

**28th
ANNUAL REPORT
2007 - 2008**



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.

CONTENTS

Notice	2
Directors' Report	8
Corporate Governance Report	12
Auditors Certificate on Corporate Governance	20
Auditor's Report	21
Balance Sheet	24
Profit & Loss Account	25
Schedules forming part of the Accounts	26
Cash Flow Statement	39

NOTICE

Notice is hereby given that the Twenty Eight Annual General Meeting of the Members of **R T EXPORTS LIMITED** will be held on Tuesday , September 30, 2008 at 10.00 A.M. at 508 Dalamal House, Jamnalal 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 2008 and the Profit and Loss Account for the year ended on that date along with the Reports
2. To appoint a Director in place of Tulsi Bhimjyani, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sanat Mehta, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SEPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Company hereby approves the re- appointment of Rashmi Bhimjyani as Managing Director of the Company for a period of five years with effect from 30th September, 2008 upon the terms and conditions including remuneration as set out in the draft agreement submitted to the meeting and initialed by the Chairman, for the purpose of identification, which draft agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or the Agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Rashmi Bhimjyani.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to the said resolution."

6. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1-A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or any re-enactment thereof), the relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and Subject to guidelines issued by the Securities and Exchange Board of India (SEBI), approval of Bombay Stock Exchange and such changes as may be suggested by SEBI and BSE and which may be agreed to by the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board of Director be and is hereby authorised to issue offer and allot 550000 Equity Shares of Rs. 10/- each at a price of Rs. 73.24 per share to Harmony Holdings Limited or such lesser number of shares as may be determined by the Board from unissued Authorised Equity Share Capital of the Company towards redemption of 402843 Preference Shares of Rs. 100/- each on such rules and guidelines prevailing in this regards and in such trenches as may be decided by the Board in its absolute discretion and to the said shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respect with the existing equity shares of the Company, except that the dividend thereon shall be paid prorata from the date of allotment of such new equity shares.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to take all such actions and give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in this regard and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection with the issue of Equity Shares."

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate to a Committee of Directors or any one of the Directors whom the Board may authorise, all or any of its powers and authorities vested in it in terms of this resolution as may be permitted by Law."

By order of the Board

Place : Mumbai
Date : 27th August 2008

RASHMI BHIMJYANI
CHAIRMAN AND MANAGING DIRECTOR

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (The Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company (Should be in capital letter). In order to be effective proxies duly stamped and executed, must reach the Registered Office of the Company not less than forty - eight hours the time fixed for the Annual General Meeting, A proxy form is enclosed for this purpose.
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting .
4. Member who hold shares in dematerialized form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. Members seeking any further information about the accounts are requested to write to the Company at least ten days before the date of the Annual General Meeting so as to enable the management to keep the information ready at the meeting.
6. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at INTIME SPECTRUM REGISTRY PVT. LTD.C- 13 Pannalal Mills Compound, L. B .S. Marg, Bhandup (West) , Mumbai-400 - 078. in respect of their physical share folios, if any.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September 2008 to 30th September, 2008 (both days inclusive) for ascertaining the Shareholders entitled to receive dividend , if approval at the meeting.

By order of the Board

RASHMI BHIMJYANI
CHAIRMAN AND MANAGING DIRECTOR

Place : Mumbai
Date : 27th August 2008

Explanatory Statement

Item No. 5

The present term of Rashmi Bhimjyani is valid upto 30th September, 2008. Subject to approval of the Members of the Company, the Board of Directors in its meeting held on August 27, 2008 has re-appointed Rashmi Bhimjyani, as Managing Director, for a further period of 5 years i. e. up to 29th September, 2013.

Rashmi Bhimjyani is a MBA from Howard University and he has over thirty years of experience in commercial, finance and managerial functions. To avail the experience of Rashmi Bhimjyani, Board of Directors has re-appointed as Managing Director of the Company subject to yours approval.

