



RAJESH EXPORTS LIMITED

16th
ANNUAL
REPORT

2009 - 2010

RAJESH EXPORTS LIMITED

Board of Directors

SHRI. RAJESH MEHTA	<i>Executive Chairman</i>
SHRI. PRASHANT MEHTA	<i>Managing Director</i>
SHRI. P. SIVA SANKAR	<i>Director</i>
SHRI. Y. VENU MADHAVA REDDY	<i>Director</i>
SHRI. G. SHANKER PRASAD	<i>Director</i>

Auditors

M/s P. K Rungta & Co.
Chartered Accountants
D-1, Jyothi Complex
134/1, Infantry Road
Bangalore – 560 001

Bankers

Canara Bank
IDBI Bank
State Bank of Hyderabad
UCO Bank

Regd. Office

4, Batavia Chambers
Kumara Krupa Road
Kumara Park East
Bangalore - 560 001.
Tel: 91-80-22266735
Fax: 91-80-22259503

Corporate Office

Rajesh Group
1, Brunton Road
(Off M. G. Road)
Opp. Old Passport Office
Bangalore - 560 001.
Tel: 91-80-40239999
Fax: 91-80-40239945

Share Transfer Agents

M/s S. K. D. C Consultants Limited
Kanapathy Towers,
3rd Floor ; 1391/A-1, Sathy Road
Ganapathy
Coimbatore - 641 012.
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 **16th Annual General Meeting** of the Members of **RAJESH EXPORTS LTD** will be held at **5.00 P.M. on 22-09-2010 at the Mini Hall, Hotel Woodlands, # 5, Raja Rammohan Roy Road, BANGALORE** to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss account for the year ended 31st March 2010 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 Mr. P. Siva Sankar, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to Section 269, Schedule XIII and all other applicable Provisions of the Companies Act, 1956, Mr. Rajesh Mehta be and is hereby re-appointed as the Executive Chairman of the Company for a further period of three years from 16-03-2010 on existing terms and conditions viz,

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

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

“RESOLVED THAT pursuant to Section 269, Schedule XIII and all other applicable Provisions of the Companies Act, 1956, Mr. Prashant Mehta be and is hereby re-appointed as the Managing Director of the Company for a further period of three years from 16-03-2010 on existing terms and conditions viz,

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. Reimbursement of medical expenses for self and family.
 - d. Fees of clubs, subject to maximum of 2 clubs.
 - e. Contribution to Provident Fund to the extent it is not taxable under Income Tax Act, 1961.
 - f. Gratuity payable at a rate not exceeding half a month's salary, for each completed year of service.
 - g. Personal Accident Insurance Premium, as per Income Tax Rules
 - h. Children's Education Allowance, as per Income Tax Rules
 - i. Encashment of leave at the end of the tenure.
6. To appoint auditors and fix their remuneration.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 4 of the Agenda:

The term of appointment of Mr. Rajesh Mehta as the Executive Chairman of the Company has expired on March 15, 2010.

RAJESH EXPORTS LIMITED

Mr. 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 with 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 the expert advice and guidance of Mr. Rajesh Mehta as the Executive Chairman for the efficient functioning of the Company.

Mr. Rajesh Mehta and Mr. Prashant Mehta may be regarded as interested Directors in the aforesaid Resolution.

Item No. 5 of the Agenda:

The term of appointment of Mr. Prashant Mehta as the Managing Director of the Company has expired on March 15, 2010. 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 the setting up of a highly advanced Research and Development facility for the evolution of crafting of jewellery and for the development of new internationally accepted designs. Mr. Prashanth Mehta is also known for his excellent skills of managing the affairs of the Company.

In the 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 the Company's progress.

Mr. Rajesh Mehta and Mr. Prashant Mehta may be regarded as interested Directors in the aforesaid Resolution.

By the Order of the Board
Sd/-

RAJESH MEHTA
Chairman

Place : Bangalore

Date : 13-8-2010

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. Proxies, in order to be effective, should be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 17-09-2010 to 22-09-2010 (both days inclusive), notice of which will appear in the News Paper on 09-09-2010.
4. Members holding shares in Physical form are requested to intimate the Change of Address and their Bank Account details such as Bank Name, Branch with address and Account No. for incorporating the same in dividend warrants to the Registrars and Transfer Agents of the Company M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor; 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641012, quoting their respective Folio Number. Members holding shares in Demat form shall intimate the above details to their Depository Participants (DP's) with whom they have Demat Account.
5. Members seeking any information with regard to the accounts are requested to write to the Company early, so as to enable the Management to keep the information ready.
6. Members/proxies should bring the attendance slip sent herewith duly filled in, for attending the Meeting.
7. Members are requested to address their correspondence, including share transfer matters and change of address to:

S. K. D. C. Consultants Limited, Kanapathy Towers, 3rd Floor; 1391/A-1, Sathy Road, Ganapathy
Coimbatore - 641 012. Phone: 0422 - 6549995; 2539835-836 Fax: 0422 2539837. E-mail: info@skdc-consultants.com

PROFILE OF RETIRING DIRECTOR WHO OFFERS HIMSELF FOR REAPPOINTMENT:

Mr. P. Siva Sankar, aged about 47 years, is a tax planner and tax consultant by profession and advises the company on taxation matters. The Board considers it appropriate to reappoint Mr. P. Siva Sankar as a Director.



DIRECTORS' REPORT

Your Directors have great pleasure in presenting their 16th annual report on the business and operations of the Company, for the financial year ended 31st March 2010.

FINANCIAL RESULTS

	<i>(Rs. in Crores)</i>	<i>(Rs. in Crores)</i>
	For the year ended 31.03.2010	For the year ended 31.03.2009
Profit Before Depreciation	209.02	100.32
<i>Less</i> : Depreciation	1.78	1.75
Profit after depreciation	207.24	98.57
<i>Less</i> : Provision for taxation Deferred taxation for the year	13.83	11.19
Profit after taxation	193.41	87.38
<i>Add</i> : Balance as per last account	44.35	75.20
Profit available for appropriation	237.76	162.58
<i>Less</i> : Transfer to general reserves	100.00	100.00
<i>Less</i> : Proposed dividend including tax on Dividend	30.99	18.04
<i>Less</i> : Provision for Gratuity liability as at 31-3-08	-	0.19
Balance surplus transferred to Balance Sheet	106.77	44.35

OPERATIONS

Your Directors are pleased to report that your Company's total income during the period under review stood at a record all time high of Rs. 18529.44 crores compared to that of Rs. 12204.13 crores during the previous year. As a result, the net profit for the year under review, after provision for depreciation and income tax was Rs. 193.41 crores. The Company has transferred an amount of Rs. 100.00 crores to the general reserves. As a result, the total reserve of the Company has moved up to Rs. 1117.63 crores.

DIVIDEND

Keeping in view the profitability of the Company, your Directors have recommended a dividend of 100 %.

DIRECTORS

Mr. P. Siva Sankar, Director of your Company, retires by rotation; and being eligible offers himself for reappointment.

AUDITORS

M/s. P. K. Rungta & Co, Chartered Accountant, retires at the ensuing Annual General Meeting and is 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.

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 compilation of annual accounts for the financial year ended 31.03.2010, the applicable accounting standards have been followed along with proper explanation relating to the material departures.

RAJESH EXPORTS LIMITED

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 this 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 31.03.2010 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 have been paid.

Company's (Disclosure of particulars in the report of Board of Directors) Rules, 1988

A) 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.

B) FOREIGN EXCHANGE EARNINGS

During the year the Company has reported foreign exchange earnings of Rs. 16,253.60 crores (Previous year: Rs. 10,538.91 crores). The foreign exchange outgo on account of import of raw materials amounted to Rs. 18,396.96 crores (Previous year: Rs. 11,698.28 crores).

C) PARTICULARS OF EMPLOYEES

During the year under review, there were no employees who were drawing remuneration in excess of Rs. 24 Lakhs per annum or Rs. 2,00,000/- per month, if employed for a part of the year.

D) NEW DIVISION

A new Refinery Unit (SIDCUL), Uttaranchal, has been started during the Year.

ACKNOWLEDGEMENTS

Your directors specially wish to place on record, their sincere appreciation to the people of the Company for their dedication and hard work, which have resulted in the overwhelming success of the Company during the year under report. Your directors place on record their gratitude to Canara Bank, IDBI Bank, State Bank of Hyderabad and UCO Bank for their continued support. Your Directors also thank all the Shareholders, Consultants, Customers, Vendors, Service providers and Government & Statutory authorities for their continued support.

