

CORPORATE INFORMATION

BOARD OF DIRECTORS

(As on 31st August, 2011)

Rashmi Bhimjyani

Chairman & Managing Director

Bhavik Bhimjyani

Director

Yogesh Dawda

Director

Sanat Mehta

Director

REGISTERED OFFICE

508, Dalamal House

J. B. Road

Nariman Point

Mumbai - 400 021.

AUDITORS

M/s Ramesh M. Sheth and Associates

Chartered Accountants,

1-A, Mulji Mistry Bldg., 1st Floor,

Tejpal Road, Vile Parle(East)

Mumbai 400057

BANKERS

Canara Bank

State Bank of India

REGISTRARS AND

SHARE TRANSFER AGENT

LINK INTIME INDIA 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 Thirty first Annual General Meeting of R. T. Exports Limited will be held on Friday, the 30th day of September, 2011 at 508 Dalamal House, Jamnalal Bajaj Road, Nariman Point, Mumbai 400 021 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

Item No. 1 - Adoption of Accounts

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit and Loss Account for the year ended on that date together with the Report of the Board of Directors and the Auditors Report thereon.

Item No. 2 - Re-appointment of Mr. Sanat Mehta

To appoint a Director in place of Mr. Sanat Mehta, who retires by rotation, and being eligible, offers himself for re-appointment.

Item No. 3 - Appointment of Auditors

To consider, and if thought fit, to pass with or without modifications, the following resolution as ordinary resolution:-

"RESOLVED THAT M/s. Ramesh M. Seth & Associates, Chartered Accountants, (Firm Registration No.111883W), the retiring auditors be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be agreed upon between the auditors and the Board of Directors of the Company plus re-imbursement of out of pocket expenses as may be incurred by them."

SPECIAL BUSINESS

Item No. 4 - Appointment of Mr. Bhavik R. Bhimjyani as a Director, liable to retire by rotation

To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:-

"RESOLVED THAT Mr. Bhavik R. Bhimjyani, who was appointed as an Additional Director with effect from February 11, 2011 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 135 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company, liable to retire by rotation."

Item No. 5 - Appointment of Mr. Yogesh Dawda as a Director, liable to retire by rotation

To consider, and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:-

"RESOLVED THAT Mr. Yogesh Dawda, who was appointed as an Additional Director with effect from August 31, 2011 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Articles 135 of the Articles of Association of the Company and who holds office

up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company, liable to retire by rotation."

By order of Board of Directors

Place : Mumbai
Date: 31st August, 2011

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 AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to effective must be received at the registered office of the Company not less than 48 hours before the Commencement of the Annual General Meeting.
3. Corporate Members are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
4. Members/proxies should fill in the attendance slip for attending the Meeting.
5. The Register of Directors' shareholding, maintained under section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
6. The Register of Contracts maintained under section 301 of the Companies Act, 1956, will be available for inspection by the members at the registered office of the Company.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September 2011 to Friday, 30th September, 2011 (both days inclusive)
8. Members holding shares in physical form are requested to notify/ send the intimation of their change, if any, in address and details of Bank account at the earliest to the Share Transfer Agents viz: Link Intime India Pvt. Ltd., C- 13, Pannalal 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, if any, directly to their respective Depository Participants.
9. 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.
10. Members are requested to bring their copy of Annual Report to the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 4**

Mr. Bhavik R. Bhimjyani was appointed as an Additional Director by the Board of Director w.e.f. February 11, 2011 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 135 of the Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company, along with a deposit of Rs.500/- proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. Bhavik R. Bhimjyani on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 for adoption.

None of the Directors, except Mr. Bhavik R. Bhimjyani and Mr. Rashmi C. Bhimjyani, is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 4 to be passed as ordinary resolution.

ITEM NO. 5

Mr. Yogesh Dawda was appointed as an Additional Director by the Board of Director w.e.f. August 31, 2011 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 135 of the Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company along with a deposit of Rs.500/- proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. Yogesh Dawda on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 5 for adoption.

