

**RAJESH EXPORTS LIMITED**

**23<sup>rd</sup>**  
**ANNUAL**  
**REPORT**  

---

**2016 - 2017**

*Global presence in Gold & Diamond Jewellery*

# RAJESH EXPORTS LIMITED

---

## BOARD OF DIRECTORS

**Mr. Rajesh Mehta**  
Executive Chairman

**Mr. Prashant Mehta**  
Managing Director

**Mr. Y. Venu Madhava Reddy**  
**Mr. G. Shanker Prasad**  
**Ms. Vijaya Lakshmi**  
Independent Directors

## KEY MANAGERIAL PERSONNEL

**Mr. B. Vijendra Rao**  
Chief Financial Officer

**Ms. Stuti Agrawal**  
Company Secretary & Compliance Officer

## SHARE TRANSFER AGENTS

M/s S. K. D. C Consultants Limited  
Kanapathy Towers, 3rd Floor ; 1391/A-1,  
Sathy Road; Ganapathy, Coimbatore - 641 006.  
Phone: 0422 - 4958995; 2539835-836  
Fax: 0422 - 2539837.  
E-mail: info@skdc-consultants.com

## STATUTORY AUDITORS

M/s V Sivasankar & Co.  
*Chartered Accountants*  
118, 2nd Floor, Keerthi Plaza,  
Nagarthpet, Bangalore – 560002

## BANKERS

Canara Bank  
Bank of India  
IDBI Bank

## REGISTERED OFFICE

# 4, Batavia Chambers  
Kumara Krupa Road, Kumara Park East  
Bangalore - 560 001.  
Tel: 91-80-22266735  
Fax: 91-80-22259503  
E-mail: compsect@rajeshindia.com  
CIN: L36911KA1995PLC017077

## CORPORATE OFFICE

Rajesh Group  
# 1, Brunton Road  
Bangalore - 560 001.  
Tel: 91-80-40239999, Fax: 91-80-40239945  
E-mail: compsect@rajeshindia.com

<b>CONTENTS</b>	<b>PAGE</b>
<b>Notice .....</b>	<b>0</b>
<b>Board of Directors' Report .....</b>	<b>0</b>
<b>Annexure I, II, III, IV .....</b>	<b>00</b>
<b>Management Discussion and Analysis .....</b>	<b>00</b>
<b>Report on Corporate Governance.....</b>	<b>00</b>
<b>Annexure V, VI.....</b>	<b>00</b>
<b>Standalone Auditor's Report.....</b>	<b>00</b>
<b>Standalone Balance Sheet.....</b>	<b>00</b>
<b>Standalone Profit &amp; Loss Account .....</b>	<b>00</b>
<b>Standalone Notes to Accounts.....</b>	<b>00</b>
<b>Consolidated Auditor's Report.....</b>	<b>00</b>
<b>Consolidated Balance Sheet .....</b>	<b>00</b>
<b>Consolidated Profit &amp; Loss Account.....</b>	<b>00</b>
<b>Consolidated Notes to Accounts.....</b>	<b>00</b>



## NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of **RAJESH EXPORTS LTD** will be held at the **Guru Raja Kalyana Mantap, No 21, Crescent Road, Next to Karnataka Film Chamber of Commerce, (Near Shivanada Circle), Bangalore – 560 001, on Friday 29-09-2017 at 12.00 Noon**, to transact the following business.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Consolidated Financial Statements for the year ended 31st March 2017 as at that date together with the reports of the Directors and Auditors thereon.
2. To confirm the dividend for the financial year 2016-17.
3. To re-appoint auditors and fix their remuneration.
4. To appoint a director in place of Mr. Prashant Mehta, who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment.

### NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company.
2. Proxy Forms, in order to be effective, should be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2017 till 29-09-2017.
4. Members holding shares in Physical form are requested to intimate the Change of Address and their Bank Account details such as Bank Name, Branch with address and Account No. for incorporating the same in dividend warrants to the Registrars and Transfer Agents of the Company: M/s. S.K.D.C. CONSULTANTS LIMITED, Kanapathy Towers, 3rd Floor; 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641006, quoting their respective Folio Number. Members holding shares in Demat form shall intimate the above details to their Depository Participants (DP's) with whom they have Demat Account.
5. Members seeking any information with regard to the accounts are requested to write to the Company 2 days in advance, so as to enable the Management to keep the information ready.
6. The Company has appointed Mr. Deepak Sadhu, Company Secretary in Practice, as Scrutinizer.
7. Members are requested to address their correspondence, including share transfer matters and change of address to:

**S. K. D. C. Consultants Limited**

Kanapathy Towers, 3rd Floor; 1391/A-1, Sathy Road, Ganapathy  
Coimbatore - 641 006. (Phone: 0422 - 4958995; 2539835-836 Fax: 0422 2539837)  
E-mail: info@skdc-consultants.com

### The instructions for shareholders voting electronically are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

# RAJESH EXPORTS LIMITED

---

- IV. The remote e-voting period commences on 26th September, 2017 (9:00 am) and ends on 28th September, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.  
*NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".*
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put your user ID and password. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "Rajesh Exports Limited".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [deepak@deepaksadhu.com](mailto:deepak@deepaksadhu.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with Depository Participants(s) or requesting physical copy] :
- (i) Member may obtain a User ID and password for casting his /her vote by remote e-voting by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or by contacting NSDL at the toll free no.: 1800-222-990" providing the details such as Demat account no or Folio no, PAN no, etc. Please note that In case Shareholders are holding shares in demat mode, User ID is the combination of (DPID+ClientID) and in case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).  
If you are already registered with NSDL for remote e-voting then you can use your existing User ID and password/PIN for casting your vote.  
NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.



VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

*NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). **In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).***

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2017.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [info@skdc-consultants.com](mailto:info@skdc-consultants.com).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Deepak Sadhu (ACS No: 39541), Company Secretary in Practice, has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [rajeshindia.com](http://rajeshindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE and NSE.

#### **PROFILE OF RETIRING DIRECTOR WHO OFFERS HIMSELF FOR REAPPOINTMENT:**

Mr. Prashant Mehta (DIN: 00336417), aged about 55 years, is the Managing Director of the Company and also the Chairman of the Risk Management Committee. He has an experience of over 30 years in gold business and is considered a global authority in all aspects of manufacture of gold products. He has been instrumental in setting up the production and R&D facilities of the Company and has developed several new processes system and designs which have been acclaimed by the global jewellery industry. Based on his invaluable contribution to the Company the Board considers it necessary to reappoint Mr. Prashant Mehta as a Director.

By the Order of the Board

Sd/-

Place : Bangalore  
Date : May 26, 2017

**RAJESH MEHTA**  
Chairman

# RAJESH EXPORTS LIMITED

## DIRECTORS' REPORT

Your Directors have great pleasure in presenting their 23rd Annual Report on the business and operations of the Company, for the financial year ended 31st March 2017.

### FINANCIAL RESULTS

	<i>(Rs. in Millions)</i>	<i>(Rs. in Millions)</i>
	<b>For the year ended 31.03.2017</b>	For the year ended 31.03.2016
Profit before Depreciation	<b>13675.67</b>	11911.27
<i>Less</i> : Depreciation	<b>646.31</b>	790.07
Profit after depreciation	<b>13029.36</b>	11121.20
<i>Less</i> : Provision for taxation	<b>593.02</b>	431.17
Profit after taxation	<b>12436.34</b>	10690.03
<i>Add</i> : Balance as per last account	<b>23485.80</b>	13861.88
Profit available for appropriation	<b>35922.14</b>	24551.91
<i>Less</i> : Transfer to general reserves	<b>670.00</b>	670.00
<i>Less</i> : Proposed dividend including tax on Dividend	-	355.38
<i>Less</i> : Profit distributed to Partners	<b>(5.65)</b>	40.73
Balance surplus transferred to Balance Sheet	<b>35257.79</b>	23485.80

### OPERATIONS

Your Directors are pleased to report that your Company's total income during the period under review stood at a record all time high of Rs. 2421791 million compared to that of Rs. 1652205 million during the previous year. As a result, the net profit for the year under review, after provision for depreciation and income tax was Rs. 12436 million compared to Rs. 10690 million during the previous year. The Company has transferred an amount of Rs. 670 million to the general reserves. As a result, the total reserve of the Company has moved up to Rs. 58546.00 million.

### DIVIDEND

The Board of Directors are pleased to recommend the payment of dividend for the year ended 31st March 2017 @ Re.1.10 paise per share (110 per cent) for all the shareholders whose names appear on the Register of Members as on the Book Closure date.

### DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Policy is available on the website of the Company i.e., [www.rajeshindia.com](http://www.rajeshindia.com)

During the year 2016-2017, no complaints were received by the Company related to sexual harassment.

### BOARD MEETINGS, BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL & COMMITTEES OF DIRECTORS

#### Board Meeting

The Board of Directors of the Company met eight times during the financial year. The details of various Board Meetings are provided in the Corporate Governance Report. The gap intervening between two meetings of the board is as prescribed in the Companies Act, 2013 (hereinafter "the Act").



---

## **BOARD COMMITTEES**

The Company has the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee and
5. Risk Management Committee

The composition of each of the above Committees, their respective role and responsibility is as detailed in the Report of Corporate Governance.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he /she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

## **BOARD EVALUATION**

Pursuant to the provisions of the Act and Reg. 17(8) of the Listing Regulations, the Board has carried out an annual evaluation of its performance, the Directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees.

## **VIGIL MECHANISM**

We have established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Policy is available on the website of the Company i.e. [www.rajeshindia.com](http://www.rajeshindia.com).

## **RELATED PARTY TRANSACTIONS**

The details of the related party transactions as required under Section 134(3)(h) read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as Annexure IV.

## **DEPOSITS**

In terms of the provisions of Sections 73 of the Act read with the relevant Rules of the Act, the Company had no opening or closing balances and also has not accepted any fixed deposits during the year under review and as such, no amount of principal or interest was outstanding as on March 31, 2017.

## **CORPORATE GOVERNANCE**

Your Company has been practicing the principles of good corporate governance. The Company is in compliance with the provisions on corporate governance specified in the Listing Regulations of BSE and NSE. A detailed report on corporate governance is available as a separate section in this Annual Report. Certificate of the Statutory Auditors regarding compliance with the conditions stipulated in Reg. 34(3) of the Listing Regulations is provided separately under this Annual Report.

## **AUDITORS**

### **a) STATUTORY AUDITOR**

The Audit Committee and the Board of Directors have recommended the proposal to re-appoint M/s V Sivasankar & Co., Chartered Accountants, Bangalore, as Statutory Auditors of Company up to the conclusion of next Annual General Meeting, and to authorize the Board of Directors and Committees thereof to fix their remuneration. The company has received a certificate from the auditor to the effect

# RAJESH EXPORTS LIMITED

---

of ratification of appointment that, if made, would be, in accordance with limits specified in the Act and that, they meet the criteria of independence. The proposal of their ratification is included in the ensuing Annual General Meeting.

## b) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr. Deepak Sadhu, Practicing Company Secretary, for conducting Secretarial Audit of the Company for the financial year 2016-2017.

## AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

The Auditors Report and Secretarial Audit Report do not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report is annexed herewith as Annexure I.

## DETAILS ABOUT SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

The Details on Subsidiaries/Associates/Joint Ventures is annexed herewith as Annexure III.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has actively supported various initiatives in the areas of health, education and environment over the years. With the introduction of Section 135 of the Act, which came into effect during financial year 2014-15, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The CSR Committee decided to continue with the existing programmes and increase focus on health and education in the years ahead. The CSR Policy is available on the website of the Company i.e., [www.rajeshindia.com](http://www.rajeshindia.com)

The Annual Report on Corporate Social Responsibility Activities is annexed herewith as Annexure VI.

## Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### CONSERVATION OF ENERGY

The Details on Conservation of energy is annexed herewith as Annexure VII.

### RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

Your Company has the largest and one of the finest R&D units in jewellery industry. The research and development team of the Company comprises of some of the finest designers, metallurgists, chemists and senior craftsman. The Company has been instrumental in developing and introducing several widely acclaimed jewellery designs. The Company has also developed several new systems, procedures and techniques in jewellery manufacturing..

The company continues to adopt and use the latest technologies to improve the productivity and quality of its services and products.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2016-17	2015-16
Foreign Exchange Earnings	418,789,481,079	368,522,128,089
Foreign Exchange Outgo	440,396,236,456	374,649,363,018

### PARTICULARS OF EMPLOYEES

During the year under review, there were no employees who were drawing remuneration in excess of Rs. 60 Lakhs per annum or Rs. 5 lakhs per month, if employed for a part of the year.





---

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 134 of the Companies Act 2013, with respect to Directors responsibility statement, it is hereby confirmed:

1. That for the compilation of the annual accounts for the financial year ended 31.03.2017, the applicable accounting standards have been followed along with proper explanation relating to the material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that period.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have compiled the accounts for the financial year ended 31.03.2017 on a "going concern" basis.
5. Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
6. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **OTHERS**

There are no material changes and commitments made between balance sheet date and date of directors Report.

## **INSIDER TRADING REGULATIONS**

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2016, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures ("Code"), as approved by the Board from time to time, are in force at the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of Rajesh Exports Limited at the time when there is unpublished price sensitive information. No other material changes and commitments affecting the financial position of the Company have occurred between April 1, 2017 and the date of signing of this Report. The Policy is available on the website of the Company i.e., [www.rajeshindia.com](http://www.rajeshindia.com)

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorised, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

An extensive programme of internal audits and management reviews supplements the process of internal financial control framework. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal financial control framework has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. In addition, the Company has identified and documented the risks and controls for each process that has a relationship to the financial operations and reporting.

# **RAJESH EXPORTS LIMITED**

---

The Company also has an Audit Committee to interact with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference. This Committee mainly deals with accounting matters, financial reporting and internal controls.

## **AUDIT COMMITTEE RECOMMENDATIONS**

During the year all the recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit Committee is as described in the Corporate Governance Report.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as Annexure II.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186**

The details of the investments made by the Company are in Note No. 10 of the audited financial statements.

The Company has not made any loans to any persons within the meaning of Section 186 and has also not given any guarantees within the meaning of that section.

## **RISK MANAGEMENT POLICY**

The Company has a robust Enterprise Risk Management (ERM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The Company has identified various risks and also has mitigation plans for each risk identified. The Policy is available on the website of the Company i.e., [www.rajeshindia.com](http://www.rajeshindia.com)

## **CODE OF CONDUCT**

Your Company has laid down a Code of Conduct ("Code") for all the Board Members and Senior Management Personnel of the Company. The Code is available on the website of the Company i.e., [www.rajeshindia.com](http://www.rajeshindia.com). All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2017. A declaration signed by the Chief Executive Officer (CEO) to this effect is attached in the Annual Report.

## **LISTING FEES**

The shares of the Company continue to be listed at the National Stock Exchange of India Ltd, Mumbai, and the Bombay Stock Exchange Ltd, Mumbai. The annual listing fees for National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. have been paid.

## **ACKNOWLEDGEMENTS**

Your directors specially wish to place on record, their sincere appreciation to the employees of the Company for their dedication and hard work, which has resulted in overwhelming success of the Company during the year under report. Your directors place on record their gratitude to Canara Bank, Bank of India and IDBI Bank for their continued support. Your Directors also thank all the Shareholders, Consultants, Customers, Vendors, Service providers, Government & Statutory authorities for their continued support in successful running of company's business and its continued progress.

For and on behalf of the Board  
Sd/-

Place : Bangalore  
Date : May 26, 2017

**RAJESH MEHTA**  
*Chairman*



**Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014**

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the FY 2016-17	Director's Name	Ratio to mean Remuneration			
		Mr. Rajesh Mehta Mr. Prashant Mehta Mr. G. Shanker Prasad Mr. Y Venu Madhva Reddy Ms. Vijaya Lakshmi	1.39 : 1 1.39 : 1 1: 0 1: 0 1: 0			
(ii)	The Percentage increase in remuneration of each Director, CFO, CEO, CS or Manager if any in the FY 2016-17 compared to 2015-16 means part of the year	Director's/CFO/CEO/CS/ Manager's Name				
		Mr. Rajesh Mehta Mr. Prashant Mehta Mr. G. Shanker Prasad Mr. Y Venu Madhva Reddy Ms. Vijaya Lakshmi Mr. B Vijendra Rao (CFO) Ms. Stuti Agrawal (CS)	Nil Nil Nil Nil Nil Nil Nil			
(iii)	Percentage increase in the median remuneration of employees in the FY 2016-17 compared to 2015-16	Nil				
(iv)	Number of permanent employees on the rolls of the company	<b>As on 31.03.2017</b> <b>350</b>		As on 31.03.2016 328		
(v)	Explanation on the relationship between average increase in remuneration and the company performance	There has been nominal increase in remuneration while the performance of the company has improved significantly		There has been nominal increase in remuneration while the performance of the company has improved significantly		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	0.0001%		0.0001%		
(vii)	Variation in	<b>Details</b>	<b>31.03.2017</b>		<b>31.03.2016</b>	
		Market Capitalization	<b>178,912,772,156</b>		183,385,960,534	
		Price Earning Ratio (EPS)	<b>42.12</b>		36.21	
		% Increase/decrease of market quotations	<b>(2.44)</b>		218.43	
		Net worth of the Company	<b>58,841,259,131</b>		47,832,140,376	
(viii)	Average percentage increase in salaries of Employees other than managerial personnel	During 2015-16	During 2016-17			
		1.28%	20.54%			
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Name of Key Managerial personnel	Remuneration for the year ended			Reason against performance of the Company
			31.03.2017	31.03.2016	% of Change	
		Mr. Prashant Mehta, Managing Director	1,19,998	1,19,998	0%	There has been no change in remuneration while the performance of the company has improved significantly
		Mr. Rajesh Mehta, CEO	1,19,998	1,19,998	0%	
		Mr. B Vijendra Rao, CFO	4,24,000	4,24,000	0%	
		Ms. Stuti Agrawal, CS	4,20,000	4,20,000	0%	
(x)	Key parameter for any variable component of remuneration availed by the Directors	NA				
(xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year	1.39				

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

# RAJESH EXPORTS LIMITED

---

Annexure I

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2017.

Form No. MR-3

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**Rajesh Exports Limited**

4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore-560 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rajesh Exports Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the financial year ended on March 31, 2017 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee purchase scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Other laws as informed and certified by the management of the Company which are specifically based on their sector/industry namely:
  - a. The Special Economic Zone Act, 2005
  - b. The Foreign Trade (Development and Regulation) Act, 1992



- c. Bureau of Indian Standards (BIS) (Hallmarking)
- d. The Trade Marks Act, 1999
- vii. Other laws:
  - a. Factories Act, 1948
  - b. Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  - c. Payment of Wages Act, 1936 and
  - d. Employees' State Insurance Act, 1948

**I have also examined compliance with the applicable clauses of the following:**

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. SEBI (Listing Obligations and Disclosure Requirements) 2015 for the year ended 31st March 2017 with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act; and

There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Regulations and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential Issue of Shares / debentures / sweat equity
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the Members in pursuance to Section-180 of the Companies Act, 2013
- (iv) Merger/amalgamation/reconstruction etc
- (v) Foreign technical collaborations

Place : Bangalore

Date : 26th May 2017

**DEEPAK SADHU**  
*Practising Company Secretary*  
COP No :- 14992

# RAJESH EXPORTS LIMITED

## ANNEXURE A

To ( To the Secretarial Audit Report )

The Members  
Rajesh Exports Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed, provide are as on able basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bangalore

Date : 26th May 2017

**DEEPAK SADHU**

*Practising Company Secretary*

COP No :- 14992

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

Annexure II

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS:

1	CIN	L36911KA1995PLC017077
2	Registration Date	2/1/1995
3	Name of the Company	Rajesh Exports Limited
4	Category/Sub-category of the Company	Company Limited by shares
5	Address of the Registered office & contact details	# 4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore - 560 001
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s S. K. D. C Consultants Limited Kanapathy Towers, 3rd Floor ; 1391/A-1, Sathy Road; Ganapathy, Coimbatore - 641 006. Phone: 0422 - 4958995, 2539835-836 Fax: 0422 - 2539837. E-mail: info@skdc-consultants.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Gold Products	3211	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	REL SINGAPORE PTE.LTD.	Foreign Company	Subsidiary	100%	2(87)



#### IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	159173063	-	159173063	53.91%	159273063	-	159273063	53.94%	0.03%
b) Central Govt. or State Govt.”	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corporates	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bank/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>SUB TOTAL:(A) (1)</b>	<b>159173063</b>	<b>-</b>	<b>159173063</b>	<b>53.91%</b>	<b>159273063</b>	<b>-</b>	<b>159273063</b>	<b>53.94%</b>	<b>0.03%</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any other...	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>159173063</b>	<b>-</b>	<b>159173063</b>	<b>53.91%</b>	<b>159273063</b>	<b>-</b>	<b>159273063</b>	<b>53.94%</b>	<b>0.03%</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	1865588	-	1865588	0.63%	1349222	-	1349222	0.46%	-0.17%
b) Banks/FI	20311	-	20311	0.00%	56032	-	56032	0.01%	0.01%
C) Cenntal govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Fund	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	3917692	-	3917692	1.33%	6232255	-	6232255	2.11%	0.78%
g) FIIS	47859162	-	47859162	16.21%	-	-	-	0.00%	-16.21%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Foreign Financial Institutions	-	-	-	0.00%	5977919	-	5977919	2.03%	2.03%
j) Foreign Portfolio Investment	8232616	-	8232616	2.79%	46843767	-	46843767	15.87%	13.08%
<b>SUB TOTAL :</b>	<b>61895369</b>	<b>-</b>	<b>61895369</b>	<b>20.96%</b>	<b>60459195</b>	<b>-</b>	<b>60459195</b>	<b>20.48%</b>	<b>-0.48%</b>

