



**RAJESH EXPORTS LIMITED**

**26<sup>th</sup>**  
**ANNUAL**  
**REPORT**  

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**2019 - 2020**

*Global presence in Gold & Diamond Jewellery*

# RAJESH EXPORTS LIMITED

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## 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

**Mr. Joseph T.D**

Non Executive & Non Independent Director

## KEY MANAGERIAL PERSONNEL

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

**Ms Nidhi Tulsyan**  
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 P. V. Ramana Reddy & Co.  
*Chartered Accountants*  
No, 37, 2nd Floor, South End Circle,  
Basavanagudi, Bengaluru – 560004

## BANKERS

Canara Bank

## REGISTERED OFFICE

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

## CORPORATE OFFICE

Rajesh Group  
# 1, Brunton Road (Off M. G. Road);  
Opp. Old Passport Office, Bengaluru - 560 001.  
Tel: 91-80-40239999, Fax: 91-80-40239945  
E-mail: compsect@rajeshindia.com

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## NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of **RAJESH EXPORTS LTD** will be held **on Thursday 31-12-2020 at 12.00 Noon, through video conferencing** to transact the following business

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Consolidated and Standalone Financial Statements for the year ended 31st March 2020 as at that date together with the reports of the Directors and Auditors thereon.
2. To confirm the dividend for the financial year 2019-20.
3. To appoint auditors and fix their remuneration.
4. To appoint a director in place of Mr. Rajesh Mehta, who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for re-appointment.

### **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulation 17 (1), Ms. Vijaya Lakshmi (DIN- 07146096), Independent Director of the Company, whose period of office is liable to expire on March 31, 2020 and who has submitted a declaration that she meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and in respect of whom the company has received a notice in writing from a Member proposing her candidature for the office of Director, pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as Independent Director of the Company to hold office for five consecutive years with effect from April 1, 2020, whose office shall not be liable to retire by rotation.

6. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014 and subject to the requisite approval of the Central Government, if any required, the consent of the members be and is hereby accorded to re-appoint Mr. Rajesh Mehta (DIN: 00336457), as Chairman of the Company for a term of five years starting from February 1, 2020 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting, with the liberty and power to the Board of Directors (hereinafter referred to as ‘the Board’ which expression shall also be included in the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

7. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and Companies (Appointment

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& Remuneration of Managerial personnel) Rules, 2014 and subject to the requisite approval of the Central Government, if any required, the consent of the members be and is hereby accorded to re-appoint Mr. Prashanth Mehta, (DIN 00336417) as Managing Director of the Company for a term of five years starting from February 1, 2020 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting, with the liberty and power to the Board of Directors (hereinafter referred to as 'the Board' which expression shall also include the Nomination and Remuneration Committee of the Board), in exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

## NOTES:

1. The Company has enabled the Members to participate at the 26th AGM through the VC facility provided by NSDL Limited. The instructions for participation by Members are given in the subsequent paragraphs.
2. In line with the MCA Circulars, the notice of the 26th AGM along with the Annual Report 2019-20 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members may please note that this Notice and Annual Report 2019-20 will also be available on the Company's website <http://www.rajeshindia.com/annual-reports/>, the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. Since the 26th AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 26th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's 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.
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, 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. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, December 25 till Thursday, December 31, 2020 (both days inclusive).
7. In case of any queries regarding the Annual Report, the Members may write to [compsect@rajeshindia.com](mailto:compsect@rajeshindia.com) to receive an email response.
8. Company has appointed Mr. Deepak Sadhu, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
9. 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](mailto:info@skdc-consultants.com)



### **The 26th AGM through the VC facility**

In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and the relevant provisions of the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') the AGM of the Company is being held through VC/OAVM.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system (remote e-voting), provided by NSDL.

The e-voting period commences on 28th December, 2020 at 9 A.M. and ends on 30th December 2020 at 5 P.M. During this period, Members holding shares either in physical form or in dematerialised form as on Thursday, 24th December, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

The voting rights of Members shall be in proportion to the equity shares held by them in the paid-up equity share capital of the Company as on 24th December 2020. Any person, who is a Member of the Company as on the cut-off date is eligible to cast vote electronically on all the resolutions set forth in the Notice of AGM.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. Detailed procedure for remote e-voting / e-voting is provided in the Notice of the AGM.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVENT for Company's AGM.  
Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [compsect@rajeshindia.com](mailto:compsect@rajeshindia.com) from December 28, 2020 (9:00 a.m. IST) to December 30, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

### **INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:**

As per Finance Act, 2020, with effect from 1 April 2020, Dividend Distribution Tax is abolished, and dividend income is taxable in the hands of the shareholders. The companies are required to withhold tax at source from dividends paid to shareholders at prescribed rates (plus applicable surcharge and cess), as may be notified from time to time. The Company shall accordingly deduct the tax from the dividend, if declared, that will be paid to the shareholders in the Financial Year 2020-21 (FY 20-21).

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## Resident Shareholders:

- I. In accordance with Section 194 of the Income tax Act, 1961 (Act), tax shall be deducted at source from the dividend amount **at rate of 7.5%** where shareholders have **registered their valid Permanent Account Number (PAN)** and **at rate of 20%** for cases where the shareholders do **not have PAN / have not registered their valid PAN details** in their demat Account or with RTA if shares are held in Physical Form.
- II. No tax shall be deducted on the dividend payable to shareholder in following cases:
  - a. **Resident Individual Shareholders**
    - i. If the total dividend to be received by them during FY 20-21 does not exceed Rs. 5,000.
    - ii. Where the dividend exceeds Rs.5000 for the Financial Year 2020-21 and the shareholder provides duly signed Form 15G or 15H (as may be applicable) along with the self-attested copy of the PAN card, provided that all the required eligibility conditions are met.
  - b. **Resident Non-Individual Shareholders**

If Shareholder is **Resident Company / Firm / HUF / AOP / Trust** based on the Permanent Account Number (PAN), the dividend receivable would be taxable under the Income Tax Act, 1961, except

    - i. Insurance Company - Self-declaration that it has full beneficial interest with respect shares owned along with self-attested copy of PAN card.
    - ii. Mutual Funds - Self-declaration that they are specified in section 10(23D) of the Act along with self-attested copy of PAN card and registration certificate.
    - iii. Alternative Investment Fund (AIF) established/incorporated in India - Self-declaration that its income is exempt under Section 10(23FBA) of the Act and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate.
    - iv. Other non-individual shareholders who are not subjected to withholding tax under section 196 of the Act - Self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.
- III. In case where the shareholders provide certificate under Section 197 of the Act for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

## Non-resident Shareholders

- I. In accordance with the provisions of Section 195 of the Act the withholding tax shall be **at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable** to them. In case, certificate issued under section 195/197 of the Income Tax Act, 1961 is given by non-resident shareholders for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.
- II. Further, as per Section 90 of the Income tax Act, 1961 the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (tax treaty) between India and the country of tax residence of the shareholder read with provisions laid down in Multilateral Instrument, wherever applicable. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:
  1. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. If PAN is not allotted, please provide your email address, contact number, tax identification number allotted in the country of residence and address in country of residence.



2. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident with respect to dividend income applicable for the period April 2020- March 2021.
3. Self-declaration in Form 10F (attached herewith).
4. Self-declaration of having no taxable presence, fixed based or permanent establishment in India in accordance with the applicable Tax Treaty and Beneficial ownership by the non-resident shareholder (format attached herewith).

Kindly note that, the company is not obligated to apply beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the company of the documents submitted by the non-resident shareholder.

III. In case of Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI), **taxes shall be withheld at 20% plus applicable surcharge and cess in accordance with provisions of Section 196D of the Act.**

Accordingly, in order to enable the Company to determine the appropriate Tax Deducted at Source (TDS) / withholding tax rate applicable, **we request you to provide these details and documents as mentioned above on or before 24th December, 2020 to update our records from withholding tax perspective.**

The dividend declared if any, will be paid after deducting the tax at source as under:

**A. For Resident Shareholders:**

**Nil in case Form 15G or Form 15H** (as applicable) / declarations / supportings (as specified above) along with self-attested copy of the PAN card is submitted

**Lower/ NIL withholding tax rate** on submission of self-attested copy of the certificate issued under Section 197 of the Act

**7.5% in case valid PAN** is provided/available

**20%, in case valid PAN is not provided / not available**

**B. For Non-Resident Shareholders**

**Beneficial rate based on tax treaty** between country of residence and India, as applicable will be applied on the basis of documents submitted.

Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under section 195/197 of the Act.

**20% plus applicable surcharge and cess in all other cases** (including FII/ FPI)

**C. For shareholders holding multiple accounts under different status / category**

Highest rate of tax based on status in which shares are held will be applied on their entire holding in different accounts

**D. For shareholders with PAN status not matching with demat account Status/Category**

TDS will be deducted at the rate applicable to the status as per demat a/c or status as per PAN whichever is higher.

Kindly note that the aforementioned documents are required to be emailed to [green@skdc-consultants.com](mailto:green@skdc-consultants.com) **on or before 24th December, 2020** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained post this date for the purpose of dividend Payment.

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It may be further noted that in case the tax on the Dividend, declared if any, is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, shareholder have an option to file the return of income and claim an appropriate refund, if eligible. **If PAN is not registered with the Company/DP shareholder may not be able to claim the Refund.**

**No claim shall lie against the Company for such taxes deducted.**

## VOTING ELECTRONICALLY

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.rajeshindia.com/investors-update>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e.[www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.





**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-voting period begins 28th December, 2020 at 9:00 A.M. and ends on 30th December, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**How to vote electronically using NSDL e-Voting system**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

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- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## Details on Step 2 are given below:

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



### **General Guidelines for shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csdeepak.sadhu@gmail.com](mailto:csdeepak.sadhu@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [compsect@rajeshindia.com](mailto:compsect@rajeshindia.com)  
In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compsect@rajeshindia.com](mailto:compsect@rajeshindia.com)
2. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

### **INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

### **EXPLANATORY STATEMENT RELATING TO THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

#### **Item No. 6 of the Agenda:**

Rajesh Mehta, who is known for his impeccable skills, was instrumental in the efficient management of the Company. It may not be out of place to mention here that Mr. Rajesh Mehta, with his quest for excellence, uplifted the Company from a modest turnover to one that has entered the Multi Billion dollar club within a short span of time. In his tireless efforts and under his able Chairmanship, the Company achieved a prominent position among the Indian Corporates. The innumerable Awards that the Company continues to bag both from the Centre and the State Governments are the testimony to his caliber and unequivocal etiquette coupled with his business acumen. Therefore, your Directors consider it inevitable and most advantageous to continue to receive the benefit of expert advice and guidance of Mr. Rajesh Mehta as the Executive Chairman for efficient functioning of the Company.

# RAJESH EXPORTS LIMITED

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## **Remuneration:**

Salary – Rs. 1,19,988/- p.a.

## **Perquisites**

- a. Free use of Company's car and driver.
- b. Leave Travel Concession for self and family, once in year.
- c. Children's Education Allowance, as per Income Tax Rules
- d. Reimbursement of medical expenses for self and family.
- e. Fees of clubs, subject to maximum of 2 clubs.
- f. Contribution to Provident Fund to the extent it is not taxable under Income Tax Act, 1961.
- g. Gratuity payable at a rate not exceeding half a month's salary, for each completed year of service.
- h. Encashment of leave at the end of the tenure.
- i. Personal Accident Insurance Premium, as per Income Tax Rules

## **Item No. 7 of the Agenda:**

Mr. Prashant Mehta, who is well known for his manufacturing skills, was instrumental in setting up of a modern and most integrated facility for the manufacture of gold jewellery at Whitefield. He, along with Mr. Rajesh Mehta, paved a way for setting up of a highly advanced Research and Development facility for the evolvement of crafting of jewellery and for development of new internationally accepted designs. Mr. Prashanth Mehta is also known for his excellent skills of managing the affairs of the Company. In light of the above, your Directors consider it desirable and advantageous to continue to avail the services of Mr. Prashant Mehta in the interest of Company's progress.

## **Remuneration:**

Salary – Rs. 1,19,988/- p.a.

## **Perquisites**

- a. Free use of Company's car and driver.
- b. Leave Travel Concession for self and family, once in year.
- c. Children's Education Allowance, as per Income Tax Rules
- d. Reimbursement of medical expenses for self and family.
- e. Fees of clubs, subject to maximum of 2 clubs.
- f. Contribution to Provident Fund to the extent it is not taxable under Income Tax Act, 1961.
- g. Gratuity payable at a rate not exceeding half a month's salary, for each completed year of service.
- h. Encashment of leave at the end of the tenure.
- i. Personal Accident Insurance Premium, as per Income Tax Rules

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

Mr. Rajesh Mehta (DIN: 00336457), aged about 56 years, is the Chairman of the Company. He is responsible for overall functioning of the company; and is in-charge of finance and marketing functions. Has experience of over thirty years in functioning and management of jewellery trade and has travelled extensively within India and overseas for establishing a strong network in the industry. He is also consulted by various Gold and Jewellery organizations including government and trade bodies for rendering advice on development of the business. Based on his invaluable contribution to the Company the Board considers it necessary to reappoint Mr. Rajesh Mehta as a Director.

By the Order of the Board

Sd/-

Place : Bengaluru  
Date : June 30, 2020

**RAJESH MEHTA**  
Chairman



## DIRECTORS' REPORT

To  
The Members of  
**Rajesh Export Limited**

We are delighted to present on behalf of Board of Directors the 26th Annual Report on the business and operations of the Company, for the financial year ended 31st March 2020.

### FINANCIAL RESULTS

*(Rs. in Millions)*

	CONSOLIDATED		STANDALONE	
	For the year ended 31.03.2020	For the year ended 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
Profit before Depreciation	13338.13	14199.43	4368.87	4669.30
Less : Depreciation	726.27	743.45	11.38	14.09
Profit after depreciation	12611.86	13455.98	4357.49	4655.21
Less : Provision for taxation & Deferred tax	554.25	535.26	325.95	234.59
Profit after taxation	12057.61	12920.72	4031.54	4420.62
Add : Balance as per last account	60216.33	47590.87	24533.09	20407.73
Profit available for appropriation	72273.94	60511.59	28564.63	24828.35
Less: Dividend	295.26	295.26	295.26	295.26
Balance surplus transferred to Balance Sheet	71978.68	60216.33	28269.37	24533.09

### OPERATIONS

Your Directors are pleased to report that your Company's total income during the period under review stood at Rs. 1956001.70 million. As a result, the net profit for the year under review, after provision for depreciation and income tax was Rs. 12057.61 million.

### DIVIDEND

The Board of Directors are pleased to recommend the payment of dividend for the year ended 31st March 2020 @ Re.1.00 per share (100 per cent) for all the shareholders whose names appear on the Register of Members as on the Book Closure date. Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of tax at source.

### 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 2019-2020, no complaints were received by the Company related to sexual harassment.

# **RAJESH EXPORTS LIMITED**

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

### **Board Meeting**

The Board of Directors of the Company met seven 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 SEBI (Listing obligation disclosure requirement), 2015.

### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Board carried out annual evaluation of its own performance, performance of its Committees and evaluation of individual director including independent directors. The independent directors carried out an annual performance of non independent directors, the Board as a whole and chairperson of the Company. Nomination and Remuneration Committee of the Board of directors evaluated the performance of every director. The performance is evaluated on the basis of number of Board and Committee meetings attended by individual directors, participation of director in the affairs of the company, duties performed by each director, targets achieved by the company during the year. The Board found the evaluation satisfactory and no observations were raised during the said evaluation in current year as well as in previous year.

### **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. <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.



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## **DEPOSITS**

In terms of the provisions of Section 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, 2020.

## **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 SEBI (Listing obligation disclosure requirement), 2015 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 SEBI (Listing obligation disclosure requirement), 2015 is provided separately under this Annual Report.

## **SHARE CAPITAL**

There is no change in Share capital (authorized and paid-up) from last financial year.

## **AUDITORS**

### **a) STATUTORY AUDITOR**

M/s P. V. Ramana Reddy & Co., Chartered Accountants, Bengaluru, were appointed as Statutory Auditors of Company in the 25th AGM up to the conclusion of next Annual General Meeting. The Audit Committee and the Board of Directors have recommended the proposal to reappoint M/s. P. V. Ramana Reddy & Co., Chartered Accountants, Bengaluru, as the 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 that the appointment if made, would be, in accordance with limits specified in the Act and that, they meet the criteria of independence.

### **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 2019-2020.

## **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 II.

## **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.

# RAJESH EXPORTS LIMITED

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## 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 service and products.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

*(Rs. in lakhs)*

Particulars	2019-20	2018-19
Foreign Exchange Earnings	<b>4,579,008.56</b>	4,171,174.67
Foreign Exchange Outgo	<b>4,604,408.57</b>	4,111,201.23

#### 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 compilation of annual accounts for the financial year ended 31.03.2020, 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 31.03.2020 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.





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## **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 of 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 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, 2020 and the date of signing of this Report. The Policy is available on the website of the Company i.e., <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 review 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 financial operations and reporting.

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 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**

As required under Section 134(3)(A) of the Act, the extract of annual return is put up on the Company’s website.

## **MATERIAL SUBSIDIARIES:**

In accordance with SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, the Company has formulated a policy for determining material subsidiaries. The policy has been uploaded on the website of the Company at [https://rajeshindia-production.s3.amazonaws.com/uploads/corporate\\_governance/file/15/Material\\_Subsiidiaries.pdf](https://rajeshindia-production.s3.amazonaws.com/uploads/corporate_governance/file/15/Material_Subsiidiaries.pdf)

## **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR:**

The Company has a familiarization Program for Independent Directors to familiarize them with regard to their roles, rights, responsibilities in the Company, along with industry, business operations, business model, code of conduct and policies of the Company etc. The Familiarization Program has been disclosed on the website of the Company. The company’s policy on familiarization Program is available on the following web link: [https://rajeshindia-production.s3.amazonaws.com/uploads/corporate\\_governance/file/1/familiarization\\_Program\\_for\\_independent\\_directors.pdf](https://rajeshindia-production.s3.amazonaws.com/uploads/corporate_governance/file/1/familiarization_Program_for_independent_directors.pdf).

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments have occurred after the closure of financial year till the date of this Report, which affect the financial position of the Company.

# RAJESH EXPORTS LIMITED

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## **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED (REFERENCE SECTION 186)**

The details of the investments made by the Company are in Note No. 3 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)

## **STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS**

In requirement of para 9 of revised Secretarial Standards on the Board Meeting i.e SS-1 your Directors state that they have devised proper systems to ensure compliance with the provisions of all Secretarial Standards and that such systems are adequate and operating effectively.

