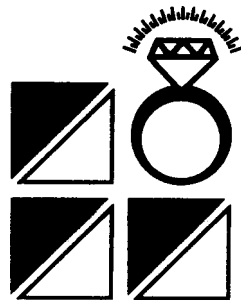


14th

ANNUAL
REPORT

2007 - 2008



RAJESH EXPORTS LIMITED

RAJESH EXPORTS LIMITED

Board of Directors

SHRI. RAJESH MEHTA	<i>Executive Chairman.</i>
SHRI. PRASHANT MEHTA	<i>Managing Director.</i>
SHRI.P.SHIVASHANKER	<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
Jyothi Complex
Infantry Road
Bangalore.

Bankers

Canara Bank
Indian Bank
HSBC
UCO Bank

Regd.Office

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

Share Transfer Agents

M/s S.K.D.C.Consultants Limited
P.B.No.2979, 11,S.N.Layout
Street No.1, (west Power House Road)
Coimbatore-641 012.
Phone: 0422 – 6549995; 2499803
Fax: 0422 2499574.
Email: info@skdc-consultants.com

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NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of **RAJESH EXPORTS LTD** will be held at 10.15 A.M on 16th September 2008 at the Mini Hall, Hotel Woodlands, #5, Raja Ram Mohan Roy Road, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the profit and loss account for the year ended 31st March 2008 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. Prashant Mehta, who retires by rotation and being eligible, offers himself for re-appointment..
4. To appoint auditors and fix their remuneration.

By the Order of the Board
S/d

RAJESH MEHTA
Chairman

Place: Bangalore
Date: 29.07.2008

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 12-09-2008 to 16-09-2008 (both days inclusive.) notice of which will appear in the News Paper on 05-09-2008.
4. It is suggested for the convenience of the Members that they inform the Company about their Bank account Number, Name of the Bank (also address of the Bank if they desire that the warrant be mailed to the Bank directly) to enable printing of these particulars on the dividend warrants, as a measure of abundant caution to minimize loss due to warrants falling into improper hands through forgery or fraud.
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, P.B. No. 2979, 11, S. N. Layout, Street No.1, (West Power House Road), Coimbatore - 641 012., Phone : 0422 - 6549995; 2499803 Fax : 0422 2499574. E-mail: info@skdc-consultants.com

Details of director seeking re-appointment at the forthcoming Annual General Meeting of the company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange).

Name of the Director	Mr. Prashant Mehta
Age	45 years
Qualification	B.Com.,
Expertise	Experience of more than two decades in the jewellery industry
List of other companies in which he is holding directorship as on 31.03.2008	Rajesh Global Solutions Limited, Astalakshmi Marketing Pvt. Ltd.
Chairmanship / Membership of Committees of other companies on which he is director as on 31.03.2008	Chairmanship - NIL Member of the Audit & Compliance Committee of Rajesh Global Solutions Ltd.
Shareholding as on 31.03.2008	14.81% in Rajesh Exports Ltd.

RAJESH EXPORTS LIMITED

DIRECTORS' REPORT

Your Directors have great pleasure in presenting their 14th annual report on the business and operations of the Company, for the financial year ended 31st March 2008.

FINANCIAL RESULTS

	<i>(Rs. in Crores)</i>	<i>(Rs. in Crores)</i>
	For the year ended 31.03.2008	For the year ended 31.03.2007
Profit Before Depreciation	233.75	105.70
<i>Less</i> : Depreciation	1.63	1.46
Profit after depreciation	232.12	104.24
<i>Less</i> : Provision for taxation Deferred taxation for the year	25.56	2.96
Profit after taxation	206.56	101.28
<i>Add</i> : Balance as per last account	28.90	11.26
Profit available for appropriation	235.46	112.55
<i>Less</i> : Transfer to general reserves	150.00	75.00
<i>Less</i> : Proposed dividend including tax on Dividend	10.26	8.64
Balance surplus transferred to Balance Sheet	75.20	28.90

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.8667.09 crores compared to that of Rs.6893.39 crores during the previous year. As a result, the net profit for the year under review, after provision for depreciation and income tax was 206.56 crores which is 103.94% higher than that of the previous year. The Company has transferred an amount of Rs.150.00 crores to the general reserves. As a result, the total reserve of the Company has moved up to Rs. 763.86 crores.

