

**33rd  
ANNUAL REPORT  
2012 - 2013**



**R. T. EXPORTS LIMITED**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

(As on 30th May, 2013)

#### **Rashmi Bhimjyani**

Chairman & Managing Director

#### **Bhavik Bhimjyani**

Director

#### **Yogesh Dawda**

Director

#### **Sheetal 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**

Oriental Bank of Commerce

State Bank of India

### **REGISTRARS AND**

#### **SHARE TRANSFER AGENTS**

#### **LINK INTIME INDIA PVT. LTD**

C- 13, Pannalal Silk Mills Compound.

L. B. S. Marg. Bhandup(West).

Mumbai - 400 078.

### **CONTENTS**

Corporate Information .....	1
Notice .....	2
Directors' Report .....	6
Management Discussion & Analysis .....	9
Report on Corporate Governance .....	15
Certificate on Corporate Governance .....	29
Auditors' Report .....	30
Balance Sheet .....	34
Profit & Loss Account .....	35
Cash Flow Statement .....	36
Notes on Financial Statements .....	37

## **NOTICE**

Notice is hereby given that Thirty Third (33rd) Annual General Meeting of R. T. Exports Limited will be held on Monday, the 15th day of July, 2013 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 Balance Sheet as at 31st March, 2013, Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Yogesh Dawda, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to consider, and if thought fit, to pass with or without modifications, the following resolution as ordinary resolution:-

**"RESOLVED THAT M/s. Ramesh M. Sheth & 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."**

### **SPECIAL BUSINESS**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**: -

4. Re-appointment of Chairman & Managing Director

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), consent of the Members be and is hereby accorded to the re-appointment of Shri Rashmi C. Bhimjyani as the Chairman & Managing Director of the Company to hold Office for a fresh period of 5 (five) years with effect from 30th September, 2013 on such principal terms and conditions including remuneration as set out below and also in the draft agreement proposed to be signed between the Company and Mr. Rashmi C. Bhimjyani, a copy of which is submitted to this meeting and initialed by the Chairman for the purpose of identification, with liberty to the Board to vary, alter and modify such terms and conditions including salary, allowances, perquisites and commission at any time during the tenure of his office as may be agreed to by the Board of Directors and Shri Rashmi C. Bhimjyani:

Terms and Conditions of Appointment

1. **Period of Appointment:-** Appointment shall be for a period of 5 (five) years beginning from 30th September, 2013 and ending on 29th September, 2018.
2. **Details of Remuneration:**  
**Salary:-**  
Rs. 10,000/- (Rupees Ten Thousand only) per month.
3. **Termination of Appointment:** This appointment may be terminated by either party by giving six months' notice in writing.

4. **Other Terms:** Subject to the direction, control and superintendence of the Board of Directors and service rules of the Company, Shri Rashmi C. Bhimjyani shall have the responsibility for the overall management of the affairs of the Company and shall perform such duties and exercise such powers as are entrusted to or conferred upon him by the Board, in the best interests of the Company.

"RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the Chairman & Managing Director by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration within the limits specified under applicable laws."

"RESOLVED FURTHER that the Directors on the Board of the Company be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By order of Board of Directors

Place : Mumbai  
Date: 20th June, 2013

**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 be 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 Monday, 8th July 2013 to Monday, 15th July, 2013 (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 (W) 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. Please bring the attendance slip with you duly filled in and hand over the same at the entrance.

11. The Ministry of Corporate Affairs, Government of India (vide its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognising delivery of Notices/Documents/ Annual Reports etc. to the shareholders through electronic medium. In light of the above, the Company will be sending Notice/ Documents/ Annual Reports etc. to the shareholders in future through email, wherever the Email Id is available; and through other modes of service provided in Section 53 of the Companies Act where email address have not been registered. Accordingly Members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd., C- 13, Pannalal Silk Mills Compound. L.B.S. Marg, Bhandup (W) Mumbai - 400 078.