# RAJESH EXPORTS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	873936	-	873936	0.30%	1638842	-	1638842	0.56%	0.26%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	4361737	199372	4561109	1.54%	4747438	199372	4946810	1.68%	0.13%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2454170	159000	2613170	0.89%	2202303	159000	2361303	0.80%	-0.08%
c) Others (specify)									
Trusts	1600	-	1600	0.00%	-	-	-	0.00%	0.00%
Directors & Their Relatives	10000	5000	15000	0.01%	10000	5000	15000	0.01%	0.00%
Non Resident Indians	55169271	-	55169271	18.69%	54442726	-	54442726	18.44%	-0.25%
Clearing Members	211622	-	211622	0.07%	1281888	-	1281888	0.43%	0.36%
Hindu Undivided Families	144459	-	144459	0.05%	239772	-	239772	0.08%	0.03%
Foreign Corporate Bodies	10601360	-	10601360	3.59%	10601360	-	10601360	3.59%	0.00%
<b>Total Public (B)</b>	<b>135723524</b>	<b>363372</b>	<b>136086896</b>	<b>46.09%</b>	<b>135623524</b>	<b>363372</b>	<b>135986896</b>	<b>46.06%</b>	<b>-0.03%</b>
<b>Grand Total (A+B)</b>	<b>294896587</b>	<b>363372</b>	<b>295259959</b>	<b>100.00%</b>	<b>294896587</b>	<b>363372</b>	<b>295259959</b>	<b>100.00%</b>	<b>0.00%</b>

## ii) Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rajesh Jasvantrai Mehta	88081234	29.832	0.000	88181234	29.866	0.000	0.034
2	Prashant Jasvantrai Mehta	37162425	12.586	0.000	37162425	12.586	0.000	0.000
3	Mahesh Jasvantrai Mehta	24041224	8.142	0.000	24041224	8.142	0.000	0.000
4	Bipin Jasvantrai Mehta	7188180	2.435	0.000	7188180	2.435	0.000	0.000
5	Leena Rajesh Mehta	600000	0.203	0.000	600000	0.203	0.000	0.000
6	Jayshree B Mehta	600000	0.203	0.000	600000	0.203	0.000	0.000
7	Manisha P Mehta	600000	0.203	0.000	600000	0.203	0.000	0.000
8	Jasvantrai F Mehta	450000	0.152	0.000	450000	0.152	0.000	0.000
9	Chandrika J Mehta	450000	0.152	0.000	450000	0.152	0.000	0.000





**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Rajesh Jasvantrai Mehta						
	At the beginning of the year	4/1/2016		88081234	29.83%		
	Changes during the year	4/1/2016	Increase	5000	0.00%	88086234	29.83%
		4/20/2016	Increase	5000	0.00%	88091234	29.83%
		6/6/2016	Increase	10000	0.01%	88101234	29.84%
		6/17/2016	Increase	10000	0.00%	88111234	29.84%
		6/24/2017	Increase	10000	0.00%	88121234	29.84%
		7/20/2016	Increase	10000	0.01%	88131234	29.85%
		8/3/2016	Increase	12000	0.00%	88143234	29.85%
		9/1/2016	Increase	5000	0.00%	88148234	29.85%
		10/5/2016	Increase	5000	0.01%	88153234	29.86%
		10/25/2016	Increase	5000	0.00%	88158234	29.86%
		11/1/2016	Increase	8000	0.00%	88166234	29.86%
		12/7/2016	Increase	5000	0.00%	88181234	29.86%
	At the end of the year	3/31/2017				88181234	29.86%

**iv) Shareholding Pattern of top ten Shareholders:**

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BRIDGE INDIA FUND						
	At the beginning of the year	4/1/2016		29361340	9.94%		
	Changes during the year			NIL			
	At the end of the year	3/31/2017				29361340	9.94%
2	DHIRAJLAL JERAMBHAI DHAKAN						
	At the beginning of the year	4/1/2016		14198702	4.81%		
	Changes during the year			NIL			
	At the end of the year	3/31/2017				14198702	4.81%
3	ROHITKUMAR PIPARIA						
	At the beginning of the year	4/1/2016		14164641	4.80%		
	Changes during the year			NIL			
	At the end of the year	3/31/2017				14164641	4.80%

## RAJESH EXPORTS LIMITED

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares the company	No. of shares	% of total shares of the company
4	SANDEEP DHIRAJLAL DHAKAN						
	At the beginning of the year	4/1/2016		14132796	4.79%		
	Changes during the year			NIL			
	At the end of the year	3/31/2017				14132796	4.79%
5	APMS INVESTMENT FUND LTD						
	At the beginning of the year	4/1/2016		10601360	3.59%		
	Changes during the year			NIL			
	At the end of the year	3/31/2017				10601360	3.59%
6	PARTHIBAN						
	At the beginning of the year	4/1/2016		9783801	3.31%		
	Changes during the year		Transfer	(585500)	(0.20%)		
	At the end of the year	3/31/2017				9198301	3.11%
7	LIFE INSURANCE CORPORATION OF INDIA						
	At the beginning of the year	4/1/2016		3373690	1.14%		
	Changes during the year		Transfer	2500000	0.85%	5873690	1.99%
	At the end of the year	3/31/2017				5873690	1.99%
8	INVESTMENT ASIA CORPORATION						
	At the beginning of the year	4/1/2016		95812	0.03%		
	Changes during the year		Transfer	4638436	1.57%	4734248	1.60%
	At the end of the year	3/31/2017				4734248	1.60%
9	INDIA MAX INVESTMENT FUND LIMITED						
	At the beginning of the year	4/1/2016		5247621	1.78%		
	Changes during the year		Transfer	3697621	1.25%	8945242	3.03%
	Changes during the year		Transfer	(5997621)	(2.03%)	2947621	1.00%
	At the end of the year	3/31/2017				2947621	1.00%
10	VRAJLAL MOHANLAL GHAGHDA						
	At the beginning of the year	4/1/2016		2591944	0.88%		
	Changes during the year		Transfer	(5416)	(0.00%)	2586528	0.88%
	At the end of the year	3/31/2017				2586528	0.88%



**v) Shareholding of Directors and Key Managerial Personnel :**

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding at end of the year	
				No. of shares	% of total shares the company	No. of shares	% of total shares of the company
	At the beginning of the year						
	RAJESH MEHTA	4/1/2016		88081234	29.83%		
	Changes during the year			90000	0.03%	88181234	29.86%
	At the end of the year					88181234	29.86%
	PRASHANTH MEHTA			37162425	12.58%	37162425	12.58%
	G SHANKER PRASAD			15000	0.00%	15000	0.00%
	Y VENU MADHAVA REDDY			0	0.00%	0	0
	VIJAYA LAKSHMI			0	0.00%	0	0
	VIJENDRA RAO			0	0.00%	0	0
	STUTI AGRAWAL			0	0.00%	0	0

**V. INDEBTEDNESS** - The company is a debt-free company. The company has availed working capital facilities, mainly against its own fixed deposits as follows:

(In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	14,532,376,315	318,840,400	68,200,531	14,919,417,246
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	14,532,376,315	318,840,400	68,200,531	14,919,417,246
<b>Change in Indebtedness during the financial year</b>				
Addition	6,100,567,804	0	0	6,100,567,804
Reduction	0	(31,692,791)	(1,900,000)	(33,592,791)
Net Change	6,100,567,804	(31,692,791)	(1,900,000)	6,066,975,013
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	20,632,944,119	287,147,609	66,300,531	20,986,392,259
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	20,632,944,119	287,147,609	66,300,531	20,986,392,259

# RAJESH EXPORTS LIMITED

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Rajesh Mehta Executive Chairman	Prashant Mehta Managing Director	
1	Gross salary	119,988	119,988	239976
	(a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify	0	0	0
5	Others-contribution to funds	0	0	0
	Total (A)	119,988	119,988	239,976
	Ceiling as per the Act (10% of the net profit)			1,243,633,318

### B. Remuneration to other directors

(In Rs.)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Shanker Prasad	Mr. Venu Madhav Reddy	Ms. Vijaya Lakshmi	
1	Independent Directors				
	Fee for attending board committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	0	0	0	0
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	0	0	0	0
	Total Managerial Remuneration	0	0	0	0
	Overall Ceiling as per the Act. (1% of the net profit)				124,363,331



### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In Rs.)

SN	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		Vijendra Rao	Stuti Agrawal	
	Name	CFO	CS	
	Designation			
1	Gross salary	424,000	420,000	844,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify	0	0	0
5	Others - Contribution to funds	0	0	0
	<b>Total</b>	424,000	420,000	<b>844,000</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties, Punishment or Compounding of offences during the year ended March 31, 2017

For and on behalf of the Board  
Sd/-

Place : Bangalore  
Date : May 26, 2017

**RAJESH MEHTA**  
*Chairman*  
DIN : 00336457

**PRASHANT MEHTA**  
*Managing Director*  
DIN : 00336417

# RAJESH EXPORTS LIMITED

Annexure III

## Form No. AOC-1

As on financial year ended on 31.03.2017

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	REL Singapore Pte Ltd
2.	Reporting period	April to March
3.	Reporting currency and Exchange rate	US Dollar and 64.80
4.	Share capital	4,77,45,25,203
5.	Reserves & surplus	21,42,60,21,953
6.	Total assets	63,00,52,10,523
7.	Total Liabilities	63,00,52,10,523
8.	Investments	2,27,06,25,566
9.	Turnover	19,71,84,24,95,198
10.	Profit before taxation	8,16,88,15,093
11.	Provision for taxation	34,02,44,823
12.	Profit after taxation	7,82,85,70,270
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : Nil
- Names of subsidiaries which have been liquidated or sold during the year : Nil

For and on behalf of the Board  
Sd/-

Place : Bangalore  
Date : May 26, 2017

**RAJESH MEHTA**  
Chairman  
DIN : 00336457

**PRASHANT MEHTA**  
Managing Director  
DIN : 00336417



**Annexure IV**

**Form No. AOC-2**

As on financial year ended on 31.03.2017

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered in during the year ended March 31, 2017, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

- |  |   |
|--|---|
| (a) Name(s) of the related party and nature of relationship:   | Valcambi S.A  |
| (b) Nature of contracts/arrangements/transactions:   | Purchase  |
| (c) Duration of the contracts / arrangements/transactions:   | N.A.  |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any:                        | Purchase (427,545,638,510)  |
| (e) Justification for entering into such contracts or arrangements or transactions                                     | World's largest gold-refinery supplying gold to the company for more than the last 10 years at fair prices and due to very high credibility in the international markets. |
| (f) Date(s) of approval by the Board:  | 13-08-2015  |
| (g) Amount paid as advances, if any:   | NIL   |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: | 30-09-2015  |

For and on behalf of the Board  
Sd/-

Place : Bangalore  
Date : May 26, 2017

**RAJESH MEHTA**  
*Chairman*  
DIN : 00336457

**PRASHANT MEHTA**  
*Managing Director*  
DIN : 00336417

# RAJESH EXPORTS LIMITED

---

## MANAGEMENT DISCUSSION AND ANALYSIS

Year 2016-17 was yet another milestone for the company. The company performed excellently well in its export, wholesale and retail business and posted an impressive profit after tax of Rs. 12436.33 million as compared to Rs. 10690.03 million during last year (growth of 16.34%) and posted record breaking revenues of Rs. 2421319.84 million as compared to Rs. 1652114.37 million during the last year (growth of 46.55%). The Company has posted this record breaking and impressive performance during such challenging times when currencies across the globe have been impacted because of the dwindling global trade.

Company is consistently securing orders from international market. Post Valcambi acquisition the company has established a strong global presence. Even during difficult times for gold industry the company has been consistently growing over past several years, which demonstrates that your company is geared up to grow and capture an impressive share of global market in times to come. It also speaks volumes about the quality of our products, prompt execution and attractive pricing. We have also been launching new products across different lines and at different price points in the retail segment, on a regular basis, so that our customers have a wide range of products to select from to suit their price points.

REL is consistently working towards its goal of being the first and the only global company, which would be seamlessly integrated from mining to consumer in a sizeable manner. Currently REL is a seamlessly integrated company with a smaller front end and a large middle end of the operations. REL is working towards strengthening its frontend operations, wherein it would be growing its retail presence by increasing the number of its showrooms globally and by launching an E-commerce platform for global distribution of its product.

### Opportunities & Threats

There is a huge opportunity to move the gold business from unorganized to organized space in many countries including India and China. The organized segment has tremendous growth prospects. Growing consciousness of branded jewellery, increasing purchasing power in the Tier I & II locations, and increasing demand for diamond jewellery are major opportunities for the next 10 to 15 years. The major threat could be changes in government policy with regard to import and export of gold products.

### Risk & Concern

The Company has successfully been in gold business for more than three decades and has developed systems to mitigate most of the perceivable risks. The Company has ambitious expansion plans in retail to increase its profitability, these plans require large scale and meticulous execution capabilities. Even though the company has planned its execution strategy, there would always be a concern and risk of execution.

## MANAGEMENT

The Board of Directors head the Management of the Company, which also includes Whole Time Directors. The following is the composition of the Board of Directors of the Company as on 31.03.2017.

Sl. No.	Name	Designation	Profession
01.	<b>Mr. Rajesh Mehta</b>	Executive Chairman	He is responsible for the overall functioning of the company, in addition to being specifically in-charge of the finance and marketing functions. He has an experience of over 30 years in the functioning and management of the jewellery trade and has traveled extensively within India and abroad for establishing a strong network in the industry. In addition to his post as Executive Chairman of REL he is a member of the Export Trade Advisory Committee of the Bangalore Jewellers Association. He is also the president of the Karnataka Jewellery Exports Association.
02.	<b>Mr. Prashant Mehta</b>	Managing Director	He is in charge of the day-to-day functioning and holds specific charge of the production unit of REL. He has over 30 years of experience in the jewellery business and is recognized as an authority in the production of Gold products.





03.	<b>Mr. Y Venu Madhava Reddy</b>	Non-Executive & Independent Director	He has an experience of over 20 years in Statutory Matters. He advises the Board on statutory requirements
04.	<b>Mr. G. Shanker Prasad</b>	Non-Executive & Independent Director	Well known Practicing Company Secretary and Cost Accountant. He advises the Board with insight on Company Law-related matters.
05.	<b>Ms. Vijaya Lakshmi</b>	Non-Executive & Independent Director	She has a vast experience in Human Resource Management, and is an asset to the Company in this aspect.
06.	<b>Mr. Vijendra Rao</b>	Chief Financial Officer	He has an experience of over 35 years in the field of finance and accounting. He is incharge of the financial policies of the Company.
07.	<b>Ms. Stuti Agrawal</b>	Company Secretary	She is a qualified Company Secretary and is incharge and head of the Secretarial Department of the Company.

The Board of Directors are efficiently complemented in the day-to-day functioning by a team of highly qualified professionals with considerable experience and expertise in their respective fields.

#### **HUMAN RESOURCES**

The one single major reason which can be attributed to the growth of Rajesh Exports Limited is its people. Rajesh Exports Limited recognizes the importance of its people, Rajesh Exports Limited has a unique culture of equality wherein each individual focuses on his task with utmost responsibility. The Company has a HR policy which emphasizes the need of attaining organizational goals through individual growth and development. Staff audit and performance appraisal are the key areas of the Company's HR Policy.

#### **DISCLAIMER**

Statements made in Management Discussion and Analysis report may include forward looking statements and may differ from the actual situation. The important factors that would make a difference to the Company's operations include market factors, government regulations and policies, developments within and outside the country etc.

### **ANALYSIS OF FINANCIAL PERFORMANCE**

#### a) **Key financial Indicators:**

	<b>2016-2017</b>	<b>2015-2016</b>
Return on Net Worth	<b>21.14%</b>	22.35%
PAT to Sales	<b>0.51%</b>	0.65%
Turnover (Times)/ Fixed Assets	<b>415.40</b>	258.59
Sales / Total Assets (Times)	<b>10.03</b>	7.89

#### b) **Revenues:**

The business operations of Rajesh Exports Ltd. for the year 2016-17 resulted in the Company achieving total revenue of Rs. 2,421,319.84 Million as against Rs. 1,652,114.37 Million during the previous year.

(Rs. in Million)

	<b>2016-2017</b>	<b>2015-2016</b>
Operating Revenue	<b>2,421,319.84</b>	1,652,114.37
Other Income	<b>471.48</b>	90.14
Total Revenue	<b>2,421,791.32</b>	1,652,204.51

# RAJESH EXPORTS LIMITED

---

c) **Operating Income:**

Operating income (excluding other income) for the year 2016-17 has been Rs. Rs. 2,421,319.84 Million as compared to Rs. 1,652,114.37 Million in the previous year.

d) **Cost of Revenue:**

Cost of goods sold for 2016-17 has been Rs. 2,400,146.75 Million as compared to Rs. 1,630,720.03 Million in the previous year.

e) **Provision for Taxation:**

The provision for taxation for 2016-17 has been Rs. 593.03 Million as compared to Rs. 431.17 Million during the previous year.

f) **Debt:**

The Company on a standalone basis is a debt free Company. As at 31st March 2017 the Company had working capital facilities outstanding with the consortium of member Banks of Rs. 8,500.00 million. The Company has not availed any long term debt.

g) **Fixed Assets:**

The book value of fixed assets for the year ended 31.03.2017 after providing for depreciation has been Rs 5,828.90 Million.

h) **Loans and Advances:**

The loans and advances as on 31st March 2017 were Rs. 4,113.99 Million as compared to Rs. 3,723.11 Million during the previous year.

i) **Cash and Bank Balances:**

REL continues to be a cash positive Company. As on 31st March 2017 the Company had Rs. 148,401.99 Million (Net) as cash and bank balances.

h) **Current Liabilities:**

The current liabilities as on 31.03.2017 have been Rs. 177,714.92 Million.

For and on behalf of the Board

Sd/-

**RAJESH MEHTA**

*Chairman*

Place : Bangalore

Date : May 26, 2017



## REPORT ON CORPORATE GOVERNANCE

Rajesh Exports Limited recognises the ideals and importance of corporate governance and acknowledges its responsibilities towards all its shareholders, employees, customers and regulatory authorities. The Company believes that a good corporate governance process aims to achieve a balance between the shareholders' interest and corporate goals of the Company. It aims to attain the highest levels of transparency, accountability and integrity to all its shareholders by implementing transparent corporate governance, thereby enhancing the value of the shareholders and their Company.

Accountability improves decision-making and transparency helps to explain rationale behind decision-making and reinforces the shareholders' confidence in the company.

### BOARD OF DIRECTORS

The Composition of the Board of Directors

The Board of the Company is comprised of Executive and Non-Executive Directors. As on March 31, 2017, the strength of the Board was Five Directors comprising of two Executive Directors including the Chairman & Managing Director of the Company and three Non-Executive Directors. Sixty per cent of the Board is comprised of Independent Directors.

The details of the Board of Directors as on March 31, 2017 are given below:

Category	Name of the Directors	Number of Directors	Composition %	No. of Directorship's in other Companies	No. of Board Meetings of REL Held	No. of Board Meetings of REL Attended
<b>Executive Directors</b>		<b>2</b>	<b>40%</b>			
<b>Promoter Executive Chairman</b>	1. Mr. Rajesh Mehta			Rajesh Global Solutions Limited	08	08
<b>Managing Director</b>	2. Mr. Prashant Mehta			Rajesh Global Solutions Limited	08	08
<b>Independent &amp; Non-Executive Directors</b>		<b>3</b>	<b>60%</b>			
	1. Mr. Y Venu Madhava Reddy			Rajesh Global Solutions Limited	08	06
	2. Mr. G. Shanker Prasad			1.SME Development Center 2.Gopichand Rohra & Associates Pvt. Ltd	08	05
	3. Ms. Vijaya Lakshmi			Nil	08	08

The Company has not entered into any transactions with its Directors or relatives which would affect the interest of the Company at large.

# RAJESH EXPORTS LIMITED

---

## BOARD MEETINGS

During the year 2016-17, eight (8) board meetings were held as follows and the necessary quorum was present for all the meetings:

Sl. No.	1	2	3	4	5	6	7	8
Date	30.05.2016	13.06.2016	24.06.2016	02.07.2016	10.08.2016	15.10.2016	11.11.2016	07.02.2017

## COMMITTEES OF DIRECTORS

The Board has constituted Committees of Directors to deal with matters which need quick decisions and timely monitoring of the activities falling within their terms of reference. The Board Committees are as follows.

### AUDIT COMMITTEE

The Audit Committee presently comprises of one Executive Director viz Mr. Rajesh Mehta, and two non-executive Directors viz Mr. G. Shanker Prasad and Mr. Y. Venu Madhava Reddy. During the year under review the Committee held four meetings.

The terms of reference of the Audit Committee are in accordance with Clause 18(i) and (ii) of Listing Regulations of the Stock Exchanges read with section 177 of CA 2013 Act which inter-alia includes the following:

- Overseeing the Company's financial reporting process and to ensure correct, adequate and credible disclosure of financial information.
- Recommending the appointment and removal of external auditors and fixing their fees.
- Reviewing the annual financial statements, with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the audit and compliance function, including their policies, procedures, techniques and other regulatory requirements.

The Audit Committee of the Company met four times during the year. (30.05.16, 10.08.16, 11.11.16 & 07.02.17)

Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Y. Venu Madhava Reddy	Chairman	Independent & Non-Executive Director	4	4
Mr. G Shanker Prasad	Member	Independent & Non-Executive Director	4	1
Mr. Rajesh Mehta	Member	Executive Chairman	4	4

## SHAREHOLDERS & INVESTOR GRIEVANCE COMMITTEE

The **Stakeholders Relationship Committee** (Shareholders and Investor Grievance Committee) presently comprises of Mr. Y. Venu Madhava Reddy, Mr. G Shanker Prasad and Mr. Rajesh Mehta. The Committee approves and monitors transfers, transmissions, redressal, splitting and consolidation of shares issued by the Company and issue of duplicate share certificates. The Committee also monitors Redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet, dividends etc. and reviewing the share transfers executed by S.K.D.C. Consultants Ltd.

No. of investor complaints received during the year : 0  
No. of complaints resolved : 0  
No. of complaints pending : 0

The Committee is chaired by Mr. Y. Venu Madhava Reddy, who is a non executive director. The Committee held four meetings during the year. (27.05.16, 02.07.16, 15.10.16 & 05.01.17)



Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Y. Venu Madhava Reddy	Chairman	Independent & Non-Executive Director	4	4
Mr. G Shanker Prasad	Member	Independent & Non-Executive Director	4	4
Mr. Rajesh Mehta	Member	Executive Chairman	4	4

Mrs. Stuti Agrawal, Company Secretary is the Secretary to the Stakeholders Relationship Committee and the Compliance Officer of the Company.