DIVIDEND

Keeping in view the profitability of the Company, your Directors have recommended a dividend of 35 %.

DIRECTORS

Mr. Prashant Mehta, Director of your Company, retires by rotation; and being eligible offers himself for reappointment.

AUDITORS

M/s. P.K Rungta & Co, Chartered Accounts, 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.

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 31.03.2008, 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 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 31.03.2008 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 The National Stock Exchange of India Ltd and The Bombay Stock Exchange Ltd. 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 the jewellery industry. The research and development team of the Company comprises of some of the finest designers, metallurgists, chemists and senior craftsmen. 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.80639.67 million (Previous year: Rs.63831.54). The foreign exchange outgo on account of import of raw materials amounted to Rs.82339.69 million (Previous year: Rs.64900.54 million).

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.

ACKNOWLEDGEMENTS

Your directors wish to place on record their deep sense of appreciation of the staff, executives and workers of the company for their dedication and hard work, which has resulted in the overwhelming success of the year under report. Your directors thank all Shareholders, Bankers, Customers, Vendors, Service providers and Government & Statutory authorities for their continued support during the year.

For and on behalf of the Board

Place: Bangalore

Date: 18.06.2008

RAJESH MEHTA

Chairman

RAJESH EXPORTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

The year 2007-08 has been a year of sustained growth for the economy with the GDP growth hovering around 9%. Our company too is on a sustained uptrend reporting a strong year for our company—a year of record revenue, profit, cash flow and earnings per share. The company introduced growth engines to move up the value chain, the strategy has paid off and the company has been able to increase the profitability. The company will be further strengthening its position in retail and other high margin business to further enhance the profitability in the coming years.

Since its inception, the Company is a profit making concern and a dividend paying company which has grown from a turnover of Rs.0.30 Crore to a turnover of Rs. 86,67.01 crores which has placed the company among the fastest growing companies in the country. The Company registered a 25.72% increase in its revenue for the year ended 31/3/2008, and its order book position at the end of the financial year was Rs. 1685 crores. With the total design portfolio at present comprising of more than 30,000 designs. The company is confident of emerging as a global power in the field of jewellery.

The company received prestigious award of being the largest exporter of jewellery from the GJEPC for the 13th consecutive year. The company has been ranked as the Second Fastest Growing Company in the Large Scale Sector. The status of a Nominated Agency for import of gold for domestic consumption was accorded to the Company last year, till recently only certain banks and very few Public Sector Units were accorded the status of Nominated Agency. In addition to several other awards the Jewellers Association, Bangalore, one of the oldest jewellery associations in the country, conferred the “Jeweller of the year” award to the Company for its outstanding contribution to the jewellery trade.

The company launched nine international diamond brands during the year, and the company also launched “SHUBH JEWELLERS” during the year. The company has plans to expand its diamond jewellery business, through the brands and also increase its presence in the retail sector through “LAABH JEWELLERS” and “SHUBH JEWELLERS”.

MANGEMENT

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 31-03-2008 :

Sl. No	Name	Designation	Profession
01.	Mr. Rajesh Mehta	Executive Chairman	Experience of over two decades in functioning and management of jewellery trade.
02.	Mr. Prashant Mehta	Managing Director	Over two decades of experience in jewellery production and marketing.
03.	Mr. P. Shiva Shankar	Non-Executive & Independent Director	Leading Tax Consultant.
04.	Mr. Venu Madhava Reddy	Non-Executive & Independent Director	Has an experience of over 12 years in management and administration of the company.
05.	Mr. G. Shanker Prasad	Non-Executive & Independent Director	Well known practicing Company Secretary and Cost accountant.

The Board of Directors are efficiently complimented in the day to day functioning by a team of 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 have been instrumental in the success of the Company year after year. 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.

DISCLAIMER

Statements made in the management discussion and analysis report include forward looking statements and may differ from the actual situation. 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 FINICIAL PERFORMANCE

a) *Key financial indicators:*

	2007-2008	2006-2007
Return on Net Worth	26.18%	32.77%
PAT to sales	2.38%	1.46%
Fixed Assets Turnover (Times)	152.99	128.41
Sales/Total Assets (Times)	4.92	1.89

b) *Revenues:*

The business operations of Rajesh Exports Ltd for the year 2007-08 resulted in the Company achieving a total revenue of Rs.8667.09 Crores as against Rs.6893.39 Crores during the previous year. The operating revenue for the year (Revenue less other Income) has been Rs.8667.01 Crores.