For and on behalf of the Board

Place : Bangalore
Date : 13-8-2010

RAJESH MEHTA
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

We are delighted to say that our company has come out unscathed from the recession, emerging stronger with highest ever cash on Balance-sheet and a strong Order Book position. The company capitalized on the economic downturn by climbing up the value chain into high value added products as well as further lowering its cost structure by backward integration, thus resulting on margin expansion. Company achieved a 49.72% increase in its revenue for the year ended 31/3/2010.

Our vision is to emerge as the most trusted and the largest jeweller in the world. The people of the Company have been relentlessly-working towards this for the last two decades and as a result of constant focus, research and improvement, today, your Company has achieved the capability of being a 100% integrated jeweller, wherein the operations of your Company extend from Gold Mines to the retail outlets. The ultimate goal of the Company is to deliver quality jewellery at the most affordable prices to consumers across the world. Your Company has started efforts to capture a major Share of jewellery retailing in the world and for that purpose has launched the “Gold Revolution” in Bangalore which has met with an unprecedented success and the retail brand name of the Company “SHUBH JEWELLERS” has now become one of the most trusted and a household name in Bangalore. Your company will spare no efforts to ensure that “SHUBH JEWELLERS” would be the most trusted brand name in India and in the global markets.

To achieve its vision your Company is sharply focusing on Research and Development and has evolved several new technologies for manufacturing world class jewellery and the designers of the Company are constantly working towards creating the best jewellery design portfolio in the world.

MANAGEMENT

The Board of Directors heads 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 31.03.2010.

Sl. No.	Name	Designation	Profession
01.	Mr. Rajesh Mehta	Executive Chairman	Rich and varied experience of over two decades in management.
02.	Mr. Prashant Mehta	Managing Director	Over two decades of experience in jewellery production and marketing.
03.	Mr. P. Siva Sankar	Non Executive & Independent Director	Leading Tax Consultant.
04.	Mr. Venu Madhava Reddy	Non-Executive & Independent Director	Has an experience of over 15 years in management and administration.
05.	Mr. G. Shanker Prasad	Non-Executive & Independent Director	Well known practicing Company Secretary and Cost Accountant.

The Board of Directors are efficiently complemented in the day to day functioning by a team of highly qualified professionals with commendable 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 a 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.

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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.

ANALYSIS OF FINANCIAL PERFORMANCE

a) *Key financial Indicators:*

	2009-2010	2008-2009
Return on Net Worth	16.91%	11.07%
PAT to Sales	1.08%	0.73%
Fixed Assets / Turnover (Times)	253.25	210.92
Sales / Total Assets (Times)	5.50	4.17

b) *Revenues:*

The business operations of Rajesh Exports Ltd. for the year 2009-10 resulted in the Company achieving total revenue of Rs. 18529.44 Crores as against Rs. 12204.13 Crores during the previous year. The operating revenue for the year (Revenue less other Income) is Rs. 17894.96 Crores.

(Rs. in Crores)

	2009-2010	2008-2009
Operating Revenue	17894.96	11949.66
Other Income	634.48	254.47
Total Revenue	18529.44	12204.13

c) *Operating Income:*

Operating income (excluding other income) for the year 2009-2010 is Rs. 17894.96 Crores.

d) *Cost of Revenue:*

Cost of goods sold for 2009-2010 is Rs. 18179.47 crores as compared to Rs. 11861.61 Crores in the previous year.

e) *Provision for Taxation:*

The provision for taxation for 2009-2010 is Rs. 13.83 crores as compared to Rs. 11.19 Crores during the previous year.

f) *Debt:*

The Company as at 31st March 2010 had working capital facilities outstanding with the consortium of member Banks of Rs. 601.28 crores.

Note: Apart from the above credit facilities the Company has also availed overdraft facility against its own deposits for meeting short term working capital requirements.

g) *Fixed Assets:*

The book value of fixed assets for the year ended 31.03.2010 after providing for depreciation is Rs. 70.66 crores.

h) *Loans and Advances:*

The loans and advances as on 31st March 2010 were Rs. 869.56 Crores as compared to Rs. 765.26 Crores during the previous year.

i) *Cash and Bank Balances:*

REL continues to be a cash positive Company. As on 31st March 2010 the Company has Rs. 6653.51 Crores (Net) as cash and bank balances.

h) *Current Liabilities:*

The current liabilities as on 31.03.2010 are Rs. 5362.60 Crores.

For and on behalf of the Board

Place : Bangalore
Date : 13-8-2010

RAJESH MEHTA
Chairman



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	40 %	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. P. Siva Sankar	3	60 %	1. Rajesh Global Solutions Ltd.	Nil	1. Audit Committee of Rajesh Global Solutions Ltd.
	2. Mr. Venu Madhava Reddy			2. SDS Futura Blocks Pvt. Ltd.	Nil	2. Investor Grievance Committee of Rajesh Global Solutions Ltd.
	3. Mr. G. Shanker Prasad			1. Rajesh Global Solutions Ltd.	Nil	1. Audit Committee of Rajesh Global Solutions Ltd. 2. Investor Grievance Committee of Rajesh Global Solutions Ltd.
				1. Gopichand Rohra and Associates Pvt. Ltd.	Nil	
				2. NG Cluster Garments Pvt Ltd.		
				3. SME's Development Centre.		

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

BOARD MEETINGS

During the year 2009-10, twenty four (24) board meetings were held on the following dates :

18.04.2009, 02.05.2009, 16.05.2009, 26.05.2009, 06.06.2009, 20.06.2009, 30.06.2009, 29.07.2009, 17.08.2009, 19.09.2009, 03.10.2009, 30.10.2009, 21.11.2009, 26.11.2009, 05.12.2009, 06.01.2010, 22.01.2010, 30.01.2010, 18.02.2010, 02.03.2010, 06.03.2010, 13.03.2010, 20.03.2010 and 29.03.2010.

The details of attendance of the Directors at the meetings are as follows :

Name of the Director	Attendance at the board meetings.
Mr. Rajesh Mehta <i>Executive Chairman</i>	24
Mr. Prashant Mehta <i>Managing Director</i>	20
Mr. P. Siva Sankar <i>Independent & Non-Executive Director</i>	22
Mr. Venu Madhava Reddy <i>Independent & Non-Executive Director</i>	19
Mr. G. Shanker Prasad <i>Independent & Non-Executive Director</i>	14

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 comprises of three non-executive Directors viz Mr. P. Siva Sankar, 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. Siva Sankar <i>Chairman, Independent & Non-Executive Director</i>	04
Mr. G. Shanker Prasad <i>Independent & Non-Executive Director</i>	04
Mr. Y. Venu Madhava Reddy <i>Independent & Non-Executive Director</i>	04



SHAREHOLDERS & INVESTOR GRIEVANCE COMMITTEE

The Shareholders and Investor Grievance Committee comprises of Mr. Y. Venu Madhava Reddy, Mr. G Shanker Prasad and Mr. Rajesh Mehta. The Committee approves and monitors transfers, transmissions, dematerialisation, 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 : 06

No. of complaints resolved : 06

No. of complaints pending : 0

The Committee is chaired by Mr. Y. Venu Madhava Reddy, who is a non executive director.

The Committee has met two times during the year.

SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE

Members	Attendance
Mr. Y. Venu Madhava Reddy <i>Independent & Non-Executive Director</i>	02
Mr. G Shanker Prasad <i>Independent & Non-Executive Director</i>	02
Mr. Rajesh Mehta <i>Executive Director</i>	02

REMUNERATION OF DIRECTORS

The Directors' remuneration includes consolidated remuneration paid to Executive Chairman, Mr. Rajesh Mehta and Managing Director, Mr. Prashant Mehta 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 Annual General Meetings of the company for the last 3 years

Last 3 AGM's	Date/Time of AGM	Venue
13th AGM	22nd September 2007 @ 4.30 P.M.	Mini Hall, Hotel Wood Lands, Raja Ram Mohan Roy Road, Bangalore
14th AGM	16th September 2008 @ 10.15 A.M.	Mini Hall, Hotel Wood Lands, Raja Ram Mohan Roy Road, Bangalore.
15th AGM	29th September 2009 @ 10.30 A.M.	Mini Hall, Hotel Wood Lands, Raja Ram Mohan Roy Road, Bangalore.

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

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DISCLOSURE

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

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

No penalties or strictures were imposed on the Company by any of the Stock Exchanges, Securities and Exchange Board of India or any statutory authority, on any matters related to capital market, during the last three years. Compounding Applications that were pending before the Hon'ble Company Law Board in respect of certain provisions of Companies Act 1956 were settled.

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 English and regional languages 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 is regularly updated regarding the corporate actions undertaken by the Company.