During the financial year, there were no complaints from shareholders which were pending as on March 31, 2017.

#### **NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to Reg. 19 of the Listing Regulations and Section 178 of the Act, the Board has re-constituted and renamed the Remuneration Committee as Nomination and Remuneration Committee and adopted new terms of reference.

The terms of reference for the Nomination and Remuneration Committee includes:

- To formulate a Nomination and Remuneration Policy on:
  - ❖ determining qualifications, positive attributes and independence of a director.
  - ❖ guiding remuneration of Directors, Key Managerial Personnel (“KMP”) and other employees and Board diversity.
- Recommend Nomination and Remuneration Policy to the Board.
- Identify candidates who are qualified to become Directors.
- Identify persons who are qualified to become Senior Management (Senior Management of the Company means employees of the Company who are Divisional Heads and Corporate Functional Heads).
- Recommend to the Board the appointment and removal of Directors and Senior Management.
- Lay down the process for evaluation of the performance of every Director on the Board.
- The Chairman of the Committee to attend the General Meeting to respond to the queries of shareholders.

During the period under review, the Nomination and Remuneration Committee met twice on August 24, 2016 and February 07, 2017. The Policy on Nomination, Remuneration and Evaluation of Directors and KMP is annexed herewith as Annexure V.

Constitution of the Nomination and Remuneration Committee and attendance details during the financial year ended March 31, 2017 are given below:

Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Y. Venu Madhava Reddy	Chairman	Independent & Non-Executive Director	2	2
Mr. G Shanker Prasad	Member	Independent & Non-Executive Director	2	2
Ms. Vijaya Lakshmi	Member	Independent & Non-Executive Director	2	2
Mr. Rajesh Mehta	Member	Executive Chairman	2	2

#### **RISK MANAGEMENT COMMITTEE**

Evaluation of Business Risk and managing the risk has always been an ongoing process in the Company. The Company has set up a robust risk management framework to identify, monitor and minimize risk

## RAJESH EXPORTS LIMITED

---

and also to identify business opportunities. The Audit Committee also functions as the Risk Management Committee. The objectives and scope of the RMC committee comprises of an oversight of risk management performed by the executive management, review RMC policy and framework in line with local legal framework and SEBI guidelines and defining framework in identification, assessment, monitoring, mitigation and reporting risks.

During the financial year under review the RMC committee met one time on January 05, 2017.

Details of constitution and attendance details of the RMC Committee as on March 31, 2017 are given below:

Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Prashant Mehta	Chairman	Managing Director	1	1
Mr. Y. Venu Madhava Reddy	Member	Independent & Non-Executive Director	1	1
Ms. Vijaya Lakshmi	Member	Independent & Non-Executive Director	1	1

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Act the Board constituted the CSR Committee. The CSR Committee provides guidance on various CSR activities to be undertaken by the Company and monitors its progress.

The terms of reference for the CSR Committee include:

- Formulate a CSR Policy which shall indicate activities to be undertaken by the Company.
- Recommend the CSR Policy to the Board.
- Recommend the amount of expenditure to be incurred on the activities.
- Monitor the Policy from time to time as per the CSR Policy.

During the financial year under review the CSR Committee met two times on August 24, 2016 and February 18, 2017.

Details of constitution and attendance details of the CSR Committee as on March 31, 2017 are given below:

Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Rajesh Mehta	Chairman	Executive Chairman	2	2
Mr. Y. Venu Madhava Reddy	Member	Independent & Non-Executive Director	2	2
Mr. G Shanker Prasad	Member	Independent & Non-Executive Director	2	2

Annual Report on CSR activities which is a part of the Directors' Report detailing the CSR projects undertaken by the Company is annexed herewith as **Annexure VI**.

### INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 30.03.2017 *inter alia*, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
2. Evaluation of the performance of Chairman of the Company taking into account, the views of Executive and Non Executive Directors.
3. Evaluation of the quality content and time lines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting. The terms and conditions of appointment of independent directors are disclosed in the website of the company.



## REMUNERATION OF DIRECTORS

The Directors' remuneration includes consolidated remuneration paid to Mr. Rajesh Mehta, Executive Chairman, and Mr. Prashant Mehta, Managing Director, amounting to Rs. 2,39,976/- per annum. Independent and non executive directors do not receive any remuneration or sitting fees from the Company.

## ANNUAL GENERAL BODY MEETINGS

Details of Previous Annual General Meetings of the company held during last three years;

Last 3 AGM's	Date/Time of AGM	Venue
20th AGM	September 30, 2014 @ 11.30 A.M.	Guru Raja Kalyana Mantap, Crescent Road, Bangalore
21st AGM	September 30, 2015 @ 11.30 A.M	Guru Raja Kalyana Mantap, Crescent Road, Bangalore
22nd AGM	September 30, 2016 @ 12.00 Noon	Guru Raja Kalyana Mantap, Crescent Road, Bangalore

No resolutions were passed through postal ballot during the last three financial years.

## DISCLOSURE

*Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.*

These disclosures have been made under related party transactions in notes (B 10) to financial statements of the Company, which form part of annual report.

No penalties or strictures were imposed on the Company by any of the Stock Exchanges, Securities and Exchange Board of India or any statutory authority, on any matters related to capital market, during the last three years.

## MEANS OF COMMUNICATION

The Company's quarterly and half yearly un-audited results and audited annual results were published in the leading print media, both in regional language and English having nation-wide circulation and also through various information notices sent to Stock Exchanges about the latest developments in the Company. Our Company's web site i.e. [www.rajeshindia.com](http://www.rajeshindia.com) is regularly updated regarding the corporate actions undertaken by the Company.

## GENERAL SHAREHOLDER INFORMATION

**Annual General Meeting** : 29th September 2017, Friday at 12.00 Noon  
at Guru Raja Kalyana Mantap, No 21, Crescent Road,  
BANGALORE - 560 001.

## INVESTOR HELP-DESK

Share transfers, dividend payments and all other investor related activities are attended to and processed at the Office of our Registrars and Transfer Agents. For lodgment of transfer deeds and any other documents for any grievances / complaints kindly contact at the following address:-

### M/s. S.K.D.C. CONSULTANTS LIMITED

Kanapathy Towers, 3rd Floor ; 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.  
Phone: 0422 - 4958995; 2539835-36 Fax: 0422-2539837. E-mail: [info@skdc-consultants.com](mailto:info@skdc-consultants.com).

The powers to approve share transfers and dematerialization requests have also been delegated to some of the executives of the company in order to avoid delays that may arise due to non-availability of the Members of the Shareholders and Investor Grievance Committee.

# RAJESH EXPORTS LIMITED

Name of the Company Secretary and Compliance Officer: Mrs. Stuti Agrawal, Phone No: 080-42842150.  
E-mail: compsect@rajeshindia.com

No request for share transfers received up to 31st March 2017.

## FINANCIAL CALENDAR FOR THE YEAR 2016-17

### Financial Year April 1, 2016 to March 31, 2017

Board Meeting for considering audited accounts and recommendation of dividend for the year ended March 31, 2016	May 30, 2016
Board Meeting for considering Un-Audited Results for the First Quarter	August 10, 2016
Board Meeting for considering Un-Audited Results for the Second Quarter	November 11, 2016
Board Meeting for considering Un-Audited Results for the Third Quarter	February 07, 2017
Board Meeting for considering Audited Results for the financial year ended March 31, 2017 and recommendation of Dividend	May 26, 2017
Posting of Annual Reports	On/before September 05, 2017
Book Closure Date (both days included)	September 23, 2017 to September 29, 2017
Date of Annual General Meeting	September 29, 2017
Probable date for dispatch of Dividend Warrants	Second week of October 2017

## LISTING ON STOCK EXCHANGES

National Stock Exchange of India Ltd. (Exchange Code: rajeshexpo)

Bombay Stock Exchange Ltd. (Exchange Code: 531500)

## MONTHLY HIGH AND LOW QUOTATION AND VOLUME OF SHARES TRADED FROM 01.04.2016 TO 31.03.2017

Period	Highest Quotation in Rs.		Lowest Quotation in Rs.		Volume of shares Traded		Turnover Rs. in Millions	
	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE
April, 2016	643.90	643.75	527.75	535.00	52,45,951	1290595	3,113.21	7642.90
May, 2016	603.85	604.5	545.00	545.00	49,05,915	1241206	2,788.91	7056.21
June, 2016	586.25	585.60	421.05	422.50	1,27,25,064	2874706	6,021.57	13766.90
July, 2016	471.55	473.85	421.50	429.00	85,36,513	2575341	3,824.07	11550.57
August, 2016	472.00	471.85	425.00	425.00	93,31,767	2904211	4,149.28	12893.95
September, 2016	486.90	486.85	431.00	432.00	65,96,778	2373639	3,032.06	10878.13
October, 2016	506.90	507.75	458.55	459.80	46,44,923	1734276	2,253.26	8408.03
November, 2016	485.90	486.00	432.20	433.00	41,48,488	1519619	1,894.86	6949.14
December, 2016	468.95	469.75	435.70	435.15	31,18,328	1112922	1,406.25	5011.58
January, 2017	518.65	518.45	460.55	461.50	46,67,982	1417918	2,329.75	7063.29
February, 2017	535.90	536.50	493.00	492.10	75,80,475	1315569	3,881.53	6692.40
March, 2017	613.45	613.20	519.05	519.55	2,04,35,283	1829927	11,433.71	10185.70





## DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2017

Value (in Rs.)	No. of share holders	%	Amount (Rs)	%
Up to 5,000	30488	99.05	4494468	1.52
5,001 to 10,000	94	0.31	690508	0.23
10,001 to 20,000	49	0.16	696613	0.24
20,001 to 30,000	31	0.10	769016	0.26
30,001 to 40,000	11	0.04	385582	0.13
40,001 to 50,000	11	0.04	489550	0.17
50,001 to 1,00,000	24	0.08	1589899	0.54
1,00,001 and above	71	0.23	286144323	96.91
<b>TOTAL</b>	<b>30779</b>	<b>100</b>	<b>295259959</b>	<b>100</b>

## CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH 2017

Category	No of Shares	%
Indian Promoters	159273063	53.943
Foreign Institutional Investors	52821686	17.89
Private Corporate Bodies	1638842	0.555
Indian Public/Mutual Fund/ Financial Institutions etc	16482282	5.59
NRI's / OCB's	65044086	22.03
<b>TOTAL</b>	<b>295259959</b>	<b>100</b>

## DEMATERIALIZATION OF EQUITY SHARES

The Company's shares are under compulsory dematerialization list and can be transferred only through depository system. The Company entered into tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the dematerialization of shares. As on 31.03.2017, 99.88% shares of the Company were in electronic form.

	No. of shares	% of holding
No of shares held in CDSL	54,41,617	2.012
No of shares held in NSDL	28,89,54,970	97.865
Total No. of shares held in DE-Mat form	28,43,96,587	99.877
No. of shares held in Physical form	3,63,372	0.123
<b>GRAND TOTAL</b>	<b>295259959</b>	<b>100</b>

## CODE OF CONDUCT

Declaration by the Managing Director under Reg. 26 of the Listing Regulations regarding compliance with Code of Conduct in accordance with Reg. 26 of the Listing Regulations with the Stock Exchanges.

I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2017.

Place: Bengaluru  
Date : May 26, 2017

**PRASHANTH MEHTA**  
Managing Director

# RAJESH EXPORTS LIMITED

---

## CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To  
The Board of Directors  
Rajesh Exports Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Rajesh Exports Limited ("the Company"), to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2017 and based on our knowledge and belief, we state that :
  - i. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of Conduct.
- c. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls.
- e. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i. that there are no significant changes in internal control over financial reporting during the year;
  - ii. that there are no significant changes in accounting policies during the year; and
  - iii. that there are no instances of significant fraud of which we have become aware

Place: Bangalore  
Date: May 26, 2017

**VIJENDRA RAO**  
*Chief Financial Officer*

**PRASHANT MEHTA**  
*Managing Director*  
DIN- 00336417

---

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
**M/s. RAJESH EXPORTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Rajesh Exports Limited ("the Company") for the year ended on 31st March 2017, as stipulated in Reg. 27 of the Listing Regulations of the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Reg. 27 of the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Bangalore  
Date : May 26, 2017

For **V. SIVASANKAR & CO,**  
*Chartered Accountants*  
Firm Regn. No. 010839S  
Sd/-  
**(CA VIJAYA SIVASANKAR.P)**  
*Proprietrix*  
M.No. 214786



## NOMINATION AND REMUNERATION POLICY

**Introduction :** This Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors. Details of the Committee and of the Policy are as under:

**Objectives of the Committee:** The Committee shall:

1. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal vide Section 178 of Companies Act, 2013
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees vide Section 178 of Companies Act, 2013.

**Applicability:-** The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

**General Appointment Criteria:**

- i. The Company is required to appoint a MD/Manager/CEO and in their absence a WTD as one of the KMPs. The Company is also required to appoint a Company Secretary and a Chief Financial Officer. The Company may also appoint a Chief Executive Officer who may or may not be a Director.
- ii. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- iii. The Company shall ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.
- iv. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Regulations or any other enactment for the time being in force.
- v. The appointees in various designations shall be qualified for the post.
- vi. Letters of Appointment - Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

**Additional Criteria for Appointment of Independent Directors:**

The Committee shall consider qualifications and appointment for Independent Directors as per the provisions of Clause 19 (1) and (2) of the Listing Regulations and the Companies Act, 2013.

**Remuneration:** The Committee will recommend the remuneration to be paid to the Managing Director, Whole-Time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and

## **RAJESH EXPORTS LIMITED**

---

meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay wherever considered reasonable, reflecting short and long-term performance objectives appropriate to the working of the company and its goals. Payment of bonus, contribution to Provident and other Funds, ESI etc. shall be in accordance with the regulations.

**Constitution of the Nomination and Remuneration Committee:** The Board has the power to constitute/reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee has been constituted by the Board of Directors.

**Policy on Board diversity:**

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like Production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc. or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

**Deviations and Changes to the Policy:** The Board may vary the above policy on need basis in accordance with the applicable laws in force. The Remuneration Committee may review the above policy from time to time to cope with the changed scenario and manpower requirements and suggest suitable changes on its own or at the request of the Board.

For and on behalf of the Board

Sd/-

Place : Bangalore  
Date : May 26, 2017

**RAJESH MEHTA**  
*Chairman*  
DIN : 00336457

**PRASHANT MEHTA**  
*Managing Director*  
DIN : 00336417



## Annexure VI

### CORPORATE SOCIAL RESPONSIBILITY REPORT

1. A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken is available on the Company's website.

The Company will take up community and socially focused activities, with particular emphasis on the following activities, hereinafter referred to as "CSR activities":

- i. Promoting preventive and general health care, sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and provision of safe drinking water.
- ii. Promoting education by providing financial assistance to deserving educational institutions, meritorious students, including special education and employment enhancing vocation skills especially among children, women elderly and differently abled, promoting livelihood enhancement projects and road safety projects with special emphasis on training programmes.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes day care center and such other facilities for senior citizens.
- iv. Ensuring environmental sustain-ability, ecological balance, protection of Flora and Fauna, animal welfare, agroforestry conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of the Ganga.
- v. Protection of National heritage, art and culture, including restoration of building and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- vi. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- vii. Contributing to rural development projects; and
- viii. Such other activities and projects covered in Schedule VII to the Companies Act, 2013 and notifications made by the Ministry from time to time.

#### 2. Composition of the CSR Committee as on 31st March 2017

Sl No.	Name of Member	Status	Category
1	Mr. Rajesh Mehta	Chairman	Executive Chairman
2	Mr. G. Shanker Prasad	Member	Independent Director
3	Mr. Y V Madhva Reddy	Member	Independent Director

#### 3. Average net profit of the Company on standalone basis for last three financial years u/s 135 of Companies Act 2013

Particulars	Amount (Rs.)
Net Profit for the year 2013-14	2,26,99,17,670
Net Profit for the year 2014-15	2,63,93,83,839
Net Profit for the year 2015-16	4,75,28,54,297
Average Net Profit	3,22,07,18,602

#### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

2% on the Average Net Profits as stated above shall amount to- Rs. 6,44,14,372/-

# RAJESH EXPORTS LIMITED

---

## 5. Details of CSR Expenditure in FY 2016-17

Total amount spent in the Financial Year 2016-17 is Rs. 2,19,01,000

## 6. Details of the Amounts Spent on CSR Projects during the Financial Year 2016-17

S.No.	CSR Project or activity identified	Sector in which the project is covered	Product or Programme (i) Local Area (ii) Specify state	Amount Outlay (Budget) or programme wise	Amount Spent on the projects or programme	Amount Spent directly or through Agency
1	Health	Health Care	Local Area	2,11,00,000	2,11,00,000	Directly
2.	Religious	Spiritual	Local Area	8,01,000	8,01,000	Directly

## 7. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The average Net Profit of the Company on a standalone basis during the last three Financial Years amounts to Rs.3,22,07,18,602 and 2% of such average Net Profit works out to Rs. 6,44,14,372 which is the amount of CSR expenditure the Company was required to incur during the Financial Year 2016-17. As against this, the total amount spent by the Company on CSR Projects during FY 2016-17 was Rs.2,19,01,000. The reasons for the shortfall in CSR expenditure is primarily that the Company did not get adequate number of eligible projects.

## 8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Place: Bangalore  
Date: May 26, 2017

**RAJESH MEHTA**  
Chairman, CSR Committee



## BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### Introduction

Our objective is to firmly establish ourselves as a global leader in the value chain of Gold. Currently in terms of revenues REL is the largest gold company in the world. REL is the only company which is fully integrated across the value chain of gold. REL has nurtured a team of professionals who are specialized in the relevant vertical of gold business. REL has built the required infrastructure and developed practices and systems to emerge as a global leader in gold business in terms of quality, innovation, revenues and profits.

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN):** L36911KA1995PLC017077
- Name of the Company:** Rajesh Exports Limited
- Registered address:** #4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore-560001
- Website:** www.rajeshindia.com
- E-mail id:** corpcomm@rajeshindia.com
- Financial Year reported:** 2016-17
- Sector(s) that the Company is engaged in (industrial activity code-wise)**  
Manufacturer of Gold and Gold Products National Industrial Classification (NIC) Code: 321
- Three key products/services manufactured (as in balance sheet):**
  - Gold Products
- Total number of locations where business activity is undertaken:**  
Business activities of REL are spread across multiple locations in India and other parts of the world.
- Markets served by the Company:**  
REL serves markets across the world mainly in Europe, Asia, North America and Australia.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (₹):** 29.52 Crores
- Total Turnover (₹):** Rs. 2421319.84 millions
- Total profit after taxes (₹):** Rs. 12436.33 million
- Total spending on Corporate Social Responsibility (CSR) as percentage of PAT (₹):** 22.19 crores which is 0.18% of the PAT
- List of activities in which expenditure in 4 above has been incurred:
  - Health Care
  - Religious
  - Infrastructure Development to improve the quality of life of community

# RAJESH EXPORTS LIMITED

---

## SECTION C : OTHER DETAILS

1. Does the Company have any subsidiary company/ companies?

Yes.

2. Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Each subsidiary company has its own BR initiative in its respective area of operations.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [>30%, 30-60%, < 60%]

No.

## SECTION D : BR INFORMATION

1. a. Details of Director/Directors responsible for BR implementation of the BR policy/policies

- i. Name : Mr. Prashant Mehta
- ii. DIN Number : 00336417
- iii. Designation : Managing Director
- iv. Telephone Number : 080-42842112
- v. E-mail id : md@rajeshindia.com

- b. Details of BR head

- i. Name : Mr. T.D. Joseph
- ii. Designation : BR Head
- iii. Telephone Number : 080-42842150
- iv. E-mail id : compsect@rajeshindia.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

<b>P1</b>	Business should conduct and govern themselves with Ethics, Transparency and Accountability
<b>P2</b>	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
<b>P3</b>	Businesses should promote the well-being of all employees
<b>P4</b>	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
<b>P5</b>	Businesses should respect and promote human rights
<b>P6</b>	Business should respect, protect and make efforts to restore the environment
<b>P7</b>	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
<b>P8</b>	Businesses should support inclusive growth and equitable development
<b>P9</b>	Businesses should engage with and provide value to their customers and consumers in a responsible manner





	Principle Wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international international conventions are captured in the policies standards? If yes, specify? (50 words)	The spirit and intent of the policies is to ensure that all applicable national and international laws as well as international conventions are captured in the policies.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="http://www.rajeshindia.com/corporate-governance">http://www.rajeshindia.com/corporate-governance</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

### 3. Governance related to BR

- i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within three months, 3-6 months, annually, more than 1 year:

Quarterly

- ii. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Corporate Sustainability Report for Rajesh Exports is published annually and uploaded on its website.

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? (Yes/No). Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?

Yes. The policy extends to the whole Group.

# RAJESH EXPORTS LIMITED

---

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved? If so, provide details thereof, in about 50 words or so.**

No complaint has been received in the past financial year.

**Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- **Non cadmium jewellery:** We have developed laser soldered jewellery which ensures that the jewellery is free from cadmium soldering. Removing the usage of cadmium has resulted in better environment and better health of the workers working on the jewellery.

- **No Making Charges No Wastage:** We have introduced Real Rate Per Gram to retail consumers by which we are not charging Wastage and Making Charges to the consumers, which is ensuring the demolition of the age old practice wherein the consumers were made to pay for non existent costs like wastage and making charges. This has ensured a saving of 10 to 15% to the retail consumer.

- **Exact 22 Cts purity:** We have introduced gold jewellery of exact 22 Cts purity even upon melting the jewellery. Each one of the pieces of our jewellery is hall marked as per BIS standards, which ensures that the consumers get the correct purity of gold which they are buying. This has ensured that the customers do not pay for 22 Cts and get inferior

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- i. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

All the three products which have been mentioned above have resulted in savings to the consumers, better working environment for the workers and have negated the harmful effect of cadmium on the environment. It is not feasible to measure the reduction of resource use in these products.

- ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Our products are gold products which are for consumer usage and investment hence there is no usage of energy or water by the consumers in our products.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

Yes. 100% of the inputs were sourced sustainably.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes. Other than the basic raw material (Gold) REL procures a large part of its requirements of goods and services from local and small producers. We constantly advice and guide the local and small producers for improving their capacity and capability.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

We do not produce and significant waste and all our products are recyclable because they are gold products.



---

### **Principle 3 - Businesses should promote the well-being of all employees**

1. **Total number of employees:** 350
2. **Total number of employees hired on temporary/ contractual/casual basis:** NIL
3. **Number of permanent women employees:** ???
4. **Number of permanent employees with disabilities:** NIL
5. **Do you have an employee association that is recognised by management?**  
We do not have any employee association.
6. **What percentage of your permanent employees is members of this recognised employee association?**  
N.A
7. **Please indicate the number of complaints relating to:**  
(i) Child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year; (ii) Sexual harassment; (iii) Discriminatory employment.  
No complaints with regard to the above mentioned categories were reported in Financial Year 2016-17
8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**  
100% of our employees have been given safety training and 100% of our employees are given skill development training in their respective fields.

### **Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

1. **Has the Company mapped its internal and external stakeholders?**  
Yes.
2. **Out of the above, has the Company identified the disadvantages, vulnerable and marginalised stakeholders?**  
Yes.
3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**  
We have provided residential facilities to all our employees who do not have their residential facility. We have ensured good education to the children of our marginalized employees and we have provided medical facilities to our marginalized employees and their children. We have also provided free canteen facility to all our employees.

### **Principle 5 - Businesses should respect and promote human rights**

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**  
Policy extends to all suppliers/contractors while their provisions also being applicable to other business partners.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved?**  
There have been no stake holder complaints received in this category during the past financial year.

# RAJESH EXPORTS LIMITED

---

## **Principle 6 - Business should respect, protect and make efforts to restore the environment**

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

Policy extends to all suppliers/contractors while their provisions also being applicable to other business partners.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

No.

3. **Does the Company identify and assess potential environmental risks?**

Yes.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, is any environmental compliance report filed?**

None of our activities damaging the environment most of our activities are environment friendly.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**

No. Our activities bare minimum energy and they are environment friendly.

6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes the emissions/waste generated by the Company for Financial Year 2016-17 are within permissible limits given by CPCB/SPCB(s).

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

NIL

## **Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.**

Yes. REL is a part of:

- i. The Jewellers Association Bangalore (JAB)
- ii. Federation of Karnataka Chamber of Commerce and Industries (FKCCI)
- iii. Federation of Indian Export Organisation (FIEO)
- iv. Export Promotion Council for EOU's and SEZ's (EPCES)
- v. India Bullion and Jewellers Association Limited (IBJA)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.**

Yes. The broad areas were:

- Governance and Administration
- Economic Reforms
- Inclusive Development Policies
- Energy Security
- Sustainable Business Principles



---

### **Principle 8 - Businesses should support inclusive growth and equitable development**

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

Yes. REL focusses on responsible business practices with community centric interventions.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

The programmes are undertaken through in house teams.

3. **Have you done any impact assessment of your initiative?**

No.

4. **What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

REL direct contribution to community development is ₹ 2.71 crores.

This amount was spent under the broad categories of:

- a) Health and Drinking Water
  - b) Religion
  - c) Infrastructure development to improve the quality of life of the community
5. **Have you taken steps to ensure that the community successfully adopts this community development initiative? Please explain in 50 words, or so.**

We have put in our efforts to provide these facilities to the respective community, the adoption of these measures is taken care of by the respective institutions to whom we have provided the funds.

### **Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year**

NIL

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Not Applicable.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

There is no case against REL during last five years, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Yes weekly consumer satisfaction trends are recorded and changes are effectively made if required.

# RAJESH EXPORTS LIMITED

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
M/S. RAJESH EXPORTS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Rajesh Exports Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
    - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 25 (xviii) of Significant accounting policies of Standalone Financial Statements.

For V. SIVASANKAR & CO,  
Chartered Accountants  
Firm Regn. No. 010839S  
Sd/-  
(CA VIJAYA SIVASANKAR.P)  
Proprietrix  
M.No. 214786

Place : Bangalore  
Date : May 26, 2017



---

## ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company has conducted the physical verification of the inventory excluding materials lying with third parties during the year in accordance with programme designed to cover all items over a phased manner. According to the information and explanation given to us, in our opinion the frequency of physical verification of inventories followed by the management is reasonable. The discrepancies noticed on physical verification of the inventory as compared to books records were not material.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, LLP or other parties covered in the Register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of the paragraph 3(3)(a)(b) and (c) of the order not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

## RAJESH EXPORTS LIMITED

Name of the Statute	Nature of the due	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Karnataka sales tax	Sales tax	1,54,702	2001-02	First Appellate authority.
Karnataka sales tax	Sales tax	1,00,000	2002-03	First Appellate authority.
Karnataka sales tax	Sales tax	2,24,355	2003-04	First Appellate authority.
ESI of Karnataka	ESI	89,27,290	2000-03	The Appeals Authority ESI, Karnataka
ESI of Karnataka	ESI	37,78,409	2006-07	The Appeals Authority ESI, Karnataka
Service tax	Service tax	3,67,24,590	2006-07	The Appellate Tribunal, Service tax.

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Bangalore  
Date : May 26, 2017

For **V. SIVASANKAR & CO,**  
*Chartered Accountants*  
Firm Regn. No. 010839S  
Sd/-  
**(CA VIJAYA SIVASANKAR.P)**  
*Prop.*  
M.No. 214786





## ANNEXURE - B TO THE AUDITORS' REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rajesh Exports Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Bangalore  
Date : May 26, 2017

For **V. SIVASANKAR & CO,**  
*Chartered Accountants*  
Firm Regn. No. 010839S  
Sd/-  
**(CA VIJAYA SIVASANKAR.P)**  
*Prop.*  
M.No. 214786

# RAJESH EXPORTS LIMITED

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2017

(Amount in Indian Rupees)

	Note No	As on 31.03.2017	As on 31.03.2016
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment			
(i) Tangible Assets	1	664,384,237	673,590,513
(ii) Capital Work-in-Progress	1	12,203,699	8,925,439
Non-Current Investments	2	7,315,161,605	6,360,846,060
Deferred Tax Assets/ (Liability)	3	-	8,223,385
Long - Term Loans and Advances	4	19,193,176,468	19,193,196,468
<b>Current Assets</b>			
Inventories	5	5,317,244,671	3,990,590,701
Trade Receivables	6	33,448,012,841	36,685,541,253
Cash and Cash Equivalents	7	137,740,896,139	116,523,897,828
Short- Term Loans and Advances	8	3,437,199,629	3,037,076,565
Other Current Assets	9	4,861,818,072	4,330,919,060
<b>TOTAL</b>		<b>211,990,097,361</b>	<b>190,812,807,272</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	10	295,259,959	295,259,959
Reserves and Surplus	11	37,119,977,218	32,506,568,268
<b>Non-Current Liabilities</b>			
Other Long Term Liabilities	12	66,300,531	68,200,531
Deferred tax liabilities (net)	13	46,268,574	-
Long Term Provisions	14	4,872,489	4,119,116
<b>Current Liabilities</b>			
Short Term Borrowings	15	54,349,301,425	44,617,391,738
Trade Payables	16	119,755,339,718	112,746,705,330
Other Current Liabilities	17	156,209,912	137,273,761
Short - Term Provisions	18	196,567,535	437,288,569
<b>TOTAL</b>		<b>211,990,097,361</b>	<b>190,812,807,272</b>

Significant accounting policies and notes to accounts 25

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board

**RAJESH MEHTA**  
Chairman  
DIN : 00336457

**PRASHANT MEHTA**  
Managing Director  
DIN : 00336417

**STUTI AGRAWAL**  
Company Secretary  
M.No. A35258

As per our Report of even date  
For **V. SIVASANKAR & CO**  
Chartered Accountants,  
Firm Regn. No. 010839S  
Sd/-

Place: Bengaluru  
Date : May 26, 2017

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
CFO

(**CA VIJAYA SIVASANKAR.P**)  
Proprietrix  
M.No. 21478



## STATEMENT OF STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Indian Rupees)

	Note No	As on 31.03.2017	As on 31.03.2016
<b>REVENUE FROM OPERATIONS (GROSS)</b>			
Revenue from Operations	19	449,477,347,300	385,859,607,502
Other Income	20	436,718,831	367,416,823
<b>TOTAL REVENUE</b>		<b>449,914,066,131</b>	<b>386,227,024,325</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	441,063,766,084	377,567,552,933
Employee Benefit Expenses	22	66,143,336	54,872,719
Selling, Administrative and Other Expenses	23	394,327,123	405,524,244
Finance Costs	24	3,510,781,815	3,079,941,140
Depreciation and Amortization Expenses	1	18,485,065	18,624,849
<b>TOTAL EXPENSES</b>		<b>445,053,503,423</b>	<b>381,126,515,885</b>
<b>Profit / (Loss) before extraordinary &amp; exceptional items</b>		<b>4,860,562,708</b>	<b>5,100,508,440</b>
Extraordinary items - gain / (loss)		-	-
Exceptional items - gain / (loss)		-	-
<b>Profit / (Loss) before tax</b>		<b>4,860,562,708</b>	<b>5,100,508,440</b>
<b>Profit Before Tax - PBT</b>		<b>4,860,562,708</b>	<b>5,100,508,440</b>
<b>Tax expense:</b>			
Current tax expense for current year		192,661,799	347,654,143
Deferred tax expense / (income)		54,491,959	-
<b>PROFIT FOR THE YEAR</b>		<b>4,613,408,950</b>	<b>4,752,854,297</b>
<b>Earning Per Share (Re. 1 Per Share for Each)</b>			
Basic		15.62	16.10
Diluted		15.62	16.10

Significant accounting policies and notes to accounts 25

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board

**RAJESH MEHTA**  
Chairman  
DIN : 00336457

**PRASHANT MEHTA**  
Managing Director  
DIN : 00336417

**STUTI AGRAWAL**  
Company Secretary  
M.No. A35258

As per our Report of even date  
For **V. SIVASANKAR & CO**  
Chartered Accountants,  
Firm Regn. No. 010839S  
Sd/-

Place: Bengaluru  
Date : May 26, 2017

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
CFO

**(CA VIJAYA SIVASANKAR.P)**  
Proprietrix  
M.No. 21478

# RAJESH EXPORTS LIMITED

## STANDALONE CASH FLOW STATEMENT

(Amount in Indian Rupees)

	2016-2017	2015-2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	<b>4,860,562,708</b>	<b>5,100,508,440</b>
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	18,485,065	18,624,849
Net (gain) / loss on sale of investments	-	-
(Profit)/Loss on fixed assets sold, scrapped, etc. (net)	-	-
Interest income	-	-
Dividend income	-	-
Bad debts/advances written off & provision made	-	-
Interest expense	-	-
Finance cost	3,510,781,815	3,079,941,140
Rent received	(816,595)	(865,507)
Profit on sale of Fixed assets	-	(490,000)
	<b>3,528,450,285</b>	<b>3,097,210,482</b>
<b>Cash Generated from operations before working capital changes</b>	<b>8,389,012,993</b>	<b>8,197,718,922</b>
<i>Adjustments for:</i>		
(Increase)/Decrease in Inventories	(1,326,653,970)	826,946,134
Adjustments for Decrease/(increase) in Trade and - other receivables including Loans & Advances	3,196,545,556	(25,378,643,580)
Increase/(Decrease) in Current - Non Current Liabilities & Provisions	6,593,041,079	24,441,508,620
	<b>8,462,932,665</b>	<b>(110,188,826)</b>
<b>Cash generated from operations</b>	<b>16,851,945,658</b>	<b>8,087,530,096</b>
Taxes paid (net of refunds)	(890,019,220)	(872,336,098)
<b>Net cash generated from operating activities - [A]</b>	<b>15,961,926,438</b>	<b>7,215,193,998</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(12,622,329)	(10,031,055)
Sale proceeds of Fixed Assets	65,280	490,000
(DECREASE IN FIXED ASSETS)	(954,315,545)	(4,682,553,693)
(Purchase)/ Sale proceeds of Investments	816,595	865,507
Rent received	(966,055,999)	(4,691,229,241)
<b>Net cash generated/(used in) from investing activities-[B]</b>		
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) in Secured Loan	9,763,602,478	6,194,218,803
Increase/(Decrease) in Unsecured Loan	(31,692,791)	158,175,480
Interest paid	(3,510,781,815)	(3,079,941,140)
Dividends paid	-	(355,370,590)
<b>Net cash used in financing activities - [C]</b>	<b>6,221,127,872</b>	<b>2,917,082,553</b>
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	<b>21,216,998,311</b>	<b>5,441,047,310</b>
Cash and cash equivalents at the beginning of the year	<b>116,523,897,828</b>	<b>111,082,850,518</b>
Cash and cash equivalents at the end of the year	<b>137,740,896,139</b>	<b>116,523,897,828</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	293,071	4,179,852
Balances with banks:		
In current accounts	566,985,634	2,003,447,867
Earmarked Balances with banks	4,443,610	28,051,811
Term deposits with original maturity of More than three months	137,169,173,824	114,488,218,298
	<b>137,740,896,139</b>	<b>116,523,897,828</b>

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements"
- Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For and on behalf of the Board

**RAJESH MEHTA**  
Chairman  
DIN : 00336457

**PRASHANT MEHTA**  
Managing Director  
DIN : 00336417

**STUTI AGRAWAL**  
Company Secretary  
M.No. A35258

As per our Report of even date  
For **V. SIVASANKAR & CO**  
Chartered Accountants,  
Firm Regn. No. 010839S

Sd/-  
**(CA VIJAYA SIVASANKAR.P)**

Place: Bengaluru  
Date : May 26, 2017

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
CFO

Proprietrix  
M.No. 21478



## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

### Note - 1 : FIXED ASSETS

Amount in Rs.

Reconciliation of gross block and net block at the beginning and at the end of the year

Particulars	Gross block / Original cost				Accumulated depreciation				Net block	
	As on 31.03.2016	Additions	Disposals/ Transfers	As on 31.03.2017	As on 31.03.2016	Charge for the year	Eliminated on disposal of assets	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
<b>A. BUSINESS ASSETS</b>										
Land	44,079,660	-	-	44,079,660	-	-	-	-	44,079,660	44,079,660
Building	326,990,136	-	-	326,990,136	139,827,274	3,648,342	-	143,475,616	183,514,520	187,162,862
Plant & Machinery	126,088,112	8,537,084	65,280	134,559,916	70,334,948	10,354,545	3,084	80,686,409	53,873,507	55,753,164
Generator	3,294,621	-	-	3,294,621	1,590,181	242,593	-	1,832,774	1,461,847	1,704,440
Furniture & Fixtures	19,761,535	25,000	-	19,786,535	16,087,705	1,916,970	-	18,004,675	1,781,860	3,673,830
Office Equipments	8,745,574	-	-	8,745,574	4,109,257	563,867	-	4,673,124	4,072,450	4,636,317
Computer	5,104,692	250,905	-	5,355,597	4,929,406	121,439	-	5,050,845	304,752	175,286
Weighing Scale	4,017,517	531,080	-	4,548,597	1,445,298	289,586	-	1,734,884	2,813,713	2,572,219
Borewell	148,000	-	-	148,000	33,416	2,061	-	35,477	112,523	114,584
Technical Knowhow	670,000	-	-	670,000	568,067	68,434	-	636,500	33,500	101,934
Motor Vehicle	11,717,000	-	-	11,717,000	7,215,929	1,280,311	-	8,496,240	3,220,760	4,501,071
	<b>550,616,847</b>	<b>9,344,069</b>	<b>65,280</b>	<b>559,895,636</b>	<b>246,141,479</b>	<b>18,488,149</b>	<b>3,084</b>	<b>264,626,544</b>	<b>295,269,092</b>	<b>304,475,368</b>
WIP Whitefield	3,504,796	-	-	3,504,796	-	-	-	-	3,504,796	3,504,796
WIP Commercial Street	5,284,993	3,278,260	-	8,563,253	-	-	-	-	8,563,253	5,284,993
SEZ Jew Unit (Wip)	135,650	-	-	135,650	-	-	-	-	135,650	135,650
<b>Sub Total</b>	<b>559,542,286</b>	<b>12,622,329</b>	<b>65,280</b>	<b>572,099,335</b>	<b>246,141,479</b>	<b>18,488,149</b>	<b>3,084</b>	<b>264,626,544</b>	<b>307,472,791</b>	<b>313,400,807</b>
<b>B. OTHER IMMOVABLE PROPERTIES</b>										
Sujatha Complex Building	20,505,157	-	-	20,505,157	-	-	-	-	20,505,157	20,505,157
Mohan Building	97,715,861	-	-	97,715,861	-	-	-	-	97,715,861	97,715,861
Volga Hotel Building	2,608,855	-	-	2,608,855	-	-	-	-	2,608,855	2,608,855
Land At Kumbalgod	20,023,112	-	-	20,023,112	-	-	-	-	20,023,112	20,023,112
Land At Akkuppette	11,195,065	-	-	11,195,065	-	-	-	-	11,195,065	11,195,065
Property In Kerla	31,418,930	-	-	31,418,930	-	-	-	-	31,418,930	31,418,930
Property At Nandi	12,174,066	-	-	12,174,066	-	-	-	-	12,174,066	12,174,066
Land At Peenya	1,368,320	-	-	1,368,320	-	-	-	-	1,368,320	1,368,320
Jayashree Complex	13,183,210	-	-	13,183,210	-	-	-	-	13,183,210	13,183,210
Property At Commercial Street	88,263,968	-	-	88,263,968	-	-	-	-	88,263,968	88,263,968
Malleshwaram	37,149,868	-	-	37,149,868	-	-	-	-	37,149,868	37,149,868
Magadi Road Prop	4,003,656	-	-	4,003,656	-	-	-	-	4,003,656	4,003,656
MG Road Property	29,505,077	-	-	29,505,077	-	-	-	-	29,505,077	29,505,077
	<b>369,115,145</b>	<b>-</b>	<b>-</b>	<b>369,115,145</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>369,115,145</b>	<b>369,115,145</b>
<b>TOTAL FIXED ASSETS</b>	<b>928,657,431</b>	<b>12,622,329</b>	<b>65,280</b>	<b>941,214,480</b>	<b>246,141,479</b>	<b>18,488,149</b>	<b>3,084</b>	<b>264,626,544</b>	<b>676,587,936</b>	<b>682,515,952</b>
<b>Previous Year</b>	<b>920,989,376</b>	<b>10,031,055</b>	<b>2,363,000</b>	<b>928,657,431</b>	<b>229,879,630</b>	<b>18,624,849</b>	<b>2,363,000</b>	<b>246,141,479</b>	<b>682,515,952</b>	<b>691,109,745</b>

## RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2017 Amount in Rs.	As on 31.03.2016 Amount in Rs.
<b>2</b>	<b>NON CURRENT INVESTMENTS</b>		
	(i) Investment in Equity instruments (Unquoted)	<b>54,116,800</b>	70,875,070
	(ii) Investments in Government or Trust - securities and others	<b>2,235,700</b>	1,300,000
	(iii) Investments in Subsidiary Firms/Companies	<b>5,900,065,526</b>	5,888,670,990
	(iv) Investments in Mutual Funds	<b>1,358,743,579</b>	400,000,000
	(v) a. Doubtful Investments	<b>2,010,000</b>	2,010,000
	b. Provision for doubtful investments	<b>(2,010,000)</b>	(2,010,000)
	<b>Total Non Current Investments</b>	<b><u>7,315,161,605</u></b>	<b><u>6,360,846,060</u></b>
<b>3</b>	<b>DEFERRED TAX ASSET (NET)</b>		
	Deferred Tax Assets	-	8,223,385
	<b>Deferred Tax Asset ( Net )</b>	<b><u>-</u></b>	<b><u>8,223,385</u></b>
<b>4</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	Security Deposits Furnished	<b>415,393,179</b>	415,413,179
	Capital Advances	<b>88,450,040</b>	88,450,040
	Other Advances	<b>18,689,333,249</b>	18,689,333,249
	<b>Total Long Term Loans and Advances</b>	<b><u>19,193,176,468</u></b>	<b><u>19,193,196,468</u></b>
<b>5</b>	<b>INVENTORIES</b>		
	(i) Gold Jewellery and Gold	<b>4,889,440,855</b>	3,573,255,791
	(ii) Diamonds	<b>167,782,500</b>	167,632,200
	(iii) Silver	<b>222,812,316</b>	212,493,710
	(iv) Oysterbay Items	<b>37,209,000</b>	37,209,000
	<b>Total Inventories</b>	<b><u>5,317,244,671</u></b>	<b><u>3,990,590,701</u></b>
<b>6</b>	<b>TRADE RECEIVABLES</b>		
	Unsecured,		
	a. (i) Outstanding for less than 6 months, Considered Good (Net)	<b>32,827,211,617</b>	36,655,206,908
	(ii) Outstanding for more than 6 months, Considered good (Net)	<b>52,627,799</b>	30,334,345
	(iii) Doubtful Debts	<b>3,367,236</b>	3,367,236
	(iv) Allowance for bad and doubtful debts	<b>(3,367,236)</b>	(3,367,236)
	b. Sundry debtors of ICD's interest	<b>568,173,425</b>	-
	<b>Total Trade Receivables</b>	<b><u>33,448,012,841</u></b>	<b><u>36,685,541,253</u></b>



Note No.	Particulars	As on 31.03.2017 Amount in Rs.	As on 31.03.2016 Amount in Rs.
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	(i) Unpaid Dividend Bank Accounts	<b>4,443,610</b>	28,051,811
	(ii) Bank Balances in Current Accounts	<b>566,985,634</b>	2,003,447,867
	(iii) Cash on hand	<b>293,071</b>	4,179,852
	(iv) Fixed Deposits with banks	<b>137,169,173,824</b>	114,488,218,298
	<b>Total Cash and Cash Equivalents</b>	<b><u>137,740,896,139</u></b>	<b><u>116,523,897,828</u></b>
<b>8</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	(i) Advances Recoverable In Normal Course Of Business	<b>636,351,991</b>	136,157,995
	(ii) Advances to employees	<b>13,003,169</b>	969,191
	(iii) Inter Corporate Deposits	<b>2,787,844,469</b>	2,899,949,379
	(iv) Doubtful advances	<b>8,591,113</b>	8,591,113
	(v) Provision for Doubtful Advances	<b>(8,591,113)</b>	(8,591,113)
	<b>Total Short Term Loans and Advances</b>	<b><u>3,437,199,629</u></b>	<b><u>3,037,076,565</u></b>
<b>9</b>	<b>OTHER CURRENT ASSETS</b>		
	(i) Balances with Govt departments	<b>4,850,503,015</b>	4,318,095,762
	(ii) Other Receivables	<b>11,315,057</b>	12,823,298
	<b>Total Other Current Assets</b>	<b><u>4,861,818,072</u></b>	<b><u>4,330,919,060</u></b>

# RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2017		As on 31.03.2016	
		Number	Amount in Rs.	Number	Amount in Rs.
<b>10</b>	<b>SHARE CAPITAL</b> <b>Authorised Share Capital</b> 30,00,00,000 Equity Shares of Re.1/- each Issued, Subscribed & Paidup Share Capital	<b>300,000,000</b> <b>295,259,959</b>	<b>300,000,000</b> <b>295,259,959</b>	300,000,000 295,259,959	300,000,000 295,259,959
	<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
	Number of shares outstanding as at the beginning of the year <b>Add:</b>	<b>295,259,959</b>	<b>295,259,959</b>	295,259,959	295,259,959
	Number of shares allotted as fully paid-up bonus shares during the year	Nil	Nil	Nil	Nil
	Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	Nil	Nil	Nil	Nil
	Number of shares allotted to employees pursuant to ESOPs/ESPs	Nil	Nil	Nil	Nil
	Number of shares allotted for cash pursuant to public issue	Nil	Nil	Nil	Nil
	<b>Less:</b>				
	Number of shares bought back during the year	Nil	Nil	Nil	Nil
	<b>Number of shares outstanding as at the end of the year</b>	<b>295,259,959</b>	<b>295,259,959</b>	295,259,959	295,259,959
<b>Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:</b>					
Name of the shareholder		As at 31st March, 2017		As at 31st March, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr.Rajesh J Mehta		<b>88,181,234</b>	<b>29.87%</b>	88,081,234	29.83%
Mr.Prashanth J Mehta		<b>37,162,425</b>	<b>12.59%</b>	37,162,425	12.59%
M/s.Bridge India Fund		<b>29,361,340</b>	<b>9.94%</b>	29,361,340	9.94%
Mr.Mahesh J Mehta		<b>24,041,224</b>	<b>8.14%</b>	24,041,224	8.14%
i) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash - <b>NIL</b> (Previous Year - <b>NIL</b> )					
ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - <b>NIL</b> (Previous Year - <b>NIL</b> )					
iii) Aggregate number and class of shares bought back - <b>NIL</b> (Previous Year - <b>NIL</b> )					
iv) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.					
Note No.	Particulars	As on 31.03.2017		As on 31.03.2016	
		Amount in Rs.		Amount in Rs.	
<b>11</b>	<b>RESERVES AND SURPLUS</b>				
	<b>(A) Securities Premium Reserve</b>				
	(i) As per last Balance Sheet	<b>6,449,295,162</b>		6,449,295,162	
	(ii) Additions during the year	<u>-</u>		<u>-</u>	
	<b>Total Securities Premium Reserve</b>	<b>6,449,295,162</b>		<b>6,449,295,162</b>	
	<b>(B) General Reserve:</b>				
	(i) As per last Balance Sheet	<b>13,680,000,000</b>		13,010,000,000	
	Add : Transferred from Profit and Loss Account	<b>670,000,000</b>		670,000,000	
	<b>Total General Reserve</b>	<b>14,350,000,000</b>		<b>13,680,000,000</b>	
	<b>(C) Surplus in Statement of Profit and Loss</b>				
	(i) As per last Balance Sheet	<b>12,377,273,106</b>		8,649,789,399	
	(ii) Add: Profit for the year	<b>4,613,408,950</b>		4,752,854,297	
	<b>Less: Appropriations</b>				
	a) Proposed Dividend on equity shares	-		(29,525,996)	
	b) Interim Dividend Paid on equity shares	-		(265,736,164)	
	c) Tax on dividend	-		(60,108,430)	
	d) Transferred to General Reserve	<b>(670,000,000)</b>		(670,000,000)	
	<b>Available Surplus in Statement of Profit and Loss</b>	<b>16,320,682,056</b>		<b>12,377,273,106</b>	
	<b>(D) Total Reserves and Surplus</b>	<b>37,119,977,218</b>		<b>32,506,568,268</b>	





Note No.	Particulars	As on 31.03.2017 Amount in Rs.	As on 31.03.2016 Amount in Rs.
<b>12</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	(i) Franchise Deposit Received	46,077,181	47,977,181
	(ii) Rent Advance	20,223,350	20,223,350
	<b>Total Other Long Term Liabilities</b>	<b>66,300,531</b>	<b>68,200,531</b>
<b>13</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	Deferred Tax Liabilities	46,268,574	-
	<b>Deferred Tax liabilities ( Net )</b>	<b>46,268,574</b>	<b>-</b>
<b>14</b>	<b>LONG-TERM PROVISIONS</b>		
	Provision for gratuity	4,872,489	4,119,116
	<b>Total Long Term Provisions</b>	<b>4,872,489</b>	<b>4,119,116</b>
<b>15</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>(a) Secured</b>		
	(i) Working Capital Loans (secured against stocks, book debts, - - Immoveable properties and export bills)	19,459,870,025	13,209,876,240
	(ii) Loans against Company's own - - Fixed deposits with Banks	34,602,283,791	31,088,675,098
	<b>(b) Unsecured</b>		
	(i) From Directors	287,147,609	318,840,400
	<b>Total Short Term Borrowings</b>	<b>54,349,301,425</b>	<b>44,617,391,738</b>
<b>16</b>	<b>TRADE PAYABLES</b>		
	(i) Raw Materials	12,658,631,844	26,004,910,312
	(ii) FLC liabilities	107,096,707,874	86,741,795,018
	<b>Total Trade Payables</b>	<b>119,755,339,718</b>	<b>112,746,705,330</b>
<b>17</b>	<b>OTHER CURRENT LIABILITIES</b>		
	(i) Tax Deducted at Source	763,177	395,534
	(ii) Value Added Tax	48,918,638	846,550
	(iii) Unclaimed Dividend	4,443,610	28,051,811
	(iv) Advance Received From Customers	90,694,856	98,680,682
	(v) Other Payables	11,389,631	9,299,184
	<b>Total Other Current Liabilities</b>	<b>156,209,912</b>	<b>137,273,761</b>

## RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2017 Amount in Rs.	As on 31.03.2016 Amount in Rs.
<b>18</b>	<b>SHORT-TERM PROVISIONS</b>		
	(i) Provision for Proposed Dividend	-	29,525,996
	(ii) Provision for tax on dividend	-	60,108,430
	(iii) Provision for income tax	<b>192,661,799</b>	347,654,143
	(iv) Provision for Audit Fee	<b>920,000</b>	-
	(v) Provision for Salary	<b>2,985,736</b>	-
	<b>Total Short Term Provisions</b>	<b><u>196,567,535</u></b>	<b><u>437,288,569</u></b>
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>		
	Revenue from operations*	<b>450,165,847,300</b>	385,859,607,502
	<b>Total Revenue from Operations</b>	<b><u>450,165,847,300</u></b>	<b><u>385,859,607,502</u></b>
	*includes interest received on fixed deposits & Mutual Funds made for margin purposes for the sake of procurement of Raw Materials (Buyers Credit)		
<b>20</b>	<b>OTHER INCOME</b>		
	(i) Interest on ICD's	<b>440,177,743</b>	327,315,096
	(ii) Other Miscellaneous income	<b>1,088,227</b>	49,000
	(iii) Rent received	<b>816,595</b>	865,507
	(iv) Profit/(loss) on Sale of Asset	-	490,000
	(v) Share in Income Of Associates	<b>(5,363,734)</b>	38,697,220
	<b>Total Other Income</b>	<b><u>436,718,831</u></b>	<b><u>367,416,823</u></b>
<b>21</b>	<b>COST OF MATERIAL CONSUMED</b>		
	(i) Raw material consumed	<b>441,817,257,674</b>	376,281,138,038
	(ii) Currency Hedging and Forex Fluctuation cost	<b>(64,991,590)</b>	1,286,414,895
	<b>Total Cost of Material Consumed</b>	<b><u>441,752,266,084</u></b>	<b><u>377,567,552,933</u></b>



Note No.	Particulars	As on 31.03.2017 Amount in Rs.	As on 31.03.2016 Amount in Rs.
<b>22</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	(i) Salaries and wages	<b>59,894,122</b>	50,660,433
	(ii) Contribution to PF, ESIC and gratuity	<b>1,972,286</b>	319,717
	(iii) Staff Welfare Expenses	<b>4,276,928</b>	3,892,569
	<b>Total Employee Benefit Expenses</b>	<b><u>66,143,336</u></b>	<b><u>54,872,719</u></b>
<b>23</b>	<b>SELLING &amp; ADMINISTRATION, OTHER EXPENSES</b>		
	Rent	<b>4,404,173</b>	4,784,436
	Repairs & Maintenance	<b>6,601,481</b>	7,739,108
	Legal, Professional and consultancy charges	<b>14,320,118</b>	8,216,998
	Postage &Telegrams &Telephones	<b>942,684</b>	2,160,135
	Insurance	<b>13,801,436</b>	14,027,376
	Rates, Taxes & Octroi Charges	<b>17,380,905</b>	3,857,935
	Auditors Fees	<b>920,000</b>	920,000
	Advertisement, Publicity and others	<b>6,063,146</b>	11,724,253
	Travelling and Conveyance	<b>3,774,601</b>	1,673,975
	Freight Charges	<b>30,761,980</b>	28,349,056
	Printing & Stationery	<b>183,553</b>	846,627
	Membership Fees	<b>1,317,503</b>	1,571,647
	Donation	<b>21,901,000</b>	27,501,758
	Commission and other Misc expenses	<b>15,959,359</b>	19,994,144
	Other Manufacturing and Processing Expenses	<b>7,628,757</b>	6,990,369
	Bad debts written off	<b>248,366,427</b>	265,166,427
	<b>Total S&amp;A and Other Expenses</b>	<b><u>394,327,123</u></b>	<b><u>405,524,244</u></b>
<b>24</b>	<b>FINANCE COST</b>		
	(i) Bank charges	<b>136,207,004</b>	118,370,174
	(ii) Interest on working capital	<b>3,374,574,811</b>	2,961,570,966
	<b>Total Finance Costs</b>	<b><u>3,510,781,815</u></b>	<b><u>3,079,941,140</u></b>

# RAJESH EXPORTS LIMITED

Note No.	
<b>25</b>	<p><b>Significant Accounting policies for the year ended 31st March, 2017.</b></p> <p><b>Company Overview</b></p> <p>Rajesh Exports Limited (“The Company”) is an Indian public Company incorporated under the provisions of Companies Act, 1956. The Company is a leading gold refiner and manufacturer of all kinds of Gold Products. The Company exports its products to various countries around the world and it also sells its products in whole sale and retail in India and also through its own retail showrooms under the brand name of SHUBH Jewellers.</p> <p>The Company is head quartered in Bangalore and manufacturing units at Whitefield, SIDCUL Division at Uttarakhand and SEZ Unit at Cochin and subsidiary M/s.REL Singapore Pte Ltd at Singapore.</p> <p>The Financial Statements are approved for issue by the Company’s Board of Directors on 26th May 2017.</p> <p><b>1. Significant Accounting policies.</b></p> <p><b>i. Basis of preparation of Standalone financial statements</b></p> <p>The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Companies Act 2013(“Act”) read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.</p> <p><b>ii. Use of Estimates</b></p> <p>The preparation of financial statements in conformity with GAAP (generally accepted accounting principles) requires the management to make judgements, estimates and assumptions that affect the application accounting policies and the reported amounts of Assets and Liabilities and disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis.</p> <p>Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.</p> <p><b>iii. Fixed assets and Capital work-in-progress</b></p> <p><b>a. Fixed Assets (Tangible/Intangible Assets):</b></p> <p>Fixed assets are stated at historical cost less accumulated depreciation and impairment loss if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and includes financing cost if any, relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date when the asset is ready for intended use, any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure on fixed assets after its purchase/ completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.</p> <p>Intangible assets are stated at cost less accumulated amortization and impairment.</p> <p>Intangible assets are amortized over their respective individual estimated useful life on a straight line basis, from the date that they are available for useful. The estimated useful life of an identifiable intangible asset is based on number of factors including the effects of obsolescence, demand, competition and other economic factors, and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful life are reviewed periodically including at each financial year end. Expenditure on research and development eligible for capitalization is carried as intangible assets under development where such assets are not yet ready for their intended use.</p>



Note No.																							
<b>25</b>	<p><b>b. Work in Progress</b></p> <p>Cost of fixed assets not ready for use before the balance sheet date is disclosed under capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.</p> <p><b>iv. Depreciation and Amortization Cost</b></p> <p>The Company has provided depreciation on straight line method over the useful lives of the assets estimated by the management as per Schedule II of the Companies Act, 2013. Depreciation on additions or extensions to existing assets is provided so as to co-terminate with the life of the original asset if it becomes internal part of the existing asset or on the useful life of the asset if it is capable of independent use.</p> <p>For Assets whose unit cost does not exceed Rs. 5,000 /- depreciation is provided at the rate of 100% in the year of capitalization.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Nature of Asset</th> <th style="text-align: center;">Useful life in Years</th> </tr> </thead> <tbody> <tr> <td>Building</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Plant &amp; Machinery</td> <td style="text-align: center;">15</td> </tr> <tr> <td>Generator</td> <td style="text-align: center;">15</td> </tr> <tr> <td>Furniture &amp; Fixtures</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Office Equipments</td> <td style="text-align: center;">15</td> </tr> <tr> <td>Computer</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Weighing Scale</td> <td style="text-align: center;">15</td> </tr> <tr> <td>Borewell</td> <td style="text-align: center;">60</td> </tr> <tr> <td>Technical Knowhow</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Motor Vehicle</td> <td style="text-align: center;">10</td> </tr> </tbody> </table> <p><b>v. Inventories</b></p> <p>Stock in trade is valued at cost or net realisable value, whichever is less. The cost formula used for this purpose is first in first out (FIFO) method. Cost of inventories comprises all costs of purchase, cost of conversion and the cost incurred in bringing the items of inventory to their present location and condition. Cost of work in progress and finished goods include material cost and appropriate share of manufacturing overheads. Material in transit is valued at cost price or market price, whichever is lower.</p> <p><b>vi. Revenue Recognition</b></p> <p><b>Sale of Goods:-</b></p> <p>Income from sale of goods is recognized when transfer of risks and rewards of ownership to the goods which generally coincide with dispatch. Sales exclude taxes and Levis.</p> <p>Revenue is recognized only when it can be reliably measured and when it is reasonable to expect ultimate collection. Revenue from operations includes Sale of Goods, interest income on fixed deposits and interest on Mutual Funds made for margin purposes for the sake of procurement of Raw Materials/Buyer's Credit. Sales are recorded net of trade discounts, rebates and value added tax if any. Making charges income is recognized on dispatch of goods. Interest on bank deposits is accounted on accrual basis. Dividend income on investment is accounted as and when the right to receive the payment is established. Cost of goods include the purchase of raw material, labour charges, wastage charges, interest and other charges levied by the seller and foreign exchange hedging cost.</p>	Nature of Asset	Useful life in Years	Building	10	Plant & Machinery	15	Generator	15	Furniture & Fixtures	10	Office Equipments	15	Computer	6	Weighing Scale	15	Borewell	60	Technical Knowhow	8	Motor Vehicle	10
Nature of Asset	Useful life in Years																						
Building	10																						
Plant & Machinery	15																						
Generator	15																						
Furniture & Fixtures	10																						
Office Equipments	15																						
Computer	6																						
Weighing Scale	15																						
Borewell	60																						
Technical Knowhow	8																						
Motor Vehicle	10																						

# RAJESH EXPORTS LIMITED

Note No.	
25	<p><b>Other Income:-</b> Other income is comprised primarily of interest income on ICD's, rent received, gains/ loss on investments. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive the payment is established.</p> <p><b>Dividends:-</b> The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Since Board of Directors of the company is not proposed any dividend and hence no provision has been made in the financial statements.</p> <p><b>vii. Borrowing Costs</b> Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date, when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account.</p> <p><b>viii. Foreign Currency Transactions</b></p> <ol style="list-style-type: none"><li>For its import and export transactions the company is exposed to currency fluctuations on foreign currency transactions, the company hedges its foreign exchange transactions against its own imports and exports and also by way of forward contracts with banks.</li><li>Premium paid on forward contracts is recognized over the life of the contracts.</li><li>The Company enters into derivative contracts in the nature of foreign currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. All other derivative contracts are marked and losses are recognized in the statement of profit and loss. Gains arising on same are not recognized until realized on grounds of prudence.</li></ol> <p><b>ix. Employees Benefits</b> Provident Fund contributions are charged to the Statement of profit and loss of the period as and when the contribution to the respective fund is due. The Company has no obligation, other than the contribution payable under the respective scheme. Company's employees have not participated in Superannuation Schemes/ Plan. The company provides for gratuity a defined benefit retirement plan (the Gratuity plan) covering eligible employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee salary and tenure of employment with the company. Liabilities with regard to the gratuity plan or determined by actuarial valuation, performed by independent actuary, at each balance sheet date using the projected unit credit method. The Company does not provide leave encashment and carry forward of accumulated leave to next year to its employees.</p> <p><b>x. Taxation</b> The current charge for Income taxes is calculated in accordance with the relevant tax regulations. Tax liability is computed under Minimum Alternate Tax (MAT). MAT credit are being recognised if there convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured to reliably. The excess tax paid under MAT provision being over and above regular tax liability can be carried forward for a period of 10 years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent of MAT liability. Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in</p>



Note No.																												
<b>25</b>	<p>one or more subsequent periods. The deferred tax is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date.</p> <p>Deferred tax assets/ liabilities in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that such deferred tax Asset/ liability can be realised against future taxable profits.</p>																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>Current Year (CY) Tax</td> <td style="text-align: right;">27,28,18,530</td> </tr> <tr> <td>Less: MAT Credit utilized for the AY 2012-13</td> <td style="text-align: right;">8,01,56,731</td> </tr> <tr> <td>Provision for Net Tax Payable for CY</td> <td style="text-align: right;">19,26,61,799</td> </tr> </tbody> </table>	Particulars	Amount	Current Year (CY) Tax	27,28,18,530	Less: MAT Credit utilized for the AY 2012-13	8,01,56,731	Provision for Net Tax Payable for CY	19,26,61,799																			
Particulars	Amount																											
Current Year (CY) Tax	27,28,18,530																											
Less: MAT Credit utilized for the AY 2012-13	8,01,56,731																											
Provision for Net Tax Payable for CY	19,26,61,799																											
	<p><b>xi. Segment reporting policies</b></p> <p>The Company and other Companies in the group are mainly engaged in the business of gold and gold products. These, in the context of accounting standard 17 on segment reporting, issued by The Institute of Chartered Accountants of India are considered to constitute one single primary segment.</p>																											
	<p><b>xii. Earning per share</b></p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.</p>																											
	<p><b>(a) Basic</b></p> <p>Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the financial year held by the Company.</p>																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">2017 Amount (Rs)</th> <th style="text-align: right;">2016 Amount (Rs)</th> </tr> </thead> <tbody> <tr> <td>Profit attributable to equity holders of the parent company</td> <td style="text-align: right;">4,61,34,08,950</td> <td style="text-align: right;">4,75,28,54,297</td> </tr> <tr> <td>Number of shares in issue (net of treasury shares) as at beginning of year</td> <td style="text-align: right;">29,52,59,959</td> <td style="text-align: right;">29,52,59,959</td> </tr> <tr> <td>Effect of treasury shares</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Effect of rights shares</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Effect of warrants</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Effect of share options</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Weighted average number of ordinary shares in issue</td> <td style="text-align: right;">29,52,59,959</td> <td style="text-align: right;">29,52,59,959</td> </tr> <tr> <td>Basic earnings per share (s)</td> <td style="text-align: right;">15.625</td> <td style="text-align: right;">16.097</td> </tr> </tbody> </table>		2017 Amount (Rs)	2016 Amount (Rs)	Profit attributable to equity holders of the parent company	4,61,34,08,950	4,75,28,54,297	Number of shares in issue (net of treasury shares) as at beginning of year	29,52,59,959	29,52,59,959	Effect of treasury shares	-	-	Effect of rights shares	-	-	Effect of warrants	-	-	Effect of share options	-	-	Weighted average number of ordinary shares in issue	29,52,59,959	29,52,59,959	Basic earnings per share (s)	15.625	16.097
	2017 Amount (Rs)	2016 Amount (Rs)																										
Profit attributable to equity holders of the parent company	4,61,34,08,950	4,75,28,54,297																										
Number of shares in issue (net of treasury shares) as at beginning of year	29,52,59,959	29,52,59,959																										
Effect of treasury shares	-	-																										
Effect of rights shares	-	-																										
Effect of warrants	-	-																										
Effect of share options	-	-																										
Weighted average number of ordinary shares in issue	29,52,59,959	29,52,59,959																										
Basic earnings per share (s)	15.625	16.097																										