	2007-2008	2006-2007
Operating revenue	8667.01	6893.36
Other Income	.08	.03
Total Revenue	8667.09	6893.39

c) *Operating Income:*

Operating income (excluding other income) for the 2007-2008 has been Rs.8667.01 Crores.

d) *Cost of Revenue:*

Cost of goods sold for 2007-08 has been Rs. 8089.72 crores as compared to Rs. 6542.54 Crores during the previous year.

e) *Provision for Taxation:*

The provision for taxation for 2007-08 has been Rs. 25.56 crores for the year 2007-08 as compared to Rs.2.96 Crores during the previous year.

RAJESH EXPORTS LIMITED

f) Debt:

The Company as at 31st March 2008 had the following term loan and working capital facilities outstanding with the consortium member Banks.

(Rs. in Crores)

Term Loan and Working Capital 204.72

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

g) Fixed Assets:

The book value of fixed assets for the year ended 31/3/2008 after providing for depreciation was Rs.56.65 Crores.

h) Loans and Advances:

The loans and advances for the year ended 31st March 2008 were Rs.238.03 crores as compared to Rs.157.54 Crores during the previous Year.

i) Cash and Bank Balances:

REL continues to be a cash positive Company. As on 31st March 2008 the Company has Rs.5002.36 crores (net) as cash and bank balances.

j) Current Liabilities:

The current liabilities as on 31.03.2008 were Rs.4424.54 Crores.

ADDENDUM TO DIRECTORS REPORT

Reply to Auditors remarks made in Auditors Report pursuant to Sec.217 (3)

Para 1 of Annexure to Auditor's Report:

Steps are being taken to have individual identification marks wherever feasible.

Para 2 of Annexure to Auditor's Report:

The confirmations have since been obtained.

Para No .2(d) of Auditor's Report:

The company is following the practice of accounting for gratuity in cash.

ParaNo.2 (f) of Auditor's Report:

Provisional import and export prices are in accordance with RBI guidelines and in line with the general practice in the industry.

Place: Bangalore

Date : 29.07.08

For and on behalf of the Board

Chairman



REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Rajesh Exports Ltd. recognises the ideas and importance of governance and acknowledges its responsibilities towards all its share holders, employees, customers and regulatory authorities. The Company believes that a good corporate governance process aims to achieve a balance between the share holders' interest and corporate goals of the Company. It aims to attain the highest levels of transparency, accountability and integrity to all its share holders by implementing transparent corporate governance, thereby enhancing the value for the share holders 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. Share holders and investor grievance. Committee of Rajesh Global solutions Limited
Managing Director	2. Mr. Prashant Mehta			2. Astalakshmi Marketing Pvt. Ltd.	Nil	1. Audit and Compliance committee of Rajesh Global Solutions Ltd
Independent & non executive Director	1. Mr. P. Shiva Shankar	3	60%	1. Rajesh Global Solutions Limited	Nil	1. Audit Committee of Rajesh Global Solution Ltd.
	2. Mr.Venu Madhava Reddy			2. SDS Futura blocks Pvt. Ltd.	Nil	2. Investor Grievance committee of Rajesh Global Solution. 1. Audit Committee of Rajesh Global Solution Ltd. 2. Investor Grievance committee of Rajesh Global Solution.
				1. Rajesh Global Solutions Ltd		

RAJESH EXPORTS LIMITED

Category	Names of Directors	Number of Directors	Composition %	No of Directorship's in other Companies	No. of Chairmanships in other Companies	No. of Membership in committees of other companies
	3. Mr. G. Shanker Prasad			1. Gopichand Rohra and Associates Pvt. Ltd. 2. SME's Development Centre.	Nil	Nil

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

BOARD MEETINGS

During the year 2007-08, Twenty (20) board meetings were held on the following dates:

06.06.2007, 08.06.2007, 12.06.2007, 18.06.2007, 26.07.2007, 24.08.2007, 17.09.2007, 08.10.2007, 15.10.2007, 22.10.2007, 05.11.2007, 19.11.2007, 04.12.2007, 27.12.2007, 10.01.2008, 19.01.2008, 28.01.2008, 13.02.2008, 2 Nos on 14.02.2008.