WHISTLE BLOWER POLICY

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis also forms part of the Directors Report.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting : 22nd September 2010 at 5.00 PM
at Mini Hall, Hotel Woodlands,
5, Raja Rammohan Roy Road, Bangalore.

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 LTD.

Kanapathy Towers, 3rd Floor ; 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 012.
Phone: 0422 - 6549995; 2539835-836 Fax: 0422 2539837. E-mail: info@skdc-consultants.com

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

Name of the compliance officer : Joseph T D

All the share transfers received up to 31st March 2010 have been processed.



FINANCIAL CALENDAR FOR THE YEAR 2009-10

Financial Year 1st April 2009 to 31st March 2010

Board meeting for considering audited accounts and recommendation of dividend for the year ended 31.03.2009.	30.06.2009
Board meeting for considering Un-audited results for the first quarter.	29.07.2009
Board meeting for considering Un-audited results for the Second quarter.	30.10.2009
Board meeting for considering Un-audited results for the Third quarter.	30.01.2010
Board meeting for considering audited results for the financial year ended 31.03.2010 and recommendation of Dividend.	31.05.2010
Posting of Annual Reports.	on / before 27.08.2010
Book Closure Dates.	17-09-2010 to 22-09-2010
Last date of receipt of Proxy Forms.	20-09-2010
Date of AGM.	22-09-2010
Probable date for dispatch of Dividend Warrants.	First week of October 2010

DIVIDEND

The Board of Directors are pleased to recommend the payment of dividend for the year ended 31st March 2010 @ Re. 1/- per share or 100 per cent for all the shareholders whose names appear on the register of members as on the book closure date i.e. 17-09-2010.

LISTING ON STOCK EXCHANGES

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

Bombay Stock Exchange of India Ltd. (**Exchange Code: 531500**)

MONTHLY HIGH AND LOW QUOTATION AND VOLUME OF SHARES TRADED FROM 01.04.2009 TO 31.03.2010.

ON NATIONAL STOCK EXCHANGE OF INDIA LTD., MUMBAI (NSE)

Period	Highest Quotation in Rs.	Lowest Quotation in Rs.	Volume of shares Traded	Turnover Rs. in Lakhs
@ Re. 1 / Share				
April, 2009	35.90	25.05	244,71,241	7,481.21
May, 2009	46.40	26.15	433,27,045	16,300.09
June, 2009	59.70	40.85	445,73,885	22,507.53
July, 2009	46.45	32.10	153,99,284	6,233.61
August, 2009	55.00	40.00	267,70,130	12,558.29
September, 2009	84.65	47.25	922,17,491	63,825.59
October, 2009	85.55	64.60	457,84,739	34,701.64
November, 2009	88.80	70.05	396,16,245	32,285.04
December, 2009	91.25	74.55	317,64,218	26,240.69
January, 2010	100.20	89.00	215,57,141	20,437.34
February, 2010	110.80	95.10	205,36,384	21,340.40
March, 2010	121.50	99.95	189,72,870	20,463.98

RAJESH EXPORTS LIMITED

ON BOMBAY STOCK EXCHANGE LTD., MUMBAI (BSE)

Period	Highest Quotation in Rs.	Lowest Quotation in Rs.	Volume of shares Traded	Turnover Rs. in Lakhs
@ Re. 1/ Share				
April, 2009	35.85	25.00	11,841,046	3,624.87
May, 2009	46.30	26.10	20,856,437	7,952.97
June, 2009	59.70	41.60	18,507,778	9,335.98
July, 2009	46.50	32.10	6,586,529	2,681.55
August, 2009	52.35	40.00	11,882,679	5,541.08
September, 2009	84.60	47.25	45,444,797	31,312.19
October, 2009	85.50	64.55	22,620,479	17,064.29
November, 2009	91.70	70.20	24,444,870	19,921.24
December, 2009	91.40	74.90	20,298,870	16,617.24
January, 2010	100.40	89.05	11,521,002	10,432.10
February, 2010	110.80	95.00	9,916,080	10,312.89
March, 2010	121.35	99.90	9,393,979	10,094.92

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2010

Value (in Rs.)	No. of share holders	%	Amount (Rs)	%
Up to 5,000	61324	99.25	14366913	5.40
5,001 to 10,000	254	0.41	1823054	0.70
10,001 to 20,000	89	0.14	1233121	0.47
20,001 to 30,000	37	0.06	878623	0.33
30,001 to 40,000	8	0.01	276327	0.10
40,001 to 50,000	9	0.01	404506	0.15
50,001 to 1,00,000	18	0.03	1367957	0.51
1,00,001 and above	50	0.08	245464871	92.34
TOTAL	61789	100.00	265815372	100.00

CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH 2010

Category	No of Shares	%
Indian Promoters	149127180	56.101
Foreign Institutional Investors	25756560	9.690
Private Corporate Bodies	3861645	1.453
Indian Public/Mutual Fund / Financial Institutions etc.	39784508	14.967
NRI's / OCB's	47285479	17.789
TOTAL	265815372	100.000

DEMATERIALIZATION OF EQUITY SHARES

The Company's shares are under compulsory dematerialization list and can be transferred through depository system. The Company has 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 31.03.2010, 97.067% shares of the Company were in electronic form.



	No. of shares	% of holding
No of shares held in CDSL	57,52,351	2.164
No of shares held in NSDL	25,22,66,197	94.903
Total No. of shares held in DE-Mat form	25,80,18,548	97.067
No. of shares held in Physical form	77,96,824	2.933
Grand Total	26,58,15,372	100.000

CEO / CFO CERTIFICATION

The Company is fully cognizant of and committed to, adhering to the statutory requirements for the internal controls as set out by the Securities and Exchange Board of India. Accordingly, the Managing Director and the Finance Manager of the Company have duly verified and certified to the Board of the Company that the procedures and internal controls of the reporting as fully compliant with SEBI guidelines.

The Managing Director and Finance Manager have certified to the Board by placing a certificate thereof on the financials of the Company that they have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

- (i) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (iii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of Conduct.

For and on behalf of the Board

Place : Bangalore

Date : 31-5-2010

PRASHANT MEHTA

Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,

M/s. RAJESH EXPORTS LIMITED

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Rajesh Exports Ltd. for the year ended 31.03.2010, as stipulated in the Clause 49 of the listing agreement of the said Company with Stock Exchange.

The Compliance of condition of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the guidance note on certification at Corporate Governance issued by the Institute of the Chartered accounts of India and was limited to procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, subject to:

1. Our reliance upon the certificate received by the Company from its Registrar for the number of complaints received from the shareholders and the number of complaints resolved during the financial year and number of complaints pending at the year end as stated in Company's report on the Corporate Governance.
2. Our having relied on the representation of the management that there were no transactions of material nature with the management or their relatives that may have potential conflict with the interest of the Company at large.

We certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **P. K. RUNGTA & CO.,**

Chartered Accountants

Sd/-

(C. A. P. K. RUNGTA)

Proprietor

M.No. 051184

Place : Bangalore

Date : 31-5-2010

RAJESH EXPORTS LIMITED

AUDITOR'S REPORT

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

We have audited the attached balance sheet of M/S. RAJESH EXPORTS LIMITED as at 31st March 2010, and the profit and loss account and Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks and verification of the books of accounts as we consider necessary and to the best of our knowledge and according to the information and explanations given to us during the course of our 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 purposes of our audit.
 - b) In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Profit and Loss account, Cash Flow Statement and Balance Sheet comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 *except that there is non compliance of Accounting Standard 11 and Accounting Standard 1 as premium or discount arising at the inception of forward exchange contract is not amortized as expense or income over the life of the contract but is charged to the Profit & Loss Account of the year and exchange difference on such a contract is not recognized in the Profit & Loss Statement in the reporting period in which the exchange rate changes*
 - e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of Clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our Knowledge and according to the information and explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and Subject to; *(i) that during the year the company has changed the Accounting policy and accounted for the additional liability on account of increase in gold price as prevalent as on 31st March 2010 in the case of outstanding provisional imports for which the gold price is yet to be fixed; due to this change in accounting policy, the profit for year has been understated by Rs.31,93,21,126 and further, where the price of gold exported on provisional basis through certain invoices is not fixed as on 31st March,2010 but additional income on account of increase in gold price as prevalent as on 31st March 2010 in the case of outstanding provisional exports, for which the gold price is yet to be fixed; is not accounted for (as stated in Para A.6 in schedule 'S'), the effect of which to the Profit & Loss Account is not quantified (ii) that during the year the Company has changed the Accounting Policy with regard to accounting of interest income on interest bearing loans other than bank deposits from accrual to cash basis, resulting in the profit for year has been understated by Rs.14,82,02,244/- (as stated in Para A.6 in schedule 'S'); read with other notes in Schedule 'S' annexed to the audited accounts, give a true and fair view:*
 - i) In the case of the balance sheet, of the state of affairs of the company as at 31st March 2010 and
 - ii) In the case of the profit and loss account, of the profit for the year ended on that date;
 - iii) In the case of cash flow statement, of the cash flow of the company for the year ended on that date.

