

**27th
ANNUAL REPORT
2006 - 2007**



R. T. EXPORTS LIMITED

DIRECTORS

RASHMI BHIMJYANI
Chairman & Managing Directors

TULSI BHIMJYANI
N. RANGACHARY
T.N.V. AYYAR
BHAVIK BHIMJYANI
SANAT MEHTA

AUDITORS

Mehta & Sanghavi,
Chartered Accountants

BANKERS

CANARA BANK

REGISTERED OFFICE

508, Dalamal House, Jamnalal Bajaj Road,
Nariman Point, Mumbai 400 021.

REGISTERES & TRANSFER AGENTS

INTIME SPECTRUM REGISTRY PVT. LTD.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400 078.

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NOTICE

Notice is hereby given that the 27th Annual General Meeting of the members of the **R T EXPORTS LIMITED** will be held on Saturday, the 29th day of September 2007 at 10.00 a.m. at the Registered office of the Company at 508 DALAMAL HOUSE, JAMANLAL BAJAJ ROAD, NARIMAN POINT, MUMBAI – 400 021 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2007 and the Profit and Loss Account for the year ended on that date along with the Reports of the Directors and the Auditors 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 a Director in place of Mr. Bhavik Bhimjyani who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint the auditors and fix their remuneration

By order of the Board

RASHMI BHIMJYANI
CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai

Date: 1st September 2007

NOTES:

1. **MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER .**
2. The Register of the Members and share Transfer Books of the Company will be closed from 22nd September, 2007 to 29th September, 2007 (Both the Days Inclusive) in connection with the Annual General Meeting .
3. 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.
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 consolidatin 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. C-13, Pannalal Silk Mills Compound, L.B. S. Marg, Bhandup (West), Mumbai – 400 078.
6. Members are requested to bring their copies of the Annual Report to the Meeting.

By order of the Board

RASHMI BHIMJYANI
CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai

Date: 1st September 2007

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 27th Annual Report together with the audited statement of Accounts for the year ended 31st March 2007.

1. FINANCIAL RESULTS:

The Financial Results for the year ended 31st March 2007 is as under:

	2006-07		2005-06	
	Current Year		Previous Year	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Sales & Other Income		1896.80		601.21
Profit before depreciation & interest		261.10		161.51
Less: Depreciation	63.36		74.54	
Interest	73.02	136.38	22.31	96.85
Profit before tax		124.72		64.66
Less: Provision for tax				
Current Tax	-		-	
Deferred Tax	-		-	
Fringe Benefit Tax	0.45	0.45	0.20	0.20
Profit after tax		124.27		64.46
Prior period Adjustment		4.40		5.57
Balance brought from last year		(444.30)		385.41
Balance carried to Balance Sheet		(324.42)		(444.30)

2. DIVIDEND

In view of the accumulated losses, the Directors express their inability to recommend of any dividend for the year under review.

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

During the year 2006-07, your Company had focused to concentrate to improve its core activities of export of agro products. With the sustained and continues efforts coupled with the support of improved business environment it has been possible for the Company to regain its operations marginally. During the year under review, the Company could improve its income from export of Rice to Rs. 1329.07 lacs compared to Rs. 355.63 lacs in the previous Financial Year. The Company could further improve its operations with recommencement of export of pulses and started export of new item Rajgira to the tune of Rs. 109.27 lacs. With the improvement in the operations of the Company, it's profit also increased to Rs. 126.70 lacs in the current year compared Rs. 64.46 lacs in the previous year. However, this profit was not sufficient to net off accumulated losses.

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

Agro Products	Rs. 146,906,784
Commission / Brokerage	Rs. 26,577,000

Resources & Liquidity:

Your directors are pleased to inform that as per the continuous practice of reducing the dependency on the borrowed fund and to reduce the interest cost burden, with continuous monitoring the management of funds, your Company was able to further improve its liquidity during the year review.

Business Review:

Prospect of export of Basmati Rice is continuously improving. According to sources in the Food and Agricultural Organisation (FAO), India exported 4.5 million tonnes of basmati and non-basmati rice last year. Of this India exported 1 million tonnes of basmati and 3.5 million tonnes of non-basmati rice to neighbouring and West Asian countries. It is expected that Rice exports are likely to double to 9 million tonnes this year on higher productivity and better realisations in the overseas markets. According to Industrial sources, despite the floods that devastated parts of north-eastern states including Bihar and Uttar Pradesh, it is expected a bumper rice crop with a 10-15 per cent rise in production than last year's output at 91 million tonnes, Considering the international market and situation prevailing in neighbouring countries like Indonesia, Bangladesh they are likely to increase imports of rice. Indonesia is believed to be the major importer, where restrictions on rice imports had to be eased to check soaring domestic prices and to rebuild stocks.

With the present scenario the overall market for the rice is expected to remain good and the Company is expected to receive the benefit of the favorable market conditions in local as well as international market.

