

**25th
ANNUAL REPORT
2004 - 2005**



R. T. EXPORTS LIMITED

DIRECTORS

RASHMI BHIMJYANI
Chairman & Managing Director

T.N.V.AYYAR
MANISH PAREKH
DEEPAK POPAT
TULSI BHIMJYANI
BHAVIK BHIMJYANI (w.e.f. 1st July, 2005)

AUDITORS

Dhiren T Shah & Co.,
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.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400 078.

CONTENTS

Notice	2
Directors' Report	5
Corporate Governance Report	11
Auditors Certificate on Corporate - Governance	18
Auditors' Report	19
Balance Sheet	24
Profit & Loss Account	25
Schedules forming part of the Accounts	26
Cash Flow Statement	44

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of R.T. EXPORTS LIMITED will be held on Thursday the 25th day of August, 2005 at 10.00 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 2005, the Profit and Loss Account for the year ended 31st March 2005 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 Consider, and if thought fit to pass with or without modifications, the following resolutions as ordinary resolution:

"RESOLVED THAT M/s Mehta & Sanghavi, Chartered Accountants, Mumbai, be and are hereby appointed as the auditors of the Company in place of M/s Dhiren T Shah & Co., 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. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Bhavik Bhimjyani be and is hereby appointed as director of the Company".

For and on behalf of the Board of Directors

For R.T.EXPORTS LTD

Rashmi Bhimjyani
Chairman & Managing Director

Place : Mumbai
Date : 29th June, 2005

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

ITEM NO. 4

In terms of section 257 of the Companies Act, 1956 the Company has received notice in writing with necessary deposits from a member signifying his intention to propose the candidature of Mr. Bhavik Bhimjyani, who is qualified M.B.A. in Finance, for the office of the directorship.

Mr. Rashmi Bhimjyani and Mr. Tulsi Bhimjyani, being relative of Mr. Bhavik Bhimjyani, are deemed to be concerned or interested in proposed resolutions.

The Board of Directors recommends the resolutions for your approval.

For and on behalf of the Board of
Directors

For R.T.EXPORTS LTD

Report Junction.com

Rashmi Bhimjyani
Chairman & Managing Director

Place: Mumbai

Date: 29th June, 2005

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. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from 19th August 2005 to 25th August 2005 (Both the Days Inclusive) in connection with the Annual General Meeting.
4. 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.
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 consolidation 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. C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078.
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**

**Rashmi Bhimjyani
Chairman & Managing Director**

Place : Mumbai

Date : 29th June, 2005

DIRECTORS' REPORT

Your Directors present the 25th Annual Report together with the audited Accounts for the year ended 31st March 2005.

1. FINANCIAL RESULTS

	2004-2005 Current year (In 00,000) Rs.	2003-2004 Previous year (In 00,000) Rs.
Profit / (Loss) before depreciation & interest	189.95	344.61
Less: Depreciation	101.62	118.12
Interest	77.15	127.07
Profit / (Loss) before tax	11.19	99.42
Less: Provision for tax	-	-
Profit after tax	11.19	99.42
Prior period Adjustment	(4.32)	(1.18)
Income tax of previous years	(—)	(3.60)
Balance brought from last year	(510.06)	(604.71)
Balance available for appropriation	(503.20)	(510.06)
Appropriations:		
Balance carried forward	(503.20)	(510.06)

2. DIVIDEND

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

3. MANAGEMENT DISCUSSIONS AND ANALYSIS (MD&A) :**Company Financial Review**

In the year 2004-05, the Company had mainly focused on improving the liquidity. Sales for the year increased by 6.68 Crores in addition to Rs. 13.40 Crores in previous year. Major part of inventory was liquidated. Due to Decrease in price realization, the Company had ceased form the business of export of diamonds. On account of re-structuring of business activity, the Company was able to manage with a marginal profit of Rs. 11.19 Lacs as against profit of Rs. 99.42 Lacs in the previous year.

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

Agro Products	180, 631, 281/-
---------------	-----------------

Commission / Brokerage	20,234,262/-
------------------------	--------------

Resources & Liquidity

As stated earlier, during the year, Company has continued to focus on improving the liquidity. The Company has settled up to 100% of the overdue Packing credit facility with Canara Bank.

Business Review

Prospect of Basmati Rice is absolutely bright provided if it is developed as a brand and market it throughout 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 at Bundi – in our own plant whereby we see considerable saving of local taxes as compared to the taxes being levied in Haryana.

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.

The Company intends to diversify its activities into the construction and infrastructure development, which has huge potential. The promoters have extensive knowledge and experience in the said activities.

Risk & Concern

Keen competition from Pakistan and Shriklanka and the so-called other hybrid varieties will definitely dent our profit margins even-though high volume turnover 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.

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.

The Company has received notices form the Shareholders for the appointment of Mr. Bhavik Bhimjyani as a Director of the Company in compliance with the provision of the Section 257 of the Companies Act, 1956

6. AUDITORS

M/s. Dhiren T. Shah & Co., Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and they has express their unwillingness to continue as Auditors due to their pre occupation. The Company has approached M/s. Mehta & Sanghavi, Chartered Accountant, Mumbai, for their appointment as Statutory Auditors of the Company and being eligible 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 appointment and fix their remuneration.

7. AUDITORS REPORT:

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

As per Note No. 7. The Company has taken up the matter for reconciliation of Dividend account with respective Bank. The Company hopes that the matter will be fully resolved during the coming year

As Per Note No. 8. The Company has submitted its rejoinder to the appeal filed by the insurer against the Order of IRDA to the Central Government and matter is awaiting final decision by the Central Government

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

8. DIRECTORS RESPONSIBILITY STATEMENT

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

- a) In the preparation of Annual Accounts for the financial year ended 31st March 2005 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 judgments 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 2005 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. 24,00,000 or more for the year or Rs. 2,00,000/- per month if employed for part of the year, the statement made under Section 217(AA) is not applicable.

10. PARTICULARS UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956.**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:

The Company has put to use the technology already available to it. The Company has not acquired any new technology during the year. The Company has not incurred any expenses on R & D during the year.

1. Specific areas in which other Company has put in research and development efforts are:

Nil

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

N. A.

3. Future plans for action:

Nil

(a) Technology absorption, adoption and innovation:

The Company has fully absorbed the technology already available to it.

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

Not applicable

(c) Foreign exchange earnings and outgo:

Foreign Exchange:

Earned (on FOB basis) : Rs. 115, 425, 894 /-

Outgo : Rs. 331,253/-