For **P.K. RUNGTA & CO.,**
Chartered Accountants
Sd/-
(C.A. P.K. RUNGTA)
Proprietor
Membership No. 051184

Place: Bangalore
Date: 31st May 2010



**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE OF THE
AUDITOR'S TO THE MEMBERS OF M/S. RAJESH EXPORTS LIMITED, BANGALORE, ON THE
ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010.**

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets but identification mark on the individual assets is not displayed. The Company has drawn up a programme of Physical verification of Fixed Assets which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification. Substantial part of the fixed assets has not been disposed off during the year.
2. As explained to us, Inventories held by the company have been physically verified by the management at regular intervals during the year.

In our opinion and according to the information and explanations given to us, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

The Company has maintained proper records of inventories. As explained to us, there were no discrepancies noticed on physical verification of inventory as compared to the book records.

3. As per the information and explanations furnished by the Management, the company has not granted any loans to the companies or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

The Company has taken loan from the parties listed in the register maintained under section 301 of the Companies Act, 1956. These loans were taken from three parties and the amount outstanding as at the year end is Rs.242,176,838/- and maximum amount taken at any time of the year Rs.286,492,220/-. The rate of interest and other terms and conditions of these loans taken are not prima facie prejudicial to the interest of the company. The payment of principle amount and interest thereon are also regular wherever stipulated.

4. In our opinion and 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 purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the companies Act, 1956, if any, have been entered in the register maintained under section 301 of the companies Act, 1956. The transactions made in pursuance of such contracts or arrangements, exceeding the value of rupees five lakhs in respect of any party during the year, if any, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has accepted deposits from an individual and the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act 1956 and the rules framed there under, where applicable, have been complied with. The Company Law Board has not passed any order with regard to public deposits.
7. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
8. The company has maintained cost records and accounts as prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.
9. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise duty, Cess and other statutory dues, as applicable to it, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding

RAJESH EXPORTS LIMITED

at the year end for a period of more than six months from the date they became payable. Based on information and explanations given to us, we furnish hereunder the particulars of disputed aforesaid dues which have not been deposited:

Name of the Statute	Nature of the dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Entry Tax Act	Entry Tax	3,52,844	2001-02	The Joint Commissioner of Commercial Taxes (Appeals)
Karnataka Sales Tax Act	Sales Tax	1,54,702	2001-02	--Do--
--Do--	--Do--	1,00,000	2002-03	--Do--
--Do--	--Do--	2,24,355	2003-04	--Do--

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. As per information furnished by the management, the company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.
12. According to the information and explanations given to us, the Company has maintained adequate documents and records in cases where the Company has granted loans on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society and hence clause 4 (xiii) of Companies (Auditor's Report) Order 2003 is not applicable to the company.
14. In our opinion, the Company is not a dealer or a trader in shares, securities, debentures and other investments.
15. The company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company did not have any outstanding term loans at the year end of the year. However, the company has a sum of Rs. 303,81,28,000/- outstanding as on 31st March 2010 as FCCB issue proceeds shown under the head 'Unsecured Loan' in Schedule 'E' annexed to the accounts. Out of the outstanding FCCB amount the Company has paid a sum of Rs. 240,76,23,516 as an advance to AGR Matthey, a foreign company..
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the company.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not created any security or charge in respect of debentures/bonds issued.
20. The Company has not raised any money through a public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud by or against the Company has been noticed or reported during the year

For **P.K. RUNGTA & CO.,**
Chartered Accountants
Sd/-
(C.A. P.K. RUNGTA)
Proprietor
Membership No. 051184

Place: Bangalore
Date: 31st May 2010



BALANCE SHEET AS AT 31st MARCH 2010

(Amount in Indian Rupees)

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS:			
Share Capital	A	265,815,372	257,008,287
Reserves & Surplus	B	<u>11,176,251,571</u>	<u>8,881,343,179</u>
		11,442,066,943	9,138,351,466
LOAN FUNDS:			
Secured Loans:			
Term Loan and Working Capital	C	6,012,824,225	1,933,496,091
Loans from banks			
against fixed deposits	D	11,569,805,419	13,479,961,607
Unsecured Loans:			
From directors and others	E	<u>3,280,304,838</u>	<u>3,919,718,220</u>
		20,862,934,482	19,333,175,918
		<u>32,305,001,425</u>	<u>28,471,527,384</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block		836,631,066	756,094,763
Less : Depreciation		<u>130,025,132</u>	<u>112,229,986</u>
Net block	F	706,605,934	643,864,777
Work in progress		<u>-</u>	<u>4,968,816</u>
		706,605,934	648,833,593
INVESTMENTS	G	44,176,800	3,849,116,800
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	H	4,135,046,530	1,742,931,322
Sundry debtors	I	6,120,643,233	5,472,697,787
Cash & bank balances	J	66,535,131,087	55,371,793,938
Loans and advances	K	8,695,694,356	7,652,607,181
		<u>85,486,515,206</u>	<u>70,240,030,228</u>
Less : Current Liabilities & Provisions	L	<u>53,940,547,805</u>	<u>46,274,732,434</u>
Net current assets		31,545,967,401	23,965,297,794
DEFERRED TAX ASSET		8,223,385	8,223,385
MISCELLANEOUS EXPENDITURE	M	27,905	55,812
		<u>32,305,001,425</u>	<u>28,471,527,384</u>

Schedule 'A' to 'S' enclosed herewith form the 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,
Sd/-

Place: Bangalore
Date : 31.05.2010

RAJESH MEHTA
Chairman

PRASHANT MEHTA
Managing Director

Company Secretary

C.A. P.K. Rungta
Proprietor
M.No. 051184

RAJESH EXPORTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

(Amount in Indian Rupees)

	Schedule	As at 31.03.2010	As at 31.03.2009
INCOME			
Income from operations *			
(Refer Note B8 in Schedule 'S')	N	184,113,456,055	119,496,647,862
Other income	O	1,180,942,626	2,544,617,402
		185,294,398,681	122,041,265,264
EXPENDITURE			
Cost of goods sold	P	181,794,682,702	118,616,109,262
Administrative & Selling expenses	Q	455,779,245	1,006,152,107
Interest and bank charges	R	953,732,202	1,415,742,627
Depreciation		17,795,146	17,556,905
Preliminary expenses written off		27,907	27,907
		183,222,017,202	121,055,588,808
Profit for the year before tax		2,072,381,479	985,676,456
Provision for taxation for the year		(138,350,019)	(111,677,143)
Fringe benefit tax for the year		-	(238,953)
Profit for the year after tax		1,934,031,460	873,760,360
Balance as per last account		443,514,345	752,047,682
Provision for Gratuity liability as at 31.03.2008		-	(1,869,766)
Profit available for appropriation		2,377,545,805	1,623,938,276
Proposed dividend		(265,815,372)	(154,204,972)
Dividend for earlier years		-	(10,106)
Tax on dividend		(44,148,611)	(26,207,135)
Tax on Dividend for earlier years		-	(1,718)
Transferred to general reserve		(1,000,000,000)	(1,000,000,000)
Balance carried to balance sheet		1,067,581,822	443,514,345
Earning per share (Per Equity share of Rs 1/- each,			
Basic		7.28	3.40
Diluted		6.34	3.04
(Refer Para 14 of Notes to Account Schedule S)			

Schedule 'A' to 'S' enclosed herewith form the integral part of the accounts.

