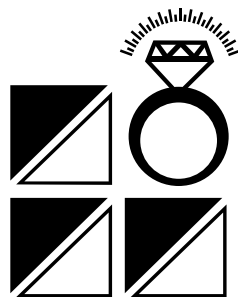


20th
ANNUAL
REPORT

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RAJESH EXPORTS LIMITED

RAJESH EXPORTS LIMITED

Board of Directors

SHRI. RAJESH MEHTA

Executive Chairman

SHRI. PRASHANT MEHTA

Managing Director

SHRI. Y. VENU MADHAVA REDDY

Director

SHRI. G. SHANKER PRASAD

Director

Statutory Auditors

M/s V SIVASANKAR & CO.

Chartered Accountants

118, 2nd Floor, Keerthi Plaza, Nagarthpet,
Bangalore – 560002

Bankers

Canara Bank
State Bank of Hyderabad
Bank of India
IDBI Bank

Regd. Office

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

Corporate Office

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

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 - 6549995; 2539835-836
Fax: 0422 - 2539837
E-mail: info@skdc-consultants.com

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NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of **RAJESH EXPORTS LTD** will be held at the **Guru Raja Kalyana Mantap, No 21, Crescent Road, Next to Karnataka Film Chamber of Commerce, (Near Shivanada Circle), BANGALORE – 560 001**, on 30-09-2014 at 11.30 AM, to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss account for the year ended 31st March 2014 and the Balance Sheet as at that date together with the reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of the retiring Director.
3. To appoint auditors and fix their remuneration.

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company.
2. Proxy Forms, in order to be effective, should be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Explanatory statement under Sec 173 of the Companies Act, 1956 is attached hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26-09-2014 till 30-09-2014, notice of which will appear in the News Paper on 16-09-2014.
5. Members holding shares in Physical form are requested to intimate the Change of Address and their Bank Account details such as Bank Name, Branch with address and Account No. for incorporating the same in dividend warrants to the Registrars and Transfer Agents of the Company: M/s. S.K.D.C. CONSULTANTS LIMITED, Kanapathy Towers, 3rd Floor; 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006, 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.
6. Members seeking any information with regard to the accounts are requested to write to the Company early, so as to enable the Management to keep the information ready.
7. Members/proxies should bring the attendance slip sent herewith duly filled in, for attending the Meeting.
8. 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 - 6549995; 2539835-836 Fax: 0422 2539837) E-mail: info@skdc-consultants.com

9. Voting through electronic means:
Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, it is mandatory to extend to the Members of the Company, the facility to vote at the Annual General Meeting (AGM) by electronic means. Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/its discretion, subject to compliance with the instructions prescribed below.

INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins from 9 A.M. on September 24, 2014 (Wednesday) and ends at 6 P.M. on September 26, 2014 (Friday). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website <https://evotingindia.com> during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

RAJESH EXPORTS LIMITED

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account in dd/mm/yyyy format or folio.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN relevant to Rajesh Exports Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a compliance user who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

By the Order of the Board
Sd/-

Place : Bangalore
Date : 30-5-2014

RAJESH MEHTA
Chairman



DIRECTORS' REPORT

Your Directors have great pleasure in presenting their 20th Annual Report on the business and operations of the Company, for the financial year ended 31st March 2014.

FINANCIAL RESULTS

	(Rs. in Millions)	(Rs. in Millions)
	For the year ended 31.03.2014	For the year ended 31.03.2013
Profit Before Depreciation	4209.61	4916.76
Less : Depreciation	164.13	20.61
Profit after depreciation	4045.48	4896.15
Less : Provision for taxation	462.83	370.12
Profit after taxation	3582.65	4526.03
Less : Share From Subsidiary already accounted	8.148	-
Net Profit	3574.50	-
Add : Balance as per last account	5731.11	2170.34
Profit available for appropriation	9305.61	6696.37
Less : Transfer to general reserves	670.00	670.00
Less : Proposed dividend including tax on Dividend	295.25	295.26
Balance surplus transferred to Balance Sheet	8340.36	5731.11

OPERATIONS

Your Directors are pleased to report that your Company's total income during the period under review stood at Rs. 291979.23 million compared to that of Rs. 312286.46 million during the previous year. As a result, the net profit for the year under review, after provision for depreciation and income tax was Rs. 3574.50 million compared to Rs. 4526.03 million during the previous year. The Company has transferred an amount of Rs. 670 million to the general reserves. As a result, the total reserve of the Company has moved up to Rs. 27424.91 million

DIVIDEND

Your Directors have recommended a dividend of 100 % for the year ended 31.03.2014.

