

**FIFTH
ANNUAL
REPORT
1998-99**



RAJESH EXPORTS LIMITED



RAJESH EXPORTS LIMITED

BOARD OF DIRECTORS

SHRI RAJESH MEHTA *Executive Chairman*

SHRI PRASHANTH MEHTA *Managing Director*

SHRI P.SHIVASHANKAR

Auditors

M/S.P.K.RUNGTA & CO.

Chartered Accountants

Bangalore.

Bankers

Canara Bank

State Bank of India

Indusind Bank Ltd.

Regd. Office

No 4, Batavia Chambers

Kumara Krupa Road

Kumara Park East

Bangalore - 560 001.

Share Transfer Agents

Karvy Consultants Limited

No.51/2, T.K.N. Complex

Vanivilasa Road

Opp. National College

Basavanagudi

Bangalore-560 004.

RAJESH EXPORTS LIMITED

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NOTICE

NOTICE is hereby given that the 5th Annual General Meeting of the members of **RAJESH EXPORTS LIMITED** will be held at the Registered office of the company at No.4, Batavia Chambers, Kumara Krupa Road, Kumarapark East, BANGALORE - 560 001 on 28th September, 1999 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive consider and adopt the Profit and Loss Account for the Year ended 31st March 1999 and the Balance Sheet as at that date together with the Reports of Auditors and Directors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Prashanth J. Mehta who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors and to fix their remuneration.

By order of the Board
for **RAJESH EXPORTS LIMITED**

Date : 30.7.99
Place : Bangalore

RAJESH MEHTA
Executive Chairman

Registered Office :
4, Batavia Chambers, Kumarakrupa Road
Kumarapark East, Bangalore - 560 001.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself and the proxy need not be a member.
2. Proxies in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September 1999 to 28th September 1999 (both days inclusive) for the purpose of dividend, if declared.
4. Dividend if declared, will be paid on or after 28th September 1999 to those Members as on the date of Annual General Meeting.
5. It is suggested for the convenience of the Members that they inform the Company about their Bank Account Numbers, Name of Bank (also address of the Bank if they desire that the Warrant be mailed to the Bank directly) to enable printing of these particulars on the Dividend Warrant as a measure of abundant caution to minimise loss due to warrants falling into improper hands through forgery and fraud.
6. Members seeking any information with regard to Accounts are requested to write to the Company early so as to enable the Management to keep information ready.
7. Members / Proxies should bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. Members are requested to address their correspondence, including Share Transfer matters and Change of Address to :

KARVY CONSULTANTS LIMITED
No.51/2, T.K.N. Complex,
Vanivilas Road
Opp : National College,
Basavangudi, BANGALORE - 560 004.

RAJESH EXPORTS LIMITED

DIRECTOR'S REPORT

Your Directors have pleasure in presenting their Fifth Report on the business and operations of the Company for the year ended 31st March 1999.

FINANCIAL RESULTS

	For the year 31st March 1999	For the year 31st March 1998
		(Rs. in Lakhs)
Profit before depreciation	1346.71	301.37
Depreciation	13.10	12.30
Profit after depreciation	1333.61	289.07
Provision for taxation	63.82	82.02
Profit after tax	1326.79	206.38
Transferred to general reserve	1200.00	300.00
Dividend	19.87	19.87
Balance surplus transferred to Balance Sheet	165.81	61.09

OPERATIONS

- The net profit of the Company has increased by nearly 650% i.e. from Rs. 2.06 crores to Rs. 13.27 crores.
- The Company discontinued domestic bullion trade since the margins in the said business were very low and to concentrate on the company's core competence of jewellery exports.
- This explains the decrease in the company's turnover on the one hand and the increase in company's net profits on the other hand.
- Rajesh Jewels Limited a 100% subsidiary of the Company was formed during the year under review to carry on the business of Domestic Jewellery Trade.
- The civil work of the Company proposed Jewellery Park has been completed. The Park is expected to become operational by January 2000.