For and on behalf of the Board

Place: Bangalore
Date : 31.05.2010

RAJESH MEHTA
Chairman

PRASHANT MEHTA
Managing Director

Company Secretary

As per our Report of even date
For P.K. Rungta & co,
Chartered accountants,
Sd/-

C.A. P.K. Rungta
Proprietor
M.No. 051184



SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

(Amount in Indian Rupees)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE "A"		
SHARE CAPITAL		
Authorised :		
30,00,00,000 Equity Shares of Rs.1/- each (Previous Year 30,00,00,000 Equity shares of Rs.1/- each)	300,000,000	300,000,000
Issued, subscribed and paid up :		
26,58,15,372 equity shares of Rs.1/- each fully paid up (Previous year 25,70,08,287 equity shares of Rs.1/- each fully paid up) (includes 14,78,14,000 equity shares of Rs 1/ each issued as bonus shares on capitalisation of general reserve)	265,815,372	257,008,287
	265,815,372	257,008,287
SCHEDULE "B"		
RESERVES AND SURPLUS		
Share premium account		
As per last account	3,535,642,834	2,984,369,823
Add : Additions during the year	670,840,915	551,273,011
	4,206,483,749	3,535,642,834
GENERAL RESERVE		
As per last account	4,902,186,000	3,902,186,000
Add : Additions during the year	1,000,000,000	1,000,000,000
	5,902,186,000	4,902,186,000
Surplus as per the Profit and Loss account	1,067,581,822	443,514,345
	11,176,251,571	8,881,343,179
SCHEDULE "C"		
SECURED LOANS:		
A. Working Capital		
Canara Bank	603,015,350	604,473,044
HSBC Limited	-	573,252,500
State Bank of Hyderabad	600,195,750	160,235,297
UCO Bank	599,613,125	595,535,250
Above loans are secured on pari passu basis by hypothecation of stocks & book debts and mortgage of office building at Batavia Chambers, land & building at Gandhinagar and land, building and plant & machineries situated at Export Promotion Park, Whitefield		
Further the above loans are secured by personal guarantee of the promotor directors.		
Bills discounted from HDFC Bank Limited	1,210,000,000	-
Bills discounted from Canara Bank	3,000,000,000	-
	6,012,824,225	1,933,496,091

RAJESH EXPORTS LIMITED

SCHEDULE "D"

OVERDRAFT ON PLEDGE OF FIXED DEPOSITS

(Amount in Indian Rupees)

	As at 31.03.2010	As at 31.03.2009
AXIS Bank Limited	615,839,391	366,482,640
Canara Bank	2,321,026,033	1,708,950,426
HSBC Limited	-	852,315,501
Indian Bank	469,627,629	4,301,416
IDBI Bank Limited	3,221,779,030	3,148,322,648
Indus Ind Bank Limited	13,123,988	350,206,164
ING Vysya Bank	-	45,098,182
Karnataka Bank Limited	-	1,549,167
Punjab & Sind Bank	176,747,114	-
State Bank of Hyderabad	229,071,087	610,731,442
State Bank of India	3,931,943,402	1,690,002,610
State Bank of Mysore	572,799,767	3,403,460,891
Syndicate Bank	-	97,272,699
Tamil Nadu Mercantile Bank Limited	32,175	556,713,957
Uco Bank	17,584,567	644,553,864
Yes Bank Limited	231,236	-
	11,569,805,419	13,479,961,607

SCHEDULE 'E'

UNSECURED LOANS

From Directors	112,283,420	30,842,220
From Others	129,893,418	171,100,000
FCCB Issue	3,038,128,000	3,717,776,000
	3,280,304,838	3,919,718,220

SCHEDULE "F"

SCHEDULE OF FIXED ASSETS AS AT 31ST MARCH 2010

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on	Additions	Sales	Total	As on	For the	Withdrawn	Total	As on	As on
	01.04.2009			31.03.2010	01.04.2009	Year			31.03.2010	31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. Business assets										
Land	36,924,097	-	-	36,924,097	-	-	-	-	36,924,097	36,924,097
Lease Hold Land	-	7,155,563	-	7,155,563	-	-	-	-	7,155,563	-
Buildings	309,052,792	16,458,594	-	325,511,386	78,486,027	10,390,656	-	88,876,683	236,634,703	230,566,765
Plant and machineries	86,092,973	10,256,757	-	96,349,730	21,542,840	4,565,735	-	26,108,575	70,241,155	64,550,133
Generator	2,944,621	-	-	2,944,621	268,320	155,476	-	423,796	2,520,825	2,676,301
Furniture and fixtures	16,609,649	1,551,502	-	18,161,151	5,111,585	1,137,937	-	6,249,522	11,911,629	11,498,064
Office equipments	4,782,504	599,306	-	5,381,810	1,104,018	277,197	-	1,381,215	4,000,595	3,678,486
Computers	3,660,357	221,404	-	3,881,761	2,078,792	585,927	-	2,664,719	1,217,042	1,581,565
Weighing scales	1,260,638	148,257	-	1,408,895	519,180	63,540	-	582,720	826,175	741,458
Borewell	148,000	-	-	148,000	4,578	4,943	-	9,521	138,479	143,422
Motor vehicles	6,433,500	699,000	-	7,132,500	3,114,646	613,735	-	3,728,381	3,404,119	3,318,854
Sub total	467,909,131	37,090,383	-	504,999,514	112,229,986	17,795,146	-	130,025,132	374,974,382	355,679,145
B. Other immovable properties										
Sujatha complex	20,505,157	-	-	20,505,157	-	-	-	-	20,505,157	20,505,157
Mohan building	97,715,861	-	-	97,715,861	-	-	-	-	97,715,861	97,715,861
Volga hotel building	2,608,855	-	-	2,608,855	-	-	-	-	2,608,855	2,608,855
Land at Kumbalgod	13,435,200	6,587,912	-	20,023,112	-	-	-	-	20,023,112	13,435,200
Land at Akupette	11,195,065	-	-	11,195,065	-	-	-	-	11,195,065	11,195,065
Property in Kerala	27,735,930	1,700,000	-	29,435,930	-	-	-	-	29,435,930	27,735,930
Property at Devanhalli	12,174,066	-	-	12,174,066	-	-	-	-	12,174,066	12,174,066
Jayashree Complex	13,183,210	-	-	13,183,210	-	-	-	-	13,183,210	13,183,210
Commercial Street	88,263,968	-	-	88,263,968	-	-	-	-	88,263,968	88,263,968
Land at Peenya	1,368,320	-	-	1,368,320	-	-	-	-	1,368,320	1,368,320
Malleswaram	-	35,158,008	-	35,158,008	-	-	-	-	35,158,008	-
Sub total	288,185,632	43,445,920	-	331,631,552	-	-	-	-	331,631,552	288,185,632
Grand total	756,094,763	80,536,303	-	836,631,066	112,229,986	17,795,146	-	130,025,132	706,605,934	643,864,777
Previous year	657,121,746	103,458,537	44,85,520	756,094,763	95,008,236	17,556,905	335,155	112,229,986	643,864,777	562,113,510



(Amount in Indian Rupees)

SCHEDULE "G"

INVESTMENTS

Long term investments- At cost

	As at 31.03.2010	As at 31.03.2009
A. Quoted : Non - Trade 33,99,980 (48,99,980) equity share of Rs 10/- each fully paid up in Rajesh Global Solutions Ltd.	33,999,800	48,999,800
HSBC Mutual Fund FTS 49 20,000,000 Units	-	200,000,000
HDFC Mutual Fund FMP 37D 48,000,000 Units	-	480,000,000
HSBC Mutual Fund FTS 46 62,000,000 Units	-	620,000,000
Birla Sunlife 6,000,000 Units	-	60,000,000
Fidelity FMP Series A 60,000,000 Units	-	600,000,000
HSBC FTS - 59 - 80,000,000 Units	-	800,000,000
HSBC TFHFS -64 - 52,000,000 Units	-	520,000,000
HSBC TFHF 52,000,000 Units	-	520,000,000
Canara ROBECO CNRB0001833	10,000,000	-
B. Non - Quoted - Long Term: In Govt Securities: At Cost		
National Saving Certificates (Deposited with Govt. Department)	60,000	-
C. Non Quoted: shares in		
1. Sri Ashtalakshmi Marketing Pvt Ltd		
a. 180 equity share of Rs.200 each fully paid up	23,400	23,400
b. 144 equity share of Rs.1000 each fully paid up	93,600	93,600
2. Laabh Jewel Gold Pvt Ltd		
a. 30,99,000 equity share of Rs 1 each fully paid up	3,099,000	3,099,000
b. 88,02,000 convertible Preference share of Rs 1 each fully paid up	8,802,000	8,802,000
3. Oyzterbay Pvt Ltd		
a. 1,09,600 equity share of Rs.10/ each fully paid up	1,523,180	1,523,180
b. 48,682 Preference share of Rs.1000/ each fully paid up	486,820	486,820
	58,087,800	3,863,027,800
Less : Provision for diminution in value	13,911,000	13,911,000
	44,176,800	3,849,116,800
	Cost	Market Value
Quoted Investment	33,999,800	Not Traded
Rajesh Global Solution Ltd.	10,000,000	1,300,000,000
Mutual Funds		

SCHEDULE1 "H"