The details of attendance of the Directors at Board Meetings and last Annual General Meeting is as follows.

Name of the Director	Attendance at the board meetings.	Last AGM
Mr. Rajesh Mehta <i>Executive Chairman</i>	19	Yes
Mr. Prashant Mehta <i>Managing Director</i>	20	Yes
Mr. P. Shiva Shankar <i>Independent&Non-Executive Director</i>	14	Yes
Mr. Venu Madhava Reddy <i>Independent&Non-Executive Director</i>	17	Yes
Mr. G. Shanker Prasad <i>Independent&Non-Executive Director</i>	17	Yes

COMMITTEES OF DIRECTORS

The board has constituted Committees of Directors to deal with matters which need quick decisions and 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. Shiva Shankar, Mr. G. Shanker Prasad and Mr. Y. Venu Madhava Reddy. During the year under review four meetings of Audit Committee were held on 23/04/07, 28/07/07, 29/10/07 and 14/01/08.

The terms of reference of the Audit Committee are in accordance with Clause49 (ii) of listing agreements entered into with the Stock Exchange which inter-alia includes the following.



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

The composition of the Audit Committee and the number of meetings attended during the year under review are as under :

Members	Attendance
Mr. Shiva Shankar <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 share holders and investor grievance committee comprises of Mr. Venu Madhava Reddy, Mr. P. Shiva Shankar and Mr. Rajesh Mehta. The committee approves and monitors transfers, transmission, dematerialisation, splitting and consolidation of shares issued by the company and issue of duplicate share certificates. The Committee also monitors redressal of complaints from share holders relating of shares, non-receipt of balance sheet, dividend etc. and reviewing the share transfers executed by S.K.D.C. Consultants Ltd.

No. of investor complaints received during the year	:	11
No. of complaints resolved	:	10
No. of complaints pending	:	01

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

The Committee has met four times during the year.

Members	Attendance
Mr. Y. Venu Madhava Reddy <i>Independent & Non-Executive Director</i>	17
Mr. P. Shiva Shankar <i>Independent & Non-Executive Director</i>	17
Mr. Rajesh Mehta <i>Executive Director</i>	17

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.

RAJESH EXPORTS LIMITED

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
11th AGM	13th August 2005 at 4.30 P.M.	Mini Hall, Hotel Wood Lands, Raja Ram Mohan Roy Road, Bangalore.
12th AGM	16th September 2006 at 4.30 P.M.	Mini Hall, Hotel Wood Lands, Raja Ram Mohan Roy Road, Bangalore
13th AGM	22nd September 2007 at 4.30 P.M.	Mini Hall, Hotel Wood Lands, Raja Ram Mohan Roy Road, Bangalore

SPECIAL RESOLUTIONS PASSED DURING LAST THREE FINANCIAL YEARS

1. At the Extra Ordinary General Meeting held on 31.10.2005, a special resolution was passed for Preferential Allotment of 19,48,000 equity shares to Bennett, Coleman & Co Ltd. With effect from 21st March 2006, the additional equity has been listed on The National Stock Exchange of India Ltd. and from 28th March, 2006 onwards on The Bombay Stock Exchange Ltd., Mumbai.
2. At EGM held on 20-01-2007 the board proposal for raising USD 150 Million in overseas market through the issue of FCCB board was approved by the members of the company. The company successfully completed raising USD 150 Million on 13-02-2007.

No resolutions were passed through postal ballot during the last 3 financial years. One Extraordinary General Meeting was held on 15.12.2007.

DISCLOSURE

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

These disclosures have been made under the related party transactions in Schedule 'S' to the financial statements of the Company, which form part of annual report.

MEANS OF COMMUNICATION

The Company's Quarterly, 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 Exchange about the latest developments in the Company. Company's Web site at www.rajeshindia.com is regularly updated regarding the corporate actions undertaken by the Company. The Company has been filing the information statements and reports on SEBI's Electronic Data information filing and Retrieval (EDIFAR) site that is accessible to public at <http://sebidifar.nic.in>

MANAGEMENT DISCUSSION AND ANALYSIS

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

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting : 16th September 2008 at 10.15 A.M.
at Mini Hall, Hotel Woodlands,
#5, Raja Ram Mohan Roy Road, Bangalore