## **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to Section 125 of Companies Act, 2013 (corresponding to section 205C of Companies Act, 1956) all unpaid dividend due for more than seven years has to be transferred to Investor Education and Protection fund maintained by Central Government. Accordingly the company has transferred a sum of Rs. 5,15,253 (Rupees Five Lakh Fifteen Thousand, Two Hundred and Fifty Three) during the year to the said fund. The details of the investors whose amount is transferred is available on website of the company [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., [https://rajeshindia-production.s3.amazonaws.com/uploads/corporate\\_governance/file/7/Code\\_of\\_Conduct.pdf](https://rajeshindia-production.s3.amazonaws.com/uploads/corporate_governance/file/7/Code_of_Conduct.pdf). 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, 2020. 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 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/-

**RAJESH MEHTA**

*Chairman*

Place : Bengaluru

Date : June 30, 2020



**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 2019-20	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	1.59 : 1 1.59 : 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 2019-20 compared to 2018-19 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. Nidhi Tulsyan (CS)	Nil Nil Nil Nil Nil Nil Nil			
(iii)	Percentage increase in the median remuneration of employees in the FY 2019-20 compared to 2018-19	Nil				
(iv)	Number of permanent employees on the rolls of the company	<b>As on 31.03.2020</b> <b>377</b>	As on 31.03.2019 409			
(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>31.03.2020</b>	<b>31.03.2019</b>		
		Market Capitalization	<b>161,699,116,546</b>	<b>196,628,369,696</b>		
		Price Earning Ratio (EPS)	<b>40.84</b>	<b>43.76</b>		
		% Increase/decrease of market quotations	<b>(17.76)</b>	<b>(9.96)</b>		
		Net worth of the Company	<b>105,338,888,897</b>	<b>88,400,456,703</b>		
(viii)	Average percentage increase in salaries of Employees other than managerial personnel	<b>During 2018-19</b> 4.58%	<b>During 2019-20</b> 1.85%			
(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
			31.03.2020	31.03.2019	% 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. Nidhi Tulsyan, 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	1.59				

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

For and on behalf of the Board

Sd/-

Place : Bengaluru  
Date : June 30, 2020

**RAJESH MEHTA**  
Chairman

# RAJESH EXPORTS LIMITED

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## Annexure I

### DIVIDEND DISTRIBUTION POLICY

The Board of Directors (the “Board”) of Rajesh Exports Limited (the “Company”) at its meeting held on May 26, 2017 had adopted this Dividend Distribution Policy (the “Policy”) as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Objective

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

The Company has consistently given dividend payout every year since listing. In future, the Company would endeavor to pay sustainable dividend keeping in view the Company’s policy of meeting the long-term growth objectives from internal cash accruals.

#### Parameters to be considered before recommending dividend

The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned during the financial year
- Retained Earnings
- Earnings outlook
- Expected future capital / liquidity requirements
- Any other relevant factor and material events

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- (i) Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates
- (ii) Regulatory changes - Introduction of new regulatory requirements, which significantly affect the businesses in which the Company is engaged.

#### Utilisation of Retained Earnings

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

#### Conflict in Policy

In the event of any conflict between this Policy and the provisions contained in the SEBI (Listing obligation disclosure requirement), 2015, the Regulations shall prevail.

#### Amendments

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and SEBI (Listing obligation disclosure requirement), 2015, any other circumstances or as deemed fit on a review.

For and on behalf of the Board of Directors  
**Rajesh Mehta**  
Chairman



**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2020.**

**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, Bengaluru-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 conduct/statutory compliances and expressing my opinion thereon. Based on my verification of the 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 audit period ended on 31st March 2020, 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 and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:
  - 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. Foreign Trade (Development and Regulation) Act, 1992
  - c. Bureau of Indian Standards (BIS) (Hallmarking)

# RAJESH EXPORTS LIMITED

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- ii) SEBI (Listing Obligations and Disclosure Requirements) 2015 for the year ended 31st March 2020 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, SEBI (Listing obligation disclosure requirement), 2015 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 As per Section 135 of the Companies Act, 2013 the amount of Corporate Social Responsibility (CSR) to be incurred was Rs.960.09 lakhs where as the Company has spent Rs.17.75 lakhs. The same was noted in the CSR Committee Meeting held on 10th February, 2020.

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, SEBI (Listing obligation disclosure requirement), 2015 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 : Bengaluru

Date : 30th June 2020

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



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**ANNEXURE A**  
**( To the Secretarial Audit Report )**

**To**

**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 process as are 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 Secretarial records. I believe that the process and practices, I followed provide a reasonable 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) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure 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 : Bengaluru  
Date : 30th June 2020

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

# RAJESH EXPORTS LIMITED

Annexure III

## Form No. AOC-1

As on financial year ended on 31.03.2020

(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

Rs. in lakhs, except percentage of share holding and exchange rate

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 74.81
4.	Share capital	234,638.58
5.	Reserves & surplus	559,749.60
6.	Total assets	1,635,970.50
7.	Total Liabilities	1,635,970.50
8.	Investments	89,772.00
9.	Turnover	19,330,397.01
10.	Profit before taxation	82,543.62
11.	Provision for taxation	2,282.98
12.	Profit after taxation	80,260.64
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

- 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 : Bengaluru  
Date : June 30, 2020

**RAJESH MEHTA**  
Chairman  
DIN : 00336457

**PRASHANT MEHTA**  
Managing Director  
DIN : 00336417





**Annexure IV**

**Form No. AOC-2**

As on financial year ended on 31.03.2020

*(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, 2020, 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 (460,440,856,812)  |
| (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 : Bengaluru  
Date : June 30, 2020

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

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

# RAJESH EXPORTS LIMITED

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## MANAGEMENT DISCUSSION AND ANALYSIS

The company performed excellently well in its export, wholesale and retail business and posted an impressive profit after tax of Rs. 12057.61 million and excellent revenues of Rs. 1956001.70 million. This is an increase of over 11 % over revenue of previous year. Company achieved this in spite of India's exports plunging by 34.57% (<https://www.financialexpress.com/economy/coronavirus-impact-indias-exports-plunge-by-34-57-in-march-4-78-in-fy20/1929622/>)

Company is concentrating its efforts towards increasing its presence in the retail space to ensure increased profitability, this has yielded results and the profitability of the Company has increased substantially. We are confident that Company will emerge as a dominant retail force in the jewellery sector in the times to come. The team of the Company will keep working towards further growth of profit margins by aggressively expanding its retail foot print and by adding more and better value added products to its global design portfolio. With its global positioning and with its innovative and relentless efforts Company will aggressively grow in the coming years both in terms of revenue and profit. We have also been launching new products across different lines and at different price points in the retail segment, regularly, 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 small front end and a large middle end of the operations. REL is working towards strengthening its front end 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 31.03.2020.

Sl. No.	Name	Designation	Profession
01.	Mr. Rajesh Mehta	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 35 years in 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.	Mr. Prashant Mehta	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 35 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 on this aspect.
06.	<b>Joseph T. D.</b>	Non-Executive & Non-Independent Director	He has experience over 25 years in administration and management
07.	<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 financial policies of the Company.
08.	<b>Ms. Nidhi Tulsyan</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:*

	2019-2020	2018-2019
Return on Net Worth	<b>11.45%</b>	14.62%
PAT to Sales	<b>0.62%</b>	0.74%
Turnover (Times)/ Fixed Assets	<b>246.68</b>	222.21
Sales / Total Assets (Times)	<b>6.37</b>	6.09

# RAJESH EXPORTS LIMITED

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b) **Revenues:**

The business operations of Rajesh Exports Ltd. for the year 2019-20 resulted in the Company achieving total revenue of Rs. 1,956,001.70 Million as against Rs. 1,757,631.23 Million during the previous year.

(Rs. in Million)

	2019-2020	2018-2019
Operating Revenue	1,956,001.70	1,757,631.23
Other Income	70.62	675.38
Total Revenue	1,956,072.32	1,758,306.61

c) **Operating Income:**

Operating income (excluding other income) for the year 2019-20 has been Rs. 1,956,001.70 Million as compared to Rs. 1,757,631.23 Million in the previous year.

d) **Cost of Revenue:**

Cost of goods sold for 2019-20 has been Rs. 1,935,264.25 Million as compared to Rs. 1,734,481.78 Million in the previous year.

e) **Provision for Taxation:**

The provision for taxation for 2019-20 has been Rs. 554.25 Million as compared to Rs. 535.26 Million during the previous year.

f) **Debt:**

The Company is a debt free Company.

g) **Fixed Assets:**

The book value of fixed assets for the year ended 31.03.2020 after providing for depreciation has been Rs 7,929.30 Million.

h) **Loans and Advances:**

The loans and advances as on 31st March 2020 were Rs. 5,300.53 Million as compared to Rs. 5,773.78 Million during the previous year.

i) **Cash and Bank Balances:**

REL continues to be a cash positive Company. As on 31st March 2020 the Company had Rs. 127,876.30 Million (Net) as cash and bank balances.

j) **Current Liabilities:**

The current liabilities as on 31.03.2020 have been Rs. 200,869.43 Million.

Place : Bengaluru  
Date : June 30, 2020

For and on behalf of the Board  
Sd/-  
**RAJESH MEHTA**  
Chairman



## 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, 2020, the strength of the Board was Five Directors comprising of two Executive Directors, including the Chairman 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, 2020 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>33.34%</b>			
<b>Promoter Executive Chairman</b>	1. Mr. Rajesh Mehta			Nil	07	07
<b>Managing Director</b>	2. Mr. Prashant Mehta			Nil	07	07
<b>Independent &amp; Non-Executive Directors</b>		<b>3</b>	<b>50%</b>			
	1. Mr. Y Venu Madhava Reddy			Nil	07	02
	2. Mr. G. Shanker Prasad			1.SME Development Center 2.Gopichand Rohra & Associates Pvt. Ltd	07	05
	3. Ms. Vijaya Lakshmi			Nil	07	07
<b>Non-Independent &amp; Non-Executive Directors</b>	Joseph T D	1	16.66%		04	04

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

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Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

## BOARD MEETINGS

During the year 2019-20, (7) 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
Date	29.05.2019	05.06.2019	29.06.2019	08.08.2019	05.11.2019	14.11.2019	10.02.2020

## 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 SEBI (Listing obligation disclosure requirement), 2015 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. (29.05.19, 08.08.19, 14.11.19 & 10.02.20)

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

### STAKEHOLDERS RELATIONSHIP 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 : 2  
No. of complaints resolved : 2  
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. (29.05.19, 08.08.19, 14.11.19 & 10.02.20)

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

Ms. Nidhi Tulsyan, 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, 2020.

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

Pursuant to Reg. 19 of the SEBI (Listing obligation disclosure requirement), 2015 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 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 05.06.2019 and 28.06.2019. 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, 2020 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 and also

# RAJESH EXPORTS LIMITED

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

During the financial year under review the RMC met one time on February 10, 2020.

Details of constitution and attendance details of the RMC as on March 31, 2020 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 November 14, 2019 and February 10, 2020.

Details of constitution and attendance details of the CSR Committee as on March 31, 2020 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 is a part of the Directors' Report detailing the CSR projects undertaken by the Company and is annexed herewith as **Annexure VI**.

## INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 10.02.2020 interalia, 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
23rd AGM	September 29, 2017 @ 12.00 Noon	Guru Raja Kalyana Mantap, Crescent Road, Bengaluru
24th AGM	September 29, 2018 @ 12.00 Noon	Guru Raja Kalyana Mantap, Crescent Road, Bengaluru
25th AGM	September 30, 2019 @ 12.00 Noon	Guru Raja Kalyana Mantap, Crescent Road, Bengaluru

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 Note no. 26 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. The Company has complied with all the mandatory and non-mandatory requirements of the Listing Regulations relating to Corporate Governance. According to the recently added requirement under Regulation 24(A) of the Listing Regulations added, on February 8, 2019, Annual Secretarial Compliance certificate (for the year ended March 31, 2020) from Practicing Company Secretary Mr. Deepak Sadhu was sent to the Stock Exchanges on July 31, 2020. This and the Certificate from Practicing Company Secretary Mr. Deepak Sadhu that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority were placed before the Board of Directors at their meeting held on June 30, 2020.

### 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** : 31st December 2020, Thursday at 12.00 Noon

### 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 Stakeholders Relationship Committee.

# RAJESH EXPORTS LIMITED

Name of the Company Secretary and Compliance Officer: Ms. Nidhi Tulsyan, Phone No: 080-42842151.  
E-mail: compsect@rajeshindia.com

No request for physical share transfers received up to 31st March 2020.

## FINANCIAL CALENDAR FOR THE YEAR 2019-20

### Financial Year April 1, 2019 to March 31, 2020

Board Meeting for considering audited accounts and recommendation of dividend for the year ended March 31, 2019	May 29, 2019
Board Meeting for considering Un-Audited Results for the First Quarter	August 08, 2019
Board Meeting for considering Un-Audited Results for the Second Quarter	November 14, 2019
Board Meeting for considering Un-Audited Results for the Third Quarter	February 10, 2020
Board Meeting for considering Audited Results for the financial year ended March 31, 2020 and recommendation of Dividend	June 30, 2020
Mailing of Annual Reports	On/before December 10, 2020
Book Closure Date	December 25, 2020 to December 31, 2020
Date of Annual General Meeting	December 31, 2020
Probable date for dispatch of Dividend Warrants	Second week of January 2021

## 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 01.04.2019 TO 31.03.2020

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, 2019	742.00	742.00	661.25	651.10	913390	991615	6644.62	6780.44
May, 2019	696.85	700.85	647.50	650.50	380403	975053	2634.78	6540.22
June, 2019	745.00	749.00	656.00	654.00	712067	894577	5206.42	6164.96
July, 2019	730.95	740.00	684.20	683.40	209065	1128912	1511.26	7897.74
August, 2019	756.00	756.00	661.50	656.60	506932	959822	3753.43	6702.12
September, 2019	714.00	714.20	662.00	652.50	192184	1013468	1350.90	6856.85
October, 2019	689.00	694.90	650.50	665.50	383214	1485278	2593.39	10015.06
November, 2019	722.95	724.00	650.50	651.60	216390	989117	1523.72	6766.42
December, 2019	703.00	710.00	663.50	662.50	177749	939648	1230.55	6401.79
January, 2020	729.95	737.75	670.45	670.50	123317	1045216	892.59	7359.37
February, 2020	780.50	802.00	638.00	638.05	457137	1540404	3354.23	10995.40
March, 2020	690.00	720.00	522.90	523.00	133800	539004	910.56	3411.86



## DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2020

Value (in Rs.)	No. of share holders	%	Amount (Rs)	%
Up to 5,000	22215	98.86	2803488	0.95
5,001 to 10,000	62	0.28	445051	0.15
10,001 to 20,000	49	0.22	711477	0.24
20,001 to 30,000	21	0.09	501421	0.17
30,001 to 40,000	21	0.09	734598	0.25
40,001 to 50,000	09	0.04	402407	0.14
50,001 to 1,00,000	28	0.12	1902317	0.64
1,00,001 and above	67	0.30	287759200	97.46
<b>TOTAL</b>	<b>22472</b>	<b>100</b>	<b>295,259,959</b>	<b>100</b>

## CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH 2020

Category	No of Shares	%
Indian Promoters	159,555,974	54.04
Foreign Institutional Investors	52,422,101	17.75
Private Corporate Bodies	916,287	0.31
Indian Public/Mutual Fund/ Financial Institutions etc	34,881,207	11.82
NRI's / OCB's	47484,390	16.08
<b>TOTAL</b>	<b>295,259,959</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 31.03.2020, 99.88% shares of the Company were in electronic form.

	No. of shares	% of holding
No of shares held in CDSL	8158869	2.76
No of shares held in NSDL	286744158	97.12
Total No. of shares held in Demat form	294903027	99.88
No. of shares held in Physical form	356932	0.12
<b>GRAND TOTAL</b>	<b>295,259,959</b>	<b>100</b>

## CODE OF CONDUCT

Declaration by the Managing Director under Reg. 26 of the SEBI (Listing obligation disclosure requirement), 2015 regarding compliance with Code of Conduct in accordance with Reg. 26 of the SEBI (Listing obligation disclosure requirement), 2015 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, 2020.

Place: Bengaluru

Date : June 30, 2020

**PRASHANTH MEHTA**

Managing Director

# RAJESH EXPORTS LIMITED

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## 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:
- We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2020 and based on our knowledge and belief, we state that :
    - These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
    - 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.
  - 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.
  - 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.
  - 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 if any in the design or operation of such internal controls.
  - We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
    - that there are no significant changes in internal control over financial reporting during the year;
    - that there are no significant changes in accounting policies during the year; and
    - that there are no instances of significant fraud of which we have become aware

Place: Bengaluru  
Date: June 30, 2020

**VIJENDRA RAO**  
*Chief Financial Officer*

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

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## 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 2020, as stipulated in Reg. 27 of the SEBI(Listing obligation disclosure requirement),2015 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 SEBI(Listing obligation disclosure requirement), 2015.

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 : Bengaluru  
Date : June 30, 2020

For **M/S P. V. RAMANA REDDY & CO.**  
*Chartered Accountants*  
Firm Regn. No. 0071565  
Sd/-  
**(P. V. Ramana Reddy)**  
*Proprietor*  
Mem No 204588



## 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 would not have been 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

# RAJESH EXPORTS LIMITED

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Company successfully. The relationship of remuneration to performance should be clear and 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 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 : Bengaluru  
Date : June 30, 2020

**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 2020

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	Rs. in lakhs
Net Profit for the year 2016-17	48,605.63
Net Profit for the year 2017-18	48,851.37
Net Profit for the year 2018-19	46,557.50
Average Net Profit	48,004.83

#### 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. 960.09 lakhs

# RAJESH EXPORTS LIMITED

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## 5. Details of CSR Expenditure in FY 2019-20

Total amount spent in the Financial Year 2019-20 is Rs. 17.75 lakhs

## 6. Details of the Amounts Spent on CSR Projects during the Financial Year 2019-20

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	2.00 lakhs	1.60 lakhs	Directly
2.	Education	Education	Local Area	20.00 lakhs	16.15 lakhs	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.48,004.83 lakhs and 2% of such average Net Profit works out to Rs. 960.09 lakhs which is the amount of CSR expenditure the Company was required to incur during the Financial Year 2019-20. As against this, the total amount spent by the Company on CSR Projects during FY 2019-20 was Rs.17.75 lakhs. The reason 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: Bengaluru

Date: June 30, 2020

**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, Bengaluru-560001
- Website:** www.rajeshindia.com
- E-mail id:** corpcomm@rajeshindia.com
- Financial Year reported:** 2019-20
- 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 :** Rs. 29.52 Crores
- Total Turnover :** Rs. 1,956,001.70 million
- Total profit after taxes :** Rs. 12,057.61 million
- Total spending on Corporate Social Responsibility (CSR) as percentage of PAT:** Rs. 1.78 million which is 0.03% of the Standalone PAT
- List of activities in which expenditure has been incurred:
  - Health Care
  - Education

# RAJESH EXPORTS LIMITED

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## 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 : Ms Nidhi Tulsyan
- ii. Designation : BR Head
- iii. Telephone Number : 080-42842151
- 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
3	Does the policy conform to any national/international conventions and are they 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 been 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 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

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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.**

Two complaints have been received and both were resolved 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 stoppage 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 quality.