INVENTORIES

Stock in trade of gold & gold ornaments	4,045,580,806	1,672,886,291
Stock in trade of diamonds	87,365,189	70,045,031
Stock of Silver	2,100,535	-
	4,135,046,530	1,742,931,322

SCHEDULE "I"

SUNDRY DEBTORS*

(Unsecured)		
Due for more than 6 months - Considered good	29,770,802	173,744,916
Due for more than 6 months - Considered doubtful	3,477,236	3,477,236
Other debts	6,090,872,431	5,298,952,871
	6,124,120,469	5,476,175,023
Less: Provision for doubtful debts	3,477,236	3,477,236
	6,120,643,233	5,472,697,787

RAJESH EXPORTS LIMITED

	<i>(Amount in Indian Rupees)</i>	
	<u>As at 31.03.2010</u>	<u>As at 31.03.2009</u>
SCHEDULE "J"		
CASH AND BANK BALANCES		
Cash in hand	52,865,491	21,000,000
Balances with scheduled banks		
In current accounts	1,005,882,177	9,977,325
In fixed deposits	64,005,077,725	53,728,059,937
In unclaimed dividend accounts	2,541,418	1,916,643
Deposit in Foreign Currency		
Bank of Baroda, Dubai	1,471,264,276	-
Uco Bank, Singapore	-	1,613,340,033
	<u>66,537,631,087</u>	<u>55,374,293,938</u>
Less : Provision for doubtful balances	2,500,000	2,500,000
	<u>66,535,131,087</u>	<u>55,371,793,938</u>
SCHEDULE "K"		
LOANS AND ADVANCES		
A. Loans given		
Secured - Considered good	3,641,681,610	2,041,800,000
Unsecured - Considered good	13,000,000	85,500,000
B. Advance recoverable in cash or in kind or for value to be received or adjusted (Unsecured)		
Advances- Considered good	5,032,013,739	5,516,920,174
Advances- Considered doubtful	253,664,904	254,023,394
Deposits - Considered good	8,999,007	8,387,007
	<u>8,949,359,260</u>	<u>7,906,630,575</u>
Less: Provision for doubtful advances	253,664,904	254,023,394
	<u>8,695,694,356</u>	<u>7,652,607,181</u>
*Note Refer Para B4 of Schedule 'S' annexed herewith		
SCHEDULE "L"		
CURRENT LIABILITIES & PROVISIONS		
A. Current liabilities		
Sundry creditors including acceptances	53,249,261,479	45,684,877,966
Advance received from customers	26,010,835	176,019,483
Unclaimed dividend	2,541,418	1,916,643
Book overdraft from bank	297,453,390	171,899,672
Outstanding Liabilities	471,875	2,303,485
Franchise deposit	28,574,000	32,424,000
Rent advance	21,277,592	21,246,992
Statutory liabilities	416,908	965,970
	<u>53,626,007,497</u>	<u>46,091,654,211</u>
B. Provisions		
Proposed dividend	265,815,372	154,204,972
Provision for tax on dividend including Fringe benefit tax	44,148,611	26,207,135
Provision for Gratuity	4,576,325	2,666,116
	<u>314,540,308</u>	<u>183,078,223</u>
TOTAL 'A' + 'B'	<u>53,940,547,805</u>	<u>46,274,732,434</u>



(Amount in Indian Rupees)

SCHEDULE "M"

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

	As at 31.03.2010	As at 31.03.2009
Preliminary Expenses	27,905	55,812
	<u>27,905</u>	<u>55,812</u>

SCHEDULE "N"

INCOME FROM OPERATIONS

Sales	178,949,608,803	113,769,134,617
Bank Interest Received (Tax deducted at source Rs. 523,203,243 ; Previous Year Rs 791,320,100)	5,163,847,252	5,727,513,245
	<u>184,113,456,055</u>	<u>119,496,647,862</u>

SCHEDULE "O"

OTHER INCOME

Rent	726,353	714,190
Provision for Doubtful Debts withdrawn	358,490	-
Fluctuation in foreign currency including profit from Forward Contracts	154,256,773	2,383,289,697
Profit of sale of Mutual Funds	406,535,211	-
Other Interest Received (Tax Deducted at Source Rs 112,425,966, Previous Year Rs. 22,163,767)	615,967,277	158,585,068
Delivery Charges	716,850	39,980
Insurance Claim	623,000	1,555,881
Making Charges	1,758,672	432,586
	<u>1,180,942,626</u>	<u>2,544,617,402</u>

SCHEDULE "P"

COST OF GOODS SOLD

Gold jewellery, bullion, medallions and diamond:

Opening stocks	1,742,931,322	2,458,249,590
Add : Purchases etc	184,181,915,134	117,896,259,977
Add : Consumption of consumables	4,717,876	3,403,364
Add : Making charges	164,900	1,127,653
	<u>185,929,729,232</u>	<u>120,359,040,584</u>
Less : Closing stocks	4,135,046,530	1,742,931,322
	<u>181,794,682,702</u>	<u>118,616,109,262</u>

RAJESH EXPORTS LIMITED

(Amount in Indian Rupees)

SCHEDULE “Q”	As at 31.03.2010	As at 31.03.2009
ADMINISTRATIVE AND SELLING EXPENSES		
Salaries and wages	46,389,656	39,506,211
Asset maintenance expenses	4,203,161	3,594,426
Electricity charges	3,273,595	3,062,069
Directors’ remuneration	239,976	239,976
Professional charges	7,631,729	62,310,591
Postage, telegram & telephones	1,774,189	1,453,737
Insurance premium	24,674,872	18,420,952
Staff welfare expenses	2,758,359	2,480,591
Gratuity	1,910,209	796,350
Travelling & conveyance	1,308,030	1,242,562
Miscellaneous expenses	13,617,730	7,105,914
Bad Debts	194,953,380	1,769,905
Provision for doubtful debts	-	258,867,362
Auditors remuneration :		
As audit fees	500,000	300,000
Rates & taxes	1,658,095	392,479
Loss on sale of fixed assets	-	323,345
Loss on MCX Trading	101,187,901	563,518,253
Frieght charges (Net)	15,065,172	15,120,001
Advertisement expenses	15,769,931	314,015
Commission	-	16,669,842
Minimum Gaurantee	12,699,846	-
Rent paid	6,163,414	8,663,526
	455,779,245	1,006,152,107
SCHEDULE “R”		
INTEREST & BANK CHARGES		
Bank charges	33,766,960	26,351,642
Interest on working capital	917,411,461	1,386,938,768
Interest to Others	2,553,781	2,452,217
	953,732,202	1,415,742,627



SCHEDULE 'S'

Annexed to and forming part of the accounts for the year ended 31st March 2010

Significant accounting policies and notes on accounts:

A. Significant accounting policies:

1. Accounting convention:

- a. The annual accounts have been prepared on historical cost basis and conform to the statutory provisions of the Companies Act, 1956, the General accounting practices prevailing in the country and applicable accounting standards. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

2. Fixed assets:

- a. Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation/amortisation. All Costs relating to the acquisition, construction and installation of Fixed Assets are capitalized and include financing costs, if any, relating to borrowed funds attributable to construction or acquisition of Fixed Assets, up to the date the assets is ready for intended use, net of adjustments arising from exchange rate differences relating to specific borrowings, wherever applicable, attributable to those Fixed Assets.
- b. Depreciation on fixed assets is provided on straight-line method basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions made during the year is provided for the period the assets were in use.

3. Borrowing cost:

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the Profit & Loss Account.

4. Foreign currency transactions including futures and option contracts thereon:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities without forward foreign exchange contract are translated at year-end exchange rates. The resulting exchange gain/loss on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise in the profit and loss account. Exchange differences attributable to the acquisition of the fixed assets, if any, are adjusted to the cost of the respective assets. Premium in respect of foreign exchange option contracts is charged to the Profit & Loss Account as and when the contacts are entered into but the gain on such option contracts, if any, is recognized only on maturity/cancellation of such option contracts.

5. Investments:

Long-term investments are stated at cost after deducting provision, if any, made for permanent diminution in the values.
Current investments are stated at lower of cost and market/fair value.

6. Revenue recognition:

Sales are recorded net of trade discounts, rebates and value added tax, if any and are inclusive of foreign currency fluctuation. Some of the goods have been imported on provisional basis without fixing the gold price. Some of the goods have also been exported on provisional basis without fixing the price of gold. All the provisional imports and exports have been accounted for as per the custom's assessment of the goods. When the price of import shipment is fixed or when the price of the export shipment is fixed, the final invoice is submitted to the customs; the differential is accounted for as purchase or sales. However during the year the management has changed the accounting policy and accounted for the additional liability on account of increase in gold price as prevalent on 31st March 2010 in the case of all outstanding provisional imports and due to this change in accounting policy the profit for the year has been understated by Rs. 31,93,21,126.

