Accountants, Mumbai offers themselves for appointment and if 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.

9. AUDITORS REPORT:

Explanations to notes on accounts referred by the auditors in their reports are as under :-

As per note 6 . Since creditors do not furnish information about the status of their being SSI units, it is not possible for the company to segregate the amount payable between SSI units and others.

As per Note 7 . The Company has taken up the matter for reconciliation of dividend account with respective banks . The company hopes that the matter will be fully resolved during the coming year.

As per Note 8. The Company has initiated necessary steps for recovery of Rs. 13,317,279, included under the head loan & advances. The Company is hopeful of recovering the same.

As per Note 9. IRDA vide it's letter dated 8th May, 2003 has already directed the insurer to pay Rs. 4.00 Crore along with interest at 12 % w.e.f. 10th November 1998. The company has requested to modify the order and to pay the balance amount of Rs. 38,165,846.

As per note 10. The Company has prepared it's accounts on going concern basis as the company intends to start the operation at Bundi & Kundli in near future which are closed since August, 2001 & January, 2002 respectively.

Other observations in the auditor's report are self-explanatory.