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 are 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 any significant waste and all our products are recyclable because they are gold products.



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

1. **Total number of employees:** 377
2. **Total number of employees hired on temporary/ contractual/casual basis:** NIL
3. **Number of permanent women employees:** 24
4. **Number of permanent employees with disabilities:** NIL
5. **Do you have an employee association that is recognised by management?**  
No.
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 2019-20
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 disadvantaged, 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

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## **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 damage 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 use 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.

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 member 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



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### **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 Rs. 17.75 lakhs.

This amount was spent under the broad categories of:

- a) Health Care
- b) Education

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 the Company 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 consumer satisfaction trends are recorded and changes are effectively made if required.

For and on behalf of the Board

Sd/-

**RAJESH MEHTA**

*Chairman*

Place : Bengaluru

Date : June 30, 2020

# RAJESH EXPORTS LIMITED

## INDEPENDENT AUDITOR'S REPORT

To,

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

### Report on audit of financial statements

#### Opinion

We have audited accompanying standalone financial statements of Rajesh Exports Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and summary of significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements").

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 as per the Companies Act 2013, as amended ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, changes in equity and cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the standards on auditing specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of Standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS standalone financial statements.

#### Emphasis of Matter

We draw your attention to Note 26(18) to the accompanying Ind AS financial statements, which describes the management's assessment of the impact of the uncertainties related to outbreak of COVID-19 on the business operations of the Company. Our opinion is not modified in respect of this matter.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matter
1	<p>In view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) effective April 1, 2018, the company has changed its revenue recognition policy with regards to timing of recognition based on the satisfaction of the identified performance obligations and related disclosures.</p> <p>Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before meeting the requirement of revenue recognition under Ind AS 115. Accordingly, due to significant risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the Ind AS financial statement.</p> <p>Refer to Note 1(v) to the Standalone Financial Statements</p>





<b>Auditor's Response</b>	
	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures : <ul style="list-style-type: none"> <li>- Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>- Compared these performance obligations with that identified and recorded by the Company.</li> <li>- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ul> </li> <li>• Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. Further, in respect of the samples tested assessed that the revenue has been recognized as per the tariff agreed to the customers or latest correspondence with customer.</li> <li>• Selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to supporting documentation and ensured that sales and corresponding trade receivables are properly recorded in the correct period.</li> <li>• Checked the bank advices and credit notes on a sample basis for the net settlement and reviewed aged items for any disputed amounts.</li> <li>• We inspected underlying documentation for any journal entries which were considered to be material related to revenue recognition.</li> </ul>

### **Other Information**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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.

# RAJESH EXPORTS LIMITED

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In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order.



2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For **P V RAMANA REDDY & CO**

*Chartered Accountants*

Firm Regn. No. 007156S

Sd/-

**(P V RAMANA REDDY)**

*Proprietor*

M.No. 204588

UDIN : 20204588AAAACN7680

Place : Bengaluru  
Date : June 30, 2020

# RAJESH EXPORTS LIMITED

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## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rajesh Exports Limited of even date)**

- i. In respect of the Company's property, plant and equipment ('PPE'):
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of PPE.
  - (b) The Company has a program of verification to cover all the items of PPE in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain PPE were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as PPE in the Standalone financial statements, the lease agreements are in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are 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 Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues :
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, sales tax, service tax, Goods and Service Tax, value added tax, Customs Duty, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, sales tax, service tax, value added tax, Goods and Service Tax, Customs Duty, Excise duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.



(c) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, ESI and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below :

Name of the Statute	Nature of the due	Disputed amount Rs. in lakhs	Period to which the amount	Forum where dispute is pending relates
ESI of Karnataka	ESI	89.27	2000-03	The Appeals Authority ESI, Karnataka
ESI of Karnataka	ESI	37.78	2006-07	The Appeals Authority ESI, Karnataka
Service Tax	Service Tax	367.25	2006-07	The Appellate Tribunal Service tax

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments or term loans) during the year, hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **P V RAMANA REDDY & CO**  
*Chartered Accountants*  
Firm Regn. No. 007156S  
Sd/-  
**(P V RAMANA REDDY)**  
*Proprietor*  
M.No. 204588

Place : Bengaluru  
Date : June 30, 2020

# RAJESH EXPORTS LIMITED

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## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rajesh Exports Limited of even date)**

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2020 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 Board of Directors of the Company 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. 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 Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 with reference to financial statements.

### **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.



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## **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, to the best of our information and according to the explanations given to us, 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 March 31, 2020, 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.

For **P V RAMANA REDDY & CO**

*Chartered Accountants*

Firm Regn. No. 007156S

Sd/-

**(P V RAMANA REDDY)**

*Proprietor*

M.No. 204588

Place : Bengaluru

Date : June 30, 2020

# RAJESH EXPORTS LIMITED

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in lakhs)

	Note No.	As on 31.03.2020	As on 31.03.2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant & equipment	2	6,335.95	6,422.92
(b) Capital Work-in-Progress	2	35.05	35.05
(c) Intangible Assets	2	-	0.34
(d) Financial Assets			
(i) Investments	3	259,188.71	260,226.51
(ii) Loans	4	4,979.20	4,979.19
<b>Current Assets</b>			
(a) Inventories	5	57,963.78	62,498.32
(b) Financial Assets			
(i) Trade Receivables	6	279,024.02	235,311.57
(ii) Cash and Cash Equivalents	7(a)	82.35	45.05
(iii) Bank balances other than(ii) above	7(b)	1,118,134.45	1,446,989.48
(iv) Loans	8	45,239.48	44,212.13
(v) Other Financial Assets	9	63,191.75	56,294.08
<b>TOTAL</b>		<b>1,834,174.74</b>	<b>2,117,014.64</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	10	2,952.60	2,952.60
(b) Other equity	11	490,686.69	453,323.86
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial Liabilities	12	646.75	641.75
(b) Deferred tax liabilities (net)	13	423.03	408.63
(c) Provisions	14	77.83	67.28
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	96,096.03	607,232.36
(ii) Trade Payables	16	1,238,516.92	1,047,504.30
(iii) Other financial Liabilities	17	534.53	1,606.34
(b) Other Current Liabilities	18	998.95	881.52
(c) Provisions	19	3,241.42	2,396.00
<b>TOTAL</b>		<b>1,834,174.74</b>	<b>2,117,014.64</b>

Accounting policies and other notes 1 & 26

The accompanying notes are an integral part of these standalone financial statements

For and on behalf of the Board

**RAJESH J MEHTA**  
Chairman  
DIN : 00336457

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

**NIDHI TULSYAN**  
Company Secretary  
M.No. A56251

As per our Report of even date  
For **P V RAMANA REDDY & CO**  
Chartered Accountants,  
Firm Regn. No. 007156S  
Sd/-

Place: Bengaluru  
Date : June 30, 2020

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
Chief Financial Officer

**(CA. P V RAMANA REDDY)**  
Proprietor  
M.No. 204588





## STATEMENT OF STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

	Note No	As on 31.03.2020	As on 31.03.2019
<b>REVENUE FROM OPERATIONS (GROSS)</b>			
Revenue from Operations	20	4,689,911.31	4,267,088.65
Other Income	21	277.55	5,150.28
<b>TOTAL REVENUE</b>		<b>4,690,188.87</b>	<b>4,272,238.93</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	4,623,586.63	4,189,519.59
Employee Benefit Expenses	23	609.42	687.19
Selling, Administrative and Other Expenses	24	956.09	3,350.16
Finance Costs	25	21,341.15	31,983.54
Depreciation and Amortization Expenses	2	113.77	140.94
<b>TOTAL EXPENSES</b>		<b>4,646,607.06</b>	<b>4,225,681.42</b>
<b>Profit Before Tax - PBT</b>		<b>43,581.80</b>	<b>46,557.50</b>
<b>Tax expense:</b>			
Current tax expense for current year		3,241.42	2,396.00
Current tax expense relating to prior years			
Deferred tax expense / (income)		18.09	(50.12)
<b>PROFIT FOR THE YEAR</b>		<b>40,322.29</b>	<b>44,211.62</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to the statement of profit and loss		(6.86)	(5.43)
(ii) Items that will be reclassified to the statement of profit and loss		-	-
Total other comprehensive income		(6.86)	(5.43)
<b>Total comprehensive income (IX+X)</b>		<b>40,315.43</b>	<b>44,206.19</b>
<b>Earning Per Share (Re. 1 Per Share for Each)</b>			
Basic		13.65	14.97
Diluted		13.65	14.97

Accounting policies and other notes 1 & 26

The accompanying notes are an integral part of these standalone financial statements

For and on behalf of the Board

**RAJESH J MEHTA**  
Chairman  
DIN : 00336457

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

**NIDHI TULSYAN**  
Company Secretary  
M.No. A56251

As per our Report of even date  
For **P V RAMANA REDDY & CO**  
Chartered Accountants,  
Firm Regn. No. 007156S  
Sd/-

Place: Bengaluru  
Date : June 30, 2020

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
Chief Financial Officer

**(CA. P V RAMANA REDDY)**  
Proprietor  
M.No. 204588

# RAJESH EXPORTS LIMITED

## STANDALONE CASH FLOW STATEMENT

(Rs. in lakhs)

	2019-2020	2018-2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	<b>43,581.80</b>	<b>46,557.50</b>
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	113.77	140.94
Net (gain) / loss on sale of investments	-	-
(Profit)/Loss on fixed assets sold, scrapped, etc. (net)	-	-
Interest income	-	-
Actuarial loss/(gain) forming part of other comprehensive income	(6.86)	(5.43)
Bad debts/advances written off & provision made	-	-
Interest expense	-	-
Finance cost	21,341.15	31,983.54
Rent received	(96.92)	(36.47)
Profit on sale of Fixed assets	-	-
	<u>21,351.14</u>	<u>32,082.58</u>
<b>Cash Generated from operations before working capital changes</b>	<b>64,932.93</b>	<b>78,640.08</b>
<i>Adjustments for:</i>		
(Increase)/Decrease in Inventories	4,534.55	42,585.83
Adjustments for Decrease/(increase) in Trade and - other receivables including Loans & Advances	142,402.63	(72,032.88)
Increase/(Decrease) in Current - Non Current Liabilities & Provisions	187,674.10	332,699.14
	<u>334,611.28</u>	<u>303,252.09</u>
<b>Cash generated from operations</b>	<b>399,544.21</b>	<b>381,892.17</b>
Taxes paid (net of refunds)	(7,146.78)	(9,070.76)
<b>Net cash generated from operating activities - [A]</b>	<b>392,397.43</b>	<b>372,821.40</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(26.47)	(231.04)
Sale proceeds of Fixed Assets (DECREASE IN FIXED ASSETS)	-	346.52
(Purchase)/ Sale proceeds of Investments	(185,855.53)	(1,379.70)
Rent received	96.92	36.47
<b>Net cash generated/(used in) from investing activities-[B]</b>	<b>(185,785.08)</b>	<b>(1,227.75)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) in Secured Loan	(510,712.21)	(252,018.48)
Increase/(Decrease) in Unsecured Loan	(424.12)	(203.76)
Interest paid	(21,341.15)	(31,983.54)
Dividends paid	(2,952.60)	(2,952.60)
<b>Net cash used in financing activities - [C]</b>	<b>(535,430.08)</b>	<b>(287,158.38)</b>
<b>Net increase/(decrease) in cash and cash equivalents - [A+B+C]</b>	<b>(328,817.72)</b>	<b>84,435.27</b>
Cash and cash equivalents at the beginning of the year	1,447,034.53	1,362,599.26
Cash and cash equivalents at the end of the year	1,118,216.81	1,447,034.53
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	7.72	12.71
Balances with banks:		
In current accounts	74.63	32.34
Earmarked Balances with banks	343.72	192.20
Term deposits with original maturity of More than three months	1,117,790.74	1,446,797.29
	<u>1,118,216.81</u>	<u>1,447,034.53</u>

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, "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 J MEHTA**  
Chairman  
DIN : 00336457

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

**NIDHI TULSYAN**  
Company Secretary  
M.No. A56251

As per our Report of even date  
For **P V RAMANA REDDY & CO**  
Chartered Accountants,  
Firm Regn. No. 007156S

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
Chief Financial Officer

Sd/-  
**(CA. P V RAMANA REDDY)**  
Proprietor  
M.No. 204588

Place: Bengaluru  
Date : June 30, 2020

# RAJESH EXPORTS LIMITED



## STATEMENT IN CHANGE OF EQUITY

(Rs. in lakhs)

	Amount
<b>a Equity share capital</b>	<b>2,952.60</b>
Equity share of Rs. 1 each, issued, subscribed and paid up capital	nil
<b>Balance as at 1 April 2018</b>	<b>2,952.60</b>
Changes in equity share capital during the year 2018-19	nil
<b>Balance as at 31 March 2019</b>	<b>2,952.60</b>
Changes in equity share capital during the year 2019-20	nil
<b>Balance as at 31 March 2020</b>	<b>2,952.60</b>

### b Other Equity

For the year ended 31 March 2020

(Rs. in lakhs)

Particulars	Reserves and Surplus		Security Premium	Other comprehensive Income	Total equity attributable to shareholders of the company
	General Reserve	Retained Earnings		Fair value of equity instruments	
Balance as at 1 April 2019	143,500.00	245,330.91	64,492.95	-	453,323.86
Profit during the year	-	40,322.29	-	-	40,322.29
Other comprehensive income during the year	-	-	-	(6.86)	(6.86)
Dividend expense	-	(2,952.60)	-	-	(2,952.60)
Corporate dividend tax	-	-	-	-	-
Realised profits of equity instruments measured at FVOCI	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>143,500.00</b>	<b>282,700.60</b>	<b>64,492.95</b>	<b>(6.86)</b>	<b>490,686.69</b>

For the year ended 31 March 2019

(Rs. in lakhs)

Particulars	Reserves and Surplus		Security Premium	Other comprehensive Income	Total equity attributable to shareholders of the company
	General Reserve	Retained Earnings		Fair value of equity instruments	
Balance as at 1 April 2018	143,500.00	204,077.32	64,492.95	-	412,070.28
Profit during the year	-	44,211.62	-	-	44,211.62
Other comprehensive income during the year	-	-	-	(5.43)	(5.43)
Dividend expense	-	(2,952.60)	-	-	(2,952.60)
Corporate dividend tax	-	-	-	-	-
Realised profits of equity instruments measured at FVOCI	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>143,500.00</b>	<b>245,336.34</b>	<b>64,492.95</b>	<b>(5.43)</b>	<b>453,323.86</b>

Significant accounting policies

The notes referred to above form an integral part of these standalone financial statements

For and on behalf of the Board

**RAJESH J MEHTA**  
Chairman  
DIN : 00336457

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

**NIDHI TULSYAN**  
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As per our Report of even date  
For **P V RAMANA REDDY & CO**  
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Sd/-  
**(CA. P V RAMANA REDDY)**  
Proprietor  
M.No. 204588

Place: Bengaluru  
Date : June 30, 2020

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
Chief Financial Officer

# RAJESH EXPORTS LIMITED

Note No.	
1	<p data-bbox="204 394 1114 427"><b>Company Information and significant accounting Policies</b></p> <p data-bbox="204 439 512 472"><b>i. Reporting Entity:</b></p> <p data-bbox="260 483 1469 734">Rajesh Export Limited (“The Company”) is an Indian Public Company limited by shares. Incorporated under provisions of Companies Act, 1956. The equity share of the company are traded on the BSE and NSE Limited. The address of the company’s registered office is #4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore-560 001. The Company is a leading gold refiner and Manufacturer of various types of Gold products. The Company exports its products to various countries around the world, it also sells its products in whole sale and retail in India, and also has retail showrooms under the brand name of SHUBH Jewellers. REL has setup various manufacturing facilities in India and in other countries.</p> <p data-bbox="204 745 555 779"><b>ii. Basis of Preparation</b></p> <p data-bbox="260 790 679 824"><b>A. Statement of Compliances</b></p> <p data-bbox="304 835 1469 1032">The standalone financial Statements are prepared on accrual basis of accounting except for the statement of cash flows and comply with the Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules and Companies (Indian Accounting Standards)Amendment Rules, 2016, The companies Act 2013( to the extent notified and applicable), other relevant provisions of the Act and Guidelines issued by the Security Exchange Board of India (SEBI).</p> <p data-bbox="260 1043 632 1077"><b>B. Basis of Measurement:</b></p> <p data-bbox="304 1088 1469 1122">The Financial statements have been prepared at Historical cost except the following items</p> <ul data-bbox="304 1133 1254 1211" style="list-style-type: none"><li>• Defined benefit plan - plan assets measured at fair value.</li><li>• Certain Financial Assets and Liabilities measured at fair market value</li></ul> <p data-bbox="304 1223 1469 1346">Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</p> <p data-bbox="260 1357 858 1391"><b>C. Functional and Presentation Currency</b></p> <p data-bbox="304 1402 1469 1503">The Financial statements are presented in Indian Rupees (INR), which is the company’s functional currency. All financial information presented in INR has been rounded off to the nearest in Lakhs</p> <p data-bbox="260 1514 762 1547"><b>D. Use of Estimate and Judgments</b></p> <p data-bbox="304 1559 1469 1626">Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.</p> <p data-bbox="304 1637 464 1671"><b>Judgments</b></p> <p data-bbox="304 1682 1469 1783">Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes:</p>



Note No.	
1	<p>Note: 2 :- Lease Classification</p> <p><b>Assumption and Estimation Uncertainties</b></p> <p>Information about assumptions and estimations uncertainties that have a risk significant of resulting in material adjustments in the year ended 31st March 2020 is included in following notes:</p> <p>Note 1 and 2 : Depreciation and amortization method and useful life of items of properties, Plant &amp; Equipments and Investment properties</p> <p>Note 1 &amp; 23 : Measurement of defined benefit obligations : Key actuarial assumptions</p> <p>Note 1, 19 &amp; 26 : Reorganization and measurement of provisions and contingencies: Key assumptions about the likelihood and magnitude of an outflow of resources.</p> <p><b>E. Measurement of Fair Value</b></p> <p>Some of the company's accounting policies and disclosures required the measurement of fair values, for both financial and non-financial assets and liabilities.</p> <p>The Company uses valuation techniques that are appropriate in the circumstances and for which significant data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.</p> <p>Significant valuation issues are reported to the Company's audit committee. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:</p> <ul style="list-style-type: none"><li>- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.</li><li>- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly(i.e. as prices) or indirectly (i.e. derived from prices).</li><li>- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).</li></ul> <p>When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.</p> <p>For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy</p> <p><b>iii. Significant accounting Policies:</b></p> <p><b>a) Property, Plant and Equipments</b></p> <p><b>Reorganization and Measurement</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</p>