AUDITORS

M/s V Siva Sankar & Co, Chartered Accountants, Bangalore, retire at the ensuing Annual General Meeting and are eligible for reappointment. They have confirmed that their reappointment as auditors of the Company, if made, would be in accordance with the limits specified under section 224 (1B) of the Companies Act, 1956.

COMPANY'S DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS RULES, 1988

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 comprise 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.

Foreign Exchange Earnings

During the year the Company has reported foreign exchange earnings of Rs. 191884.92 Million (Previous year: Rs. 246842.40 Million). The foreign exchange outgo on account of import of raw materials amounted to Rs. 218855.66 Million (Previous year: Rs. 307817.54 Million).

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.

RAJESH EXPORTS LIMITED

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act 1956, with respect to Directors responsibility statement, it is hereby confirmed:

1. That for the compilation of the annual accounts for the financial year ended 31.03.2014, 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 31.03.2014 on a “going concern” basis.

LISTING

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 have resulted in overwhelming success of the Company during the year under report. Your directors place on record their gratitude to Canara Bank, State Bank of Hyderabad, Bank of India and IDBI Bank for their continued support. Your Directors also thank all the Shareholders, Consultants, Customers, Vendors, Service providers, Government & Statutory authorities for their continued support in successful running of company's business and its continued progress.

For and on behalf of the Board

Sd/-

Place : Bangalore

Date : 30-5-2014

RAJESH MEHTA

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

India ended the last fiscal year with a GDP growth rate of 4.7 %. Environment—internal and external—continued to remain challenging during the year with higher input cost combined with higher depreciation, interest and volatile performance of rupee.

Under this condition, in the last financial year we saw impressive results of the company with a pre-tax net profit for the year at Rs. 4037.33 Million; post-tax net profit for the year at Rs. 3574.50 Million; and revenues for the year at Rs. 291979.23 Million—especially in these highly challenging times for gold and gold jewellery business in India. Due to the severe restrictions on the overall gold business by the Government in the form of the 80:20 scheme, the company had to shift some of its business appropriately to its subsidiaries, which has yielded the above results for the company.

Currently with the restrictions on the gold and gold jewellery being brought back to normalcy in a phased manner by the government, the company would witness much better productive years in future in non-restricted climate. With a strong Government at the Center, Company looks to future with optimism and renewed vigor as it is well-footed in all aspects, and well-equipped to meet the ever-changing taste of our consumers.

With a total of 82 retail stores, SHUBH Jewellers is the largest retailer of gold jewellery in the state of Karnataka, and has emerged as also the most trusted jewellery brand in the State due to the best Purity, Product and Price being offered by them. The Company has plans to open 34 more SHUBH Jewellers in the state of Karnataka, which would complete its retail expansion plans in the state of Karnataka. The company would be further expanding its retail presence to the other three Southern States, and further to a Pan Indian presence. The company has plans to open 500 SHUBH Jewellery showrooms by the year 2017.



We are consistently striving to deliver high quality jewellery, on a mine-to-customer basis, at lower rate. Our vision is to be the recognized performance leader in the Global jewellery market with World's largest catalogue of jewellery designs. It means we will achieve operational excellence, customer satisfaction and superior marketing performance.

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 31.03.2014.

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 finance and marketing functions. He has an experience of over 30 years in the functioning and management of the jewellery trade and has traveled extensively within India and abroad for establishing a strong network in the industry. In addition to his post as Executive Chairman of REL he is a member of the Export Trade Advisory Committee of the Bangalore Jewellers Association. He is also the president of the Karnataka Jewellery Exports Association.
02.	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 30 years of experience in the jewellery business and is recognized as an authority in the production of Gold jewellery.
03.	Mr. Y Venu Madhava Reddy	Non Executive & Independent Director	Has an experience of over 19 years in Management and Administration. He advises the Board on administrative requirements.
04.	Mr. G. Shanker Prasad	Non Executive & Independent Director	Well known Practicing Company Secretary and Cost Accountant. He advises the Board with insight on Company Law-related and statutory matters.

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

Rajesh Exports realizes the importance of human resources, which it considers next only to capital in the order of importance. The Company has a pool of highly qualified and experienced professionals, who are instrumental in achieving giant strides the Company is making year after year towards progress. The Company has an HR policy which emphasizes the need for 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 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.