Making charges income is recognized on dispatch of goods.

Interest on bank deposits and other interest bearing loans are accounted on accrual basis. However during the year the management has changed the accounting policy with regard to accounting of

RAJESH EXPORTS LIMITED

interest income on interest bearing loans other than bank deposits to cash basis due to which the profit for the year has been understated by Rs.14,82,02,244/-

Dividend income on investments is accounted for when the right to receive the payment is established.

7. Employees benefits:

Retirement benefits in the form of Provident Fund and Superannuation Schemes are not applicable to the company at present.

Gratuity liability for the year under the Payment of Gratuity Act is accounted on the basis of Actuarial valuation.

The company does not provide leave encashment and carry forward of accumulated leave to next year to its employees.

8. Taxation:

Provision for current tax is made on the basis of taxable income for the current accounting year determined in accordance with the Income Tax Act, 1961.

Deferred tax is recognized; on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

9. Valuation of inventories:

Stock in trade is valued at cost or net realisable value (International standard rate as on 31.03.2010), whichever is less for E.O.U, SEZ & SIDCUL units and in respect of other units at cost or net realisable value (Rate prevailing at Mumbai as on 31.03.2010), whichever is lower. The cost formula used for this purpose is first in first out (FIFO) method and includes direct cost incurred in bringing the items of inventory to their present location and condition.

10. Book debts and advances:

Provision/Write-off of doubtful and unrecoverable book debts and advances have been made, wherever found necessary by the Management.

11. Cash flow statement:

The cash flow statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statement.

12. Business segments

The company is mainly engaged in the business of gold and gold products. These, in the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, are considered to constitute one single primary segment.

B. NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for is Nil (Previous year - Nil)
2. Contingent liabilities not provided for:
 - (a) Sales tax and entry tax demands disputed by the Company of Rs.8,31,901/- (Previous year – 8,31,901/-)
 - (b) The Company had received an order from the tax authorities dated December 27, 2006 for the period April 1, 2003 to March 31, 2004 demanding a tax payment of Rs 9,99,60,890. The Commissioner of Income Tax (Appeals) has passed an adverse order confirming the order of assessing authority. The Company has appealed against the said order before the Income Tax Appellate Tribunal, and the Income Tax Appellate Tribunal has passed an order allowing the deduction under section 10B of the Income Tax Act but did not allow a sum of Rs. 200 lakhs paid as commission by the company. Against the order of the Income Tax Appellate Tribunal, the company and the Income Tax Department both have appealed before the Hon'ble High Court of Karnataka and the Company firmly believes that the issue will be settled in its favour.



Further, the Company had received an order from the tax authorities dated November 13, 2009,(rectified by order dated December 31, 2009) for the period April 1, 2006 to March 31, 2007 demanding an additional tax payment of Rs 36,59,90,939. The Company has appealed before the Commissioner of Income Tax (Appeals) against the said order and the Company firmly believes that the issue will be settled in its favour.

3. Loans and advances includes Rs.14,51,40,760/- (Previous year Rs. 14,52,41,250/-) due from the companies under the same management within the meaning of sub-section (1-B) of section 370 of the Companies Act. The particulars of the same is furnished hereunder:

Loans and advances	Current Year	Previous Year	Max. Balance at any time during the year
Laabh Jewels Gold Pvt Ltd	14,51,40,760	14,52,41,250	14,52,41,250

4. Directors remuneration includes remuneration payable to Executive chairman and Managing director of Rs.2,39,976/- (Previous Year Rs.2,39,976/-)
5. Brief particulars of Employees who were entitled to receive or were in receipt of emoluments aggregating to Rs.24,00,000/- or more per annum and/or Rs.200,000/- or more per month, if employed, for a part of the year is Nil (Previous Year Nil).
6. The company has taken a key man's insurance policy from Life Insurance Corporation of India on the life of Mr. Rajesh Mehta, Executive chairman for a sum assured of Rs.300 lakhs with ten year term and paid annual premium of Rs.30,29,175/- during the year which has been accounted under administrative & selling expenses. Amount receivable on maturity or otherwise shall be accounted as income in the year of receipt.
7. Income from operations includes bank interest earned Rs. 516,38,47,252/-; (Previous Year Rs.572,75,13,245/-). Interest earned on fixed deposits with banks is recognized as income from operations since these deposits are utilized for the business of the company.
8. In accordance with the Accounting Standard `22' on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has not recognized the Deferred tax assets on account of unabsorbed losses etc. on account of timing differences of Rs 1,174,328,324/- as on 31st March 2010, (Previous Year Rs. 1,34,65,83,325/-) as there is no virtual certainty that such deferred tax assets can be realized against future taxable profits. The break up of deferred tax assets not recognized is furnished hereunder:

	CURRENT YEAR	PREVIOUS YEAR
(a) Deferred Tax Assets		
Unabsorbed Business Loss	1,134,075,747	130,37,16,492
Unabsorbed Long Term Capital Loss	0	78,104
Provision for doubtful debts	9,29,80,712	9,31,02,563
Total	1,227,056,459	139,68,97,159
(b) Deferred Tax Liability		
Time Difference on account of Depreciation	(4,45,04,750)	(4,20,90,449)
(c) Net Deferred Tax Assets	1,182,551,709	135,48,06,710
Less : Already accounted	82,23,385	82,23,385
	1,174,328,324	134,65,83,325

9. Zero coupon FCCB were issued on 17th February 2007 for US \$ 150 millions (Rs. 661.35 crores at issue).The Bond holders have an option to convert FCCB into Equity shares at an initial conversion price of Rs.575/- per equity share of Rs.2/- each of the company at a fixed exchange rate of conversion at Rs.44.09 equal to US\$ 1, between 19.02.2007 to 10.02.2012. The conversion price is subject to adjustment in circumstances as described in the offering letter. The company may redeem the bonds in whole, but not in part, at any time at the accreted principle amount in the event of certain changes relating to taxation in India, and subject to the receipt of regulatory approval. Unless previously converted redeemed or re-purchased and cancelled, the bonds will mature on 21.02.2012 @ 148.22% of their principle amount subject to the receipt of regulatory approval, the company will, at the option of bond holder, redeem any outstanding bonds upon their occurrence of a de-listing of the shares from the NSE or BSE, at the accreted principle amount. During the year, some of

RAJESH EXPORTS LIMITED

the Bond holders have exercised their options to convert FCCB into equity shares and consequent to this 88, 07,085(Previous Year 63, 94,989) equity shares of Rs 1/- each have been allotted by the Company.

10. Related party disclosures
(In term of Accounting standard-18)

A. Relationship:

- a) Related parties where control exists:
Rajesh Global Solutions Limited
Rajesh Jewels
Laabh Jewel Gold Pvt Ltd
- b) Directors and their relatives:
Mr. Rajesh Mehta - Executive Chairman
Mr. Prashant Mehta - Managing Director
Mr. Mahesh Mehta
- c) Key Management personnel:
Mr. Rajesh Mehta - Executive Chairman
Mr. Prashant Mehta - Managing Director
Mr. Bhavesh Mehta - Executive officer

d) Transactions with related parties:

- (i) Transactions carried out with related parties referred to in (a), & (c) above in ordinary course of business:

Nature of transactions	Related Parties	Key Management Personnel
Expenses -Remuneration	----- (-----)	3,55,476 (3,51,189)
Out standings - Debit	14,51,40,760 (14,52,41,250)	---- (---)

- (ii) Transactions carried out with related parties referred to in (b) above:

Balance outstanding	Rs. 24,21,76,838 (Rs. 20,19,42,220)
---------------------	--

11. Accounting Standard 19-Leases:

The company has let out and taken premises under cancelable operating lease agreements, which the company intends to renew in the normal course of its business. The Lessees cannot sublease these properties. Total lease rentals recognized as income in the Profit & Loss Account for the year with respect to above is Rs 7,26,353/- (Previous Year Rs.7,14,190/-) and total Lease rentals recognized as expenditure is Rs 61,63,414/- (Previous Year Rs 86,63,526/-).