The important terms and conditions of agreement between the Company and Rashmi Bhimjyani are as follows :-

- I. **Salary** - Rs. 15,000-Rs. 30,000 per month within this the Board of Directors shall grant such salary as the they deem fit.
 - II. **Medical Reimbursement** - Medical expenses including hospitalization and premium for medical insurance incurred by individual for self and family, subject to a ceiling of one month's salary per year or three month's salary in a period of three years.
 - III. **Leave Travel Allowance** - Leave Travel Allowance for self and family, once in a year to visit any place in India, limited to Rs. 30,000/- or such other amount as may be approved by the Board of Directors from time to time .
 - IV. **Leave** - Leave on full and allowance as per the rules of the Company but not more than one month's leave for every 11 month's service . Encashment of leave is permissible at the end of the tenure and will not be included in the computation of ceiling on perquisites.
 - V. **Entertainment Expenses** - Entertainment expenses actually and properly incurred by the incumbent in the course of legitimate business of the Company shall be reimbursed to him and such reimbursement will not be including in the computation of the aforesaid perquisites value.
- The remuneration by way of salary and perquisites payable by the Company to the Managing Director shall not exceed the limits laid in Sections 198, 309 and Schedule XIII of the Companies Act, 1956 or any statutory modification or reenactment thereof.
 - In the event of absence or inadequacy of profits in any year the Managing Director shall be entitled to the salary, allowance and perquisites not exceeding the limits prescribed under statutory modification or re-enactment thereof.

Approval of the Members is sought by way of ordinary resolution at this Annual General Meeting for the reappointment and payment of remuneration to Rashmi Bhimjyani. A copy of the draft agreement proposed to be entered into between the Company and Rashmi Bhimjyani will be available for inspection by the Members at the registered office of the Company between 11.00 a.m. and 1.00 pm. on all working days except Sundays.

This statement read along with the resolution may be deemed as an abstract of the terms of the agreement proposed to be entered into between the Company and Rashmi Bhimjyani, to be sent to the Members of the Company in terms of section 302 of the Companies Act, 1956.

None of the Directors of the Company is interested in the resolution except Rashmi Bhimjyani, Tulsi Bhimjyani and Bhavik Bhimjyani.

The Directors recommend this resolution.

Item No. 6

The Company had further allotted 1198258 6% Non cumulative Preference Shares to Harmony Holdings Limited, Mauritius of face value of Rs. 100 each. The said shares are due for redemption in March 2013. Considering the position of the Company and the market prospects, the Board felt that it would be necessary to make the provisions and as a prudent policy it is decided to redeem the Preference Shares partly by converting it into Equity Shares of the Company at the price derived as per the SEBI Guidelines for allotment of shares on Preferential basis and Subject to approval of BSE and SEBI. Hence the Preference Shares holdings of Harmony Holdings Limited will be reduced to 795415 Preference Shares of Rs. 100/- each from 1198258 Preference Shares. The other terms and conditions shall remained unchanged.

The Proposed Preferential Allotment of Shares shall be as under :

Sr. No	Name of the Allottee to whom the shares to be issued	No. of Shares
1.	Harmony Holdings Limited	402843
		402843

The Company has received necessary permission from the reserve Bank of India for conversion of Preference Shares allotted to Harmony Holdings Limited, Mauritius erstwhile OCB by the allotment of fresh Equity Shares of the Company. The proposed allotment of shares is subject to Guidelines issued by the Security and Exchange Board of India for Preferential allotment of shares. The valuation of shares is done as per the Guidelines for allotment of shares on the Preferential Basis. The pricing of the Shares is as per the regulation 13.1.1.2 (i) and 13.1.1.2 (ii) of the Disclosure and Investor Protection Guidelines issued by the Securities and Exchange Board of India. The Company has obtained Certificate from the statutory Auditors of the Company for the

valuations of shares and that the said instruments are being made in accordance with the required contained in the Guidelines issued by SEBI.

The Auditors' Certificate is available for inspection at the Registered Office of the Company during the working hours.