Opportunities & Challenges:

Awareness about basmati rice is spreading among different strata of the society in the country and abroad. Basmati rice is possessing unique grain, cooking, eating and digestive qualities. Hence, majority of people in the country and abroad have developed liking for basmati rice. Because of its superfine quality, basmati rice is most preferred and also meant for high premium value in the national and international markets. Basmati rice is the most sought after rice in the domestic and international markets and it also fetches high premium. Hence, with the every coming year, domestic as well as international demand for basmati rice is increasing. Considering the long standing in the local as well as international market of the Company, it is expected that the Company would have better chance to improve its operations in the favoured environment.

However, India is facing stiff competition in the world markets for export of rice. Besides, there are many domestic problems for rice exporters. If these internal problems are relaxed to the extent possible, the exporters may find easy way to boost rice export and such measures will go a long way to sustain the exports.

Risk & Concern:

Some of the major internal concerns for the export are high cost of inputs due to tax structure and minimum support price policy, lack of proper infrastructure facilities, uncomparable prices with the other rice producing countries. Externally keen competition from Pakistan and Srilanka and the so-called other hybrid varieties is definitely a major concern for the activities of the Company.

Adequacy of internal Control:

Well designed, proper and adequate system of internal control suitable to the operations of the Company ensures monitoring and controlling of any unauthorized use or disposition of assets.

4. FIXED DEPOSITS

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

5. DIRECTORS

Mr. Tulsi C Bhimjyani retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Sanat Mehta was appointed as Director of the Company in place of Mr. Manish Parikh, who had resigned from the office of director of the Company due to his other occupation. The Board places on record the services rendered by Mr. Manish Parikh during his tenure as director and benefits gained received by the Company of his vast knowledge and experience.

6. AUDITORS

M/s. Mehta & Sanghavi, Chartered Accountants, Mumbai will retire at the ensuing Annual General Meeting, and being eligible offers themselves for reappointment 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 as Statutory Auditors of the Company.

7. AUDITORS REPORT:

Explanations on notes to accounts referred to by the auditors in their reports 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 2007 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 2007 and of the Loss of the Company for the year 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:

None of the employees of the Company were in receipt of Remuneration of Rs. 24,00,000/- or more per annum, if employed for the full year, or Rs. 2,00,000/- per month if employed for part of the year, hence the statement under the provisions of Section 217(AA) is not require to furnish.

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 agro export activities.

B. Research and development:

The Company has applied and followed the generally acceptable technology available and used by the Industry. 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

III Foreign exchange earnings and outgo:

(c) Foreign Exchange:

Earned (on FOB basis)	:	Rs. 11501121/-
Outgo	:	Rs. 572973/-

11. CORPORATE GOVERNANCE:

A report on corporate governance pursuant to clause 49 of the listing agreement is given in Annexure 'A'.

12. CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE:

A Certificate from the Auditors of the Company regarding Compliance of conditions of Corporate Governance as stipulated under Clause 49 of the listing Agreement is attached to this report.

13. DEMATERIALIZATION:

The Shares of the Company are traded compulsorily in demat form and are available for trading under both the Depository systems in India i. e NSDL (NATIONAL SECURITIES DEPOSITORY LIMITED) And CDSL (CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED)

Under the Depository system, the international Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE 581D01015

14. ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation of contribution made by employees of the company , Bankers , Legal Advisors , for the service rendered by them to the company.

For and on behalf of the Board of Directors

RASHMI BHIMJYANI
Chairman & Managing Director

Place: Mumbai

Date: 1st September 2007.

CORPORATE GOVERNANCE REPORT**(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)****CORPORATE GOVERNANCE PHILOSOPHY**

Your Company's philosophy is to give highest priority to protect and safeguard the interest of its stakeholders and all others whose interest is directly and directly being connected with the Company. The Management and the Corporate Representatives, who are responsible for the safeguarding interest of the stakeholders, has designed the policies and implemented systems for conducting affairs of the Company which ensures the highest levels of integrity, accountability and transparency.

BOARD OF DIRECTORS**Composition and Board Meeting**

The composition of the Board of Directors during the year consists of one Executive Director and Five Non-executive Directors of which one Non-executive Director. Mr. Manish Parekh resigned from the office of director of the Company with effect from 12th December 2006 and Mr. Sanat Mehta was appointed in casual vacancy.

Six Board Meetings were held during the Financial Year 2006-07 on 30th April 2006, 30th June 2006 28th August 2006, 16th September 2006, 30th November 2006 and 31st January 2007.

The details of the Board members as on 31.03.2007 are given below:

Name Of the Director	Category	Board Meeting attended	Last AGM	Other Director-ships	Committee Members-Hips	Committee Chairman-ships
Mr. Rashmi C Bhimjyani Chairman & Managing Director	Promoter Executive	6	Yes	23	Nil	Nil
Mr Tulsí C Bhimjyani Director	Promoter Executive	6	Yes	26	Nil	Nil
Mr. Bhavik Bhimjyani Director	Executive	6	Yes	14	Nil	Nil
Mr. T.N.V. Ayyar Director	Independent Non Executive	Nil	Yes	4	5	4
Mr. Manish Parekh Director	Independent Non Executive	4	Yes	2	1	Nil
Mr. Deepak Popat Director	Independent Non Executive	6	Yes	Nil	1	1
Mr. Sanat Mehta	Independent Non Executive	6	Yes	1	1	1

None of the Directors are nominee of any Institution