FINANCIAL CALENDAR FOR THE YEAR 2007-08

Financial Year 1st April 2007 to 31st March 2008

Board meeting for considering audited accounts and recommendation of dividend for the year ending 31.03.2007.	18.06.2007
Board meeting for considering Un-audited results for the first quarter.	26.07.2007
Board meeting for considering Un-audited results for the Second quarter.	08.10.2007
Board meeting for considering Un-audited results for the Third quarter.	10.01.2008
Board meeting for considering audited results for the financial year ending 31.03.2008 and recommendation of Dividend.	18.06.2008
Posting of Annual Reports.	on / before 20-08-2008
Book Closure Dates.	12-09-2008 to 16-09-2008
Last date of receipt of Proxy Forms.	14-09-2008
Date of AGM.	16-09-2008
Probable date for dispatch of Dividend Warrants.	Last week of September 2008

DIVIDEND

The Board of Directors is pleased to recommend the payment of dividend for the year ended 31st March 2008 @ 35 paise per share or 35 per cent for all the share holders whose names appear on the register of members as on the book closure date i.e. 11-09-2008.

LISTING ON STOCK EXCHANGES

The National Stock Exchange of India Ltd
Bombay Stock Exchange of India Ltd

MONTHLY HIGH AND LOW QUOTATION AND VOLUME OF SHARES TRADED FROM 01.04.2007 TO 31.03.2008.

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

Period	Highest Quotation in Rs.	Lowest Quotation in Rs.	Volume of shares Traded	Turnover in Lakhs
@ Rs. 2 / Share				
April, 2007	428.00	346.65	1,628,338	6,445.95
May, 2007	512.80	370.00	3,297,086	15,302.65
June, 2007	557.45	492.15	6,494,111	34,295.26
July, 2007	592.00	460.00	3,514,455	19,531.24
August, 2007	590.00	492.00	2,121,675	11,746.45
September, 2007	982.35	552.70	10,472,450	86,262.30
October, 2007	990.35	725.00	6,562,392	58,904.72
November, 2007	908.00	830.05	6,830,441	59,107.84
December, 2007	1,015.00	854.25	8,256,005	75,992.60
@ Re. 1 / Share from January 29, 2008				
January, 2008	924.80	137.50	27,026,373	110,316.18
February, 2008	158.45	110.50	33,447,205	45,174.85
March, 2008	116.80	67.00	20,862,226	16,644.92

RAJESH EXPORTS LIMITED

ON BOMBAY STOCK EXCHANGE LTD., MUMBAI (BSE)

Period	Highest Quotation in Rs.	Lowest Quotation in Rs.	Volume of shares Traded	Turnover in Lakhs
@ Rs. 2 / Share				
April, 2007	427.00	345.25	1,499,767	5,913.30
May, 2007	512.45	372.05	2,084,734	9,628.06
June, 2007	557.60	496.00	3,727,124	19,665.17
July, 2007	591.95	520.00	1,888,958	10,477.11
August, 2007	590.00	492.10	914,400	5,010.37
September, 2007	987.70	583.15	4,654,438	38,574.36
October, 2007	975.00	721.00	2,755,391	24,705.03
November, 2007	910.00	793.40	2,136,237	18,408.21
December, 2007	1,020.00	860.15	1,416,818	13,039.56
@ Re. 1 / Share from January 29, 2008				
January, 2008	924.40	133.85	9,462,381	46,786.98
February, 2008	157.50	110.50	1,041,066	14,009.46
March, 2008	115.20	67.15	8,371,288	6,651.45

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2008

Value (in Rs.)	No. of share holders	%	Amount (Rs)	%
Up to 5,000	75618	99.01	18594130	7.42
5,001 to 10,000	378	0.49	2610577	1.04
10,001 to 20,000	162	0.21	2299569	0.92
20,001 to 30,000	59	0.08	1457489	0.58
30,001 to 40,000	22	0.03	760282	0.30
40,001 to 50,000	18	0.02	808182	0.32
50,001 to 1,00,000	46	0.06	3071161	1.23
1,00,001 and above	70	0.09	221011908	88.19
TOTAL	76373	100.00	250613298	100.00

CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH 2008

Category	No of Shares	%
Indian Promoters	136293180	54.384
Foreign Institutional Investors	42543120	16.976
Private Corporate Bodies	18467685	7.369
Indian Public / Mutual Fund / Financial Institutions E.P.C.	52358635	20.891
NRI's / OCB's	950678	0.380
TOTAL	250613298	100



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 31.03.2008, 99.75% shares of the Company were in electronic form.