# RAJESH EXPORTS LIMITED

Note No.																			
<b>25</b>	<p><b>(b) Diluted</b></p> <p>For the purpose of calculating diluted earnings per share, the profit attributable to equity holders of the parent and the weighted average number of ordinary shares outstanding during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, warrants and share options granted to employees. The dilutive earning per share is calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of shares that would have been in issue upon full exercise of the remaining warrants, adjusted by the number of such shares that would have been issued at fair value as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;">2017 Amount (Rs)</th> <th style="text-align: right; width: 20%;">2016 Amount (Rs)</th> </tr> </thead> <tbody> <tr> <td>Profit attributable to equity holders of the parent company</td> <td style="text-align: right;">4,61,34,08,950</td> <td style="text-align: right;">4,75,28,54,297</td> </tr> <tr> <td>Weighted average number of ordinary shares in issue</td> <td style="text-align: right;">29,52,59,959</td> <td style="text-align: right;">29,52,59,959</td> </tr> <tr> <td>Effect of dilution due to warrants</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Adjusted weighted average number of ordinary shares</td> <td style="text-align: right;">29,52,59,959</td> <td style="text-align: right;">29,52,59,959</td> </tr> <tr> <td>Diluted earnings per share (s)</td> <td style="text-align: right;">15.625</td> <td style="text-align: right;">16.097</td> </tr> </tbody> </table> <p><b>xiii. Contingent Liabilities</b></p> <p>A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare Cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability in the financial statements, but is disclosed in the notes.</p> <p><b>xiv. Provisions</b></p> <p>A provision is recognised when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision/Write-off of doubtful and unrecoverable book debts and advances have been made, wherever found necessary by the management.</p> <p><b>xv. Investments</b></p> <p>Investments are made to enhance the company's business interest. Investments are either classified as current or long term based on management's intention. Long term investments are stated at cost after deducting the provisions if any made for permanent diminution in values. Current investments are stated at lower of the cost and fair market value. Cost for Overseas investments comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment</p> <p><b>xvi. Cash Flow Statement</b></p> <p>Cash Flow statement is reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flow from operating, investing and financing activities of company is segregated based on the available information.</p> <p><b>xvii. Investment in Properties and Leases</b></p> <p>Investment in properties include those portions of office buildings that are held for long term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment</p>		2017 Amount (Rs)	2016 Amount (Rs)	Profit attributable to equity holders of the parent company	4,61,34,08,950	4,75,28,54,297	Weighted average number of ordinary shares in issue	29,52,59,959	29,52,59,959	Effect of dilution due to warrants	-	-	Adjusted weighted average number of ordinary shares	29,52,59,959	29,52,59,959	Diluted earnings per share (s)	15.625	16.097
	2017 Amount (Rs)	2016 Amount (Rs)																	
Profit attributable to equity holders of the parent company	4,61,34,08,950	4,75,28,54,297																	
Weighted average number of ordinary shares in issue	29,52,59,959	29,52,59,959																	
Effect of dilution due to warrants	-	-																	
Adjusted weighted average number of ordinary shares	29,52,59,959	29,52,59,959																	
Diluted earnings per share (s)	15.625	16.097																	





Note No.																																				
<b>25</b>	<p>in properties include properties that are being constructed or developed for future use as investment properties.</p> <p>Lease payments under operating Leases are recognized as an expense in the statement of Profit and Loss over a Lease term.</p> <p>Lease rentals recovered on assets given under operating leases are recognised in the profit and loss account.</p> <p><b>xvii. Cash and cash equivalents</b></p> <p>Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short term balances (Including all bank deposits and Mutual funds), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p> <p><b>7. Disclosure on Specified Bank notes:</b></p> <p>During the Year, the company had specified bank notes (SBNs) or other denomination notes as defined in the MCA Notification, G S R 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per notification are as follows;</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th colspan="3" style="text-align: right;">Amount(Rs.)</th> </tr> <tr> <th style="border-top: 1px solid black; border-bottom: 1px solid black;">Particulars</th> <th style="border-top: 1px solid black; border-bottom: 1px solid black;">SBNs</th> <th style="border-top: 1px solid black; border-bottom: 1px solid black;">Other denomination notes</th> <th style="border-top: 1px solid black; border-bottom: 1px solid black;">Total</th> </tr> </thead> <tbody> <tr> <td>Closing cash in hand as on November 8, 2016</td> <td style="text-align: right;">3900000</td> <td style="text-align: right;">152464</td> <td style="text-align: right;">4052464</td> </tr> <tr> <td>Add: Permitted receipts</td> <td style="text-align: center;">-</td> <td style="text-align: right;">6296000</td> <td style="text-align: right;">6296000</td> </tr> <tr> <td>Less: Permitted Payments</td> <td style="text-align: center;">-</td> <td style="text-align: right;">4379917</td> <td style="text-align: right;">4379917</td> </tr> <tr> <td>Less: Amount deposited in Banks</td> <td style="text-align: right;">3900000</td> <td style="text-align: right;">1513000</td> <td style="text-align: right;">5413000</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Closing cash in hand as on December 30, 2016</td> <td style="border-bottom: 1px solid black; text-align: center;">-</td> <td style="border-bottom: 1px solid black; text-align: right;">555547</td> <td style="border-bottom: 1px solid black; text-align: right;">555547</td> </tr> </tbody> </table> <p><b>ix. Impairment of Assets</b></p> <p>An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An Impairment loss is charged to Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.</p>		Amount(Rs.)			Particulars	SBNs	Other denomination notes	Total	Closing cash in hand as on November 8, 2016	3900000	152464	4052464	Add: Permitted receipts	-	6296000	6296000	Less: Permitted Payments	-	4379917	4379917	Less: Amount deposited in Banks	3900000	1513000	5413000	Closing cash in hand as on December 30, 2016	-	555547	555547							
	Amount(Rs.)																																			
Particulars	SBNs	Other denomination notes	Total																																	
Closing cash in hand as on November 8, 2016	3900000	152464	4052464																																	
Add: Permitted receipts	-	6296000	6296000																																	
Less: Permitted Payments	-	4379917	4379917																																	
Less: Amount deposited in Banks	3900000	1513000	5413000																																	
Closing cash in hand as on December 30, 2016	-	555547	555547																																	
<b>25</b>	<p><b>NOTES TO FINANCIAL STATEMENTS</b></p> <p><b>i. Related Party Disclosure</b></p> <p><b>a. Related parties where control exists</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%; border-bottom: 1px solid black;">Loans and advances</th> <th style="width: 15%; border-bottom: 1px solid black;">Current Year Balance (Rs.)</th> <th style="width: 15%; border-bottom: 1px solid black;">Previous Year Balance (Rs.)</th> <th style="width: 15%; border-bottom: 1px solid black;">Max. Balance at any time during the year</th> <th style="width: 30%; border-bottom: 1px solid black;">Relationship</th> </tr> </thead> <tbody> <tr> <td>Laabh Jewels Gold Pvt Ltd</td> <td style="text-align: right;">1,825,358</td> <td style="text-align: right;">1,825,358</td> <td style="text-align: right;">1,825,358</td> <td>Associate Entity</td> </tr> <tr> <td>Shubhlaabh Housing Pvt Ltd</td> <td style="text-align: right;">37,900,000</td> <td style="text-align: right;">37,900,000</td> <td style="text-align: right;">37,900,000</td> <td>Associate Entity</td> </tr> <tr> <td>REL Singapore Pte Ltd</td> <td style="text-align: right;">18,689,333,249</td> <td style="text-align: right;">18,689,333,249</td> <td style="text-align: right;">18,689,333,249</td> <td>Subsidiary Entity</td> </tr> <tr> <td>A One Exports</td> <td style="text-align: right;">1,10,87,82,053</td> <td style="text-align: right;">1,114,164,787</td> <td style="text-align: right;">1,108,782,053</td> <td>Partnership Firm</td> </tr> <tr> <td>Global Gold Refineries</td> <td style="text-align: right;">16,758,270</td> <td style="text-align: right;">16,758,270</td> <td style="text-align: right;">16,758,270</td> <td>Step Down Subsidiary</td> </tr> <tr> <td>Valcombi SA</td> <td style="text-align: right;">9,888,482,690</td> <td style="text-align: right;">14,078,872,715</td> <td style="text-align: right;">14,078,872,715</td> <td>Step Down Subsidiary</td> </tr> </tbody> </table>	Loans and advances	Current Year Balance (Rs.)	Previous Year Balance (Rs.)	Max. Balance at any time during the year	Relationship	Laabh Jewels Gold Pvt Ltd	1,825,358	1,825,358	1,825,358	Associate Entity	Shubhlaabh Housing Pvt Ltd	37,900,000	37,900,000	37,900,000	Associate Entity	REL Singapore Pte Ltd	18,689,333,249	18,689,333,249	18,689,333,249	Subsidiary Entity	A One Exports	1,10,87,82,053	1,114,164,787	1,108,782,053	Partnership Firm	Global Gold Refineries	16,758,270	16,758,270	16,758,270	Step Down Subsidiary	Valcombi SA	9,888,482,690	14,078,872,715	14,078,872,715	Step Down Subsidiary
Loans and advances	Current Year Balance (Rs.)	Previous Year Balance (Rs.)	Max. Balance at any time during the year	Relationship																																
Laabh Jewels Gold Pvt Ltd	1,825,358	1,825,358	1,825,358	Associate Entity																																
Shubhlaabh Housing Pvt Ltd	37,900,000	37,900,000	37,900,000	Associate Entity																																
REL Singapore Pte Ltd	18,689,333,249	18,689,333,249	18,689,333,249	Subsidiary Entity																																
A One Exports	1,10,87,82,053	1,114,164,787	1,108,782,053	Partnership Firm																																
Global Gold Refineries	16,758,270	16,758,270	16,758,270	Step Down Subsidiary																																
Valcombi SA	9,888,482,690	14,078,872,715	14,078,872,715	Step Down Subsidiary																																

## RAJESH EXPORTS LIMITED

Note No.						
25	<b>b. Transactions with related parties</b>					
	Name of the related party	Description of the nature of relation	Description of the nature of transaction	31.03.2017	31.03.2016	Relationship
	Rajesh. J. Mehta	Chairman	Remuneration	119,989	109,989	Brother
	Prashanth.J.Mehta	Managing Director	Remuneration	119,989	109,989	Brother
	Bhavesh B Mehta	Relative of Director	Remuneration	-	180,000	Nephew
	<b>c. Balance Outstanding as on 31.03.2017 :</b>					
	Loans and advances taken from related parties	<b>Current Year Balance Payable (Rs.)</b>	Previous Year Balance Payable (Rs.)	Max. Balance at any time during the year		
	Mr. Prashanth.J.Mehta	84,448,524	98,587,240	98,587,240		
	Mr. Rajesh.J.Mehta	202,699,085	220,253,160	265,598,440		
	<b>ii. Leases</b>					
	<b>Operating lease:</b>					
	The Company has let-out and taken premises under cancelable operating lease agreements, which the Company intends to renew in the normal course of its business. The lessee cannot sublease these properties. Total lease rentals recognized as income ( on cash basis) in the Profit and Loss Account for the year with respect to above is Rs. 8,16,595/- (Previous year Rs. 8,65,507/-) and total lease rentals paid recognized as expenditure is Rs.44,04,173/-(Previous year Rs. 47,84,436/-).					
	<b>iii. Capital and other commitments</b>					
	Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL (Previous Year is NIL ).					
	<b>iv. Micro and Small Enterprises dues</b>					
Based on the information / Documents available with the Company, amounts due to micro and small enterprises are NIL.						
<b>v. Contingent Liabilities</b>						
The following contingent liabilities are not provided for						
Name of the Statute	Nature of the dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending		
Karnataka Sales Tax	Sales Tax	1,54,702	2001-02	First Appellate authority		
Karnataka Sales Tax	Sales Tax	1,00,000	2002-03	First Appellate authority		
Karnataka Sales Tax	Sales Tax	2,24,355	2003-04	First Appellate authority		
ESI of Karnataka	ESI	89,27,290	04/2000 to 03/2003	The Appellate Authority ESI, Karnataka		
ESI of Karnataka	ESI	37,78,409	04/06 to 09/07	The Appellate Authority ESI, Karnataka		
Service Tax	Service Tax and penalty	3,67,24,590	2006-07	The Appellate Tribunal, Service Tax		



Note No.			
<b>25</b>	<b>vi. Earnings and Expenditure in foreign currency</b>		
	Particulars	As on 31.03.2017	As on 31.03.2016
	Foreign Exchange Earnings	418,789,481,079	368,522,128,089
	Foreign Exchange Outgo	440,396,236,456	374,649,363,018
	<b>vii.</b> Directors remuneration includes remuneration payable to Executive chairman and Managing director of Rs. 2,39,976/- (Previous Year Rs. 219,978/-)		
	<b>viii.</b> Brief Particulars of Employees who were entitled to receive or were in receipt of emoluments aggregating to Rs.60,00,000/- or more per annum and/or Rs.500,000/- or more per month, if employed, for a part of the year is Nil (Previous Year Nil)		
	<b>ix.</b> In Accordance with the Accounting Standards on “Income Taxes” issued by the Institute of Chartered Accountant of India, The Company has recognized the Deferred tax liabilities on account of timing differences of Rs. 4,62,68,574/- as on 31st March 2017 (Previous Year Rs. Nil/-) as there is no virtual certainty that such deferred assets can be realized against future taxable profits. The breakup of deferred tax liabilities not recognised is furnished here under:		
	Particulars	Current Year	Previous Year
	<b>Deferred Tax Liability</b>		
	Time Difference on account of Depreciation & Other Inadmissible Expenditure	54,491,959	-
	Less: Deferred tax asset accounted Previously	82,23,385	-
	Net Deferred tax liability Recognized during the year	46,268,574	-
	<b>x.</b> Company has identified that there is no material impairment of assets and as such no provision is required as per Accounting Standards issued by the ICAI.		
	<b>xi.</b> In the opinion of the management, no provision is required against contingent liabilities.		
	<b>xii.</b> Unclaimed dividend accounts are subject to reconciliation.		
	<b>xiii.</b> Previous year figures have been regrouped or reclassified wherever necessary to conform to the current year’s grouping or classification		
	<b>xiv.</b> Current Tax includes MAT credit utilization of Rs.80,156,731/- (Previous year Rs.166,779,349/-)		

# RAJESH EXPORTS LIMITED

Note No.				
<b>25</b>	<b>xiv. Additional information required pursuant of the Part II of Schedule III of the Companies Act 2013 :-</b>			
	<b>Particulars</b>	<b>Unit</b>	<b>Quantity</b>	<b>Amount Rs.</b>
	<b>A. OPENING STOCK</b>			
	Gold and Gold Products	Kgs	1321.418 (1846.245)	361,046,4791 (4,422,800,864)
	Diamond	Cts	372516 (373664)	167,632,200 (168,148,800)
	Silver	Kgs	5869.992 (5824.863)	212,493,710 (226,587,171)
	<b>B. PURCHASES</b>			
	Gold and Gold Products	Kgs	158500.000 (149981.384)	431,433,321,058 (374,652,075,018)
	Diamond	Cts	- (-)	- (-)
	Alloys	Kgs	0.344 (6.741)	- (-)
	<b>C. SALES TURNOVER</b>			
	Gold and Gold Products	Kgs	157673.285 (150242.879)	440,534,249,802 (377,147,800,506)
	Diamond	Cts	-334 (1148)	-158,540 (1,213,240)
	Silver	Kgs	5.53 (5.88)	247,850 (200,596)
	<b>D. CLOSING STOCK</b>			
	Gold and Gold Products	Kgs	1889.0277 (1321.418)	4,889,440,855 (3,610,464,791)
	Diamond	Cts	372850 (372516)	167,782,500 (167,632,200)
	Silver	Kgs	5863.482 (5869.992)	222,812,316 (212,493,710)
	<b>E. WASTAGE</b>			
	Gold and Gold Products	Kgs	259.45 (270.073)	- -

Note:

(i). Previous Year's figures are furnished in brackets.

(ii). the previous year's figures are regrouped / rearranged wherever deemed necessary.

For and on behalf of the Board

**RAJESH MEHTA**  
Chairman  
DIN : 00336457

**PRASHANT MEHTA**  
Managing Director  
DIN : 00336417

**STUTI AGRAWAL**  
Company Secretary  
M.No. A35258

As per our Report of even date  
For **V. SIVASANKAR & CO**  
Chartered Accountants,  
Firm Regn. No. 010839S  
Sd/-

Place: Bengaluru  
Date : May 26, 2017

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
CFO

(**CA VIJAYA SIVASANKAR.P**)  
Proprietrix  
M.No. 21478



---

## CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Rajesh exports Ltd

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of Rajesh Exports Limited ('the holding Company'), and its subsidiaries except foreign company M/s. REL Singapore PTE Ltd (collectively referred to as 'the company' or 'the Group'), which comprise the Consolidated balance sheet as at 31 March 2017, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of cash flows and the Consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financials statements in terms of the requirements of the companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flow and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls; that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the consolidated financials statements that give a true and fair view and are free from material misstatement, where due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Consolidated-on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Other Matters:-

We have not audited the financial statements of foreign subsidiary REL Singapore PTE Ltd. REL Singapore PTE Ltd. is solely a holding company and the financials of the step down subsidiary companies which are the operating companies have been audited by KPMG, Switzerland and by Rao & Ross, UAE. The management accounts of the holding company REL Singapore PET Ltd. have been prepared based on the audited statement of the operating companies. A copy of the management accounts of REL Singapore PTE Ltd. as approved by the respective Board of Directors of the company have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of Subsidiary is based solely on Board of Directors approved unaudited financial statements.

# RAJESH EXPORTS LIMITED

---

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Financial statements.
  - (b) in our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated Financial statements have been kept so far as it appears from the examination of those books.
  - (c) the consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and the consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated Financial statements.
  - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors of Holding company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Indian company are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the consolidated financial statements disclose the impact of the pending litigations on its financial position in its consolidated financial statements.
    - ii. Provision has been made in the consolidated Financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as disclosed in consolidated financial statement.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Indian Holding Company, and
    - iv. the Company has provided requisite disclosures in its Consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note. 25(xviii) of the notes to significance of accounts polices to the Consolidated financial statements.

Place : Bangalore  
Date : May 26, 2017

For V. SIVASANKAR & CO,  
*Chartered Accountants*  
Firm Regn. No. 010839S  
Sd/-  
**(CA VIJAYA SIVASANKAR.P)**  
*Proprietrix*  
M.No. 214786

## ANNEXURE - A TO THE AUDITORS' REPORT

### Report on the Internal Financial Controls under (i) of sub - section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March, 2017, we have audited the internal financial controls over the financial reporting of Rajesh Exports Limited ('the holding company') and its subsidiary companies which are incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.



## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Indian Holding Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Bangalore  
Date : May 26, 2017

For **V. SIVASANKAR & CO,**  
*Chartered Accountants*  
Firm Regn. No. 010839S  
Sd/-  
**(CA VIJAYA SIVASANKAR.P)**  
*Proprietrix*  
M.No. 214786

# RAJESH EXPORTS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(Amount in Indian Rupees)

	Note No	As on 31.03.2017	As on 31.03.2016
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment			
(i) Tangible Assets	1	5,828,896,287	6,389,040,073
(ii) Intangible Assets		6,156,271,253	6,478,585,645
(iii) Capital Work-in-Progress	1	883,594,895	620,270,038
Non-Current Investments	2	9,191,096,079	8,405,416,800
Deferred Tax Assets/ (Liability)	3	-	8,223,385
Long - Term Loans and Advances	4	503,843,219	686,032,699
<b>Current Assets</b>			
Inventories	5	11,627,674,265	9,926,080,956
Trade Receivables	6	50,198,554,245	48,896,130,303
Cash and Cash Equivalents	7	148,401,987,362	120,629,408,732
Short- Term Loans and Advances	8	3,610,147,330	3,037,076,565
Other Current Assets	9	4,907,164,863	4,336,461,455
<b>TOTAL</b>		<b>241,309,229,797</b>	<b>209,412,726,651</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
(a) Share Capital	10	295,259,959	295,259,959
(b) Reserves and Surplus	11	56,057,078,929	43,615,099,709
(c) FCTR		2,488,920,243	3,921,780,708
<b>Non-Current Liabilities</b>			
Other Long Term Liabilities	12	3,568,452,068	5,098,380,453
Deferred tax liabilities (net)	13	1,087,557,918	-
Long Term Provisions	14	97,036,816	4,119,116
<b>Current Liabilities</b>			
Short Term Borrowings	15	55,522,375,519	45,939,891,813
Trade Payables	16	121,452,520,725	108,532,984,415
Other Current Liabilities	17	257,056,009	137,353,761
Short- Term Provisions	18	482,971,612	1,867,856,717
<b>TOTAL</b>		<b>241,309,229,797</b>	<b>209,412,726,651</b>
Accounting policies and other notes	25		

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board

**RAJESH MEHTA**  
Chairman  
DIN : 00336457

**PRASHANT MEHTA**  
Managing Director  
DIN : 00336417

**STUTI AGRAWAL**  
Company Secretary  
M.No. A35258

As per our Report of even date  
For **V. SIVASANKAR & CO**  
Chartered Accountants,  
Firm Regn. No. 010839S  
Sd/-

Place: Bengaluru  
Date : May 26, 2017

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
CFO

(**CA VIJAYA SIVASANKAR.P**)  
Proprietrix  
M.No. 21478





# RAJESH EXPORTS LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Indian Rupees)

	Note No	As on 31.03.2017	As on 31.03.2016
<b>REVENUE FROM OPERATIONS (GROSS)</b>			
Revenue from Operations	19	2,421,319,842,498	1,651,787,052,573
Other Income	20	471,483,272	417,461,858
<b>TOTAL REVENUE</b>		<b>2,421,791,325,770</b>	<b>1,652,204,514,431</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	2,400,146,746,008	1,630,720,032,983
Employee Benefit Expenses	22	1,569,005,689	1,129,567,631
Selling, Administrative and Other Expenses	23	2,097,236,448	2,666,970,238
Finance Costs	24	4,302,669,990	5,776,674,386
Depreciation and Amortization Expenses	1	646,308,009	790,065,940
<b>TOTAL EXPENSES</b>		<b>2,408,761,966,144</b>	<b>1,641,083,311,178</b>
<b>Profit / (Loss) before extraordinary &amp; exceptional items and tax</b>		<b>13,029,359,627</b>	<b>11,121,203,253</b>
Extraordinary items - gain / (loss)		-	-
Exceptional items - gain / (loss)		-	-
<b>Profit / (Loss) before tax</b>		<b>13,029,359,627</b>	<b>11,121,203,253</b>
<b>Profit Before Tax - PBT</b>		<b>13,029,359,627</b>	<b>11,121,203,253</b>
<b>Tax expense:</b>			
Current tax expense for current year		538,534,484	431,173,291
Deferred tax expense / (income)		54,491,959	-
<b>PROFIT FOR THE YEAR</b>		<b>12,436,333,184</b>	<b>10,690,029,962</b>
<b>Earning Per Share (Re. 1 Per Share for Each)</b>			
Basic		42.12	36.21
Diluted		42.12	36.21

