

**29th  
ANNUAL REPORT  
2008 - 2009**



**R. T. EXPORTS LIMITED**

**CORPORATE INFORMATION****BOARD OF DIRECTORS****Rashmi Bhimjyani**

Chairman &amp; Managing Director

**Tulsi Bhimjyani**

Director

**N. Rangachary**

Director

**T. N. V. Ayyar**

Director

**Bhavik Bhimjyani**

Director

**Sanat Mehta**

Director

**REGISTERED OFFICE**

508, Dalamal House,  
J. B. Road, Nariman Point,  
Mumbai - 400 021.

**AUDITORS**

M/S Mehta & Sanghavi,  
25- R, 9th Floor,  
Navjeevan Commercial Premises  
Lamington Road,  
Mumbai - 400 008.

**BANKERS**

Canara Bank  
State Bank of India

**REGISTRARS AND  
SHARE TRANSFER AGENTS**

**LINK INTIME INDIA PVT. LTD.**  
C- 13, Panalal Silk Mills Compound.  
L. B. S. Marg. Bhandup(West).  
Mumbai - 400 078.

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## **NOTICE**

Notice is hereby given that the Twenty Ninth Annual General Meeting of **R. T. EXPORTS LIMITED** will be held on Tuesday, the 29th day of September, 2009 at 508 Dalamal House, Jamnalal Bajaj Road, Nariman Point, Mumbai 400 021 at 10.00 a.m. to transact the following business:

## **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. N. Rangachary, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. T. N. V. Ayyar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/S Mehta & Sanghavi, Chartered Accountants, Mumbai as the Statutory Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

By order of the Board Directors

Place : Mumbai  
Date : 28th August, 2009

**RASHMI BHIMJYANI**  
CHAIRMAN & MANAGING DIRECTOR

**Regd. Office:**  
508, Dalamal House  
J. B. Road.  
Nariman Point  
Mumbai - 400 021.

## **NOTES**

1. A 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 OF THE COMPANY.

Proxies in order to effective must be received at the registered office of the Company not less then 48 hours before the Commencement of the Annual General Meeting.

2. Corporate Members are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote at the Meeting.
3. Members/proxies should fill in the attendance slip for attending the Meeting.
4. Reappointment of Directors: At the ensuing meeting, Mr. N. Rangachary and Mr. Mr. T. N. V. Ayyar retires by rotation and being eligible, offers themselves for re-appointment. The details pertaining to these directors required to be provided pursuant to Clause 49 of the Listing Agreement are furnished in the statement on Corporate Governance in the Annual Report.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd September 2009 to Tuesday, 29th September, 2009 (both days inclusive)
6. Members holding shares in physical form are requested to notify/ send the intimation of their change in address and details of Bank account at the earliest to the Share Transfer Agents viz: Link Intime India Pvt. Ltd., C- 13, Panalal Silk Mills Compound, L. B. S. Marg, Bhandup(West), Mumbai - 400 078.

Members holding shares in the electronic form are advised to inform changes in address/ Bank mandate directly to their respective Depository Participants.

7. Member desirous of getting any information relating to the accounts and operation of the Company are requested to address their queries at least 7 days in advance of the meeting so that the information required may be made available at the meeting.
8. Members are requested to bring their copy of Annual Report to the meeting.

By order of the Board Directors

Place : Mumbai  
Date : 28th August, 2009

**RASHMI BHIMJYANI**  
CHAIRMAN & MANAGING DIRECTOR

**DIRECTORS REPORT**

Your Directors have pleasure in presenting the 29th Annual Report together with the audited statement of Accounts for the financial year ended 31st March 2009.