	No. of shares	% of holding
No of shares held in CDSL	8,398,143	3.35
No of shares held in NSDL	241,591,591	96.40
Total No. of shares held in DE-Mat form	249,989,734	99.75
No. of shares held in Physical form	623,564	0.25
Grand Total	25,06,13,298	100.00

SHARE TRANSFER SYSTEM

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

P.B.No.2979, No11, Seth Narayandoss Layout, Street No.1, (West Power House Road), COIMBATORE-641102. Telephone :(0422)6549995, FAX: (0422)2499574.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 share holders and investor Grievance Committee.

Name of the compliance officer: Mr. Joseph T.D

All the share transfers received up to 31st March 2008 have been processed.

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

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 certified to the Board of the Company, the procedures and internal controls of the reporting are 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 of 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: 18.06.2008

PRASHANT MEHTA
Managing Director

RAJESH EXPORTS LIMITED

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 31.03.2008, 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 of 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 was 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

Place: Bangalore
Date: 18.06.2008

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



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 2008, 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 no provision for gratuity liability is made in the accounts and the same is accounted on cash basis, liability in this regard is not ascertained.*
 - 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 2008 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) the fact that the price of gold imported on loan basis through certain invoices is not fixed as on 31st March 2008 and also the price of gold in the case of provisional export sales made through certain invoices is not fixed as on 31st March 2008 (as stated in Para A.6 in schedule 'S'), the effect of which is not quantified, (ii) that no provision for gratuity liability is made in the accounts and the same is accounted on cash basis, liability in this regard is not ascertained, 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 2008 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

Place: Bangalore
Date: 18.06.2008

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

RAJESH EXPORTS LIMITED

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 2008.

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. *However, confirmations for inventories lying with third parties as on 31st March 2008 are not obtained from these parties.*

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 companies or other parties listed in the register maintained under section 301 of the Companies Act, 1956. These loans were taken from three parties and to the extent of Rs.271,415,473/-. 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 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, 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 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
Income Tax Act	Income Tax	46,89,57,591	2004-05	The CIT(A)
		12,05,95,000	2005-06	The CIT(A)
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 not granted any loans and advances 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 term loans raised by the company were applied for the purpose for which they were raised. However, portion of amount raised by the company by way of FCCB issue is parked abroad with banks for future utilization.
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

Place: Bangalore
Date: 18.06.2008

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

RAJESH EXPORTS LIMITED

BALANCE SHEET AS 31st MARCH 2008

(Amount in Indian Rupees)

	Schedule	As at 31.03.2008	As at 31.03.2007
I SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS:			
Share Capital	A	250,613,298	73,907,000
Reserves & surplus	B	<u>7,638,603,505</u>	<u>3,016,789,266</u>
		7,889,216,803	3,090,696,266
2. LOAN FUNDS:			
Secured Loans:			
Term Loan and working Capital	C	2,047,290,935	2,287,468,450
Loans from banks against fixed deposits	D	3,851,622,556	24,046,012,201
Unsecured Loans:			
From directors and others	E	<u>3,809,303,473</u>	<u>6,900,310,482</u>
		9,708,216,964	<u>33,233,791,133</u>
			<u>36,324,487,399</u>
II Application of Funds			
1. FIXED ASSETS			
Gross block		657,121,746	596,223,549
Less: Depreciation		<u>95,008,236</u>	<u>78,725,532</u>
Net block	F	562,113,510	517,498,017
Work in progress		<u>4,406,630</u>	<u>19,339,894</u>
		566,520,140	<u>536,837,911</u>
2. INVESTMENTS	G	1,363,027,800	63,027,800
3. CURRENT ASSETS, LOANS & ADVANCES			
Inventories	H	2,458,249,590	956,633,515
Sundry debtors	I	5,042,730,008	8,966,953,376
Cash & bank balances	J	50,023,685,890	57,646,708,469
Loans and advances	K	<u>2,380,372,187</u>	<u>1,575,445,845</u>
		59,905,037,675	<u>69,145,741,205</u>
Less: Current Liabilities & provisions	L	<u>44,245,458,952</u>	<u>33,429,454,528</u>
Net current assets		15,659,578,723	<u>35,716,286,677</u>
4. DEFFERRED TAX ASSET		8,223,385	8,223,385
5. MISCELLANEOUS EXPENDITURE	M	83,719	111,626
		<u>17,597,433,767</u>	<u><u>36,324,487,399</u></u>