RAJESH EXPORTS LIMITED

ANALYSIS OF FINANCIAL PERFORMANCE

a) **Key financial Indicators:**

	2013-2014	2012-2013
Return on Net Worth	13.03	18.75%
PAT to Sales	1.23	1.46%
Turnover (Times)/ Fixed Assets	173.30	449.79
Sales / Total Assets (Times)	2.598	2.25

b) **Revenues:**

The business operations of Rajesh Exports Ltd. for the year 2013-14 resulted in the Company achieving total revenue of Rs. 291979.23 as against Rs. 312286.46 Million during the previous year.

(Rs. in Million)

	2013-2014	2012-2013
Operating Revenue	291971.97	310744.34
Other Income	7.26	1542.12
Total Revenue	291979.23	312286.46

c) **Operating Income:**

Operating income (excluding other income) for the year 2013-2014 is Rs. 291971.97 Million as compared to Rs. 312259.64 Million in the previous year.

d) **Cost of Revenue:**

Cost of goods sold for 2013-2014 is Rs. 281698.66 Million as compared to Rs. 304102.39 Million in the previous year.

e) **Provision for Taxation:**

The provision for taxation for 2013-2014 is Rs. 462.83 Million as compared to Rs. 370.12 Million during the previous year.

f) **Debt:**

The Company as at 31st March 2014 had working capital facilities outstanding with the consortium of member Banks of Rs. 9000.00 million. The Company has not availed any long term debt.

g) **Fixed Assets:**

The book value of fixed assets for the year ended 31.03.2014 after providing for depreciation is Rs. 1684.74 Million.

h) **Loans and Advances:**

The loans and advances as on 31st March 2014 were Rs. 4314.71 Million as compared to Rs. 4596.66 Million during the previous year.

i) **Cash and Bank Balances:**

REL continues to be a cash positive Company. As on 31st March 2014 the Company has Rs. 72141.60 Million (Net) as cash and bank balances.

h) **Current Liabilities:**

The current liabilities as on 31.03.2014 are Rs. 83487.40 Million.

For and on behalf of the Board

Sd/-

RAJESH MEHTA

Chairman

Place : Bangalore

Date : 30-5-2014



REPORT ON CORPORATE GOVERNANCE

Rajesh Exports Ltd. 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 of the Company is as follows:

Category	Names of Directors	Number of Directors	Composition %	No of Directorship's in other Companies	No. of Executive positions in other Companies	No. of Membership in committees of other companies
Promoter Executive Chairman	1. Mr. Rajesh Mehta	2	50 %	1. Rajesh Global Solutions Limited	Nil	1. Shareholders and Investor Grievance Committee of Rajesh Global Solutions Limited.
Managing Director	2. Mr. Prashant Mehta			1. Rajesh Global Solutions Limited	Nil	1. Audit and Compliance Committee of Rajesh Global Solutions Ltd.
Independent & non Executive Directors	1. Mr. Y.Venu Madhava Reddy	2	50%	1. Rajesh Global Solutions Ltd.	Nil	1. Audit Committee of Rajesh Global Solutions Ltd.
	2. Mr. G. Shanker Prasad			1. SME Development Centre		2. Investor Grievance Committee of Rajesh Global Solutions Ltd.
				2. Gopichand Rohra & Associates P Ltd	Nil	Nil

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

RAJESH EXPORTS LIMITED

BOARD MEETINGS

During the year 2013-14, nine (9) board meetings were held on 06.04.2013, 30.05.2013, 18.07.2013, 14.08.2013, 28.08.2013, 13.11.2013, 06.02.2014, 14.02.2014 & 08.03.2014. The details of attendance of the Directors (including past directors) at the Meetings are as follows.

Name of the Director	Attendance at the board meetings.
Mr. Rajesh Mehta <i>Executive Chairman</i>	09
Mr. Prashant Mehta <i>Managing Director</i>	09
Mr. Y. Venu Madhava Reddy <i>Independent & Non-Executive Director</i>	04
Mr. G. Shanker Prasad <i>Independent & Non-Executive Director</i>	07

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 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 49(ii) of Listing Agreements entered into with the Stock Exchanges which inter-alia include 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.

Members	Attendance
Mr. Y. Venu Madhava Reddy <i>Independent & Non-Executive Director</i>	04
Mr. G. Shanker Prasad <i>Independent & Non-Executive Director</i>	04
Mr. Rajesh Mehta <i>Executive Director</i>	04