**1. FINANCIAL HIGHLIGHTS**

The Financial Results for the year ended 31st March 2009 are as under:

Rs. in Lacs

	March 31, 2009	March 31, 2008
Sales & Services	924.40	679.99
Other Income	42.31	74.40
Profit Before Deprecation & Interest	143.35	242.58
Less: Depreciation	59.42	61.79
Interest	4.37	24.30
Profit before Tax	79.56	156.49
Provision for taxation (Net)	(2.90)	(0.60)
Prior Period Item	(2.47)	(1.31)
Profit / (Loss) after Tax	74.19	154.58
Add: Balance Brought Forward from Previous Year	(169.85)	(324.43)
<b>Balance Carried to Balance Sheet</b>	<b>(95.66)</b>	<b>(169.85)</b>

**2. FINANCIAL REVIEW**

During the period under review, the Company has earned income from sales & Services of Rs. 924.40 Lacs as compared to Rs. 679.99 Lacs in 2007-08. Your Company has achieved Profit before tax of Rs 79.56 Lacs as Compared to Rs. 156.49 Lacs showing the decrease Rs. 76.93 Lacs Your Company has initiated necessary measure to improve the profitability of the Company.

**2. DIVIDEND**

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

**3. FIXED DEPOSITS**

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

**4. DIRECTORS**

Mr. N Rangachary and Mr. T.N.V Ayyar retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Brief profile of the Directors proposed to be reappointed is given in the corporate Governance report.

**5. PARTIAL REDEMPTION OF PREFERENCE SHARES AND PREFERANTIAL ALLOTMENT OF EQUITY SHARES**

During the year under review, 4,02,843 Preference Shares of Rs. 100/- each were redeemed out of 11,98,258 Preference share of Rs. 100 each. The Board of Directors

at their meeting held on 15th October, 2008, allotted 5,50,000 Equity Shares of Rs. 10/- each at a premium of Rs. 63.24 pursuant to the Special resolution under Section 81(1A) of the Companies Act, 1956.

## **6. AUDITORS**

M/s Mehta & Sanghavi, Chartered Accountants, the statutory Auditors of the Company, holds office upto the conclusion of the forthcoming Annual General Meeting and has given their consent for reappointment and has confirmed that their appointment, if made, would be in conformity with the limit prescribed in Section 224(1B) of the Companies Act, 1956. It is proposed to reappoint them as auditor for the financial year 2009-10.

## **7. AUDITORS REPORT**

There being no observation made by the Auditors in respect of financial results for the year ended as on 31st March, 2009. Your directors are not required to offer any comments pursuant to section 217(3) of the Companies Act, 1956.

## **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 2009 the applicable accounting standards have been followed along with proper explanation 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 2009 and of the profit 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;**

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 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 agro export activities of the company.

### **B. Research and Development:**

The Company has applied and followed the general 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. Specified 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) Benefit to be derived as a result of the above;
- Not applicable

**C. Foreign exchange earning and outgo:**

- (c) Foreign Exchange

Earned (on FOB basis) : Rs. 58,583,466/-

Outgo : Rs. 21,29,122/-

**11. CORPORATE GOVERNANCE**

A report on corporate governance along with a certificate from M/S Ashish Agarwal & Associates, Company Secretaries in practice, regarding compliance of requirements of Corporate Governance pursuant to clause 49 of the listing agreement with Stock Exchange are annexed hereto.

**12. INVESTOR GRIEVANCES COMMITTEE**

Investor's relations have been cordial during the year. As a part of the compliance, the Investor's Grievances Committee is dealing with the issues relating to investors. There were no investor's grievances pending as on 31st March, 2009. A confirmation to this effect has been received from the Company's Registrar and Share Transfer Agent.

**13. ACKNOWLEDGEMENT**

Your Directors place on record their grateful appreciation for the support and cooperation extended to the Company by Banks, Government authorities, Customers during the year under review. The Directors would also like to thanks the employees for their continue support and contribution in ensuing and excellent all round performance

For and behalf of the Board of Directors

Place: Mumbai

Date: 28th August, 2009

**RASHMI BHIMJYANI**

Chairman & Managing Director

## **MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

### **A. Industry structure and developments**

Rice Industry is an important constitute in agricultural sector of Indian Economy. It gives major employment for handling the movement of rice and transport industry. It has fast growing brand demand in domestic as well as International market. Branded rice demand is slowly spreading to rural sector rice being stable food for major Indian population. Further substantial portion of Basmati rice produced in India has huge demand in domestic as well as International I market.