Schedule 'A' to 'S' enclosed herewith from the integral parts of the accounts

For and on behalf of the Board

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

Place: Bangalore
Date : 18.06.2008

Chairman

Managing Director

P.K. Rungta
M.No. 051184



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

(Amount in Indian Rupees)

	Schedule	As at 31.03.2008	As at 31.03.2007
INCOME			
Income from operations *			
(Refer Note	N	86,670,154,922	68,933,653,822
B8 in Schedule 'S)			
Other income	O	750,194	275,068
		<u>86,670,905,116</u>	<u>68,933,928,890</u>
EXPENDITURE			
Cost of goods sold	P	80,897,236,921	65,425,407,300
Administrative & Selling expenses	Q	1,956,109,903	1,365,816,614
Interest and bank charges	R	1,479,986,126	1,085,642,803
Depreciation		16,282,704	14,583,736
Preliminary expenses written off		27,907	27,907
		<u>84,349,643,561</u>	<u>67,891,478,360</u>
Profit for the year before tax		2,321,261,555	1,042,450,530
Provision for taxation for the year		(255,309,448)	(29,414,901)
Income tax for earlier years		(6,250)	—
Fringe benefit tax for the year		(332,632)	(199,479)
Profit for the year after tax		2,065,613,225	1,012,836,150
Balance as per last account		289,056,216	112,687,561
Profit available for appropriation		<u>2,354,669,441</u>	<u>1,125,523,711</u>
Less: Proposed Dividend		(87,714,654)	(73,907,000)
Tax on dividend		(14,907,105)	(12,560,495)
Transferred to general reserve		(1,500,000,000)	(750,000,000)
Balance carried to balance sheet		752,047,682	289,056,216
Earnings Per Share			
(Per Equity Share of Rs 1/- each,			
Previous year Rs 2/- each			
Basic		8.24	27.41
Diluted		7.19	20.90

Schedule 'A' to 'S' enclosed herewith from the integral parts of the accounts

For and on behalf of the Board

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

Place: Bangalore
Date : 18.06.2008

Chairman

Managing Director

P.K. Rungta
M.No. 051184

RAJESH EXPORTS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2008

(Amount in India Rupees)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE "A"		
SHARE CAPITAL		
Authorised :		
30,00,00,000 Equity Shares of Rs.1/- each (Previous year 5,00,00,000 Equity Shares of Rs.2/- each)	<u>300,000,000</u>	<u>100,000,000</u>
Issued subscribed and paid up :		
25,06,13,298 equity shares of Rs. 1/- each fully paid up (Previous year 3,69,53,500 equity shares of Rs.2/- each fully paid up) (includes 14,78,14,000 equity shares of Rs. 1/- each issued as bonus shares on capitalization of general reserve)	<u>250,613,298</u>	<u>73,907,000</u>
	<u>250,613,298</u>	<u>73,907,000</u>
SCHEDULE "B"		
RESERVES AND SURPLUS		
Share Premium account		
As per last account		
Add: Additions during the year	177,733,050	376,140,000
	<u>2,806,636,773</u>	—
	<u>2,984,369,823</u>	376,140,000
Less: FCC Bonds issue expenses	—	198,406,950
	<u>2,984,369,823</u>	<u>177,733,050</u>
GENERAL RESERVE		
As per last account	2,550,000,000	1,800,000,000
Add: Additional during the year	1,500,000,000	750,000,000
	<u>4,050,000,000</u>	2,550,000,000
Less:Capitalised for issue of bonus Shares	147,814,000	
Surplus as per the Profit and loss account	<u>3,902,186,000</u>	289,056,216
	<u>752,047,682</u>	<u>289,056,216</u>
	<u>7,638,603,505</u>	<u>3,016,789,266</u>
SCHEDULE "C"		
SECURED LOANS		
A. Term Loan:		
Uco bank	—	16,728,250
B. Working Capital:		
Uco Bank	892,597,485	572,500,000
Canara Bank	590,303,450	569,135,300
HSBC	564,390,000	559,104,900
State bank of India	—	570,000,000
Loans mentioned under A and B above are secured by hypothecation of stocks and book debts and mortgage of office building at Batavia Chambers and land, building & plant & machineries situated at Export Promotion Park, Whitefield, further the above loans are secured by Personal guarantee of directors.		
	<u>2,047,290,935</u>	<u>2,287,468,450</u>