None of the Directors, except Mr. Yogesh Dawda is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 5 to be passed as ordinary resolution.

By order of Board of Directors

Place: Mumbai
Date : 31st August, 2011

RASHMI BHIMJYANI
Chairman & Managing Director

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

DIRECTORS REPORT

Your Directors have pleasure in presenting the 31st Annual Report together with the audited statement of Accounts for the financial year ended 31st March 2011.

1. FINANCIAL HIGHLIGHTS

The Financial Results for the year ended 31st March 2011 are as under:

| Particulars | Rs. In Lacs | |
|---|--------------------------------------|--------------------------------------|
| | For the Year Ended March 31, 2011 | For the Year Ended March 31, 2010 |
| Sales & Services | 469.37 | 491.82 |
| Other Income | 36.05 | 17.77 |
| Profit Before Deprecation, Interest & Extra-ordinary / prior period item | 87.66 | 84.36 |
| Less :- Depreciation | 74.46 | 66.99 |
| Interest | 0.35 | 2.52 |
| Extra-ordinary /prior period Loss | 7.04 | - |
| Profit before Tax | 5.81 | 14.84 |
| Provision for taxation (Net) | (2.65) | (3.50) |
| Prior Period Item | - | (0.80) |
| Profit / (Loss) after Tax | 3.16 | 10.54 |
| Add :- Balance Brought Forward from Previous Year | (85.10) | (95.65) |
| Balance Carried to Balance Sheet | (81.95) | (85.10) |

2. FINANCIAL REVIEW

During the period under review, the Company's income from sales & Services stood at Rs.469.37 Lacs as compared to Rs. 491.82 Lacs in 2009-10. During the period under review, there was lot of speculation in the price of Basmati rice. Since your company was not interested in entering into speculative activity, it resulted in a decrease in turnover, which in turn affected the profitability.

Your Company has initiated necessary measures to diversify the client base in the Gulf area and improve the profitability of the Company.

2. DIVIDEND

In view of the accumulated losses, the Directors have decided not 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. DIRECTOR

During the year under review, the composition of Board of R.T. Exports Ltd. has undergone some changes due to appointments/cessations as mentioned below:

Cessations:

- 1) Shri Tulsi C. Bhimjyani ceased to hold the office of a Director during the financial year 2010-11.
- 2) Shri N. Rangachari ceased to hold the office of a Director during the second quarter of Financial Year 2011-12.

Appointments:

- 1) Shri Bhavik R. Bhimjyani was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956, by the Board of Directors at its meeting held on 11th February, 2011. Company has to regularize his appointment in the forthcoming Annual General Meeting.
- 2) Shri Yogesh Dawda was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956, by the Board of Directors during the second quarter of Financial Year 2011-12. Company has to regularize his appointment in the forthcoming Annual General Meeting.
- 3) Mr. Sanat Mehta retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Brief profile of the Director proposed to be reappointed is given in the Corporate Governance Report.

5. AUDITORS

Retiring Auditors M/s Ramesh M. Seth & Associates, Chartered Accountants, have offered themselves for re-appointment. A written certificate has been obtained from them to the effect that in case of their appointment as Auditors of the Company, the appointment will be in accordance with the limits prescribed under section 224(1B) of the Act.

Board of Directors recommend the re-appointment of M/s Ramesh M. Seth & Associates as the Statutory Auditors of the Company.

6. AUDITORS REPORT

There being no observations made by the Auditors in respect of financial results for the year ended as on 31st March, 2011, your directors are not required to offer any comments pursuant to section 217(3) of the Companies Act, 1956.

7. DIRECTORS RESPONSIBILITY STATEMENT

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

- aa) In the preparation of Annual Accounts for the financial Year ended 31st March 2011 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 2011 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.

8. 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.

9. PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956

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 thank the employees for their continued support and contribution in ensuring all round performance.

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 the 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:

a) Foreign Exchange

| | | |
|-----------------------|---|-------------------|
| Earned (on FOB basis) | : | Rs. 1,71,99,984/- |
| Outgo | : | Rs. 1,27,708 |

10. 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.