Significant accounting policies and notes to accounts 25

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board

**RAJESH MEHTA**  
Chairman  
DIN : 00336457

**PRASHANT MEHTA**  
Managing Director  
DIN : 00336417

**STUTI AGRAWAL**  
Company Secretary  
M.No. A35258

As per our Report of even date  
For **V. SIVASANKAR & CO**  
Chartered Accountants,  
Firm Regn. No. 010839S  
Sd/-

Place: Bengaluru  
Date : May 26, 2017

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
CFO

(**CA VIJAYA SIVASANKAR.P**)  
Proprietrix  
M.No. 21478

# RAJESH EXPORTS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

(Amount in Indian Rupees)

	2016-2017	2015-2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	<b>13035005663</b>	11,080,469,337
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	646,308,009	790,065,940
Net (gain) / loss on sale of investments	-	-
(Profit)/Loss on fixed assets sold, scrapped, etc. (net)	(65280)	-
Interest expense	-	-
Finance cost	4,302,669,990	5,776,674,386
Rent received	(816,595)	(865,507)
Profit on sale of Fixed assets	-	(490,000)
	<b>4,948,096,124</b>	<b>6,565,384,819</b>
<b>Cash Generated from operations before working capital changes</b>	<b>17,983,101,786</b>	17,645,854,156
<i>Adjustments for:</i>		
(Increase)/Decrease in Inventories	(1,701,593,309)	(4,250,777,322)
Adjustments for Decrease/(increase) in Trade and - other receivables including Loans & Advances	(1,373,989,415)	(18,267,403,872)
Increase/(Decrease) in Current - Non Current Liabilities & Provisions	10,720,097,628	26,439,081,655
	<b>7,644,514,904</b>	<b>3,920,900,461</b>
<b>Cash generated from operations</b>	<b>25,627,616,690</b>	21,566,754,617
Taxes paid (net of refunds)	(890,019,220)	(872,336,098)
<b>Net cash generated from operating activities - [A]</b>	<b>24,737,597,470</b>	20,694,418,519
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(27,174,687)	(11,636,638,305)
Sale proceeds of Fixed Assets ( DECREASE IN FIXED ASSETS)	65,280	490,000
(Purchase)/ Sale proceeds of Investments	(785,679,279)	(7,802,940,000)
Rent received	816,595	865,507
<b>Net cash generated/(used in) from investing activities-[B]</b>	<b>(811,972,091)</b>	<b>(19,438,222,798)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) in Secured Loan	9,614,176,497	6,034,331,842
Increase/(Decrease) in Unsecured Loan	(31,692,791)	1,480,675,555
Interest paid	(4,302,669,990)	(5,776,674,386)
Dividends paid	-	(355,370,590)
<b>Net cash used in financing activities - [C]</b>	<b>5,279,813,716</b>	<b>1,382,962,421</b>
<b>D Effect of Exchange fluctuation on translation Reserve</b>	<b>(1,432,860,465)</b>	<b>3,921,780,708</b>
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	27,772,578,630	6,565,571,786
Cash and cash equivalents at the beginning of the year	120,629,408,732	114,063,836,946
Cash and cash equivalents at the end of the year	148,401,987,362	120,629,408,732
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	53,174,176	21,844,007
Balances with banks:		
In current accounts	2,933,423,905	2,685,859,313
Earmarked Balances with banks	4,443,610	28,051,811
Term deposits with original maturity of More than three months	145,410,945,671	117,893,653,601
<b>TOTAL</b>	<b>148,401,987,362</b>	<b>120,629,408,732</b>

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements"
- Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For and on behalf of the Board

**RAJESH MEHTA**  
Chairman  
DIN : 00336457

**PRASHANT MEHTA**  
Managing Director  
DIN : 00336417

**STUTI AGRAWAL**  
Company Secretary  
M.No. A35258

As per our Report of even date  
For **V. SIVASANKAR & CO**  
Chartered Accountants,  
Firm Regn. No. 0108395  
Sd/-

Place: Bengaluru  
Date : May 26, 2017

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
CFO

(**CA VIJAYA SIVASANKAR.P**)  
Proprietrix  
M.No. 21478



Note No.	Particulars	As on 31.03.2017 Amount in Rs.	As on 31.03.2016 Amount in Rs.
<b>2</b>	<b>NON CURRENT INVESTMENTS</b>		
	(i) Investment in Equity instruments(Unquoted)	<b>54,116,800</b>	54,116,800
	(ii) Investments in Government or Trust - securities and others	<b>2,235,700</b>	1,300,000
	(iii) Other Non- Current Investments	<b>7,776,000,000</b>	7,950,000,000
	(iv) Investments in Mutual Funds	<b>1,358,743,579</b>	400,000,000
	(v). a. Doubtful Investments	<b>2,010,000</b>	2,010,000
	b. Provision for doubtful investments	<b>(2,010,000)</b>	(2,010,000)
	<b>Total Non Current Investments</b>	<b><u>9,191,096,079</u></b>	<b><u>8,405,416,800</u></b>
<b>3</b>	<b>DEFERRED TAX ASSET (NET)</b>		
	Deferred Tax Assets	-	8,223,385
	<b>Deferred Tax Asset ( Net )</b>	<b><u>-</u></b>	<b><u>8,223,385</u></b>
<b>4</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	Security Deposits Furnished	<b>415,393,179</b>	415,413,179
	Capital Advances	<b>88,450,040</b>	88,450,040
	Other Advances	-	182,169,480
	<b>Total Long Term Loans and Advances</b>	<b><u>503,843,219</u></b>	<b><u>686,032,699</u></b>
<b>5</b>	<b>INVENTORIES</b>		
	(i) Gold Jewellery and Gold	<b>11,199,870,449</b>	9,508,746,046
	(ii) Diamonds	<b>167,782,500</b>	167,632,200
	(iii) Silver	<b>222,812,316</b>	212,493,710
	(iv) Oysterbay Items	<b>37,209,000</b>	37,209,000
	<b>Total Inventories</b>	<b><u>11,627,674,265</u></b>	<b><u>9,926,080,956</u></b>
<b>6</b>	<b>TRADE RECEIVABLES</b>		
	Unsecured,		
	a. (i) Outstanding for less than 6 months, Considered Good (Net)	<b>49,577,753,021</b>	48,865,795,958
	(ii) Outstanding for more than 6 months, Considered good (Net)	<b>52,627,799</b>	30,334,345
	(iii) Doubtful Debts	<b>3,367,236</b>	3,367,236
	(iv) Allowance for bad and doubtful debts	<b>(3,367,236)</b>	(3,367,236)
	b. Sundry debtors of ICD's interest	<b>568,173,425</b>	-
	<b>Total Trade Receivables</b>	<b><u>50,198,554,245</u></b>	<b><u>48,896,130,303</u></b>

## RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2017 Amount in Rs.	As on 31.03.2016 Amount in Rs.
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	(i) Unpaid Dividend Bank Accounts	<b>4,443,610</b>	28,051,811
	(ii) Bank Balances in Current Accounts	<b>2,933,423,905</b>	2,685,859,313
	(iii) Cash on hand	<b>53,174,176</b>	21,844,007
	(iv) Fixed Deposits with banks	<b>145,410,945,671</b>	117,893,653,601
	<b>Total Cash and Cash Equivalents</b>	<b><u>148,401,987,362</u></b>	<b><u>120,629,408,732</u></b>
<b>8</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	(i) Advances Recoverable In Normal Course Of Business	<b>809,299,692</b>	136,157,995
	(ii) Advances to employees	<b>13,003,169</b>	969,191
	(iii) Inter Corporate Deposits	<b>2,787,844,469</b>	2,899,949,379
	(iv) Doubtful advances	<b>8,591,113</b>	8,591,113
	(v) Provision for Doubtful Advances	<b>(8,591,113)</b>	(8,591,113)
	<b>Total Short Term Loans and Advances</b>	<b><u>3,610,147,330</u></b>	<b><u>3,037,076,565</u></b>
<b>9</b>	<b>OTHER CURRENT ASSETS</b>		
	(i) Balances with Govt departments	<b>4,850,508,015</b>	4,323,599,943
	(ii) Other Receivables	<b>56,656,848</b>	12,861,512
	<b>Total Other Current Assets</b>	<b><u>4,907,164,863</u></b>	<b><u>4,336,461,455</u></b>



Note No.	Particulars	As on 31.03.2017		As on 31.03.2016	
		Number	Amount in Rs.	Number	Amount in Rs.
<b>10</b>	<b>SHARE CAPITAL</b> <b>Authorised Share Capital</b> 30,00,00,000 Equity Shares of Re.1/- each Issued, Subscribed & Paidup Share Capital	<b>300,000,000</b> <b>295,259,959</b>	<b>300,000,000</b> <b>295,259,959</b>	300,000,000 295,259,959	300,000,000 295,259,959
	<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b> Number of shares outstanding as at the beginning of the year <b>Add:</b> Number of shares allotted as fully paid-up bonus shares during the year Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash Number of shares allotted to employees pursuant to ESOPs/ESPs Number of shares allotted for cash pursuant to public issue <b>Less:</b> Number of shares bought back during the year <b>Number of shares outstanding as at the end of the year</b>	<b>295,259,959</b>  Nil Nil Nil Nil  Nil <b>295,259,959</b>	<b>295,259,959</b>  Nil Nil Nil Nil  Nil <b>295,259,959</b>	295,259,959  Nil Nil Nil Nil  Nil 295,259,959	295,259,959  Nil Nil Nil Nil  Nil 295,259,959
<b>Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:</b>					
Name of the shareholder		As at 31st March, 2017		As at 31st March, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr.Rajesh J Mehta		<b>88,181,234</b>	<b>29.87%</b>	88,081,234	29.83%
Mr.Prashanth J Mehta		<b>37,162,425</b>	<b>12.59%</b>	37,162,425	12.59%
M/s.Bridge India Fund		<b>29,361,340</b>	<b>9.94%</b>	29,361,340	9.94%
Mr.Mahesh J Mehta		<b>24,041,224</b>	<b>8.14%</b>	24,041,224	8.14%
i) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash - <b>NIL</b> (Previous Year - <b>NIL</b> ) ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - <b>NIL</b> (Previous Year - <b>NIL</b> ) iii) Aggregate number and class of shares bought back - <b>NIL</b> (Previous Year - <b>NIL</b> ) iv) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.					
Note No.	Particulars	As on 31.03.2017 Amount in Rs.		As on 31.03.2016 Amount in Rs.	
<b>11</b>	<b>RESERVES AND SURPLUS</b> <b>(A) Securities Premium Reserve</b> (i) As per last Balance Sheet (ii) Additions during the year <b>Total Securities Premium Reserve</b> <b>(B) General Reserve:</b> (i) As per last Balance Sheet Add : Transferred from Profit and Loss Account <b>Total General Reserve</b> <b>(C) Surplus in Statement of Profit and Loss</b> (i) As per last Balance Sheet (ii) Add: Profit for the year (iii) Add: Profit from Associate <b>Less: Appropriations</b> a) Proposed Dividend on equity shares b) Interim Dividend Paid on equity shares c) Tax on dividend d) Transferred to General Reserve e) Profit distributed to partners <b>Available Surplus in Statement of Profit and Loss</b> <b>(D) Total Reserves and Surplus</b>	<b>6,449,295,162</b> - <b>6,449,295,162</b>  <b>13,680,000,000</b> <b>670,000,000</b> <b>14,350,000,000</b>  <b>23,485,804,547</b> <b>12,441,979,220</b> <b>(5,646,036)</b>  - - - <b>(670,000,000)</b> <b>(5,646,036)</b> <b>35,257,783,767</b> <b>56,057,078,929</b>	<b>6,449,295,162</b> - <b>6,449,295,162</b>  <b>13,010,000,000</b> <b>670,000,000</b> <b>13,680,000,000</b>  <b>13,861,879,091</b> <b>10,649,296,046</b> <b>40,733,916</b>  (29,525,996) (265,736,164) (60,108,430) (670,000,000) (40,733,916) <b>23,485,804,547</b> <b>43,615,099,709</b>		

## RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2017 Amount in Rs.	As on 31.03.2016 Amount in Rs.
<b>12</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	(i) Franchise Deposit Received	46,077,181	47,977,181
	(ii) Rent Advance	20,223,350	20,223,350
	(iii) Partner Capital	4,350,634	4,632,936
	(iv) Other Long term Liabilities	-	50,059,361
	(v) Bank Debt	3,497,800,903	4,975,487,625
	<b>Total Other Long Term Liabilities</b>	<b>3,568,452,068</b>	<b>5,098,380,453</b>
<b>13</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	Deferred Tax Liabilities	1,087,557,918	-
	<b>Deferred Tax liabilities ( Net )</b>	<b>1,087,557,918</b>	-
<b>14</b>	<b>LONG-TERM PROVISIONS</b>		
	Provision for gratuity	97,036,816	4,119,116
	<b>Total Long Term Provisions</b>	<b>97,036,816</b>	<b>4,119,116</b>
<b>15</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>(a) Secured</b>		
	(i) Working Capital Loans (secured against stocks, book debts, - - Immoveable properties and export bills)	20,632,944,119	14,532,376,315
	(ii) Loans against Company's own - - Fixed deposits with Banks	34,602,283,791	31,088,675,098
	<b>(b) Unsecured</b>		
	(i) From Directors	287,147,609	318,840,400
	<b>Total Short Term Borrowings</b>	<b>55,522,375,519</b>	<b>45,939,891,813</b>
<b>16</b>	<b>TRADE PAYABLES</b>		
	(i) Raw Materials	14,355,812,851	21,791,189,397
	(ii) FLC liabilities	107,096,707,874	86,741,795,018
	<b>Total Trade Payables</b>	<b>121,452,520,725</b>	<b>108,532,984,415</b>
<b>17</b>	<b>OTHER CURRENT LIABILITIES</b>		
	(i) Tax Deducted at Source	763,177	395,534
	(ii) Value Added Tax	48,918,638	846,550
	(iii) Unclaimed Dividend	4,443,610	28,051,811
	(iv) Advance Received From Customers	90,694,856	98,680,682
	(v) Other Payables	112,235,728	9,379,184
	<b>Total Other Current Liabilities</b>	<b>257,056,009</b>	<b>137,353,761</b>



Note No.	Particulars	As on 31.03.2017 Amount in Rs.	As on 31.03.2016 Amount in Rs.
<b>18</b>	<b>SHORT-TERM PROVISIONS</b>		
	i Provision for Proposed Dividend	-	29,525,996
	ii Provision for tax on dividend	-	60,108,430
	iii Provision for income tax	<b>202,194,721</b>	361,995,842
	iv Provision for Audit Fee	<b>920,000</b>	-
	v Provision for Salary	<b>2,985,736</b>	-
	vi Short term provision	<b>276,871,155</b>	1,416,226,449
	<b>Total Short Term Provisions</b>	<b><u>482,971,612</u></b>	<b><u>1,867,856,717</u></b>
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>		
	Revenue from operations*	<b><u>2,421,319,842,498</u></b>	1,651,787,052,573
	<b>Total Revenue from Operations</b>	<b><u>2,421,319,842,498</u></b>	<b><u>1,651,787,052,573</u></b>
	*includes interest received on fixed deposits & Mutual Funds made for margin purposes for the sake of procurement of Raw Materials (Buyers Credit)		
<b>20</b>	<b>OTHER INCOME</b>		
	(i) Interest on ICD's	<b>440,177,743</b>	327,315,096
	(ii) Other Miscellaneous income	<b>35,852,668</b>	49,925,678
	(ii) Rent received	<b>816,595</b>	865,507
	(iii) Profit/(loss) on Sale of Asset	-	490,000
	(iv) Share in Income Of Associates	<b>(5,363,734)</b>	38,697,220
	(v) Interest on IT Refund	-	168,357
	<b>Total Other Income</b>	<b><u>471,483,272</u></b>	<b><u>417,461,858</u></b>
<b>21</b>	<b>COST OF MATERIAL CONSUMED</b>		
	(i) Raw material consumed	<b>2,400,211,737,598</b>	1,629,433,618,088
	(ii) Currency Hedging and Forex Fluctuation cost	<b>(64,991,590)</b>	1,286,414,895
	<b>Total Cost of Material Consumed</b>	<b><u>2,400,146,746,008</u></b>	<b><u>1,630,720,032,983</u></b>

## RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2017 Amount in Rs.	As on 31.03.2016 Amount in Rs.
<b>22</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	(i) Salaries and wages	<b>1,562,756,475</b>	1,033,528,102
	(ii) Contribution to PF, ESIC and gratuity	<b>1,972,286</b>	319,717
	(iii) Staff Welfare Expenses	<b>4,276,928</b>	95,719,812
	<b>Total Employee Benefit Expenses</b>	<b><u>1,569,005,689</u></b>	<b><u>1,129,567,631</u></b>
<b>23</b>	<b>SELLING &amp; ADMINISTRATION, OTHER EXPENSES</b>		
	Rent	<b>6,548,085</b>	5,747,690
	Repairs & Maintenance	<b>70,702,220</b>	10,471,561
	Legal, Professional and consultancy charges	<b>55,473,869</b>	9,104,943
	Postage & Telegrams & Telephones	<b>1,478,403</b>	2,813,378
	Insurance	<b>108,258,097</b>	23,853,700
	Rates, Taxes & Octrai Charges	<b>52,668,396</b>	54,889,698
	Auditors Fees	<b>4,084,381</b>	4,940,000
	Advertisement, Publicity and others	<b>40,410,137</b>	57,481,461
	Travelling and Conveyance	<b>10,931,382</b>	19,019,098
	Hedging fees and Charges	<b>1,046,207,598</b>	1,937,291,106
	Freight Charges	<b>112,907,701</b>	67,028,209
	Printing & Stationery	<b>2,028,766</b>	1,101,545
	Membership Fees	<b>2,775,824</b>	1,578,670
	Donation	<b>23,843,671</b>	27,501,758
	Commission and other Office expenses	<b>118,451,317</b>	87,238,154
	Other Manufacturing and Processing Expenses	<b>184,100,174</b>	91,742,840
	Bad debts written off	<b>248,366,427</b>	265,166,427
	<b>Total S&amp;A and Other Expenses</b>	<b><u>2,097,236,448</u></b>	<b><u>2,666,970,238</u></b>
<b>24</b>	<b>FINANCE COST</b>		
	(i) Bank charges	<b>928,095,179</b>	341,708,529
	(ii) Interest on working capital	<b>3,374,574,811</b>	4,597,036,644
	(iii) Interest on others	-	837,929,213
	<b>Total Finance Costs</b>	<b><u>4,302,669,990</u></b>	<b><u>5,776,674,386</u></b>





Note No.										
<b>25</b>	<p><b>Significant Accounting Policies</b></p> <p><b>1. Company Overview.</b></p> <p>Rajesh Exports Limited (“The Company” or the “Parent Company”) together with its subsidiaries (Collectively, “the Company” or “the group”) is a leading gold refiner and manufacturer of all kinds of Gold Products. Rajesh Exports Limited is an Indian public Company incorporated under the provisions of Companies Act, 1956. The Company exports its products to various countries around the world and it also retails its products in India through its own retail showrooms under the brand name of SHUBH Jewellers.</p> <p>The Company is head quartered in Bangalore and subsidiary M/s.REL Singapore Pte Ltd at Singapore.</p> <p>The Group’s Consolidated Financial Statements are approved for issue by the Company’s Board of Directors on 26th May 2017.</p> <p><b>BASIS OF ACCOUNTING</b></p> <p><b>i. Basis of preparation of consolidated financial statements.</b></p> <p>The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Companies Act 2013(“Act”) read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.</p> <p><b>ii. Principles of Consolidation.</b></p> <p><b>The Consolidated financial statements have been prepared on the following basis:</b></p> <p>The consolidated financial statements include the financial statements of REL and its Subsidiary as set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Associate/Subsidiary</th> <th style="text-align: left;">Country of formation/ incorporation</th> <th style="text-align: left;">Proportion of interest</th> </tr> </thead> <tbody> <tr> <td>A One Exports (A Partnership firm)</td> <td>Bangalore, India</td> <td>95%</td> </tr> <tr> <td>REL Singapore PTE Ltd</td> <td>Singapore</td> <td>100%</td> </tr> </tbody> </table> <p>The consolidated financial statements include the financial statements of the Company and all its associates/subsidiaries, which are more than 50% owned or controlled. The financial statements of the Company and its Associate/Subsidiary Companies are combined on a line by line basis by adding together the book values of all items of assets, liabilities, income and expenses, after eliminating all intra group balances/ transactions and resulting unrealized gain/loss.</p> <p>The excess of the cost to the parent of its investments in a subsidiary over the parents portion of equity at the date on which investment in the subsidiary is made, is recognized as goodwill.</p> <p>The consolidated financial statements are prepared using uniform accounting principles for similar transactions and other events in similar circumstances</p> <p><b>iii. Use of Estimates</b></p> <p>The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the application accounting policies and the reported amounts of Assets and Liabilities and disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year effected. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed.</p>	Name of the Associate/Subsidiary	Country of formation/ incorporation	Proportion of interest	A One Exports (A Partnership firm)	Bangalore, India	95%	REL Singapore PTE Ltd	Singapore	100%
Name of the Associate/Subsidiary	Country of formation/ incorporation	Proportion of interest								
A One Exports (A Partnership firm)	Bangalore, India	95%								
REL Singapore PTE Ltd	Singapore	100%								