**EXPLANATORY STATEMENT (Under Section 173 (2) of the Companies Act, 1956)****ITEM NO. 4**

Shri Rashmi C. Bhimjyani was appointed as Managing Director of the Company for a period of 5 years in the 28th Annual General Meeting of your Company held on 30th September, 2008 with effect from 30th September, 2008. The 5 years tenure of Shri Rashmi C. Bhimjyani will expire on 29th September, 2013. The Board of Directors at their meeting held on 20th June, 2013 reappointed Shri Rashmi C. Bhimjyani as the Chairman & Managing Director of the Company for a further period of 5 (five) years with effect from 30th September, 2013 on such remuneration as stated in the resolution and subject to the approval of the members in the ensuing Annual General Meeting. The remuneration payable as stated in the aforesaid resolution is subject to overall ceiling of 5 Percent of net profits of the Company as per the provisions of the Act. In the event of absence or inadequacy of profits in any financial year of the Company during his tenure as Managing Director, he will be entitled to Salary, Benefits, Perquisites and Allowances and Incentive Remuneration within the limits specified under applicable laws. As Mr. Rashmi C. Bhimjyani will be attaining the age of 70 years during his tenure as Managing Director, your approval for his re-appointment is being sought for by a Special Resolution pursuant to Schedule XIII of the Companies Act, 1956. A brief resume of Shri Rashmi C. Bhimjyani, nature of his expertise in specific functional areas, names of companies in which he holds directorship and membership/chairmanship of Board Committees and relationships between Directors inter-se, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are appended to this Notice. As per the provisions of Companies Act, 1956 appointment of such Managerial personnel requires approval of the shareholders in the general meeting. Hence the Board commends the Special Resolution as set out in item No.4 of the Notice for your approval. This may also be treated as a Memorandum of Abstract issued pursuant to the provisions of Section 302 of the Companies Act, 1956. Copy of the draft agreement to be entered by the Company with Shri Rashmi C. Bhimjyani, Chairman and Managing Director, is open for inspection by any member of the Company at its Registered Office during business hours on any working day. None of the Directors except Shri Rashmi C. Bhimjyani and Shri Bhavik R. Bhimjyani is interested or concerned in the aforesaid resolution.

By order of Board of Directors

Place : Mumbai  
Date: 20th June, 2013

**RASHMI BHIMJYANI**  
Chairman & Managing Director

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

**ADDITIONAL INFORMATION OF DIRECTOR RECOMMENDED FOR APPOINTMENT OR SEEKING RE-APPOINTMENT AT THE 33rd ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)****Shri Rashmi C. Bhimjyani**

Shri Rashmi C. Bhimjyani (Director Identification Number - 00207941), is the Founder and also the Chairman & Managing Director of the Company. His date of birth is 05/06/1944. He established the Company in the year 1980. He has been instrumental in developing the core businesses of the Company, viz, agri products trading and export and agri warehousing. Mr. Bhimjyani holds BS in Economics from Boston College and an MBA from University of Bridgeport, Connecticut. Rashmi Bhimjyani has more than 38 years of extensive experience in the procurement, processing and marketing of food grains, export of rice and agri warehousing. He does not hold directorship in any other companies other than private limited companies. Further, he does not hold Chairmanship or Membership in Committees of any other Public Limited Companies.

Shri Rashmi C. Bhimjyani holds 17,56,527 shares in the Company as on March 31, 2013.

**Details of the Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)****Shri. Yogesh Dawda**

Director Identification Number	:	01767642
Date of Birth	:	02/12/1956
Date of Appointment	:	24/08/2011
Qualification	:	B.Com
Experience	:	35 years experience in the business of agri products trading and export.
Directorship in other Public Limited companies	:	Nil
Chairmanship in Committees	:	Nil
Membership in Committees	:	Nil
No. of shares held	:	Nil

By order of Board of Directors

Place : Mumbai  
Date : 20th June, 2013

**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 33rd Annual Report together with the audited statement of Accounts for the financial year ended 31st March, 2013.

### **1. FINANCIAL HIGHLIGHTS**

The financial results for the year ended 31st March 2013 are as under:

(Rs. In Lacs)

<b>Particulars</b>	<b>For the Year Ended March 31, 2013</b>	<b>For the Year Ended March 31, 2012</b>
Sales & Services	<b>429.79</b>	864.37
Other Income	<b>41.83</b>	46.51
Profit before Depreciation, Interest & Extra-ordinary/prior period item	<b>180.8</b>	307.5
Less :- Depreciation	<b>71.49</b>	75.02
Interest	<b>50.93</b>	1.21
Extra-ordinary/prior period Loss	-	-
Profit before Tax	<b>58.38</b>	231.27
Provision for Taxation (Net)	<b>(11)</b>	(46.30)
Deferred Tax	<b>(5.10)</b>	(117.26)
Profit/ (Loss) after Tax	<b>42.28</b>	67.71
Add : Income Tax adjustment earlier year (net)	<b>5.33</b>	-
Add :- Balance brought forward from previous year	<b>(14.24)</b>	(81.95)
Balance carried to Balance Sheet	<b>33.37</b>	(14.24)

### **2. FINANCIAL REVIEW**

During the period under review, the Company's income from sales & Services stood at Rs 429.79 Lacs as compared to Rs. 864.37 Lacs in 2011-2012. Your Company has achieved Profit before Tax of Rs. 58.38 Lacs as compared to Rs 231.27 Lacs showing the decrease in Profit by Rs. 172.89 Lacs.