The present Shareholding Pattern of Equity Shares of the Company is as under:

Sr. No.	Category of Shareholder	Class	No. of Shares	% of Listed Capital
1.	Promoters and promoter Group	Equity	2725367	71.55
2.	Public	Equity	1083633	28.45
	Total Listed Equity Capital Rs.		3809000	100.00

The Shareholding Pattern after the proposed Preferential Allotments of Shares:

Sr. No.	Category of Shareholder	No. of Shares	% of Listed Capital
1.	Promoters and promoter Group	2725367	62.52
2.	Public	1083633	24.86
3	Harmony Holdings Limited	550000	12.62
	TOTAL	4359000	100.00

As per provisions of Sections 81(1A) of the Companies Act 1956, approval of members is necessary for allotment of shares to the persons other than the shareholders of the Company. Hence the resolution is placed for your approval.

None of the directors of the Company are interested in the proposed resolution.

The Directors recommend this resolution.

By order of the Board

RASHMI BHIMJYANI
CHAIRMAN AND MANAGING DIRECTOR

Place : Mumbai
Date : 27th August 2008

DIRECTORS REPORT

Your Directors have pleasure in presenting the 28th Annual Report together with the audited statement of Accounts for the financial year ended 31st March 2008.

1. FINANCIAL HIGHLIGHTS

The Financial Results for the year ended 31st March 2008 are as under:

	2007-08		2006-07	
	Current Year		Previous Year	
	Rs. Lacs	Rs. Lacs	Rs. Lac	Rs. Lacs
Sales & Other Income		754.41		1896.80
Profit before depreciation & interest		243.17		261.10
Less; Depreciatio	61.80		63.35	
Interest	24.88	86.68	73.02	136.37
Profit before tax		156.49		124.72
Less Provision for tax	-		-	
Current Tax	-		-	
Deferred Tax	-		-	
Fringe Benefit Tax	0.60	0.60	0.45	0.45
Profit After Tax		155.89		124.27
Prior Period Adjustment		1.31		4.40
Balance brought from last year		(324.43)		(444.30)
Balance carried to Balance Sheet		169.85)		(324.42)

2. DIVIDEND

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

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

During the year 2007-08, your Company had focused to improve its core activities of export of agri products With the sustained and continued efforts, turn over from export of Rice reached to Rs. 234.18 lacs. Due to the improvement in the operations of the Company, its profit also increased to Rs. 155.73 lacs in the current year as compared to Rs. 124.27 lacs in the previous year. However this profit was not sufficient to offset the accumulated losses.

The Company's business consists of the following major segments along with revenue generated as under:-

Agri Products	Rs. 41,532,372
Commission /Brokerage	Rs. 26,467,500

Resources & Liquidity

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

Business Review

During the current financial year due to currency volatility between Indian Rupee vis a vis US Dollar, the ban on export of non basmati rice export and imposition of duty on export of Basmati rice, the rice exports turnover was lower than the previous year. The Company is looking into the possibility of export of other agri products like Rajgira, Wheat, etc. to improve its export turnover and performance.

The Company is hoping to take advantage of the benefit of the present favorable conditions in the international forex market.

Opportunities & Challenges:

Awareness about basmati rice is spreading among different strata of the society within the country and also abroad. Basmati rice possesses 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 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 favored environment.

However, India is facing stiff competition in the world markets for export of rice. Besides, there are many domestic problems for rice exporters like the ban on export of non-basmati rice and imposition of duty on basmati rice exports @ US\$ 200/- per ton. 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 exports are high cost of inputs due to tax structure and minimum support price policy, lack of proper infrastructure facilities, and incomparable prices with the other rice producing countries. Externally keen competition from Neighbours Countries 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 and Mr. Sanat Mehta retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

6. RENEWED THE TERM OF PERIOD OF MANAGING DIRECTOR

Rashmi C. Bhimjyani is a Chairman and Managing Director of the Company and his tenure will be expired on 30th September, 2008 and your Board of Director renewed