DIVIDEND

Your Directors recommend for your consideration the payment of dividend for the year 1998-99 at the rate of 10% to be paid, if approved by the members at the ensuing Annual General Meeting, to all members whose names stand registered in the books of the Company on 28.09.99.

STATUTORY PARTICULARS

(A) Particulars of Employees

During the year under review there were no employees who were drawing a remuneration in excess of Rs. 6 lakhs per annum or Rs. 50,000/- per month, if employed for a part of the year.

(B) Conservation of the Energy

Your Directors are proud to state that your Company is one of the lowest energy consuming units.

(C) Research, Development and Technology Absorption

The Company plans to set up a Research & Development wing at the Jewellery Park now nearing completion.

DIRECTORS

Shri Prashanth J. Mehta Director of your Company retires by rotation and being eligible offers himself for re-election.



AUDITORS

M/s P.K. Rungta & Company, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

LISTING

The shares of the Company continue to be listed at Ahmedabad, Mumbai and Bangalore Stock Exchanges. The annual listing fee to Mumbai and Bangalore Stock Exchanges have been paid.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation of the employees co-operation, which resulted in the continuing success of the Company and are confident that with their active support the Company will be able to rise to greater heights. Your Directors would also like to place on record their gratitude to the Canara Bank, State Bank of India and Indusind Bank Limited for their co-operation to the Company. Your Directors also thank the Shareholders for their unstinted support.

For and on behalf of the Board

Date : 30.7.99
Place : Bangalore

RAJESH MEHTA
Executive Chairman

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RAJESH EXPORTS LIMITED**AUDITORS' REPORT**

To the Members

M/s. RAJESH EXPORTS LIMITED
BANGALORE

We have audited the attached Balance Sheet of **M/s. RAJESH EXPORTS LIMITED**, as at 31st March, 1999 and also the Profit and Loss Account of the company for the year ended on that date annexed thereto, and report that:

1. As required by the manufacturing and other companies (Auditor's report) order, 1988 issued by the Company Law Board in terms of section 227(4A) of the companies Act, 1956, and on the basis of such checks and verifications of the books of accounts as we considered necessary and to the best of our knowledge and according to the information and explanations given to us during the course of audit, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
 2. Further to our comments in the annexure referred to in paragraph 1 above.
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by Law have been kept by the company so far as appears from our examination of the books.
 - c. The Balance Sheet dealt with by this report are in agreement with the books of account.
 - d. In our opinion and to the best of our knowledge and according to the informations and explanations given to us, the accounts give the information required by the companies Act, 1956 in the manner so required and subject No.6(vi) regarding non provision of gratuity Liability read with other notes in Schedule "P" give a true and fair view;
 - 1) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 1999.
- AND
- 2) In the case of the Profit and Loss Account of the Profit for the year ended on that date.

for **P.K.RUNGTA & CO.,**
Chartered Accountants,

Place : Bangalore
Place : 29th May, 1999

(**P.K. RUNGTA**)
Proprietor

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF M/s. RAJESH EXPORTS LIMITED, BANGALORE ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1999.

1. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed Assets. The Company has drawn up a programme of physical verification of Fixed Assets over a period of two years which in our opinion, is reasonable having regard to the size of the company and nature of its Assets. Fixed Assets were physically verified by the Management during the year and no material discrepancies have been noticed on physical verification.
2. None of the Fixed Assets have been revalued during the period.
3. Physical verification of Stocks was conducted by the Management during the year end and in our opinion, the frequency of verification was reasonable.
4. The procedures of physical verification of stocks followed by the company are reasonable and adequate, commensurate with the size of the company and the nature of its business.