# RAJESH EXPORTS LIMITED

Note No.																																		
1	<p>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 use. 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> <p><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>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. Depreciation on additions or extensions to existing assets is provided so as to 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> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Asset</th> <th style="text-align: center;">Management Estimate of useful life</th> <th style="text-align: center;">Useful life as per Schedule II</th> </tr> </thead> <tbody> <tr> <td>Building</td> <td style="text-align: center;">30-60 years</td> <td style="text-align: center;">30-60 years</td> </tr> <tr> <td>Plant and Machinery</td> <td style="text-align: center;">15 years</td> <td style="text-align: center;">15 years</td> </tr> <tr> <td>Generator</td> <td style="text-align: center;">15 Years</td> <td style="text-align: center;">15 years</td> </tr> <tr> <td>Furniture and Fixtures</td> <td style="text-align: center;">10 Years</td> <td style="text-align: center;">10 Years</td> </tr> <tr> <td>Office Equipment</td> <td style="text-align: center;">05 Years</td> <td style="text-align: center;">05 Years</td> </tr> <tr> <td>Weighing Scale</td> <td style="text-align: center;">15 years</td> <td style="text-align: center;">15 years</td> </tr> <tr> <td>Borewell</td> <td style="text-align: center;">30-60 years</td> <td style="text-align: center;">30-60 years</td> </tr> <tr> <td>Technical Knowhow</td> <td style="text-align: center;">8 Years</td> <td style="text-align: center;">8 Years</td> </tr> <tr> <td>Motor Vehicles</td> <td style="text-align: center;">8 Years</td> <td style="text-align: center;">8 Years</td> </tr> <tr> <td>Lease hold land</td> <td style="text-align: center;">Lease Term</td> <td style="text-align: center;">Lease Term</td> </tr> </tbody> </table> <p>Depreciation on additions (disposals) provided on prorata basis, i.e from (up to) the date on which asset is ready for use (Disposed of)</p> <p><b>b) Investment Property</b></p> <p>Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of the business, use in the production or supply of goods or services or for administrative purposes. upon initial reorganization, investment property is measured at cost .subsequent to initial reorganization, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any</p>	Asset	Management Estimate of useful life	Useful life as per Schedule II	Building	30-60 years	30-60 years	Plant and Machinery	15 years	15 years	Generator	15 Years	15 years	Furniture and Fixtures	10 Years	10 Years	Office Equipment	05 Years	05 Years	Weighing Scale	15 years	15 years	Borewell	30-60 years	30-60 years	Technical Knowhow	8 Years	8 Years	Motor Vehicles	8 Years	8 Years	Lease hold land	Lease Term	Lease Term
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Motor Vehicles	8 Years	8 Years																																
Lease hold land	Lease Term	Lease Term																																



Note No.	
1	<p>On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.</p> <p><b>c) Impairment of Assets</b></p> <p>Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.</p> <p>When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.</p> <p><b>iv. Inventories</b></p> <p>Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost, calculated on weighted average basis, and net realizable value. Cost of raw materials and stores comprise of cost of purchases. Cost of work-in- progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Items held for use in the production of inventory are not written below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.</p> <p><b>v. Revenue Recognition</b></p> <p>Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, sales tax, value added taxes, Goods &amp; Service Tax (GST) and amounts collected on behalf of third parties.</p> <p><b>a) Revenue from sale of Goods</b></p> <p>Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, revenue can be measured reliably, the cost incurred can be measured reliably, it is probable that the economic benefits associated to the transaction will flow to the entity and there is no continuing management involvement with the goods. Transfer of risks and rewards vary depending on the individual terms of contract of sale.</p> <p><b>b) Dividend Income</b></p> <p>Dividend income on investments is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend.</p>

# RAJESH EXPORTS LIMITED

Note No.	
1	<p><b>c) Interest Income</b></p> <p>For all financial instruments measured at amortised cost, interest income is recognized using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in Other Income in the Statement of Profit and Loss.</p> <p><b>d) Rental income</b></p> <p>Rental income from property leased under operating lease is recognised in the statement of profit and loss on an actual basis over the term of the lease since the rentals are in line with the expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income.</p> <p><b>vi. Leases</b></p> <p>At inception of an arrangement, company determines whether the arrangement is or contains a lease</p> <p><b>1. Assets Held under lease</b></p> <p>Lease or property, plant and equipment that transfer to the company substantially all the risk and rewards of ownership are classified as finance lease.</p> <p>The assets held under lease which don't transfer the company sustainably all risks and rewards of ownership (Operating Lease) are not considered in company's balance sheet.</p> <p><b>2. Lease Payments</b></p> <p>Payments made under operating leases are generally recognized in profit or loss on straight line basis over the term of lease. Minimum lease payment made under financial leases is apportioned between finance charge and deduction of the outstanding liability.</p> <p><b>3. Lease Income</b></p> <p>Lease income from operating leases where the group is a lessor is recognized in income on actual basis over the lease term. Since the lease receipts are in line with general inflation rate.</p> <p><b>vii. Financial Instruments</b></p> <p><b>a) Financial Assets :</b></p> <p><b>Recognition and Initial Measurement:</b></p> <p>Trade Receivables and debt securities issued are initially recognized when they are originated .All other financial assets and financial liabilities are initially recognized when the company become the party to the contractual provisions of the instruments.</p> <p><b>Classification and Subsequent Measurement</b></p> <p><i>Financial assets at FVTPL -</i></p> <p>These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss</p> <p><i>Financial assets at amortized cost -</i></p> <p>These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.</p>





Note No.	
1	<p><i>Equity investments at FVOCI -</i></p> <p>These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.</p> <p><i>Debt investments at FVTPL-</i></p> <p>These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in statement of profit and loss.</p> <p><b>Derecognition</b></p> <p>The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.</p> <p>If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.</p> <p><b>b) Financial Liabilities :</b></p> <p><b>Recognition and Initial Measurement</b></p> <p>Financial Liabilities initially recognized at fair value less transaction cost, that are directly attributable and subsequently measured at amortized cost</p> <p><b>Classification and Subsequent Measurement</b></p> <p>Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability atleast 12 months after the reporting period.</p> <p><b>Derecognition</b></p> <p>The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.</p> <p><b>viii. Employee Benefits</b></p> <p>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.</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 are determined 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.</p> <p>The Company does not provide leave encashment and carry forward of accumulated leave to next year to its employees.</p>

# RAJESH EXPORTS LIMITED

Note No.	
1	<p><b>ix. Foreign Currency Transactions :</b></p> <p>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. Premium paid on forward contracts is recognized over the life of the contracts. 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.</p> <p><b>x. Income Tax</b></p> <p>The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.</p> <p>The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities</p> <p>Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.</p> <p>Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.</p> <p>Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.</p> <p>Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.</p> <p>Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.</p> <p>For operations carried out in Special Economic Zones which are entitled to tax holiday under the Income tax Act, 1961 no deferred tax is recognized in respect of timing differences which reverse during the tax holiday period, to the extent company's gross total income is subject to deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which timing difference originate.</p> <p>Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.</p>



Note No.	
1	<p><b>xi. Provisions and Contingent Liabilities (Other than for employee benefit):</b></p> <p>Provisions are recognized when the company has a present legal and constructive obligations arising from past events, outflow of future economic benefits should be probable and it should be measured in a reliable manner.</p> <p>Provisions for onerous contracts i.e., contract where the expected unavoidable cost of meeting the obligation under the contract exceed the economic benefits expected to received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as result of an obligating event based on a reliable estimate of such obligations</p> <p>Provisions are measured at the present value of management best estimates. Expenditure will be required to settle the present obligation at the end of the reporting period.</p> <p>Disclosures of contingent liability is present obligation as a result of past obligation events-on the basis of the evidence available , there is present obligation and an outflow of resources embodying economic benefits where settlement is probable.</p> <p><b>xii. Cash and cash equivalents</b></p> <p>For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short- term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet</p> <p>Statement of cash flow is prepared in accordance with the indirect method prescribed in Ind AS-7 ‘Statement of cash flows.</p> <p><b>xiii.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>xiv.Recent accounting Pronouncements</b></p> <p>Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards.</p> <p>There is no such notification which would have been applicable from 1 April 2020.</p>

# RAJESH EXPORTS LIMITED

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

### Note - 2 : PROPERTY, PLANT AND EQUIPMENTS

(Rs. in lakhs)

Particulars	Gross block / Original cost				Accumulated depreciation				Net block	
	As on 31.03.2019	Additions	Disposals/ Transfers	As on 31.03.2020	As on 31.03.2019	Charge for the year	Disposals/ Transfers	As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
<b>A. BUSINESS ASSETS</b>										
Land	440.80	-	-	440.80	-	-	-	-	440.80	440.80
Building	3,447.72	-	-	3,447.72	1,509.25	39.42	-	1,548.67	1,899.05	1,938.47
Plant & Machinery	857.77	-	-	857.77	603.65	44.27	-	647.91	209.86	254.13
Generator	32.95	-	-	32.95	23.18	2.43	-	25.61	7.34	9.77
Furniture & Fixtures	190.45	-	-	190.45	180.56	6.97	-	187.53	2.92	9.89
Office Equipments	84.34	-	-	84.34	55.94	6.63	-	62.57	21.77	28.39
Computer and Software	49.96	0.59	-	50.55	49.13	0.83	-	49.96	0.59	0.83
Weighing Scale	34.27	-	-	34.27	16.71	1.98	-	18.70	15.57	17.55
Borewell	1.48	-	-	1.48	0.40	0.02	-	0.42	1.06	1.08
Technical Knowhow	6.70	-	-	6.70	6.37	0.34	-	6.70	-	0.34
Motor Vehicle	133.05	25.88	1.40	157.53	102.83	10.89	1.40	112.32	45.21	30.22
	<b>5,279.48</b>	<b>26.47</b>	<b>1.40</b>	<b>5,304.55</b>	<b>2,548.01</b>	<b>113.77</b>	<b>1.40</b>	<b>2,660.38</b>	<b>2,644.17</b>	<b>2,731.47</b>
WIP Whitefield	35.05	-	-	35.05	-	-	-	-	35.05	35.05
<b>Sub Total</b>	<b>5,314.53</b>	<b>26.47</b>	<b>1.40</b>	<b>5,339.60</b>	<b>2,548.01</b>	<b>113.77</b>	<b>1.40</b>	<b>2,660.38</b>	<b>2,679.22</b>	<b>2,766.52</b>
<b>B. OTHER IMMOVABLE PROPERTIES</b>										
Sujatha Complex Building	205.05	-	-	205.05	-	-	-	-	205.05	205.05
Mohan Building	977.16	-	-	977.16	-	-	-	-	977.16	977.16
Volga Hotel Building	26.09	-	-	26.09	-	-	-	-	26.09	26.09
Land At Kumbalgod	200.23	-	-	200.23	-	-	-	-	200.23	200.23
Land At Akkuppette	111.95	-	-	111.95	-	-	-	-	111.95	111.95
Property In Kerla	314.19	-	-	314.19	-	-	-	-	314.19	314.19
Property At Nandi	121.74	-	-	121.74	-	-	-	-	121.74	121.74
Land At Peenya	13.68	-	-	13.68	-	-	-	-	13.68	13.68
Jayashree Complex	131.83	-	-	131.83	-	-	-	-	131.83	131.83
Property At Commercial Street	882.64	-	-	882.64	-	-	-	-	882.64	882.64
Malleshwaram	372.13	-	-	372.13	-	-	-	-	372.13	372.13
Magadi Road Prop	40.04	-	-	40.04	-	-	-	-	40.04	40.04
Mg Road Property	295.05	-	-	295.05	-	-	-	-	295.05	295.05
	<b>3,691.78</b>	<b>-</b>	<b>-</b>	<b>3,691.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,691.78</b>	<b>3,691.78</b>
<b>TOTAL FIXED ASSETS</b>	<b>9,006.31</b>	<b>26.47</b>	<b>1.40</b>	<b>9,031.38</b>	<b>2,548.01</b>	<b>113.77</b>	<b>1.40</b>	<b>2,660.38</b>	<b>6,371.00</b>	<b>6,458.30</b>
<b>Previous Year</b>	<b>9,510.17</b>	<b>231.04</b>	<b>734.90</b>	<b>9,006.31</b>	<b>2,795.46</b>	<b>140.94</b>	<b>388.39</b>	<b>2,548.01</b>	<b>6,458.30</b>	<b>6,714.49</b>
<b>INVESTMENT PROPERTY</b>				<b>AMOUNT RECOGNISED IN PROFIT AND LOSS ACCOUNT</b>						
Particulars	As at 31st March 2020	As a 31st March 2019		Particulars as on 31st March 2020						
Opening balance	309.65	131.83		Particulars	As at 31st March 2020		As a 31st March 2019			
Add: Additions	-	177.82		Rental Income from investment property	96.92		36.47			
Less : Deletions	-	-		Direct Expenses	-		-			
Closing balance	<b>309.65</b>	<b>309.65</b>		Profit	96.92		36.47			
<b>Accumulated Depreciations</b>				Less : Depreciation	-		-			
Opening balance	-	-		Profit from investment properties before indirect expenses	96.92		36.47			
Add: Charged for the year	-	-								
Less: Deletion	-	-								
Closing balance	-	-								
<b>Net carrying Amount</b>	<b>309.65</b>	<b>309.65</b>								

Note: Investment property comprises of commercial property which is leased to third party .the lease contains an initial and non cancellable period



Note No.	Particulars	As on 31.03.2020 Rs. in lakhs	As on 31.03.2019 Rs. in lakhs
<b>3</b>	<b>INVESTMENTS</b>		
	(i) Investment in Equity instruments (unquoted)	541.17	541.17
	(ii) Investments in Government or Trust - securities and others (quoted)	22.36	22.36
	(iii) Investments in Subsidiary Firms/ Companies (unquoted)	234,806.17	47,912.83
	(iv) Investments in Mutual Funds (quoted)	23,819.01	24,856.82
	<b>Total Non Current Investments</b>	<b>259,188.71</b>	<b>73,333.18</b>
	<b>Investment wise details</b>		
	<b>i. Investment in Equity Investment (Unquoted)</b>		
	(a). Rajesh Global Solutions Ltd 3399980 shares of Rs. 10/- each fully paid up	340.00	340.00
	(b). Eaglesight media Pvt Ltd 200000 Shares, Face Value of Rs. 10/- each Fully Paid up	200.00	200.00
	(c). Sri Ashtalaxmi Mktg Pvt Ltd	1.17	1.17
	<b>Total of Investment in Equity Investment</b>	<b>541.17</b>	<b>541.17</b>
	<b>ii. Investments in Government or Trust</b>		
	Sovereign Gold Bonds	22.36	22.36
	<b>Total</b>	<b>22.36</b>	<b>22.36</b>
	<b>iii. Investments in Subsidiary Firms/Companies</b>		
	(a) Global Gold Refineries SA 250 shares of CHF 1000 each fully paid up	167.58	167.58
	(b) REL Singapore PTE Ltd 9980 shares of SGD 1 each fully paid up, 77001000 shares of USD 1 each fully paid up	47,745.25	47,745.25
	(c) REL Singapore PTE Ltd - Preference Shares 323000 shares of USD 1000 each fully paid up	186,893.33	186,893.33
	<b>Total of Investments in Subsidiary Firms/Companies</b>	<b>234,806.17</b>	<b>234,806.17</b>
	<b>iv. Investments in Mutual funds</b>		
	Canara Robeco Mutual Fund	10,800.00	12,800.00
	DSP Blackrock Mutual Fund	1,000.00	1,000.00
	ICICI Mutual Fund	1,000.00	1,000.00
	HDFC Mutual Fund	1,000.00	1,000.00
	IDFC Mutual Fund	1,000.00	1,000.00
	Kotak Mutual Fund	1,000.00	1,000.00
	Nippon Mutual Fund	1,000.00	1,000.00
	SBI Mutual Fund	1,000.00	1,000.00
	UTI Mutual Fund	1,000.00	1,000.00
	Birla Mutual Fund	1,000.00	1,000.00

## RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2020 Rs. in lakhs	As on 31.03.2019 Rs. in lakhs
	<b>Accrued Interest on Above Mutual Funds</b>		
	Birla Mutual Fund	254.90	163.89
	Canara Robeco Mutual Fund	1,885.76	1,617.28
	DSP Blackrock Mutual Fund	254.16	159.20
	HDFC Mutual Fund	220.00	148.70
	ICICI Mutual Fund	265.13	156.71
	IDFC Mutual Fund	251.57	158.52
	Kotak Mutual Fund	249.23	161.74
	Nippon Mutual Fund	244.73	164.27
	SBI Mutual Fund	287.66	168.32
	UTI Mutual Fund	105.86	158.19
	<b>Total of Investments in Mutual Funds</b>	<b>23,819.01</b>	<b>24,856.82</b>
<b>4</b>	<b>LOANS</b>		
	Unsecured considered good		
	Security Deposits	4,155.52	4,155.51
	<b>Secured</b>		
	Capital Advances	823.68	823.68
	<b>Total Long Term Loans and Advances</b>	<b>4,979.20</b>	<b>4,979.19</b>
<b>5</b>	<b>INVENTORIES</b>		
	(i) Raw materials	3,649.05	2,748.48
	(ii) Work In Progress	10,166.57	22,165.91
	(iii) Finished goods	44,148.16	37,583.93
	<b>Total Inventories</b>	<b>57,963.78</b>	<b>62,498.32</b>



Note No.	Particulars	As on 31.03.2020 Rs. in lakhs	As on 31.03.2019 Rs. in lakhs
<b>6</b>	<b>TRADE RECEIVABLES</b>		
	a. (i) Outstanding for less than 6 months, Considered Good	273,258.16	229,513.87
	(ii) Outstanding for more than 6 months, Considered good	440.22	440.22
	b. Sundry Debtors on Interest Accrued	5,325.64	5,357.47
	<b>Total Trade Receivables</b>	<b>279,024.02</b>	<b>235,311.57</b>
<b>7(a)</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	(i) Bank Balances in Current Accounts	74.63	32.34
	(ii) Cash on hand	7.72	12.71
	<b>Total Cash and Cash Equivalents</b>	<b>82.35</b>	<b>45.05</b>
<b>7(b)</b>	<b>Bank Fixed Deposits</b>		
	(i) Unpaid Dividend Bank Accounts	343.71	192.20
	(ii) Fixed Deposits with banks	1,117,790.74	1,446,797.29
	<b>Total Other Bank Balances</b>	<b>1,118,134.45</b>	<b>1,446,989.48</b>
<b>8</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	(i) Advances Recoverable in Normal Course of Business	18,911.96	17,862.50
	(ii) Advances to employees	21.82	26.03
	(iii) Inter Corporate Deposits	26,305.70	26,323.60
	<b>Total Short term Loans and Advances</b>	<b>45,239.48</b>	<b>44,212.13</b>
<b>9</b>	<b>OTHER FINANCIAL ASSETS</b>		
	(i) Balances with Govt departments	62,964.59	56,175.94
	(ii) Other Receivables	227.16	118.13
	<b>Total Other Financial Assets</b>	<b>63,191.75</b>	<b>56,294.08</b>

# RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2020		As on 31.03.2019	
		Number	Rs. in lakhs	Number	Rs. in lakhs
<b>10</b>	<b>SHARE CAPITAL</b>				
	<b>Authorised Share Capital</b> 30,00,00,000 Equity Shares of Re.1/- each	3,000.00	3,000.00	3,000.00	3,000.00
	<b>Issued, Subscribed &amp; Paidup Share Capital</b> 295259959 equity shares of Re.1/- each	2,952.60	2,952.60	2,952.60	2,952.60
	<b>Reconciliation of number of Equity Shares and amount outstanding</b>				
	Shares outstanding at the beginning of the year	2,952.60	2,952.60	2,952.60	2,952.60
	Shares issued during the year	-	-	-	-
	<b>Total</b>	2,952.60	2,952.60	2,952.60	2,952.60
	Less : Shares issued to ESOP Trust as Treasury Stock	-	-	-	-
	<b>Shares outstanding at the end of the year</b>	2,952.60	2,952.60	2,952.60	2,952.60
<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, 2020		As at 31st March, 2019	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr.Rajesh J Mehta		884.64	29.96	884.37	29.95
Mr.Prashanth J Mehta		371.62	12.58	371.62	12.68
M/s.Bridge India Fund		288.79	9.78	289.77	9.81
Mr.Mahesh J Mehta		240.41	8.14	240.41	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 31.03.2020		As on 31.03.2019	
		Rs. in lakhs		Rs. in lakhs	
<b>11</b>	<b>OTHER EQUITY</b>				
	<b>(A) Securities Premium Reserve</b>				
	(i) As per last Balance Sheet		64,492.95		64,492.95
	(ii) Additions during the year		0.00		0.00
	<b>Total Securities Premium Reserve</b>		<b>64,492.95</b>		<b>64,492.95</b>
	<b>(B) General Reserve:</b>				
	(i) As per last Balance Sheet		143,500.00		143,500.00
	Add : Transferred from Profit and loss Account		0.00		0.00
	<b>Total General Reserve</b>		<b>143,500.00</b>		<b>143,500.00</b>
	<b>(C) Surplus in Statement of Profit and Loss</b>				
	(i) As per last Balance Sheet		245,330.91		204,077.32
	(ii) Add: Profit for the year		40,315.43		44,206.19
			<b>285,646.34</b>		<b>248,283.51</b>
	<b>Less: Appropriations</b>				
	Dividend on equity shares		(2,952.60)		(2,952.60)
	<b>Available Surplus in Statement of Profit and Loss</b>		<b>282,693.74</b>		<b>245,330.91</b>
	<b>(D) Total Other Equity</b>		<b>490,686.69</b>		<b>453,323.86</b>





Note No.	Particulars	As on 31.03.2020 Rs. in lakhs	As on 31.03.2019 Rs. in lakhs
<b>12</b>	<b>OTHER LONG TERM FINANCIAL LIABILITIES</b>		
	(i) Franchise Deposit Received	391.22	386.22
	(ii) Rent Advance	255.52	255.52
	<b>Total Other Long Term Financial Liabilities</b>	<b>646.75</b>	<b>641.75</b>
<b>13</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	Deferred Tax Liabilities	423.03	408.63
	<b>Deferred Tax Liabilities ( Net )</b>	<b>423.03</b>	<b>408.63</b>
<b>14</b>	<b>LONG-TERM PROVISIONS</b>		
	Provision for gratuity (Refer Note 26)	77.83	67.28
	<b>Total Long Term Provisions</b>	<b>77.83</b>	<b>67.28</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)	11,048.37	186,048.37
	(ii) Loans against Company's own - - Fixed deposits with Banks	83,121.08	418,833.29
	<b>(b) Unsecured</b>		
	(i) From Directors	1,926.57	2,350.69
	<b>Total Short Term Borrowings</b>	<b>96,096.03</b>	<b>607,232.36</b>
<b>16</b>	<b>TRADE PAYABLES</b>		
	(i) Raw Materials	180,157.15	167,031.92
	(ii) FLC liabilities	1,058,359.77	880,472.38
	<b>Total Trade Payables</b>	<b>1,238,516.92</b>	<b>1,047,504.30</b>
<b>17</b>	<b>OTHER FINANCIAL LIABILITIES</b>		
	(i) Unpaid Dividend*	343.72	192.20
	(ii) Other Payables	190.81	1,414.14
	<b>Total Other Financial Liabilities</b>	<b>534.53</b>	<b>1,606.34</b>
	* Unpaid dividend/ unclaimed dividend kept in separate bank accounts.		

## RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2020 Rs. in lakhs	As on 31.03.2019 Rs. in lakhs
<b>18</b>	<b>OTHER CURRENT LIABILITIES</b>		
	(i) Advance Received From Customers	978.56	881.52
	(ii) Other Payables	20.38	-
	<b>Total Other Current Liabilities</b>	<b>998.95</b>	<b>881.52</b>
<b>19</b>	<b>SHORT-TERM PROVISIONS</b>		
	Provision for Income Tax	3,241.42	2,396.00
	<b>Total Short Term Provisions</b>	<b>3,241.42</b>	<b>2,396.00</b>
<b>20</b>	<b>REVENUE FROM OPERATIONS</b>		
	(i) Revenue from operations*	4,689,911.31	4,267,088.65
	<b>Total Revenue from Operations</b>	<b>4,689,911.31</b>	<b>4,267,088.65</b>
	*includes interest received on fixed deposits & Mutual Funds made for margin purposes for the sake of procurement of Raw Materials.		
<b>21</b>	<b>OTHER INCOME</b>		
	(i) Interest on ICD's	180.63	5,113.45
	(ii) Other Miscellaneous income	-	0.35
	(iii) Rent received	96.92	36.47
	<b>Total Other Income</b>	<b>277.55</b>	<b>5,150.28</b>
<b>22</b>	<b>COST OF MATERIAL CONSUMED</b>		
	(i) Raw material consumed		
	Opening stock	62,498.32	105,084.15
	Add: Purchases	4,607,241.28	4,112,910.79
	Less: Closing Stock	(57,963.78)	(62,498.32)
	(ii) Currency Hedging and Forex Fluctuation cost	11,810.81	34,022.97
	<b>Total Cost of Material Consumed</b>	<b>4,623,586.63</b>	<b>4,189,519.59</b>



Note No.	Particulars	As on 31.03.2020 Rs. in lakhs	As on 31.03.2019 Rs. in lakhs
<b>23</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	(i) Salaries and wages	533.17	587.19
	(ii) Contribution to PF, ESIC and gratuity	18.66	34.02
	(iii) Staff Welfare Expenses	57.59	65.98
	<b>Total Employee Benefit Expenses</b>	<b>609.42</b>	<b>687.19</b>
<b>24</b>	<b>SELLING &amp; ADMINISTRATION, OTHER EXPENSES</b>		
	Rent	32.10	40.64
	Repairs & Maintenance	75.35	114.55
	Legal, Professional and consultancy charges	141.83	54.51
	Postage, Telegrams & Telephones	13.07	17.37
	Insurance	122.99	96.01
	Rates, Taxes & Octroi Charges	30.43	15.13
	Auditors Fees	14.52	11.04
	Advertisement, Publicity and others	79.27	95.91
	Travelling and Conveyance	16.72	17.79
	Freight Charges	306.45	327.24
	Printing & Stationery	5.89	6.95
	Membership Fees	0.13	11.90
	Donation	17.75	14.27
	Commission and other Misc expenses	27.47	110.32
	Other Manufacturing and Processing Expenses	72.13	99.05
	Bad debts written off	-	2,145.63
	Loss on sale of fixed assets	-	171.83
	<b>Total S&amp;A and Other Expenses</b>	<b>956.09</b>	<b>3,350.16</b>
<b>25</b>	<b>FINANCE COST</b>		
	(i) Bank charges	1,016.43	1,161.39
	(ii) Interest on working capital	20,324.72	30,822.15
	<b>Total Finance Costs</b>	<b>21,341.15</b>	<b>31,983.54</b>

# RAJESH EXPORTS LIMITED

Note No.					
26	<b>NOTES TO FINANCIAL STATEMENT</b>				
	<b>1. Related Party Disclosure</b>			<i>(Rs. in lakhs)</i>	
	Loans and advances	<b>Current Year Balance</b>	Previous Year Balance	Relationship	
	<b>Outstanding - net receivables / (payables)</b>				
	Laabh Jewels Gold Pvt Ltd	18.25	18.25	Associate Entity	
	Shubhlaabh Housing Pvt Ltd	379.00	379.00	Associate entity	
	Valcambi SA	(162,576.58)	(150,694.73)	Step Down Subsidiary	
	Rajesh. J. Mehta	(808.11)	(1,403.95)	Chairman	
	Prashanth.J.Mehta	(1,118.47)	(946.75)	Managing Director	
	<b>2. Transactions with related parties</b>			<i>(Rs. in lakhs)</i>	
	Name of the related party	Description of the nature of relation	Description of the nature of transaction	<b>31.03.2020</b>	31.03.2019
	Rajesh. J. Mehta	Chairman	Remuneration	1.20	1.20
	Prashanth.J.Mehta	Managing Director	Remuneration	1.20	1.20
	Bhavesh B Mehta	Relative of Director	Remuneration	1.80	1.80
Valcambi	Step Down Subsidiary	Purchases	4,604,408.57	4,038,398.34	
<b>3. Corporate Social Responsibilities</b>					
As per section 135 of Companies Act, 2013, A Company meeting the applicability threshold, needs to spend atleast 2% of its average net profits of the immediate preceding 3 financial years on CSR Activities. CSR Committee has been formed as per the Companies Act. The funds are allocated to the activities which are specified in schedule VII of the Companies Act, 2013.					
Particulars	For the year ending 31.03.2020 <i>(Rs. In lakhs)</i>		For the year ending 31.03.2019 <i>(Rs. In lakhs)</i>		
Amount required to be spent during the year	960.09		989.67		
Amount spent	17.75		47.15		



Note No.					
<b>26</b>	<b>4. Contingent Liabilities</b>				<i>(Rs. in lakhs)</i>
	Name of the Statute	Nature of the due	Amount	Period to which the amount relates	Forum where dispute is pending
	ESI of Karnataka	ESI	89.27	2000-03	The Appeals Authority ESI, Karnataka
	ESI of Karnataka	ESI	37.78	2006-07	The Appeals Authority ESI, Karnataka
	Service Tax	Service Tax	367.25	2006-07	The Appellate Tribunal Service tax
	<b>5. Earnings and Expenditure in foreign currency</b>				<i>(Rs. in lakhs)</i>
	<b>Particulars</b>		<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>	
	Earnings (Exports of Finished goods FOB value)		4,579,008.56	4,171,174.67	
	Expenditure (Imports)		4,604,408.57	4,111,201.23	
	<b>6. Employee Benefits:</b>				<i>(Rs. in lakhs)</i>
	<b>Particulars</b>		<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	
	Opening defined Benefit Obligation		67.28	58.93	
	Add:				
	Current Service Cost		19.24	18.18	
	Interest Cost		4.47	3.80	
	Components of actuarial gains/losses on obligations				
	a) Due to Change in financial assumptions		6.58	(1.33)	
	b) Due to experience adjustments		(19.70)	(12.29)	
	c) Due to change in demographic assumptions		(0.04)		
	Less:				
	Benefits Paid		-	-	
	Closing Defined benefit obligation		77.83	67.28	
	7. 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. 423.03 lakhs as on 31st March 2020 (Previous Year Rs. 408.63 lakhs) as there is no virtual certainty that such deferred assets can be realized against future taxable profits. The breakup of deferred tax liabilities not recognized is furnished here under:				
	<b>Particulars</b>		<b>Current Year</b>	<b>Previous Year</b>	
	<b>Deferred Tax Liability</b>				
	Time Difference on account of Depreciation & Other Inadmissible Expenditure		(14.40)	53.02	
	Less: Deferred tax asset accounted Previously		408.65	461.67	
	Net Deferred tax liability Recognized during the year		423.05	408.65	

# RAJESH EXPORTS LIMITED

Note No.	
26	<p data-bbox="218 396 352 423"><b>8. Leases</b></p> <p data-bbox="253 445 488 472"><b>Operating lease:</b></p> <p data-bbox="253 495 1466 683">The Company has let-out and taken premises under cancellable 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.96.92 lakhs (Previous year Rs.36.47 lakhs) and total lease rentals paid recognized as expenditure is Rs.32.10 lakhs (Previous year Rs.40.64 lakhs).</p> <p data-bbox="218 705 711 732"><b>i. Capital and other commitments</b></p> <p data-bbox="253 754 1466 817">Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL (Previous Year is NIL).</p> <p data-bbox="218 840 743 866"><b>ii. Micro and Small Enterprises dues</b></p> <p data-bbox="253 889 1466 952">Based on the information / Documents available with the Company, amounts due to micro and small enterprises are NIL.</p> <p data-bbox="218 974 1466 1068">9. Brief Particulars of Employees who were entitled to receive or were in receipt of emoluments aggregating to Rs.60 lakhs or more per annum and/or Rs.5 lakhs or more per month, if employed, for a part of the year is Nil (Previous Year Nil)</p> <p data-bbox="218 1090 1466 1211">10. The Company had filed a case on IDBI Bank, in the Hon'ble High Court of Karnataka, for deciding the incorrect accounting done by IDBI Bank, the Hon'ble High Court has directed the DRT to decide the accounts, the DRT process is in progress and based on the decision of the DRT, the exact amount payable or receivable will be accounted through Profit and Loss Account.</p> <p data-bbox="218 1234 612 1261">11. Segment reporting policies:</p> <p data-bbox="253 1283 1466 1377">The Company is mainly engaged in the business of gold and gold products. These, in the context of Ind AS 108 on segment reporting, issued by The Institute of Chartered Accountants of India are considered to constitute one single primary segment.</p> <p data-bbox="218 1400 1466 1462">12. 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 data-bbox="218 1485 1358 1512">13. In opinion of the management, no provision is required against contingent liabilities.</p> <p data-bbox="218 1534 660 1561"><b>14. Financial risk management</b></p> <p data-bbox="253 1583 1466 1677">The Company's financial assets majorly comprise of trade receivables, current investments, deposits banks and cash &amp; cash equivalents. The Company's financial liabilities majorly comprises of borrowings, trade payables and other commitments.</p> <p data-bbox="253 1700 1466 1794">The Company is primarily exposed to market risk, credit risk and liquidity risk arising out of operations and the use of financial instruments. The Board of Directors have overall responsibility for establishment and review of the Company's risk management framework.</p> <p data-bbox="253 1816 1466 1937">The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions affecting business operations and the Company's activities.</p>



Note No.	
26	<p data-bbox="264 392 475 421"><b>a. Market risk</b></p> <p data-bbox="301 448 1466 577">Market risk is that risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risk: interest rate risk, currency risk and other price risk, such as commodity risk. The expose to currency risk and interest risk is given below:</p> <p data-bbox="301 602 568 631"><i>(a) Interest rate risk</i></p> <p data-bbox="352 658 1466 788">Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates to short term borrowings/working capital in nature and hence are not exposed to significant interest rate risk.</p> <p data-bbox="301 813 627 842"><i>(b) Foreign currency risk</i></p> <p data-bbox="352 869 1466 1032">Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses is denominated in a foreign currency) and the Company's net investment in foreign subsidiaries.</p> <p data-bbox="264 1057 462 1086"><b>b. Credit risk</b></p> <p data-bbox="301 1113 1466 1274">Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The Company's exposure to credit risk arises from its operating and financing activities. The credit risk arises primarily from trade receivables, and the maximum exposure to credit risk is equal to the carrying value of financial assets.</p> <p data-bbox="301 1301 1466 1433">In order to mitigate the credit risk on receivables, credit quality of the customer is assessed based on the credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding receivables are monitored on an ongoing basis to ensure timely collections and to mitigate the risk of bad debts.</p> <p data-bbox="301 1458 1466 1588">An impairment analysis is performed at each reporting date for the outstanding trade receivables and expected credit loss if any are provided for. The Company's maximum exposure to counterparty credit risk at the reporting date is the carrying value of financial assets.</p> <p data-bbox="264 1615 504 1644"><b>c. Liquidity risk</b></p> <p data-bbox="301 1671 1466 1901">Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities in financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company's treasury management team monitors on a daily basis the fund positions/requirements and identifies future mismatches in funds availability and reports the planned and current liquidity position to the top management and board of directors of the Company.</p>

## RAJESH EXPORTS LIMITED

Note No.					
<b>26</b>	The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows:				
	<b>As at 31 March 2020 (Rs. In Lakhs)</b>				
	Particulars	One Year or Less	One to five years	Over five years	Total
	<b>Financial Assets</b>				
	Investments(Non Current)	23,819.01	2,35,369.69	-	2,59,188.71
	Loans(Current and Non Current)	45,239.48	4,979.20	-	50,218.68
	Trade Receivables	279,024.02	-	-	279,024.02
	Cash and Cash Equivalents	11,18,216.81	-	-	11,18,216.81
	Other Financial Assets	63,191.75	-	-	63,191.75
	<b>Financial Liabilities</b>				
	Borrowings	96,096.03	-	-	96,096.03
	Trade Payables	12,38,516.92	-	-	12,38,516.92
	Other Financial Liabilities (Current and Non current)	-	1,181.27	-	1,181.27
	<b>15. Transfer pricing</b>				
	The Company has imported gold from its associate enterprise within the meaning of section 92BA and 92A of the Income Tax Act, 1961 respectively. The gold has been imported based on international price and the price has been assessed and verified by the customs authorities, which clearly demonstrates that the transaction is at arms length.				
	<b>16. Earning Per Share</b>				
	<b>(a) Basic</b>				
	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.				
	Particulars	<b>Group</b>			
		<b>2020</b>	<b>2019</b>		
		<i>(Rs. in lakhs)</i>	<i>(Rs. in lakhs)</i>		
	Profit attributable to equity holders of the parent company	40,314.04	44,206.19		
	Number of shares in issue (net of treasury shares) as at beginning of year	2,952.60	2,952.60		
	Effect of treasury shares	-	-		
	Effect of rights shares	-	-		
	Effect of warrants	-	-		
	Effect of share options	-	-		
	Weighted average number of ordinary shares in issue	2,952.60	2,952.60		
	Basic earnings per share (s)	13.65	14.97		





Note No.			
<b>26</b>	<b>(b) Diluted</b>		
	<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>		
	Particulars	<b>2020</b> <i>(Rs. in lakhs)</i>	<b>Group</b> 2019 <i>(Rs. in lakhs)</i>
	Profit attributable to equity holders of the parent company	40,314.04	44,206.19
	Weighted average number of ordinary shares in issue	2,952.60	2,952.60
	Effect of dilution due to warrants	-	-
	Adjusted weighted average number of ordinary shares	2,952.60	2,952.60
	Diluted earnings per share (s)	13.65	14.97
	<b>17. Covid Pandemic</b>		
	<p>Covid 19 has been an unprecedented phenomenon in human history. Due to the national lockdown and also due to lockdown in various international markets, business was at a total standstill during that period in our Indian operations. Our business is primarily dependant on international passenger flights as all the Imports and Exports are carried on international passenger flights in high value and high security vaults. Due to the suspension of international passenger flights from India, there was a major impediment in Imports and Exports from the Indian operations. However, the refining business of Valcambi achieved record sales during the Pandemic. As a Company we have been prudent to survive the Pandemic without any adverse impact except for temporary loss of Export Sales from our Indian operations. We are confident that the Export sales from India will bounce back once the situation normalizes.</p>		
	<b>18.</b> The previous year's figures are regrouped / rearranged wherever deemed necessary.		