### **B. Opportunities and threats**

#### **i) Opportunities**

Going ahead, the Company's outlook appears optimistic for the following reasons:

- Rice continues to be staple food of about 65 percent of India's population, which is increasing.
- The basmati rice segment continues to be highly organised, an attractive market share available to the company to capture.
- The Company has large production capacities, enjoying a relatively low processing cost.
- With an increase in global per capita incomes, the demand for better basmati qualities has increased significantly.

#### **ii) Threats**

- Increasing competition from other Indian companies operating in similar segments.
- Increasing competition from the countries that offers low cost manufacturing bases such as Vietnam and Thailand in the area of non-basmati rice.

### **C. Segment-wise or product-wise performance.**

#### **i) The business groups comprise the following:-**

Agro - Agro commodity such as rice, pulses, Rajgira etc.

Investment/ Security transaction

Services

Rent

#### **ii) The Geographical segments considered for disclosure are:**

- Sales within India
- Sales outside India

The segment wise financial detail is given in Schedule 21 under the head Segment Reporting.



**D. Outlook**

During the financial year 2009-10, production of rice may decrease due to poor rain in major parts of the country. Government of India has also put ban on Non-Basmati rice. Hence export of Non - Basmati rice is not possible and we have to compete with the exporters of other countries for exports of Basmati rice. However, your Company is optimistic in sale of rice in local as well as international market due to increase in population.

**E. Risks and Concerns****Climatic risk**

Production of Rice is largely depend upon rains and change in climate , which may lead to shortage of production of Rice.

**Risk mitigation**

The company largely procures rice and rajgira from Uttar Pradesh, Uttaranchal, Haryana, Punjab, Gujrat and Rajasthan. The areas of rice cultivation are situated in the locations that enjoy abundant rainfall reinforced by adequate irrigation facilities in the respective areas.

**Foreign exchange risk**

Given its large exports, R. T. Exports Limited is exposed to foreign exchange risk.

**Risk mitigation**

The company's exposure to this risk is well within its hedging guidelines. All revenue exposures are hedged to the maximum extent. Depending on the volatility of local currencies, the extent of risk covers could vary.

**Realisations risk**

Any decline in the realisations would directly affect the company's performance.

**Cost risk**

The company generally markets aged rice, leading to an accumulation of its inventory and resulting in a higher debt cost. Moreover, increased freight could dent profitability.

**F. Internal Control Systems and their adequacy**

The Company has in place adequate internal control systems and procedures to commensurate with the size and nature of its business. The internal control systems in the Company are reviewed by the Board of Directors which would provide assurance regarding the effectiveness and efficiency of operation, reliability of financial reporting and compliance with applicable laws and regulations. The transactions are authorized, recorded and reported in conformity with *generally accepted accounting practices*.

All employees are rigorously exposed and trained to follow the Company's business conduct guidelines with integrity as the foundation of every transaction and activity that is undertaken.

**G. Discussions on financial performance with respect to operational performance**

(Rs. in Lacs)

Description	2008-2009	2007-2008	Changes %
Sales & Services	924.40	679.99	35.94
Other Income	42.31	74.40	(43.13)
Profit before Tax	79.56	156.49	(49.16)
Profit / (Loss) after Tax	74.19	154.58	(52.00)

During the period under review, the Company has earned income from sales & Services of Rs. 924.40 Lacs as compared to Rs. 679.99 Lacs in 2007-08. Your Company has achieved Profit before tax of Rs 79.56 Lacs as Compared to Rs. 156.49 Lacs showing the decrease Rs. 76.93 Lacs

**H. Human Resource Development**

The development of human resources is the top most priority as the Company considers human resources as the most important asset. Value addition in human resources is emphasized throughout the organization. Regular training is provided through well structured and objective programs.

**CAUTIONARY STATEMENT**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in the government regulations, tax laws and statutes and other incidental factors.

For and behalf of the Board of Directors

Place: Mumbai

Date: 28th August, 2009

**RASHMI BHIMJYANI**

Chairman & Managing Director