Your Company has initiated necessary measures to generate income from agri warehousing and to improve the profitability of the Company.

### **3. DIVIDEND**

Your Directors have not recommended any dividend on equity shares for the year under review.

### **4. FIXED DEPOSITS**

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

### **5. DIRECTORS**

- i) There was no change in Directorship during the year under review.
- ii) Mr. Yogesh Dawda retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.



- iii) Shri Rashmi C. Bhimjyani has been re-appointed as Chairman and Managing Director of the Company by the Board subject to the approval of members in the ensuing Annual General Meeting

**6. AUDITORS**

Retiring Auditors M/s Ramesh M. Sheth & 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. Sheth & Associates as the Statutory Auditors of the Company.

**7. AUDITORS REPORT**

There being no observations made by the Auditors in respect of financial results for the year ended as on 31st March, 2013, 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 :

- i) In the preparation of Annual Accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) 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, 2013 and of the profit of the Company for the year under review;
- iii) 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;
- iv) 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**

Your Directors place on record their grateful appreciation for the support and co-operation 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 & outgo:**

**a) Foreign Exchange**

Earned (on FOB basis) : NIL

Outgo : Rs. 3,19,856/-

**11. CORPORATE GOVERNANCE**

A Report on Corporate Governance along with a certificate from Ms. Ruchika Shah, Practicing Company Secretary, regarding compliance of requirements of Corporate Governance pursuant to clause 49 of the Listing Agreement with Stock Exchange are annexed hereto.

**12. INVESTOR GRIEVANCE 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, 2013. A confirmation to this effect has been received from the Company's Registrar and Share Transfer Agent.

**13. DE-MERGER**

The Company is in receipt of "No Objection" from SEBI regarding the De-Merger of its warehousing division and the same was taken on record by the Board.

**14. APPOINTMENT OF CFO**

Mr. Rajesh Pillai has been appointed to the Office of Chief Financial Officer (CFO) of the Company by the Board.

**15. ACKNOWLEDGEMENT**

Yours Directors place on record their grateful appreciation for the support and co-operation 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: 30th May, 2013

**RASHMI BHIMJYANI**  
Chairman & Managing Director

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

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with Bombay Stock Exchange, forms part of this Report.

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

Your Company is primarily engaged in the integrated business of handling, storage and transportation of foodgrains and trading and export of agri products. Agri warehousing has been treated as priority sector by Government of India apart from agriculture and farming and has been giving a lot of initiatives to these sectors. In view of the growing integration of Indian economy with the global economy, the volumes of external trade have been showing an uptrend. The demand for bulk warehousing and handling facilities has been rising. Agricultural marketing has assumed increasing importance. Keeping in view the focus of the Indian Government on the rural economy and the farm sector, the demand for storage facilities in rural areas is also increasing. Connectivity of rural and urban areas enhances the demand for quality storage infrastructure for better aggregation, supply chain and consumption with low wastages and costs, offering better value for consumers. The availability of good storage facilities in the rural areas facilitate better quality retention and consequently better sales realization of products for the farming community, apart from enabling funding needs. Thus the storage infrastructure facilities have vast potential to cater to the growing needs of various stakeholders. During the year under review, the international economic and political situations coupled with monetary conditions have influenced domestic business sentiments.

Indian economy is an agrarian economy with over 70% of the population engaged in activities related to agriculture. Indian food grain production has grown at an average rate of 1.20% over a period from 1994-95 with production of 192 million metric tonne (MMT) to an all time record output of 232 MMT in 2010-11 (15 years) and the uptrend is continuing. A major part of the food grain production consists of rice and wheat. Further, production of Rabi and Kharif crops is now almost equal on account of growth in Rabi crop due to increased production of wheat, rice, cereals and pulses. All these taken together have drastically increased the need for storage capacity in India.

With the average buffer stock norms for food grains of around 25 MMT and peak of 32 MMT in July every year, the storage capacity available with Government agencies is primarily used for keeping central stock of food grains for the buffer stock, public distribution systems and other Government schemes.

The graph below presents, the stock levels maintained by the state agencies and the buffer stock norms for the past 10 year period.