For and on behalf of the Board

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

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

**NIDHI TULSYAN**  
*Company Secretary*  
M.No. A56251

As per our Report of even date  
For **P V RAMANA REDDY & CO**  
Chartered Accountants,  
Firm Regn. No. 007156S  
Sd/-

**VIJAYA LAKSHMI**  
*Independent Director*  
DIN : 071460

**B. VIJENDRA RAO**  
*Chief Financial Officer*

**(CA. P V RAMANA REDDY)**  
*Proprietor*  
M.No. 204588

Place: Bengaluru

Date : June 30, 2020

# RAJESH EXPORTS LIMITED

## CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

To,

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

### Report on audit of Consolidated financial statements

#### Opinion

We have audited accompanying consolidated financial statements of Rajesh Exports Limited (“the Company”), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and summary of significant accounting policies and other explanatory information (herein after referred to as “the consolidated financial statements”).

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 Companies Act 2013, as amended (“Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, changes in equity and cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the standards on auditing specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of Consolidated financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matter
1	<p>In view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard), the company has changed its revenue recognition policy with regards to timing of recognition based on the satisfaction of the identified performance obligations and related disclosures.</p> <p>Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before meeting the requirement of revenue recognition under Ind AS 115. Accordingly, due to significant risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the Ind AS financial statement.</p> <p>Refer to Note 1(v) to the consolidated Financial Statements</p>
	<b>Auditor's Response</b>
	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"><li>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li></ul>



- Selected a sample of continuing and new contracts and performed the following procedures :
  - Read, analysed and identified the distinct performance obligations in these contracts.
  - Compared these performance obligations with that identified and recorded by the Company.
  - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
- Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. Further, in respect of the samples tested assessed that the revenue has been recognized as per the tariff agreed to the customers or latest correspondence with customer.
- Selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to supporting documentation and ensured that sales and corresponding trade receivables are properly recorded in the correct period.
- Checked the bank advices and credit notes on a sample basis for the net settlement and reviewed aged items for any disputed amounts.
- We inspected underlying documentation for any journal entries which were considered to be material related to revenue recognition.

#### **Other Information**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

# RAJESH EXPORTS LIMITED

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## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matters:-**

We have not audited the financial statements of foreign subsidiary M/s. 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 the other firm/s. A copy of financial statements of subsidiary, approved by the board of directors of Rajesh exports Ltd have been furnished to us and our report in respect of subsidiary is based solely on the board of the directors approved Financial Statements. Our opinion is not modified in respect of this matter.

Our opinion above on the consolidated financial statements and our report on the other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on work done and the reports of the other auditor.



## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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, as amended 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 consolidated financial statements
    - ii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

Place : Bengaluru  
Date : June 30, 2020

For **P V RAMANA REDDY & CO**  
*Chartered Accountants*  
Firm Regn. No. 007156S  
Sd/-  
**(P V RAMANA REDDY)**  
*Proprietor*  
M.No. 204588  
UDIN : 20204588AAAACO5808

# **RAJESH EXPORTS LIMITED**

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## **ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rajesh Export Limited of even date)**

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company 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. 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 Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 internal financial controls system over financial reporting of the Company, and its subsidiary companies.

### **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 authorisation 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, to the best of our information and according to the explanations given to us, 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 March 31, 2020, 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.

For **P V RAMANA REDDY & CO**

*Chartered Accountants*

Firm Regn. No. 007156S

Sd/-

**(P V RAMANA REDDY)**

*Proprietor*

M.No. 204588

Place : Bengaluru

Date : June 30, 2020

# RAJESH EXPORTS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in lakhs)

	Note No.	As on 31.03.2020	As on 31.03.2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant & equipment	2	79,293.03	79,097.15
(b) Capital Work-in-Progress	2	100.79	188.68
(c) Intangible Assets	2	72,816.43	66,128.64
(d) Financial Assets			
(i) Investments	3	114,154.54	108,760.34
(ii) Loans	4	6,090.29	5,962.54
<b>Current Assets</b>			
(a) Inventories	5	477,438.75	393,709.10
(b) Financial Assets			
(i) Trade Receivables	6	931,965.26	614,795.25
(ii) Cash and Cash Equivalents	7(a)	113,338.84	23,170.83
(iii) Bank Balance other than (ii) above	7(b)	1,165,424.17	1,483,172.93
(iv) Loans	8	46,914.98	51,775.29
(v) Other Financial Assets	9	65,225.42	57,385.10
<b>TOTAL</b>		<b>3,072,762.49</b>	<b>2,884,145.86</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	10	2,952.60	2,952.60
(b) Other equity	11	1,050,436.29	881,051.97
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial Liabilities	12	646.75	13,191.69
(b) Deferred tax liabilities (net)	13	9,768.65	8,579.60
(c) Provisions	14	263.89	236.78
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	127,814.85	619,842.56
(ii) Trade Payables	16	1,868,678.33	1,346,652.90
(iii) Other financial Liabilities	17	947.07	2,049.21
(b) Other Current Liabilities	18	998.95	887.61
(c) Provisions	19	10,255.13	8,700.95
<b>TOTAL</b>		<b>3,072,762.49</b>	<b>2,884,145.86</b>

Accounting policies and other notes 1 & 26

The accompanying notes are an integral part of these Consolidated financial statements

For and on behalf of the Board

**RAJESH J MEHTA**  
Chairman  
DIN : 00336457

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

**NIDHI TULSYAN**  
Company Secretary  
M.No. A56251

As per our Report of even date  
For **P V RAMANA REDDY & CO**  
Chartered Accountants,  
Firm Regn. No. 007156S  
Sd/-

Place: Bengaluru  
Date : June 30, 2020

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
Chief Financial Officer

**(CA. P V RAMANA REDDY)**  
Proprietor  
M.No. 204588





## CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

	Note No	As on 31.03.2020	As on 31.03.2019
<b>REVENUE FROM OPERATIONS</b>			
Revenue from Operations	20	19,560,017.04	17,576,312.34
Other Income	21	706.22	6,753.77
<b>TOTAL REVENUE</b>		<b><u>19,560,723.27</u></b>	<b><u>17,583,066.11</u></b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	19,352,642.45	17,344,817.78
Employee Benefit Expenses	23	16,025.23	15,219.49
Selling, Administrative and Other Expenses	24	36,420.34	36,862.04
Finance Costs	25	22,247.11	44,167.07
Depreciation and Amortization Expenses	2	7,262.71	7,434.47
<b>TOTAL EXPENSES</b>		<b><u>19,434,597.85</u></b>	<b><u>17,448,500.86</u></b>
<b>Profit Before Tax - PBT</b>		<b><u>126,125.42</u></b>	<b><u>134,565.25</u></b>
<b>Tax expense:</b>			
Current tax expense for current year		5,376.38	4,704.66
Current tax expense relating to prior years			
Deferred tax expense / (income)		166.10	647.93
<b>PROFIT FOR THE YEAR</b>		<b><u>120,582.93</u></b>	<b><u>129,212.65</u></b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to the statement of profit and loss		(6.86)	(5.43)
(ii) Items that will be reclassified to the statement of profit and loss		-	-
Total other comprehensive income		(6.86)	(5.43)
<b>Total comprehensive income (IX+X)</b>		<b>120,576.07</b>	<b>129,207.22</b>
<b>Earning Per Share (Re. 1 Per Share for Each)</b>			
Basic		40.84	43.76
Diluted		40.84	43.76
Accounting policies and other notes	1 & 26		
The accompanying notes are an integral part of these standalone financial statements			
For and on behalf of the Board		As per our Report of even date For <b>P V RAMANA REDDY &amp; CO</b> Chartered Accountants, Firm Regn. No. 007156S	
<b>RAJESH J MEHTA</b> <i>Chairman</i> DIN : 00336457	<b>PRASHANT J MEHTA</b> <i>Managing Director</i> DIN : 00336417	<b>NIDHI TULSYAN</b> <i>Company Secretary</i> M.No. A56251	Sd/- <b>(CA. P V RAMANA REDDY)</b> <i>Proprietor</i> M.No. 204588
Place: Bengaluru Date : June 30, 2020	<b>VIJAYA LAKSHMI</b> <i>Independent Director</i> DIN : 071460	<b>B. VIJENDRA RAO</b> <i>Chief Financial Officer</i>	

# RAJESH EXPORTS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

(Rs. in lakhs)

	2019-2020	2018-2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	<b>126,125.42</b>	<b>134,565.25</b>
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	7,262.71	7,434.47
Net (gain) / loss on sale of investments		
Actuarial loss/(gain) forming part of other comprehensive income	(6.86)	(5.43)
Finance cost	22,247.11	44,167.07
Rent received	(96.92)	(36.47)
	29,406.04	51,559.64
<b>Cash Generated from operations before working capital changes</b>	<b>155,531.46</b>	<b>186,124.89</b>
<i>Adjustments for:</i>		
(Increase)/Decrease in Inventories	(83,729.66)	(221,512.52)
Adjustments for Decrease/(increase) in Trade and - other receivables including Loans & Advances	(320,277.75)	(226,986.20)
Increase/(Decrease) in Current - Non Current Liabilities & Provisions	511,260.02	615,970.09
	107,252.61	167,471.37
<b>Cash generated from operations</b>	<b>262,784.06</b>	<b>353,596.26</b>
Taxes paid (net of refunds)	(5,542.49)	(5,352.60)
<b>Net cash generated from operating activities - [A]</b>	<b>257,241.58</b>	<b>348,243.66</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(14,058.50)	(23,400.30)
Sale proceeds of Fixed Assets (DECREASE IN FIXED ASSETS)	-	-
(Purchase)/ Sale proceeds of Investments	(5,394.19)	(6,779.70)
Rent received	96.92	36.47
<b>Net cash generated/(used in) from investing activities - [B]</b>	<b>(19,355.77)</b>	<b>(30,143.52)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) in Secured Loan	(491,603.59)	(251,673.28)
Increase/(Decrease) in Unsecured Loan	(424.12)	(203.76)
Finance Cost	(22,247.11)	(44,167.07)
Dividends paid	(2,952.60)	(2,952.60)
<b>Net cash used in financing activities - [C]</b>	<b>(517,227.42)</b>	<b>(298,996.71)</b>
<b>D Effect of Exchange fluctuation on translation Reserve</b>	<b>51,760.85</b>	<b>40,285.33</b>
<b>Net increase/(decrease) in cash and cash equivalents - [A+B+C+D]</b>	<b>(227,580.76)</b>	<b>59,388.76</b>
Cash and cash equivalents at the beginning of the year	1,506,343.76	1,446,955.00
Cash and cash equivalents at the end of the year	1,278,763.01	1,506,343.76
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	40.50	38.23
Balances with banks:		
In current accounts	113,298.33	23,132.61
Earmarked Balances with banks	343.72	192.20
Term deposits with original maturity of More than three months	1,165,080.45	1,482,980.74
<b>Total</b>	<b>1,278,763.01</b>	<b>1,506,343.76</b>

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7), "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 J MEHTA**  
Chairman  
DIN : 00336457

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

**NIDHI TULSYAN**  
Company Secretary  
M.No. A56251

As per our Report of even date  
For **P V RAMANA REDDY & CO**  
Chartered Accountants,  
Firm Regn. No. 007156S

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
Chief Financial Officer

Sd/-  
**(CA. P V RAMANA REDDY)**  
Proprietor  
M.No. 204588

Place: Bengaluru  
Date : June 30, 2020



## CONSOLIDATED STATEMENT IN CHANGE OF EQUITY

(Rs. in lakhs)

	Amount
<b>a Equity share capital</b>	<b>2,952.60</b>
Equity share of Rs. 1 each, issued, subscribed and paid up capital	nil
<b>Balance as at 1 April 2018</b>	<b>2,952.60</b>
Changes in equity share capital during the year 2018-19	nil
<b>Balance as at 31 March 2019</b>	<b>2,952.60</b>
Changes in equity share capital during the year 2019-20	nil
<b>Balance as at 31 March 2020</b>	<b>2,952.60</b>

### b Other Equity

For the year ended 31 March 2020

(Rs. in lakhs)

Particulars	Reserves and Surplus		Security Premium	Other comprehensive Income	Total equity attributable to shareholders of the company
	General Reserve	Retained Earnings		Fair value of equity instruments	
Balance as at 1 April 2019	143,500.00	602,163.30	64,492.95	-	810,156.25
Profit during the year	-	120,582.93	-	-	120,582.93
Other comprehensive income during the year	-	(6.86)	-	-	(6.86)
Dividend expense	-	(2,952.60)	-	-	(2,952.60)
Corporate dividend tax	-	-	-	-	-
Realised profits of equity instruments measured at FVOCI	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>143,500.00</b>	<b>719,786.77</b>	<b>64,492.95</b>	-	<b>927,779.72</b>

For the year ended 31 March 2019

(Rs. in lakhs)

Particulars	Reserves and Surplus		Security Premium	Other comprehensive Income	Total equity attributable to shareholders of the company
	General Reserve	Retained Earnings		Fair value of equity instruments	
Balance as at 1 April 2018	143,500.00	475,908.68	64,492.95	-	683,901.63
Profit during the year	-	129,212.65	-	-	129,212.65
Other comprehensive income during the year	-	(5.43)	-	-	(5.43)
Dividend expense	-	(2,952.60)	-	-	(2,952.60)
Corporate dividend tax	-	-	-	-	-
Realised profits of equity instruments measured at FVOCI	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>143,500.00</b>	<b>602,163.30</b>	<b>64,492.95</b>	-	<b>810,156.25</b>

Significant accounting policies

The notes referred to above form an integral part of these standalone financial statements

For and on behalf of the Board

**RAJESH J MEHTA**  
Chairman  
DIN : 00336457

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

**NIDHI TULSYAN**  
Company Secretary  
M.No. A56251

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
Chief Financial Officer

As per our Report of even date  
For **P V RAMANA REDDY & CO**  
Chartered Accountants,  
Firm Regn. No. 007156S

Sd/-  
**(CA. P V RAMANA REDDY)**  
Proprietor  
M.No. 204588

Place: Bengaluru  
Date : June 30, 2020

# RAJESH EXPORTS LIMITED

Note No.	
1	<p><b>The Company Information and significant accounting Policies of the Consolidated Financial statement for the year ended 31st March 2020.</b></p> <p><b>i. Reporting Entity:</b> Rajesh Export Limited (“The Company”) is an Indian Public Company limited by shares. Incorporated under provisions of Companies Act, 1956. The equity share of the company are traded on the BSE and NSE Limited. The address of the company’s registered office is #4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore-560 001. The Company is a leading gold refiner and Manufacturer of various types of Gold products. The Company exports its products to various countries around the world, it also sells its products in whole sale and retail in India, and also has retail showrooms under the brand name of SHUBH Jewellers. REL has setup various manufacturing facilities in India and in other countries.</p> <p><b>ii. Basis of Preparation</b></p> <p><b>A. Statement of Compliances</b> The Consolidated financial Statements are prepared on accrual basis of accounting except for the statement of cash flows and comply with the Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules and Companies (Indian Accounting Standards)Amendment Rules, 2016, The companies Act 2013( to the extent notified and applicable), other relevant provisions of the Act and Guidelines issued by the Security Exchange Board of India (SEBI).</p> <p><b>B. Basis of Measurement:</b> The Financial statements have been prepared at Historical cost except the following items</p> <ul style="list-style-type: none"> <li>• Defined benefit plan - plan assets measured at fair value.</li> <li>• Certain Financial Assets and Liabilities measured at fair market value</li> </ul> <p>Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</p> <p><b>C. Functional and Presentation Currency</b> The Financial statements are presented in Indian Rupees (INR), which is the company’s functional currency. All financial information presented in INR has been rounded off to the nearest in Lakhs</p> <p><b>D. Use of Estimate and Judgments</b> Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.</p> <p><b>Judgments</b> Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the Consolidated financial statements is included in the following notes: Note: 2:- Lease Classification</p> <p><b>Assumption and Estimation Uncertainties</b> Information about assumptions and estimations uncertainties that have a risk significant of resulting in material adjustments in the year ended 31st March 2020 is included in following notes: Note 1 and 2 : Depreciation and amortization method and useful life of items of properties, Plant &amp; Equipments and Investment properties Note 1 &amp; 23 : Measurement of defined benefit obligations : Key actuarial assumptions Note 1, 19 &amp; 26 : Reorganization and measurement of provisions and contingencies: Key assumptions about the likelihood and magnitude of an outflow of resources.</p>



Note No.	
1	<p><b>E. Measurement of Fair Value</b></p> <p>Some of the company's accounting policies and disclosures required the measurement of fair values, for both financial and non-financial assets and liabilities</p> <p>The Company uses valuation techniques that are appropriate in the circumstances and for which significant data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.</p> <p>Significant valuation issues are reported to the Company's audit committee. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:</p> <ul style="list-style-type: none"> <li>- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.</li> <li>- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).</li> <li>- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).</li> </ul> <p>When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.</p> <p>For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy</p> <p><b>iii. Significant accounting Policies:</b></p> <p><b>a) Property, Plant and Equipments</b></p> <p><b>Reorganization and Measurement</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 use. 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> <p><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>