12. Basic earning per share has been calculated by dividing profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The company has issued potential Equity shares and accordingly, the basic earning per share and diluted earning per share are computed. Earning per share has been computed as under:

Description	Year Ended 31.03.2010	Year Ended 31.03.2009
Profit after Taxation	1,934,031,460	87,37,60,360
Weighted average number of shares for basic EPS	26,58,15,372	25,70,08,287
Weighted average number of shares for diluted EPS	30,51,84,359	28,72,89,739
Earning per share Rs. per equity share of Rs. 1/- each (Previous year Rs.1/- each.)		
Basic	7.28	3.40
Diluted	6.34	3.04



13. Company has identified that there is no material impairment of assets and as such no provision is required as per AS-28 issued by the ICAI.
14. In the opinion of the management, no provision is required against contingent liabilities referred to in Schedule 'S' Para B Point 2.
15. Based on the information/documents available with the Company, the amount due to small-scale industries is nil.
16. Unclaimed dividend accounts are subject to reconciliation.
17. Additional information required in pursuance to paragraph 3 and 4 of the Part II of Schedule VI of the Companies Act 1956.

	Unit	Quantity	Amount Rs.
A. OPENING STOCK			
Gold and Gold Products	Kgs.	1535.882* (2226.758)	1,672,886,291 (2,405,155,593)
Diamond	Cts	2997.220 (2311.710)	70045031 (53,093,997)
B. PURCHASES			
Gold and Gold Products	Kgs.	118,180.005 (89,668.386*)	184,158,308,310 (117,877,741,047)
Diamond	Cts	1059.33 (789.390)	23,606,824 (18,518,930)
Alloys	Kgs	116.383 (81.843)	4,266,857 (309,830)
C. SALES TURNOVER			
Gold and Gold Products	Kgs	117,248.061 (90,434.906)	178,946,170,160 (113,765,938,213)
Diamond	Cts	275.14 (103.880)	3,438,643 (3,196,404)
D. CLOSING STOCK			
Gold and Gold Products		2583.066* (1535.882*)	4,045,580,806 (1,672,886,291)
Diamonds		3781.41 (2997.220)	8,7365,189 (70,045,031)
E. WASTAGES/LOST			
Gold and Gold Products	Kgs	1.143 (6.226)	
Diamond	Cts	Nil (Nil)	
F. EARNINGS IN FOREIGN CURRENCY			
F. O. B Value of Exports			162,536,014,836 (105,389,118,739)
G. EXPENDITURE IN FOREIGN CURRENCY :			
C.I.F value of Imports of Rawmaterials			183,969,574,224 (116,98,28,22,605)

* Note: Quantity details for purchase of Jewellery worth Rs. 3,72,09,000/- made is not included as the purchases are made of assorted items. The same is not included in Stocks quantity also. Previous year's figures are furnished in brackets.

The previous year's figures are regrouped / rearranged wherever deemed necessary.

For and on behalf of the Board

As per our Report of even date
For P.K. Rungta & co,
Chartered accountants,
Sd/-

Place: Bangalore
Date : 31.05.2010

RAJESH MEHTA
Chairman

PRASHANT MEHTA
Managing Director

Company Secretary

C.A. P.K. Rungta
Proprietor
M.No. 051184

RAJESH EXPORTS LIMITED

CASH FLOW STATEMENT

(Amount in Indian Rupees)

	2009-2010	2008-2009
A. Cash Flow from Operating Activities		
Net Profit before tax and Extra ordinary items	2,072,381,479	985,676,456
Depreciation	17,795,146	17,556,905
Gratuity Liability up to 31.03.2008	-	(1,869,766)
Finance Cost	953,732,202	1,415,742,627
Loss on Sale of Fixed Assets	-	323,345
Rent Received	(726,353)	(714,190)
Preliminary Expenses Written Off	27,907	27,907
Profit on sale of Mutual Fund	(406,535,211)	-
Operational Profit before working Capital changes	2,636,675,170	2,416,743,284
Adjustments for Decrease (Increase) in Trade and other receivables including Loans & Advances	(1,306,088,027)	(5,000,396,049)
Decrease (Increase) in Inventories	(2,392,115,208)	715,318,268
Increase(Decrease) in Current Liabilities	7,665,815,371	1,857,374,482
Cash generated from operations	6,604,287,306	(10,960,015)
Direct Taxes paid	(523,294,613)	(813,722,820)
Net cash from Operating Activities	6,080,992,693	(824,682,835)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(75,567,487)	(104,020,723)
Sale Proceeds of Fixed Asset	-	3,827,020
(Purchase)/Sale proceeds of Investments	4,211,475,211	(2,486,089,000)
Rent Received	726,353	714,190
Net cash from Investing Activities	4,136,634,077	(2,585,568,513)
C. Cash Flow from Financing Activities		
Increase in Share Capital and Share Premium	679,648,000	557,668,000
Finance Cost	(953,732,202)	(1,415,742,627)
Increase /(Decrease) in Secured Loan	2,169,171,946	9,686,443,207
Increase /(Decrease) in Unsecured Loan	(639,413,382)	110,414,747
Dividend paid and tax on Dividend	(309,963,983)	(180,423,931)
Net cash from Financing Activities	945,710,379	8,758,359,396
Net increase(decrease) in cash & cash equivalents(A+B+C)	11,163,337,149	5,348,108,048
Opening cash and cash equivalents	55,371,793,938	50,023,685,890
Closing cash and cash equivalents	66,535,131,087	55,371,793,938

For and on behalf of the Board

As per our Report of even date
For P.K. Rungta & co,
Chartered accountants,

Place: Bangalore
Date : 31.05.2010

RAJESH MEHTA **PRASHANT MEHTA**
Chairman Managing Director

C.A. P.K. Rungta
Proprietor
M.No. 051184

AUDITOR'S REPORT

We have examined the attached Cash Flow Statement of Rajesh Exports Limited for the year ended 31st March 2010. The statement has been prepared by the company based on and is in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our report of even date

As per our Report of even date
For **P. K. RUNGTA & CO.,**
Chartered Accountants
Sd/-

Place: Bangalore
Date : 31.05.2010

(C.A. P.K. RUNGTA)
Proprietor
M.No. 051184



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	L36911KA1995PLC017077	State Code	08
Balance Sheet Date	31.03.2010		

II. CAPITAL RAISED DURING THE YEAR

Public Issue	NIL	Rights issue	NIL
Bonus Issue	NIL	Private Placement	Rs. 88,07,085

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities		Total Assets	
Sources of Funds	Rs.	Application of Funds	Rs.
Paid-up Capital	26,58,15,372	Net Fixed Assets	70,66,05,934
Unsecured Loans	3,28,03,04,838	Net Current Assets	31,82,68,57,046
Secured Loans	17,58,26,29,644	Investments	31,54,59,67,401
Reserves & Surplus	11,17,62,51,571	Misc. Expenditure	27,905
		Deffered Tax Asset	82,23,385

IV. PERFORMANCE OF COMPANY

Total Income	1,85,29,43,98,681	Total Expenditure	1,83,22,20,17,202
Profit Before Tax	2,07,23,81,479	Profit After Tax	1,93,40,31,460
Earning	Per equity share of Re.1	Dividend Rate	100%
Basic	7.28		
Diluted	6.34		

V. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF COMPANY (As per monitory terms)

Item Code No.	71131901
(ITC Code)	
Product Description	GOLD JEWELLERY AND MEDALLIONS

For and on behalf of the Board

Place : Bangalore
Date : 13-8-2010

RAJESH MEHTA
Chairman

PRASHANT MEHTA
Managing Director

RAJESH EXPORTS LIMITED

RAJESH EXPORTS LIMITED

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

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting venue.

Name of the member attending the Meeting (In block letters) _____

Member's Folio No. _____

In case of Proxy, Name of Proxy _____

No. of Shares held _____

I hereby record my presence at the 16th Annual General Meeting at 5.00 P.M. on 22.09.2010 at the Mini Hall, Hotel Woodlands, No. 5, Raj Rammohan Roy Road, Bangalore - 560 001.

Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

Notes : 1. Interested joint Shareholders may obtain attendance slips from the Company's Registered Office.
2. Shareholders/Joint Shareholders are requested to bring the Annual Report and attendance slips with them.



RAJESH EXPORTS LIMITED

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

PROXY FORM

I/We _____

of _____

being a member/members of Rajesh Exports Ltd., hereby appoint _____

of _____

or failing him _____

of _____

or failing him _____

of _____

as my/our Proxy to attend and vote for me / us and on my / our behalf at the 16th Annual General Meeting of the Company to be held at 5.00 P.M. on 22.09.2010 at the Mini Hall, Hotel Woodlands, No. 5, Raja Rammohan Roy Road, Bangalore - 560 001.

Signed this _____ day of _____

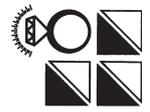
Signature of the said _____

Affix Re. 1
Revenue
Stamp

of _____

Book-Post

If undelivered please return to :



RAJESH EXPORTS LIMITED

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