11. 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, 2011. A confirmation to this effect has been received from the Company's Registrar and Share Transfer Agent.

12. 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 thank the employees for their continued support and contribution in ensuring all round performance.

For and behalf of the Board of Directors

Place : Mumbai
Date : 31st August, 2011

RASHMI BHIMJYANI
Chairman & Managing Director

MANAGEMENT DISCUSSIONS AND ANALYSIS (MD&A)

A. Industry structure and developments

Government of India has been considering agriculture and farming under priority sector and Rice Industry is an important constituent in the agricultural sector of Indian Economy. Majority of rural population has been employed in crop cultivation, crop handling and movement of rice and transport industry. It has fast growing brand demand in domestic and Industrial market. Demand for branded rice is slowly spreading to rural sector, rice being the staple food for majority of the Indian population. Further substantial portion of Basmati rice produced in India has huge demand in Industrial market.

B. Opportunities and threats

i) Opportunities

Rice Business is coming of age and it is ranked among first few business of India. With policy measures from the government, the agriculture accounts for substantial percentage of the country's exports. Indians spend majority of their household expenditure on food items at present. Agriculture sector industry would create substantial employment opportunities in the coming years. Strong urban middle class and changing food habits, promises a huge potential to be tapped. Agriculture has been declared as a priority sector by the government. The National Policy towards the same has been revised for an integrated approach to facilitate speedy growth. The aim of the policy is to simplify procedures to comply with the need and growth of the sector. Under infrastructure development, Agro-Food Parks are identified in various Indian cities, which in turn will help agriculture. The various states realising the importance of the Food Processing Industry from an employment as well as revenue generation perspectives have been extremely forthcoming in bolstering growth in this industry. Some states that have gone an extra mile by providing various fiscal as well as non-fiscal initiatives include Andhra Pradesh, Punjab, Madhya Pradesh, Uttar Pradesh and Karnataka.

ii) Threats

The world economy has witnessed an unprecedented economic crisis causing severe recessionary trends in various countries. The synchronized global recession coupled with dramatic changes in the financial landscape is further decelerated the growth. Compared to other economies, India has been somewhat stable as the government has taken some proactive steps to combat the situation. However, favourable demographics and low penetration levels still continue to remain the key levels of the consumption for India. Despite this pall of gloom that bears on us, there are reasons to remain optimistic and confident. India's inherent strengths provide a strong foundation to better withstand the aftermath of the downturn in the global economy. Rice & Wheat are basic necessity of human being and invariably consumed by everyone in different ways. Hence, the Basic Food segment, in which your Company is operating, is less affected due to good production levels, increase in area under cultivation and huge and ready market availability for the products.

C. Segment-wise or product-wise performance.

(i) The business groups comprise the following:-

- Agro - Agricultural commodities such as rice, Rajgira etc.
- Services
- Rental services.

(ii) The Geographical segments considered for disclosure are:

- Sales within India
- Sales outside India

The segmentwise financial detail is given in Schedule 21 (D) in notes on accounts under the head Segment Reporting.

D. Outlook

The demand for food grains would continue to grow with rise in income levels coupled with change in life style of the people. At the current population growth, rice production has to be enhanced to about 125 million ton by 2020. There is a huge potential for capacity expansion of the existing units in the domestic basmati rice milling industry. The domestic rice industry at present is fragmented and largely occupied by the small and inefficient unorganised units. The domestic industry is at nascent stage and has great potential. However, our company has to compete with exporters of other countries in export of Basmati rice. Your Company is optimistic in increased turnover as it has regular overseas clientele and the carry-over stocks in countries like Saudi Arabia has depleted and we are confident of getting good export orders from them.

E. Risks and Concerns

Climatic risk

Agriculture in India is largely dependant on monsoon and any adverse changes in climate can lead to shortage of produce.

Risk mitigation

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

Foreign exchange risk

As a company primarily engaged in exports, your company too is exposed to foreign exchange risk.

Realizations risk

Any decline in the realizations 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.