# RAJESH EXPORTS LIMITED

Note No.																																		
<b>1</b>	<p><b>Depreciation :</b> 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> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Asset</th> <th style="text-align: center;">Management Estimate of useful life</th> <th style="text-align: center;">Useful life as per Schedule II</th> </tr> </thead> <tbody> <tr> <td>Building</td> <td style="text-align: center;">30-60 years</td> <td style="text-align: center;">30-60 years</td> </tr> <tr> <td>Plant and Machinery</td> <td style="text-align: center;">15 years</td> <td style="text-align: center;">15 years</td> </tr> <tr> <td>Generator</td> <td style="text-align: center;">15 Years</td> <td style="text-align: center;">15 years</td> </tr> <tr> <td>Furniture and Fixtures</td> <td style="text-align: center;">10 Years</td> <td style="text-align: center;">10 Years</td> </tr> <tr> <td>Office Equipment</td> <td style="text-align: center;">05 Years</td> <td style="text-align: center;">05 Years</td> </tr> <tr> <td>Weighing Scale</td> <td style="text-align: center;">15 years</td> <td style="text-align: center;">15 years</td> </tr> <tr> <td>Borewell</td> <td style="text-align: center;">30-60 years</td> <td style="text-align: center;">30-60 years</td> </tr> <tr> <td>Technical Knowhow</td> <td style="text-align: center;">8 Years</td> <td style="text-align: center;">8 Years</td> </tr> <tr> <td>Motor Vehicles</td> <td style="text-align: center;">8 Years</td> <td style="text-align: center;">8 Years</td> </tr> <tr> <td>Lease hold land</td> <td style="text-align: center;">Lease Term</td> <td style="text-align: center;">Lease Term</td> </tr> </tbody> </table> <p>Depreciation on additions (disposals) is provided on prorata basis, i.e from (up to) the date on which asset is ready for use (Disposed of)</p> <p><b>b) Investment Property</b> Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of the business, use in the production or supply of goods or services or for administrative purposes. upon initial reorganization, investment property is measured at cost. subsequent to initial reorganization, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.</p> <p><b>c) Impairment of Assets</b> Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.</p> <p><b>iv. Inventories</b> Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost, calculated on weighted average basis, and net realizable value. Cost of raw materials and stores comprise of cost of purchases. Cost of work-in- progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable</p>	Asset	Management Estimate of useful life	Useful life as per Schedule II	Building	30-60 years	30-60 years	Plant and Machinery	15 years	15 years	Generator	15 Years	15 years	Furniture and Fixtures	10 Years	10 Years	Office Equipment	05 Years	05 Years	Weighing Scale	15 years	15 years	Borewell	30-60 years	30-60 years	Technical Knowhow	8 Years	8 Years	Motor Vehicles	8 Years	8 Years	Lease hold land	Lease Term	Lease Term
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Note No.	
1	<p>and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Items held for use in the production of inventory are not written below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.</p> <p><b>v. Revenue Recognition</b></p> <p>Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, sales tax, value added taxes, Goods &amp; Service Tax (GST) and amounts collected on behalf of third parties.</p> <p><b>a) Revenue from sale of Goods</b></p> <p>Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, revenue can be measured reliably, the cost incurred can be measured reliably, it is probable that the economic benefits associated to the transaction will flow to the entity and there is no continuing management involvement with the goods. Transfer of risks and rewards vary depending on the individual terms of contract of sale.</p> <p><b>b) Dividend Income</b></p> <p>Dividend income on investments is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend.</p> <p><b>c) Interest Income :</b></p> <p>For all financial instruments measured at amortised cost, interest income is recognized using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in Other Income in the Statement of Profit and Loss.</p> <p><b>d) Rental income</b></p> <p>Rental income from property leased under operating lease is recognised in the statement of profit and loss on an actual basis over the term of the lease since the rentals are in line with the expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income.</p> <p><b>vi. Leases</b></p> <p>At inception of an arrangement, company determines whether the arrangement is or contains a lease</p> <p><b>1. Assets Held under lease</b></p> <p>Lease or property, plant and equipment that transfer to the company substantially all the risk and rewards of ownership are classified as finance lease.</p> <p>The assets held under lease don't transfer the company sustainably all risks and rewards of ownership (Operating Lease) are not considered in company's balance sheet.</p> <p><b>2. Lease Payments</b></p> <p>Payments made under operating leases are generally recognized in profit or loss on straight line basis over the term of lease. Minimum lease payment made under financial leases is apportioned between finance charge and deduction of the outstanding liability.</p> <p><b>3. Lease Income</b></p> <p>Lease income from operating leases where the group is a lessor is recognized in income on actual basis over the lease term .Since the lease receipts are inline with general inflation rate.</p>

# RAJESH EXPORTS LIMITED

Note No.	
1	<p><b>vii. Financial Instruments</b></p> <p><b>a) Financial Assets :</b></p> <p><b>Recognition and Initial Measurement:</b> Trade Receivables and debt securities issued are initially recognized when they are originated .All other financial assets and financial liabilities are initially recognized when the company become the party to the contractual provisions of the instruments.</p> <p><b>Classification and Subsequent Measurement</b></p> <p><i>Financial assets at FVTPL -</i> These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss</p> <p><i>Financial assets at amortized cost -</i> These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.</p> <p><i>Equity investments at FVOCI -</i> These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.</p> <p><i>Debt investments at FVTPL-</i> These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in statement of profit and loss.</p> <p><b>Derecognition</b> The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.</p> <p><b>b) Financial Liabilities :</b></p> <p><b>Recognition and Measurement</b> Financial Liabilities initially recognized at fair value less transaction cost, that are directly attributable and subsequently measured at amortized cost</p> <p><b>Classification and Subsequent Measurement</b> Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability atleast 12 months after the reporting period.</p> <p><b>Derecognition</b> The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.</p> <p><b>viii. Employee 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,</p>





Note No.	
1	<p>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 or determined by actuarial valuation, performed by independent actuary, at each balance sheet date using the projected unit credit method.</p> <p>The Company does not provide leave encashment and carry forward of accumulated leave to next year to its employees.</p> <p><b>ix. Foreign Currency Transactions :</b></p> <p>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.</p> <p>Premium paid on forward contracts is recognized over the life of the contracts.</p> <p>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.</p> <p><b>x. Income Tax</b></p> <p>The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.</p> <p>The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities</p> <p>Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.</p> <p>Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.</p> <p>Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.</p> <p>Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.</p> <p>Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.</p>

# RAJESH EXPORTS LIMITED

Note No.	
1	<p>For operations carried out in Special Economic Zones which are entitled to tax holiday under the Income tax Act, 1961 no deferred tax is recognized in respect of timing differences which reverse during the tax holiday period, to the extent company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which timing difference originate.</p> <p>Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.</p> <p><b>xi. Provisions and Contingent Liabilities (Other than for employee benefit):</b></p> <p>Provisions are recognized when the company has a present legal and constructive obligations arising from past events, outflow of future economic benefits should be probable and it should be measured in a reliable manner.</p> <p>Provisions for onerous contracts i.e., contract where the expected unavoidable cost of meeting the obligation under the contract exceed the economic benefits expected to received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as result of an obligating event based on a reliable estimate of such obligations</p> <p>Provisions are measured at the present value of management best estimates. Expenditure will be required to settle the present obligation at the end of the reporting period.</p> <p>Disclosures of contingent liability is present obligation as a result of past obligation events-on the basis of the evidence available, there is present obligation and an outflow of resources embodying economic benefits where settlement is probable.</p> <p><b>xii. Cash and cash equivalents</b></p> <p>For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short- term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet</p> <p>Statement of cash flow is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of cash flows.</p> <p><b>xiii. 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>xiv. Recent accounting Pronouncements</b></p> <p>Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.</p> <p>There is no such notification which would have been applicable from 1 April 2020.</p>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

### Note - 2 : PROPERTY, PLANT AND EQUIPMENTS

(Rs. in lakhs)

Particulars	Gross block / Original cost				Accumulated depreciation				Net block	
	As on 31.03.2019	Additions & ED	Disposals/ Transfers	As on 31.03.2020	As on 31.03.2019	Charge for the year & ED	Disposals/ Transfers	As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
<b>A. BUSINESS ASSETS</b>										
Land	2,971.08	277.30	-	3,248.38	-	-	-	-	3,248.38	2,971.08
Building	47,592.19	4,614.74	-	52,206.92	25,372.42	3,965.53	-	29,337.96	22,868.97	22,219.76
Plant & Machinery	87,064.22	8,594.03	(72.77)	95,585.47	39,446.15	9,168.95	(71.31)	48,543.80	47,041.67	47,618.06
Generator	32.95	-	-	32.95	23.18	2.43	-	25.61	7.34	9.77
Furniture & Fixtures	635.05	43.40	-	678.45	443.53	82.75	-	526.28	152.17	191.52
Office Equipments	3,230.76	342.23	-	3,572.99	1,455.59	338.15	-	1,793.74	1,779.25	1,775.17
Computer and Software	1,171.35	157.85	(177.65)	1,151.55	678.30	278.41	(174.06)	782.64	368.92	493.06
Weighing Scale	34.27	-	-	34.27	16.71	1.98	-	18.70	15.57	17.55
Borewell	1.48	-	-	1.48	0.40	0.02	-	0.42	1.06	1.08
Technical Knowhow	6.70	-	-	6.70	6.37	0.34	-	6.70	-	-
Motor Vehicle	479.91	59.02	(1.40)	537.53	371.59	49.41	(1.40)	419.61	117.92	108.31
	<b>1,43,219.95</b>	<b>14,088.57</b>	<b>(251.82)</b>	<b>1,57,056.69</b>	<b>67,814.25</b>	<b>13,887.96</b>	<b>(246.77)</b>	<b>81,455.44</b>	<b>75,601.25</b>	<b>75,405.37</b>
Work in Progress	188.68	(87.89)	-	100.79	-	-	-	-	100.79	188.68
	<b>1,43,408.63</b>	<b>14,000.68</b>	<b>(251.82)</b>	<b>1,57,157.49</b>	<b>67,814.25</b>	<b>13,887.96</b>	<b>(246.77)</b>	<b>81,455.44</b>	<b>75,702.04</b>	<b>75,594.05</b>
<b>B. OTHER IMMOVABLE PROPERTIES</b>										
Sujatha Complex Building	205.05	-	-	205.05	-	-	-	-	205.05	205.05
Mohan Building	977.16	-	-	977.16	-	-	-	-	977.16	977.16
Volga Hotel Building	26.09	-	-	26.09	-	-	-	-	26.09	26.09
Land At Kumbalagod	200.23	-	-	200.23	-	-	-	-	200.23	200.23
Land At Akkupette	111.95	-	-	111.95	-	-	-	-	111.95	111.95
Property In Kerla	314.19	-	-	314.19	-	-	-	-	314.19	314.19
Property At Nandi	121.74	-	-	121.74	-	-	-	-	121.74	121.74
Land At Peenya	13.68	-	-	13.68	-	-	-	-	13.68	13.68
Jayashree Complex	131.83	-	-	131.83	-	-	-	-	131.83	131.83
Property At Commercial Street Malleshwaram	882.64	-	-	882.64	-	-	-	-	882.64	882.64
Magadi Road Prop	372.13	-	-	372.13	-	-	-	-	372.13	372.13
MG Road Property	40.04	-	-	40.04	-	-	-	-	40.04	40.04
	295.05	-	-	295.05	-	-	-	-	295.05	295.05
	<b>3,691.78</b>	-	-	<b>3,691.78</b>	-	-	-	-	<b>3,691.78</b>	<b>3,691.78</b>
<b>TOTAL FIXED ASSETS</b>	<b>1,47,100.41</b>	<b>14,000.68</b>	<b>(251.82)</b>	<b>1,60,849.27</b>	<b>67,814.25</b>	<b>13,887.96</b>	<b>(246.77)</b>	<b>81,455.44</b>	<b>79,393.82</b>	<b>79,285.83</b>
<b>INVESTMENT PROPERTY</b>				<b>AMOUNT RECOGNISED IN PROFIT AND LOSS ACCOUNT</b>						
Particulars	As at 31st March 2020	As a 31st March 2019		Particulars as on 31st March 2020						
Opening balance	309.65	131.83		Particulars	As at 31st March 2020	As a 31st March 2019				
Add: Additions	-	177.82		Rental Income from investment property	96.92	36.47				
Less : Deletions	-	-		Direct Expenses	-	-				
Closing balance	309.65	309.65		Profit	96.92	36.47				
<b>Accumulated Depreciations</b>				Less : Depreciation	-	-				
Opening balance	-	-		Profit from investment properties before indirect expenses	96.92	36.47				
Add: Charged for the year	-	-								
Less: Deletion	-	-								
Closing balance	-	-								
<b>Net carrying Amount</b>	<b>309.65</b>	<b>309.65</b>								

Note: Investment property comprises of commercial property which is leased to third party .the lease contains an initial and non cancellable period

## RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2020 Rs. in lakhs	As on 31.03.2019 Rs. in lakhs
<b>3</b>	<b>INVESTMENTS</b>		
	(i) Investment in Equity instruments(unquoted)	541.17	541.17
	(ii) Investments in Government or Trust - securities and others(quoted)	22.36	22.36
	(iii) Other Non- Current Investments(unquoted)	89,772.00	83,340.00
	(iv) Investments in Mutual Funds(quoted)	23,819.01	24,856.82
	<b>Total Non Current Investments</b>	<b>114,154.54</b>	<b>108,760.34</b>
<b>4</b>	<b>LOANS</b>		
	Security Deposits Furnished	4,155.52	4,155.52
	Capital Advances	1,934.76	1,807.02
	<b>Total Long Term Loans and Advances</b>	<b>6,090.29</b>	<b>5,962.54</b>
<b>5</b>	<b>INVENTORIES</b>		
	(i) Raw materials	67,096.05	58,921.28
	(ii) Work In Progress	302,038.54	223,001.53
	(iii) Finished goods	108,304.16	111,786.29
	<b>Total Inventories</b>	<b>477,438.75</b>	<b>393,709.10</b>
<b>6</b>	<b>TRADE RECEIVABLES</b>		
	a. (i) Outstanding for less than 6 months, Considered Good	926,199.40	608,997.55
	(ii) Outstanding for more than 6 months, Considered good	440.22	440.22
	b. Sundry Debtors on Interest	5,325.64	5,357.47
	<b>Total Trade Recievables</b>	<b>931,965.26</b>	<b>614,795.25</b>
<b>7(a)</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	(i) Bank Balances in Current Accounts	113,298.33	23,132.61
	(ii) Cash on hand	40.50	38.23
	<b>Total Cash and Cash Equivalents</b>	<b>113,338.84</b>	<b>23,170.83</b>
<b>7(b)</b>	<b>Bank balances other than 7(a) above</b>		
	(i) Unpaid Dividend Bank Accounts	343.72	192.20
	(ii) Fixed Deposits with banks	1,165,080.45	1,482,980.74
	<b>Total Cash and Cash Equivalents</b>	<b>1,165,424.17</b>	<b>1,483,172.93</b>



Note No.	Particulars	As on 31.03.2020 Rs. in lakhs	As on 31.03.2019 Rs. in lakhs
<b>8</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	(i) Advances Recoverable in Normal Course of Business	20,587.45	25,425.66
	(ii) Advances to employees	21.82	26.03
	(iii) Inter Corporate Deposits	26,305.70	26,323.60
	<b>Total Short term Loans and Advances</b>	<b>46,914.98</b>	<b>51,775.29</b>
<b>9</b>	<b>OTHER FINANCIAL ASSETS</b>		
	(i) Balances with Govt. departments	62,964.59	56,175.94
	(ii) Other Receivables	2,260.83	1,209.16
	<b>Total Other Financial Assets</b>	<b>65,225.42</b>	<b>57,385.10</b>

Note No.	Particulars	As on 31.03.2020		As on 31.03.2019	
		Number	Rs. in lakhs	Number	Rs. in lakhs
<b>10</b>	<b>SHARE CAPITAL</b>				
	<b>Authorised Share Capital</b> 30,00,00,000 Equity Shares of Re.1/- each	<b>3,000.00</b>	<b>3,000.00</b>	3,000.00	3,000.00
	<b>Issued, Subscribed &amp; Paidup Share Capital</b> 295259959 equity shares of Re.1/- each	<b>2,952.60</b>	<b>2,952.60</b>	2,952.60	2,952.60
	<b>Reconciliation of number of Equity Shares and amount outstanding</b>				
	Shares outstanding at the beginning of the year	<b>2,952.60</b>	<b>2,952.60</b>	2,952.60	2,952.60
	Shares issued during the year	-	-	-	-
	<b>Total</b>	<b>2,952.60</b>	<b>2,952.60</b>	<b>2,952.60</b>	<b>2,952.60</b>
	Less : Shares issued to ESOP Trust as Treasury Stock	-	-	-	-
	<b>Shares outstanding at the end of the year</b>	<b>2,952.60</b>	<b>2,952.60</b>	<b>2,952.60</b>	<b>2,952.60</b>

**Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:**

Name of the shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr.Rajesh J Mehta	884.64	29.96	884.37	29.95
Mr.Prashanth J Mehta	371.62	12.58	371.62	12.68
M/s.Bridge India Fund	288.79	9.78	289.77	9.81
Mr.Mahesh J Mehta	240.41	8.14	240.41	8.14

i) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash - **NIL** (Previous Year - **NIL**)

ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - **NIL** (Previous Year - **NIL**)

iii) Aggregate number and class of shares bought back - **NIL** (Previous Year - **NIL**)

iv) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

# RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2020 Rs. in lakhs	As on 31.03.2019 Rs. in lakhs
<b>11</b>	<b>OTHER EQUITY</b>		
	<b>(A) Securities Premium Reserve</b>		
	(i) As per last Balance Sheet	64,492.95	64,492.95
	(ii) Additions during the year	0.00	0.00
	<b>Total Securities Premium Reserve</b>	<b>64,492.95</b>	<b>64,492.95</b>
	<b>(B) General Reserve:</b>		
	(i) As per last Balance Sheet	143,500.00	143,500.00
	Add: Transferred from Profit and loss Account	0.00	0.00
	<b>Total General Reserve</b>	<b>143,500.00</b>	<b>143,500.00</b>
	<b>(C) Surplus in Statement of Profit and Loss</b>		
	(i) As per last Balance Sheet	602,163.30	475,908.68
	(ii) Add: Profit for the year	120,576.07	129,207.22
		<b>722,739.37</b>	<b>605,115.90</b>
	<b>Less: Appropriations</b>		
	Dividend Paid	(2,952.60)	(2,952.60)
	<b>Available Surplus in Statement of Profit and Loss</b>	<b>719,786.77</b>	<b>602,163.30</b>
	<b>(D) FCTR</b>		
	a) FCTR	122,656.57	70,895.72
	<b>Total FCTR</b>	<b>122,656.57</b>	<b>70,895.72</b>
	<b>(E) Total Other Equity</b>	<b>1,050,436.29</b>	<b>881,051.97</b>
<b>12</b>	<b>OTHER FINANCIAL LIABILITIES</b>		
	(i) Franchise Deposit Received	391.22	386.22
	(ii) Rent Advance	255.52	255.52
	(iii) Bank Debt	-	12,549.94
	<b>Total Other Financial Liabilities</b>	<b>646.75</b>	<b>13,191.69</b>
<b>13</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	Deferred Tax Liabilities	9,768.65	8,579.60
	<b>Deferred Tax liabilities ( Net )</b>	<b>9,768.65</b>	<b>8,579.60</b>