5. No material discrepancies have been noticed on physical verification of stocks as compared to the book records.
6. In our opinion, the valuation of Stocks is fair and proper in accordance with the normally accepted accounting principles.
7. As per the information and explanations furnished by the Management, the Company has not granted any loans to the Companies and other parties as listed in the register maintained under section 301 of the Companies Act, 1956 or to the companies, under the same Management as defined Under Section 370 (1B) of the Companies Act, 1956.
8. As per information and explanations furnished by the Management, the Company has not taken any loans, secured or unsecured from companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956 or from the Companies under the same management as defined under sub section (1B) of section 370 of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loans given by the company, as explained to us, the parties are regular in payment as required by the company. No interest has been charged on these loans and advances in the nature of the loans.
10. According to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business for the sales of goods and the purchase of materials including components, plant and machinery, equipment and other assets.
11. There are no transactions of purchase and sale of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and aggregating to Rs. 50,000/- or more in respect of each party.
12. As explained to us, unserviceable or damaged raw materials finished goods and stores have been determined by the management and where required, adequate provision has been made in the accounts for the loss arising on items so determined. There were no unserviceable or damaged raw materials and finished goods.
13. As per information and explanation given to us, the company has not accepted any deposits as per the provisions of section 58A of the Companies Act, 1956 and the rules framed thereunder.
14. As explained to us, the company is maintaining reasonable records for the sale and disposal of realisable by-products and scraps.
15. The company did not have formal internal audit system.
16. We have been informed that the Central Government has not prescribed the maintenance of cost records for the year under review under section 209 (1) (d) of the companies Act, 1956.
17. As per the information and explanations given to us by the Management, the Provident Fund Act and Employees State Insurance Fund Act are not applicable to Company at present.
18. According to the information and explanation given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs duty and Excise duty which are outstanding more than 6 months as on 31st March 1999.
19. Based on the test checks carried out by us and the information and explanation given to us, no personal expenses have been charged to the profit and loss account except those payable under contractual obligations and/or in accordance with the generally accepted business practice.
20. The company is not a Sick Industrial Company within the meaning of clause (O) of sub section (i) of section 3 of the Sick Industrial Companies (special Provision) Act, 1985.
21. In respect of trading activities, the company did not have any damaged goods.

for **PK.RUNGTA & CO.,**
Chartered Accountants,

Place : Bangalore
Date : 29th May 1999

(P.K. RUNGTA)
(Proprietor)

RAJESH EXPORTS LIMITED**BALANCE SHEET AS AT 31.03.1999**

SCHEDULE		AS AT 31.03.99	AS AT 31.03.98
	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS			
a. Share Capital	A	6,99,34,500.00	6,99,34,500.00
b. Reserves & Surplus	B	40,63,18,975.00	27,58,46,697.00
		47,62,53,475.00	34,57,81,197.00
2. LOANS FUNDS			
Secured loans	C	8,40,19,514.00	2,22,16,690.00
		56,02,72,989.00	36,79,97,887.00
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
Gross Block		21,23,85,095.00	13,91,52,522.00
Less : Depreciation		39,27,791.00	26,17,285.00
NET BLOCK	D	20,84,57,304.00	13,65,35,237.00
2. INVESTMENTS	E	50,26,700.00	95,25,000.00
3. CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	F	16,93,57,025.00	9,70,13,828.00
b. Sundry Debtors	G	31,95,33,955.00	32,49,86,832.00
c. Cash & Bank Balances	H	20,60,71,584.00	22,86,05,545.00
d. Loans and advances	I	95,59,891.00	1,08,55,504.00
		70,45,22,455.00	66,14,61,709.00
Less : Current Liabilities & Provisions	J	36,24,06,617.00	44,49,76,760.00
		34,21,15,838.00	21,64,84,949.00
4. MISCELLANEOUS EXPENDITURE	K	46,73,147.00	54,52,701.00
		56,02,72,989.00	36,79,97,887.00

Notes on Accounts, Schedule 'A' to 'P' form integral part of the accounts

For and on behalf of the Board

As per our Report of even date
for **P.K.RUNGTA & CO.,**
Chartered Accountants,**RAJESH MEHTA**
Executive Chairman**PRASHANT MEHTA**
Managing Director**P. SHIVASHANKAR**
Director**P K RUNGTA**
ProprietorPlace : Bangalore
Date : 29th May, 1999