# RAJESH EXPORTS LIMITED

Note No.	
25	<p>Accounting estimates could change from period to period. Actual results could differ from the estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if, material, their effects are disclosed in the notes to the consolidated financial statements.</p> <p><b>iv. Fixed assets and Capital work-in-progress</b></p> <p>Tangible assets are stated at historical cost less accumulated depreciation and impairment loss if any. The cost includes expenditure directly attributable to the acquisition of the Asset. Borrowing cost directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.</p> <p>When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment's is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.</p> <p>Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.</p> <p>Cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.</p> <p><b>Depreciation</b></p> <p>The Company has provided depreciation on straight line method over the useful lives of the assets estimated by the management as per Schedule II of the Companies Act, 2013 for the companies incorporated in India. Depreciation on additions or extensions to existing assets is provided so as to co-terminate with the life of the original asset if it becomes internal part of the existing asset or on the useful life of the asset if it is capable of independent use.</p> <p><b>v. Inventories</b></p> <p>Stock in trade is valued at cost or net realisable value, whichever is less. The cost formula used for this purpose is first in first out (FIFO) method. Cost of inventories comprises all costs of purchase, cost of conversion and the cost incurred in bringing the items of inventory to their present location and condition. Cost of work in progress and finished goods include material cost and appropriate share of manufacturing overheads. Material in transit is valued at cost price or market price, whichever is lower.</p> <p><b>vi. Revenue Recognition</b></p> <p>Revenue is recognized only when it can be reliably measured and when it is reasonable to expect ultimate collection. Revenue from operations includes Sale of Goods and interest income on fixed deposits made for margin purposes for procurement of Raw Materials. Sales are recorded net of trade discounts, rebates and value added tax if any. Making charges income is recognized on dispatch of goods. Interest on bank deposits is accounted on accrual basis. Dividend income on investment is accounted as and when the right to receive the payment is established. Cost of goods include the purchase of raw material, labour charges, wastage charges, interest and other charges levied by the seller and foreign exchange hedging cost.</p> <p><b>Other Income: -</b></p> <p>Other income is comprised primarily of interest income on ICD's, rent received, gains/ loss on investments. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive the payment is established.</p>



Note No.	
25	<p><b>Dividends: -</b></p> <p>The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Since Board of Directors of the company is not proposed any dividend and hence no provision has been made in the financial statements.</p> <p><b>vii. Borrowing Costs</b></p> <p>Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date, when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account.</p> <p><b>viii. Foreign Currency Transactions</b></p> <p><b>Functional Currency;</b></p> <p>The functional currency of Rajesh Exports limited &amp; divisions in India, &amp; Associated Enterprises of A One Exports is in Indian Rupee. The Functional currency for REL Pte Limited, Singapore is US Dollars. These financials statements are presented in India Rupees, after converting the US Dollars into Indian Rupees.</p> <p><b>Transaction &amp; Translation;</b></p> <p>Foreign currency denominated monetary assets and liabilities are translated into to the relevant functional currency at the exchange rate in effect at the balance sheet date. The gains or losses resulting from such transaction are included in the net profit in the statement of profit and loss account.</p> <ol style="list-style-type: none"> <li>For its import and export transactions the company is exposed to currency fluctuations on foreign currency transactions, the company hedges it's foreign exchange transactions against it's own imports and exports and also by way of forward contracts with banks.</li> <li>Premium paid on forward contracts is recognized over the life of the contracts.</li> <li>The Company enters into derivative contracts in the nature of foreign currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. All other derivative contracts are marked and losses are recognized in the statement of profit and loss. Gains arising on same are not recognized until realized on grounds of prudence.</li> </ol> <p><b>ix. Employees Benefits</b></p> <p>For the Indian Company provident fund contributions are charged to the Statement of profit and loss of the period as and when the contributions to the respective fund is due. The Company has no obligation, other than the contribution payable under the respective scheme. Company's employees have not participated in Superannuation Schemes/plan.</p> <p>The company provides for gratuity a defined benefit retirement plan (the Gratuity plan) covering eligible employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee salary and tenure of employment with the company.</p> <p>Liabilities with regard to the gratuity plan are determined by actuarial valuation, performed by independent actuary, at each balance sheet date using the projected unit credit method</p> <p><b>x. Taxation</b></p> <p>For the Indian Company the current charge for Income taxes is calculated in accordance with the relevant tax regulations. Tax liability was computed under Minimum Alternate Tax (MAT). MAT credit are being recognized if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured to reliably. The excess tax paid under MAT provision being over and above regular tax liability can be carried forward for a period of 10 years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent of MAT liability. Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal</p>

# RAJESH EXPORTS LIMITED

Note No.																												
<b>25</b>	<p>in one or more subsequent periods. The deferred tax is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets/ liabilities in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that such deferred tax Asset/ liability can be realized against future taxable profits.</p> <p><b>xi. Segment reporting policies</b></p> <p><b>Business Segment</b></p> <p>The Company is engaged in the business of gold and gold products. The accounting principles consistently used in the preparation of the financial statement are also consistently applied to record income and expenditure in individual segments.</p> <p>Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis.</p> <p><b>xii. Micro and Small enterprises dues</b></p> <p>Based on the information / Documents available with the Company amounts due to micro and small enterprises is NIL</p> <p><b>xiii. Earnings per share</b></p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.</p> <p><b>(a) Basic</b></p> <p>Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the financial year held by the Company.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;">2017 Amount (Rs)</th> <th style="text-align: right; width: 20%;">2016 Amount (Rs)</th> </tr> </thead> <tbody> <tr> <td>Profit attributable to equity holders of the parent company</td> <td style="text-align: right;">12,43,63,33,184</td> <td style="text-align: right;">10,69,00,29,962</td> </tr> <tr> <td>Number of shares in issue (net of treasury shares) as at beginning of year</td> <td style="text-align: right;">29,52,59,959</td> <td style="text-align: right;">29,52,59,959</td> </tr> <tr> <td>Effect of treasury shares</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Effect of rights shares</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Effect of warrants</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Effect of share options</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Weighted average number of ordinary shares in issue</td> <td style="text-align: right;">29,52,59,959</td> <td style="text-align: right;">29,52,59,959</td> </tr> <tr> <td>Basic earnings per share (s)</td> <td style="text-align: right;">42.12</td> <td style="text-align: right;">36.21</td> </tr> </tbody> </table> <p><b>(b) Diluted</b></p> <p>For the purpose of calculating diluted earnings per share, the profit attributable to equity holders of the parent and the weighted average number of ordinary shares outstanding during the financial year have been adjusted for the dilutive effects of all potential ordinary</p>		2017 Amount (Rs)	2016 Amount (Rs)	Profit attributable to equity holders of the parent company	12,43,63,33,184	10,69,00,29,962	Number of shares in issue (net of treasury shares) as at beginning of year	29,52,59,959	29,52,59,959	Effect of treasury shares	-	-	Effect of rights shares	-	-	Effect of warrants	-	-	Effect of share options	-	-	Weighted average number of ordinary shares in issue	29,52,59,959	29,52,59,959	Basic earnings per share (s)	42.12	36.21
	2017 Amount (Rs)	2016 Amount (Rs)																										
Profit attributable to equity holders of the parent company	12,43,63,33,184	10,69,00,29,962																										
Number of shares in issue (net of treasury shares) as at beginning of year	29,52,59,959	29,52,59,959																										
Effect of treasury shares	-	-																										
Effect of rights shares	-	-																										
Effect of warrants	-	-																										
Effect of share options	-	-																										
Weighted average number of ordinary shares in issue	29,52,59,959	29,52,59,959																										
Basic earnings per share (s)	42.12	36.21																										



shares, warrants and share options granted to employees. The dilutive earning per share is calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of shares that would have been in issue upon full exercise of the remaining warrants, adjusted by the number of such shares that would have been issued at fair value as follows:

	2017	2016
	Amount (Rs)	Amount (Rs)
Profit attributable to equity holders of the parent company	12,43,63,33,184	10,69,00,29,962
Weighted average number of ordinary shares in issue	29,52,59,959	29,52,59,959
Effect of dilution due to warrants	-	-
Adjusted weighted average number of ordinary shares	29,52,59,959	29,52,59,959
Diluted earnings per share (s)	42.12	36.21

#### **xiv. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability in the financial statements, but are disclosed in the notes.

#### **xv. Provisions**

A provision is recognised when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision/Write-off of doubtful and unrecoverable book debts and advances have been made, wherever found necessary by the management.

#### **xvi. Investments**

The Investments are made to enhance the company's business interest. Investments are either classified as current or long term based on management's intention. Long term investments are stated at cost after deducting the provisions if any made for permanent diminution in values. Current investments are stated at lower of the cost and fair market value. Cost for Overseas investments comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

#### **xvii. Consolidated Cash Flow Statement**

Cash Flow statement is reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flow from operating, investing and financing activities of company are segregated based on the available information.

#### **xviii. Leases**

Investment in properties include those portions of office buildings that are held for longterm rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment in properties. Lease payments under operating Leases are recognised as an expense in the statement of Profit and Loss over a Lease term.

Lease rentals recovered on assets given under operating leases are recognised in the profit and loss account.

# RAJESH EXPORTS LIMITED

Note No.						
<b>25</b>	<b>xix. Cash and cash equivalents</b>					
	Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short term balances (Including all bank deposits), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.					
	The following is the position of cash on hand for the Indian Company.					
				Amount(Rs.)		
	Particulars	SBNs	Other denomination notes	Total		
	Closing cash in hand as on November 8, 2016	3900000	152464	4052464		
	Add: Permitted receipts	-	6296000	6296000		
	Less: Permitted Payments	-	4379917	4379917		
	Less: Amount deposited in Banks	3900000	1513000	5413000		
	Closing cash in hand as on December 30, 2016	-	555547	555547		
	<b>xx. Impairment of Assets</b>					
	An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An Impairment loss is charged to Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.					
<b>25</b>	<b>NOTES TO FINANCIAL STATEMENTS</b>					
	<b>i. Related Party Disclosure</b>					
	<b>a. Related parties where control exists</b>					
	Loans and advances	<b>Current Year Balance (Rs.)</b>	Previous Year Balance (Rs.)	Max. Balance at any time during the year	Relationship	
	Laabh Jewels Gold Pvt Ltd	1,825,358	1,825,358	1,825,358	Associate Entity	
	Shubhlaabh Housing Pvt Ltd	37,900,000	37,900,000	37,900,000	Associate entity	
	REL Singapore Pte Ltd	18,689,333,249	18,689,333,249	18,689,333,249	Subsidiary Entity	
	A One Exports	1,10,87,82,053	1,114,164,787	1,108,782,053	Partnership Firm	
	Global Gold Refineries	16,758,270	16,758,270	16,758,270	Step Down Subsidiary	
	Valcombi SA	9,888,482,690	14,078,872,715	14,078,872,715	Step Down Subsidiary	
	<b>b. Transactions with related parties</b>					
	Name of the related party	Description of the nature of relation	Description of the nature of transaction	<b>31.03.2017</b>	31.03.2016	Relationship
	Rajesh. J. Mehta	Chairman	Remuneration	119,989	109,989	Brother
	Prashanth.J.Mehta	Managing Director	Remuneration	119,989	109,989	Brother
	Bhavesh B Mehta	Relative of Director	Remuneration	-	180,000	Nephew



Note No.				
<b>25</b>	<b>c. Balance Outstanding as on 31.03.2017 :</b>			
	Loans and advances taken from related parties	<b>Current Year Balance Payable (Rs.)</b>	Previous Year Balance Payable (Rs.)	Max. Balance at any time during the year
	Mr. Prashanth.J.Mehta	84,448,524	98,587,240	98,587,240
	Mr. Rajesh.J.Mehta	202,699,085	220,253,160	265,598,440
	<b>ii. Leases</b>			
	<b>Operating lease:</b>			
	The Company has let-out and taken premises under cancelable operating lease agreements, which the Company intends to renew in the normal course of its business. The lessee cannot sublease these properties. Total lease rentals recognized as income ( on cash basis) in the Profit and Loss Account for the year with respect to above is Rs. 8,16,595/- (Previous year Rs.8,65,507/-) and total lease rentals paid recognized as expenditure is Rs.44,04,173/- (Previous year Rs. 47,84,436/-).			
	<b>iii. Capital and other commitments</b>			
	Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL (Previous Year is NIL ).			
	<b>iv. Micro and Small Enterprises dues</b>			
	Based on the information / Documents available with the Company, amounts due to micro and small enterprises are NIL.			
	<b>v. Contingent Liabilities</b>			
	The following contingent liabilities are not provided for			
	Name of the Statute	Nature of the dues	Amount in Rs.	Period to which the amount relates
	Forum where dispute is pending			
	Karnataka Sales Tax	Sales Tax	1,54,702	2001-02
	First Appellate authority			
	Karnataka Sales Tax	Sales Tax	1,00,000	2002-03
	First Appellate authority			
	Karnataka Sales Tax	Sales Tax	2,24,355	2003-04
	First Appellate authority			
	ESI of Karnataka	ESI	89,27,290	04/2000 to 03/2003
	The Appellate Authority ESI, Karnataka			
	ESI of Karnataka	ESI	37,78,409	04/06 to 09/07
	The Appellate Authority ESI, Karnataka			
	Service Tax	Service Tax and penalty	3,67,24,590	2006-07
	The Appellate Tribunal, Service Tax			
	<b>vi. Earnings and Expenditure in foreign currency of Indian Company</b>			
	Particulars	<b>As on 31.03.2017</b>	As on 31.03.2016	
	Foreign Exchange Earnings	<b>418,789,481,079</b>	368,522,128,089	
	Foreign Exchange Outgo	<b>440,396,236,456</b>	374,649,363,018	
	<b>vii. Directors remuneration includes remuneration payable to Executive chairman and Managing director of Rs. 2,39,976/- (Previous Year Rs. 219,978/-)</b>			
	<b>viii. In Accordance with the Accounting Standards on "Income Taxes" issued by the Institute of Chartered Accountant of India, The Indian Company has recognized the Deferred tax liabilities</b>			

# RAJESH EXPORTS LIMITED

Note No.																
<b>25</b>	<p>on account of timing differences of Rs. 4,62,68,574/- as on 31st March 2017 (Previous Year Rs. Nil/-) as there is no virtual certainty that such deferred assets can be realized against future taxable profits. The breakup of deferred tax liabilities not recognised is furnished here under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Current Year</th> <th style="text-align: right;">Previous Year</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Deferred Tax Liability</b></td> </tr> <tr> <td>Time Difference on account of Depreciation &amp; Other Inadmissible Expenditure</td> <td style="text-align: right;"><b>54,491,959</b></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Less: Deferred tax asset accounted Previously</td> <td style="text-align: right;"><b>82,23,385</b></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Net Deferred tax liability Recognized during the year</td> <td style="text-align: right;"><b>46,268,574</b></td> <td style="text-align: right;">-</td> </tr> </tbody> </table> <p><b>ix.</b> Company has identified that there is no material impairment of assets and as such no provision is required as per Accounting Standards issued by the ICAI.</p> <p><b>x.</b> In the opinion of the management, no provision is required against contingent liabilities.</p> <p><b>xi.</b> Unclaimed dividend accounts are subject to reconciliation.</p> <p><b>xii.</b> Previous year figures have been regrouped or reclassified wherever necessary to conform to the current year's grouping or classification</p> <p><b>xiii.</b> Current Tax includes MAT credit utilization of Rs.80,156,731/- (Previous year Rs.166,779,349/-)</p>	Particulars	Current Year	Previous Year	<b>Deferred Tax Liability</b>			Time Difference on account of Depreciation & Other Inadmissible Expenditure	<b>54,491,959</b>	-	Less: Deferred tax asset accounted Previously	<b>82,23,385</b>	-	Net Deferred tax liability Recognized during the year	<b>46,268,574</b>	-
Particulars	Current Year	Previous Year														
<b>Deferred Tax Liability</b>																
Time Difference on account of Depreciation & Other Inadmissible Expenditure	<b>54,491,959</b>	-														
Less: Deferred tax asset accounted Previously	<b>82,23,385</b>	-														
Net Deferred tax liability Recognized during the year	<b>46,268,574</b>	-														

For and on behalf of the Board

**RAJESH MEHTA**  
Chairman  
DIN : 00336457

**PRASHANT MEHTA**  
Managing Director  
DIN : 00336417

**STUTI AGRAWAL**  
Company Secretary  
M.No. A35258

As per our Report of even date  
For **V. SIVASANKAR & CO**  
Chartered Accountants,  
Firm Regn. No. 010839S  
Sd/-

Place: Bengaluru  
Date : May 26, 2017

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
CFO

**(CA VIJAYA SIVASANKAR.P)**  
Proprietrix  
M.No. 21478





## RAJESH EXPORTS LIMITED

CIN: L36911KA1995PLC017077

Regd. Office : # 4, Batavia Chambers, Kumara Krupa Road,  
Kumara Park East, Bangalore-560 001.  
Tel: 080-22266735, Fax: 080-22259503, Website: www.rajeshindia.com

### Postal Ballot Notice

Dear Members,

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read together with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force), that the resolutions given in the AGM Notice are proposed to be passed by the Members through electronic voting (e-voting) / postal ballot.

The Board of Directors of the Company (“Board”) has appointed Mr. Deepak Sadhu, Practicing Company Secretary, as the Scrutinizer (“Scrutinizer”) for conducting e-voting / postal ballot voting process in a fair and transparent manner.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Company’s Annual Report under the section ‘**The instructions for shareholders voting electronically,**’ given in the AGM Notice.

Members desiring to opt for ballot voting are requested to carefully read the instructions printed in the Postal Ballot Form (attached with the Annual Report) and return the same duly completed to **The Scrutinizer, c/o Rajesh Exports Limited; #4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore-560001** not later than 5 P.M. on September 28, 2017. Please note that, Postal Ballot Forms received after 5 P.M. on September 28, 2017 shall be deemed invalid.

The results declared along with Scrutinizer’s Report, shall be placed on the Company’s website [www.rajeshindia.com](http://www.rajeshindia.com) and on the website of the National Securities Depository Limited within two days of the passing of the Resolutions at the AGM of the Company on Monday, October 2, 2017, and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

by order of the Board of Directors

for Rajesh Exports Limited

*Company Secretary*

## BALLOT FORM

1	Name(s) & Registered Address of the Sole / First named Member	
2	Name(s) of the Joint holder(s), if any	
3	Registered Folio Number / DP ID No. / Client ID No (if shares are in demat)	
4	Number of Equity Share(s) held	

I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 23rd Annual General Meeting (AGM) of the Company to be held on Friday, September 29, 2017 by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Item No	Description of Resolution	Number of Equity Shares Held by me/us	(FOR)	(AGAINST)
			I/we assent to the Resolution	I/we dissent to the Resolution
1	To receive, consider and adopt the Financial Statements for the year ended 31st March 2017 as at that date together with the reports of the Directors and Auditors thereon			
2	To declare dividend			
3	Re-appointment of auditors and fix their remuneration			
4	To appoint a director in place of Mr. Prashant Mehta, who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment.			

Place:

Date:

Signature of the member

### INSTRUCTIONS

- 1) If a member exercises voting rights through voting by electronic means ("e-voting"), the Postal Ballot Form need not be sent to the Company.
- 2) A Member desirous for exercising vote by physical Postal Ballot may complete this Postal Ballot Form and send it to **The Scrutinizer (c/o Rajesh Exports Limited; #4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore-560001)**.
- 3) For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
- 4) The Postal Ballot Form should be completed and signed by the member as per the specimen signature registered with the Company. In case of joint holding, the same should be completed and signed by the first-named member and in his/her absence, by the next-named member.
- 5) Corporate / Institutional Members (that is, other than individuals, HUF, NRI, etc.) opting for physical Postal Ballot are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer along with the Postal Ballot Form.
- 6) The consent must be accorded by recording the assent in the column "**FOR**" and dissent in the column "**AGAINST**" by placing a tick mark (✓) in the appropriate box.
- 7) The vote(s) of a member will be considered invalid inter alia on any of the following grounds:
  - a) If Postal Ballot Form other than one issued by the Company is used
  - b) If the member's signature does not tally
  - c) If the member has put a tick mark (✓) in both the columns, that is, for '**Assent**' and also for '**Dissent**' to the resolution in such manner that the aggregate shares voted for '**Assent**' and '**Dissent**' exceed the total number of shares held;
  - d) If the Postal Ballot Form is unsigned, incomplete or incorrectly filled; or received after 5.00 P.M. on Thursday, September 28, 2017.
  - e) If the member has made any amendment to the resolution or imposed any condition while exercising his vote;
  - f) If the Postal Ballot Form is received torn or defaced or mutilated;
  - g) Any competent authority has given directions in writing to the Company to freeze the voting rights of the member.
- 8) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on Friday, September 22, 2017.

# RAJESH EXPORTS LIMITED

CIN: L36911KA1995PLC017077

Regd. Office : # 4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore-560 001.  
Tel: 080-22266735, Fax: 080-22259503, Website: www.rajeshindia.com

## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting venue

Folio No./Client ID: \_\_\_\_\_ No. of Shares: \_\_\_\_\_

Name of Member/Proxy: \_\_\_\_\_

hereby record my presence at the 23rd Annual General Meeting at 12.00 Noon, Friday, on 29.09.2017 at **Guru Raja Kalyana Mantap, No 21, Crescent Road, Next to Karnataka Film Chamber of Commerce (Near Shivanada Circle), Bangalore - 560 001.**

\_\_\_\_\_  
*Member's/Proxy's Signature*

- Notes :** 1. Members are requested to produce the above attendance slip, duly signed in accordance with their specimen signatures registered with the Company, for admission to the meeting.  
2. Members are informed that no duplicate attendance slips will be issued at the hall.

# RAJESH EXPORTS LIMITED

CIN: L36911KA1995PLC017077

Regd. Office : # 4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore-560 001.  
Tel: 080-22266735, Fax: 080-22259503, Website: www.rajeshindia.com

**Form No. MGT-11**

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**Name of the Member(s) :**

**Registered Address :**

**Email ID :**

**Folio No./Client ID :**

**DP ID :**

I/We being a Member(s) of \_\_\_\_\_ shares of Rajesh Exports Limited hereby appoint:

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_

2. Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company at 12.00 Noon, Friday, on 29.09.2017 at Guru Raja Kalyana Mantap, No 21, Crescent Road, Next to Karnataka Film Chamber of Commerce (Near Shivanada Circle), Bangalore - 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_

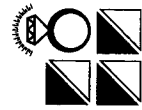
Signature of the shareholder \_\_\_\_\_

Signature of Proxy holder \_\_\_\_\_

Affix Re. 1  
Revenue  
Stamp

Book-Post

*If undelivered please return to :*



**RAJESH EXPORTS LIMITED**

No.4, Batavia Chambers  
Kumara Krupa Road  
Kumara Park East, Bangalore-1. INDIA.