Note No.	Particulars	As on 31.03.2020 Amount in Rs.	As on 31.03.2019 Amount in Rs.
<b>14</b>	<b>LONG-TERM PROVISIONS</b>		
	(i) Other Provisions	186.05	169.49
	(ii) Provision for gratuity	77.83	67.28
	<b>Total Long Term Provisions</b>	<b>263.89</b>	<b>236.78</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)	11,048.37	186,048.37
	(ii) Loans against Company's own - - Fixed deposits with Banks	83,121.08	418,833.29
	(iii) Bank Borrowing	31,718.82	12,610.20
	<b>(b) Unsecured</b>		
	(i) From Directors	1,926.57	2,350.69
	<b>Total Short Term Borrowings</b>	<b>127,814.85</b>	<b>619,842.56</b>
<b>16</b>	<b>TRADE PAYABLES</b>		
	(i) Raw Materials	810,318.55	466,180.52
	(ii) FLC liabilities	1,058,359.77	880,472.38
	<b>Total Trade Payables</b>	<b>1,868,678.33</b>	<b>1,346,652.90</b>
<b>17</b>	<b>OTHER FINANCIAL LIABILITIES</b>		
	(i) Unpaid Dividend*	343.72	192.20
	(ii) Other Payables	603.35	1,857.01
	<b>Total Other Current Liabilities</b>	<b>947.07</b>	<b>2,049.21</b>
	*Unclaimed Dividend kept in separate bank accounts		
<b>18</b>	<b>OTHER CURRENT LIABILITIES</b>		
	(i) Vat	-	6.09
	(ii) Advance Received From Customers	978.56	881.52
	(iii) Other Payables	20.38	
	<b>Total Other Current Liabilities</b>	<b>998.95</b>	<b>887.61</b>
<b>19</b>	<b>SHORT-TERM PROVISIONS</b>		
	(i) Provision for income tax	5,707.54	4,533.12
	(ii) Short term provisions	4,547.60	4,167.83
	<b>Total Short Term Provisions</b>	<b>10,255.13</b>	<b>8,700.95</b>
<b>20</b>	<b>REVENUE FROM OPERATIONS</b>		
	Revenue from operations*	19,560,017.04	17,576,312.34
	<b>Total Revenue from Operations</b>	<b>19,560,017.04</b>	<b>17,576,312.34</b>
	*includes interest received on fixed deposits & Mutual Funds made for margin purposes for the sake of procurement of Raw Materials		

## RAJESH EXPORTS LIMITED

Note No.	Particulars	As on 31.03.2020 Amount in Rs.	As on 31.03.2019 Amount in Rs.
<b>21</b>	<b>OTHER INCOME</b>		
	(i) Interest on ICD's	180.63	5,113.45
	(ii) Other Miscellaneous income	428.67	1,603.85
	(iii) Rent received	96.92	36.47
	<b>Total Other Income</b>	<b>706.22</b>	<b>6,753.77</b>
<b>22</b>	<b>COST OF MATERIAL CONSUMED</b>		
	(i) Raw material consumed		
	Opening stock	393,709.10	172,196.57
	Add: Purchases	19,424,561.30	17,532,307.34
	Less: Closing Stock	(477,438.75)	(393,709.10)
	(ii) Currency Hedging and Forex Fluctuation cost	11,810.81	34,022.97
	<b>Total Cost of Material Consumed</b>	<b>19,352,642.45</b>	<b>17,344,817.78</b>
<b>23</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	(i) Salaries and wages	13,687.31	12,917.66
	(ii) Contribution to PF, ESIC and gratuity	18.66	34.02
	(iii) Staff Welfare Expenses	2,319.26	2,267.81
	<b>Total Employee Benefit Expenses</b>	<b>16,025.23</b>	<b>15,219.49</b>
<b>24</b>	<b>SELLING &amp; ADMINISTRATION, OTHER EXPENSES</b>		
	Rent	191.43	142.97
	Repairs & Maintenance	1,841.44	1,789.61
	Legal, Professional and consultancy charges	1,069.72	1,564.22
	Postage & Telegrams & Telephones	57.47	64.25
	Insurance	3,565.26	3,251.24
	Rates, Taxes & Octroi Charges	73.34	55.70
	Auditors Fees	134.79	115.14
	Advertisement, Publicity and others	728.13	457.12
	Travelling and Conveyance	241.11	245.40
	Hedging fees and Charges	15,399.62	13,765.02
	Freight Charges	1,895.66	1,395.07
	Printing & Stationery	53.21	50.61
	Membership Fees	152.07	169.14
	Donation	49.43	44.01
	Commission and other Misc expenses	8,459.31	9,138.45
	Other Manufacturing and Processing Expenses	2,318.73	2,122.95
	Bad debts written off	189.62	2,319.31
	Loss on sale of fixed assets	-	171.83
	<b>Total S&amp;A and Other Expenses</b>	<b>36,420.34</b>	<b>36,862.04</b>
<b>25</b>	<b>FINANCE COST</b>		
	(i) Bank charges	1,366.77	1,161.39
	(ii) Interest on working capital	20,880.34	43,005.68
	<b>Total Finance Costs</b>	<b>22,247.11</b>	<b>44,167.07</b>





Note No.				
<b>26</b>	<b>NOTES TO FINANCIAL STATEMENT</b>			
	<b>1. Related Party Disclosure</b>			<i>(Rs. in lakhs)</i>
	Loans and advances	<b>Current Year Balance</b>	Previous Year Balance	Relationship
	<b>Outstanding - net receivables / (payables)</b>			
	Laabh Jewels Gold Pvt Ltd	18.25	18.25	Associate Entity
	Shubhlaabh Housing Pvt Ltd	379.00	379.00	Associate entity
	Valcambi SA	(162,576.58)	(150,694.73)	Step Down Subsidiary
	Rajesh. J. Mehta	(808.11)	(1,403.95)	Chairman
	Prashanth.J.Mehta	(1,118.47)	(946.75)	Managing Director
	<b>2. Transactions with related parties</b>			<i>(Rs. in lakhs)</i>
	Name of the related party	Description of the nature of relation	Description of the nature of transaction	<b>31.03.2020</b> 31.03.2019
	Rajesh. J. Mehta	Chairman	Remuneration	1.20 1.20
	Prashanth.J.Mehta	Managing Director	Remuneration	1.20 1.20
	Bhavesh B Mehta	Relative of Director	Remuneration	1.80 1.80
	Valcambi SA	Step Down Subsidiary	Purchases	4,604,408.57 4,038,398.34
	<b>3. Corporate Social Responsibilities</b>			
	As per section 135 of Companies Act, 2013, A Company meeting the applicability threshold, needs to spend atleast 2% of its average net profits of the immediate preceding 3 financial years on CSR Activities. CSR Committee has been formed as per the Companies Act. The funds are allocated to the activities which are specified in schedule VII of the Companies Act, 2013.			
	Particulars	For the year ending 31.03.2020 <i>(Rs. In lakhs)</i>	For the year ending 31.03.2019 <i>(Rs. In lakhs)</i>	
	Amount required to be spent during the year	960.09	989.67	
	Amount spent	17.75	47.15	

## RAJESH EXPORTS LIMITED

Note No.					
26	<b>4. Contingent Liabilities</b>				<i>(Rs. in lakhs)</i>
	Name of the Statute	Nature of the due	Amount	Period to which the amount relates	Forum where dispute is pending
	ESI of Karnataka	ESI	89.27	2000-03	The Appeals Authority ESI, Karnataka
	ESI of Karnataka	ESI	37.78	2006-07	The Appeals Authority ESI, Karnataka
	Service Tax	Service Tax	367.25	2006-07	The Appellate Tribunal Service tax
	<b>5. Earnings and Expenditure in foreign currency</b>				<i>(Rs. in lakhs)</i>
	<b>Particulars</b>		<b>As on 31.03.2020</b>		<b>As on 31.03.2019</b>
	Earnings (Exports of Finished goods FOB value)		4,579,008.56		4,171,174.67
	Expenditure (Imports)		4,604,408.57		4,111,201.23
	<b>6. Employee Benefits:</b>				<i>(Rs. in lakhs)</i>
<b>Particulars</b>		<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
Opening defined Benefit Obligation		67.28		58.93	
Add:					
Current Service Cost		19.24		18.18	
Interest Cost		4.47		3.80	
Components of actuarial gains/losses on obligations					
a) Due to Change in financial assumptions		6.58		(1.33)	
b) Due to experience adjustments		(19.70)		(12.29)	
c) Due to change in demographic assumptions		(0.04)			
Less:					
Benefits Paid		-		-	
Closing Defined benefit obligation		77.83		67.28	
7. 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. 423.03 lakhs as on 31st March 2020 (Previous Year Rs. 408.63 lakhs) as there is no virtual certainty that such deferred assets can be realized against future taxable profits. The breakup of deferred tax liabilities not recognized is furnished here under:					
<b>Particulars</b>		<b>Current Year</b>		<b>Previous Year</b>	
<b>Deferred Tax Liability</b>					
Time Difference on account of Depreciation & Other Inadmissible Expenditure		(14.40)		53.02	
Less: Deferred tax asset accounted Previously		408.65		461.67	
Net Deferred tax liability Recognized during the year		423.05		408.65	



Note No.	
26	<p data-bbox="220 389 352 421"><b>8. Leases</b></p> <p data-bbox="256 439 491 470"><b>Operating lease:</b></p> <p data-bbox="256 488 1469 674">The Company has let-out and taken premises under cancellable 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.96.92 lakhs (Previous year Rs.36.47 lakhs) and total lease rentals paid recognized as expenditure is Rs.32.10 lakhs (Previous year Rs.40.64 lakhs).</p> <p data-bbox="220 692 711 723"><b>i. Capital and other commitments</b></p> <p data-bbox="256 741 1469 801">Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL (Previous Year is NIL).</p> <p data-bbox="220 819 746 851"><b>ii. Micro and Small Enterprises dues</b></p> <p data-bbox="256 869 1469 929">Based on the information / Documents available with the Company, amounts due to micro and small enterprises are NIL</p> <p data-bbox="220 947 1469 1039">9. Brief Particulars of Employees who were entitled to receive or were in receipt of emoluments aggregating to Rs.60 lakhs or more per annum and/or Rs.5 lakhs or more per month, if employed, for a part of the year is Nil (Previous Year Nil)</p> <p data-bbox="220 1057 1469 1182">10. The Company had filed a case on IDBI Bank, in the Hon'ble High Court of Karnataka, for deciding the incorrect accounting done by IDBI Bank, the Hon'ble High Court has directed the DRT to decide the accounts, the DRT process is in progress and based on the decision of the DRT, the exact amount payable or receivable will be accounted through Profit and Loss Account.</p> <p data-bbox="220 1200 662 1232"><b>11. Segment reporting policies:</b></p> <p data-bbox="256 1249 1469 1375">The Company and other Companies in the group are mainly engaged in the business of gold and gold products. These, in the context of Ind AS 108 on segment reporting, issued by The Institute of Chartered Accountants of India are considered to constitute one single primary segment.</p> <p data-bbox="220 1393 1469 1453">12. 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 data-bbox="220 1471 1414 1503">13. In the opinion of the management, no provision is required against contingent liabilities.</p> <p data-bbox="220 1520 662 1552"><b>14. Financial risk management</b></p> <p data-bbox="256 1570 1469 1662">The Company's financial assets majorly comprise of trade receivables, current investments, bank deposits and cash &amp; cash equivalents. The Company's financial liabilities majorly comprises of borrowings, trade payables and other commitments.</p> <p data-bbox="256 1680 1469 1771">The Company is primarily exposed to market risk, credit risk and liquidity risk arising out of operations and the use of financial instruments. The Board of Directors have overall responsibility for establishment and review of the Company's risk management framework.</p> <p data-bbox="256 1789 1469 1915">The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions affecting business operations and the Company's activities.</p>

# RAJESH EXPORTS LIMITED

Note No.	
26	<p data-bbox="268 394 475 421"><b>a. Market risk</b></p> <p data-bbox="304 450 1471 573">Market risk is that risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risks: interest rate risk, currency risk and other price risk, such as commodity risk. The expose to currency risk and interest risk is given below:</p> <p data-bbox="304 600 571 627"><i>(a) Interest rate risk</i></p> <p data-bbox="355 656 1471 779">Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates to short term borrowings/working capital in nature and hence are not exposed to significant interest rate risk.</p> <p data-bbox="304 806 628 833"><i>(b) Foreign currency risk</i></p> <p data-bbox="355 862 1471 1014">Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses is denominated in a foreign currency) and the Company's net investment in foreign subsidiaries.</p> <p data-bbox="268 1041 464 1068"><b>b. Credit risk</b></p> <p data-bbox="304 1097 1471 1249">Credit risk is the risk that the counterparty may not meet its obligation under a financial instrument or customer contract leading to financial loss. The Company's exposure to credit risk arises from its operating and financing activities. The credit risk arises primarily from trade receivables, and the maximum exposure to credit risk is equal to the carrying value of financial assets.</p> <p data-bbox="304 1279 1471 1402">In order to mitigate the credit risk on receivables, credit quality of the customer is assessed based on the credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding receivables are monitored on an ongoing basis to ensure timely collections and to mitigate the risk of bad debts.</p> <p data-bbox="304 1431 1471 1554">An impairment analysis is performed at each reporting date for the outstanding trade receivables and expected credit loss if any are provided for. The Company's maximum exposure to counterparty credit risk at the reporting date is the carrying value of financial assets.</p> <p data-bbox="268 1581 507 1608"><b>c. Liquidity risk</b></p> <p data-bbox="304 1637 1471 1854">Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities in financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company's treasury management team monitors on a daily basis the fund positions/requirements and identifies future mismatches in funds availability and reports the planned and current liquidity position to the top management and board of directors of the Company.</p>



Note No.					
<b>26</b>	The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows:				
	<b>As at 31 March 2020 (Rs. In Lakhs)</b>				
	Particulars	One Year or Less	One to five years	Over five years	Total
	<b>Financial Assets</b>				
	Investments(Non Current)	23,819.01	2,35,369.69	-	2,59,188.71
	Loans(Current and Non Current)	45,239.48	4,979.20	-	50,218.68
	Trade Receivables	279,024.02	-	-	279,024.02
	Cash and Cash Equivalents	11,18,216.81	-	-	11,18,216.81
	Other Financial Assets	63,191.75	-	-	63,191.75
	<b>Financial Liabilities</b>				
	Borrowings	96,096.03	-	-	96,096.03
	Trade Payables	12,38,516.92	-	-	12,38,516.92
	Other Financial Liabilities (Current and Non current)	-	1,181.27	-	1,181.27
	<b>15. Transfer pricing</b>				
	The Company has imported gold from its associate enterprise within the meaning of section 92BA and 92A of the Income Tax Act, 1961 respectively. The gold has been imported based on international price and the price has been assessed and verified by the customs authorities, which clearly demonstrates that the transaction is at arms length.				
	<b>16. Earning Per Share</b>				
	<b>(a) Basic</b>				
	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.				
	Particulars	<b>Group</b>			
		<b>2020</b>	<b>2019</b>		
		<i>(Rs. in lakhs)</i>	<i>(Rs. in lakhs)</i>		
	Profit attributable to equity holders of the parent company	120,576.07	129,207.22		
	Number of shares in issue (net of treasury shares) as at beginning of year	2,952.60	2,952.60		
	Effect of treasury shares	-	-		
	Effect of rights shares	-	-		
	Effect of warrants	-	-		
	Effect of share options	-	-		
	Weighted average number of ordinary shares in issue	2,952.60	2,952.60		
	Basic earnings per share (s)	40.84	43.76		

# RAJESH EXPORTS LIMITED

Note No.																						
<b>26</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>																					
	<b>Group</b>																					
Particulars	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; width: 20%;">2020</th> <th style="text-align: center; width: 20%;">2019</th> </tr> <tr> <th></th> <th style="text-align: center;"><i>(Rs. in lakhs)</i></th> <th style="text-align: center;"><i>(Rs. in lakhs)</i></th> </tr> </thead> <tbody> <tr> <td>Profit attributable to equity holders of the parent company</td> <td style="text-align: right;">120,576.07</td> <td style="text-align: right;">129,207.22</td> </tr> <tr> <td>Weighted average number of ordinary shares in issue</td> <td style="text-align: right;">2,952.60</td> <td style="text-align: right;">2,952.60</td> </tr> <tr> <td>Effect of dilution due to warrants</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Adjusted weighted average number of ordinary shares</td> <td style="text-align: right;">2,952.60</td> <td style="text-align: right;">2,952.60</td> </tr> <tr> <td>Diluted earnings per share (s)</td> <td style="text-align: right;">40.84</td> <td style="text-align: right;">43.76</td> </tr> </tbody> </table>		2020	2019		<i>(Rs. in lakhs)</i>	<i>(Rs. in lakhs)</i>	Profit attributable to equity holders of the parent company	120,576.07	129,207.22	Weighted average number of ordinary shares in issue	2,952.60	2,952.60	Effect of dilution due to warrants	-	-	Adjusted weighted average number of ordinary shares	2,952.60	2,952.60	Diluted earnings per share (s)	40.84	43.76
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	<p><b>17. Covid Pandemic</b></p> <p>Covid 19 has been an unprecedented phenomenon in human history. Due to the national lockdown and also due to lockdown in various international markets, business was at a total standstill during that period in our Indian operations. Our business is primarily dependant on international passenger flights as all the Imports and Exports are carried on international passenger flights in high value and high security vaults. Due to the suspension of international passenger flights from India, there was a major impediment in Imports and Exports from the Indian operations. However, the refining business of Valcambi achieved record sales during the Pandemic. As a Company we have been prudent to survive the Pandemic without any adverse impact except for temporary loss of Export Sales from our Indian operations. We are confident that the Export sales from India will bounce back once the situation normalizes.</p> <p><b>18.</b> The previous year's figures are regrouped / rearranged wherever deemed necessary.</p>																					

For and on behalf of the Board

**RAJESH J MEHTA**  
Chairman  
DIN : 00336457

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

**NIDHI TULSYAN**  
Company Secretary  
M.No. A56251

As per our Report of even date  
For **P V RAMANA REDDY & CO**  
Chartered Accountants,  
Firm Regn. No. 007156S

Sd/-

**(CA. P V RAMANA REDDY)**

Place: Bengaluru

Date : June 30, 2020

**VIJAYA LAKSHMI**  
Independent Director  
DIN : 071460

**B. VIJENDRA RAO**  
Chief Financial Officer

Proprietor  
M.No. 204588