SCHEDULE "D"

(Amount in India Rupees)

OVERDRAFT ON PLEDGE OF FIXED DEPOSITS

	As at 31.03.2008	As at 31.03.2007
State Bank of India-Bills	-	721,157,400
Bank of India	-	136,429,401
Canara bank	820,269,323	11,313,046,255
HDFC bank Limited	52,313	2,694,807
Indian Bank	951,898,559	-
IDBI Bank	28,333,065	2,606,612,791
Indus Ind bank Limited	24,635,882	114,392,766
Karnataka bank Limited	1,134,024	857,726,588
State bank of Hyderabad	54,495,545	4,548,243
State bank of India-OD	571,451,243	1,910,361,566
State bank of Indore	-	2,736,121,122
State bank of Mysore	514,514,188	33,429,614
Tamil Nadu Mercantile bank Limited	17,451,198	755,718,150
Uco bank	865,023,167	2,105,419,260
Yes Bank	2,364,049	748,354,238
	3,851,622,556	24,046,012,201

SCHEDULE 'E'

UNSECURED LOANS

From Directors	100,315,473	79,315,473
From Others	210,524,000	171,100,000
FCCB Issue	3,498,464,000	6,517,500,000
From Banks	-	132,395,009
	3,809,303,473	6,900,310,482

SCHEDULE "F"

SCHEDULE OF FIXED ASSETS AS AT 31 ST MARCH 2008

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.4.2007	Additions	Sales	Total	As on 1.4.2007	For the Year	Withdrawn	Total	As on 31.3.2008	As on 31.3.2007
	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
Building	293,973,894	15,078,898	-	309,052,792	58,184,877	9,978,787	-	68,163,664	240,889,128	235,789,017
Plant & Machinery	70,617,447	15,048,859	-	85,666,306	12,840,390	4,167,541	-	17,007,931	68,658,375	57,777,057
Generator	-	2,944,621	-	2,944,621	-	112,844	-	112,844	2,831,777	-
Furniture & Fixture	8,032,148	8,577,501	-	16,609,649	3,304,940	705,491	-	4,010,431	12,599,218	4,727,208
Office Equipment	2,259,100	1,313,558	-	3,572,658	762,654	135,185	-	897,839	2,674,819	1,496,446
Computers	1,730,643	1,702,868	-	3,433,511	1,086,762	437,530	-	1,524,249	1,909,219	643,881
Weighing Scales	1,107,638	153,000	-	1,260,638	393,485	59,133	-	452,618	808,020	714,153
Motor Vehicles	7,197,000	140,000	-	7,337,000	2,152,424	686,193	-	2,838,617	4,498,383	5,044,576
Sub Total	421,841,967	44,959,305	-	466,801,272	78,725,532	16,282,704	-	95,008,236	371,793,036	343,116,435
B. Other immovable properties										
Sujatha complex	20,505,157	-	-	20,505,157	-	-	-	-	20,505,157	20,505,157
Mohan Building	97,570,861	145,000	-	97,715,861	-	-	-	-	97,715,861	97,570,861
Volga Hotel Bidg.	2,608,855	-	-	2,608,855	-	-	-	-	2,608,855	2,608,855
Land at Kumbalgod	13,435,200	-	-	13,435,200	-	-	-	-	13,435,200	13,435,200
Land at Akupette	11,095,065	100,000	-	11,195,065	-	-	-	-	11,195,065	11,095,065
Property in Kerala	27,798,944	3,519,006	-	31,317,950	-	-	-	-	31,317,950	27,798,944
Property at Devanhalli	-	12,174,066	-	12,174,066	-	-	-	-	12,174,066	-
Land at Peenya	1,367,500	820	-	1,368,320	-	-	-	-	1,368,320	1,367,500
Sub Total	174,381,582	15,938,892	-	190,320,474	-	-	-	-	190,320,474	174,381,582
Grand Total	596,223,549	60,898,197	-	657,121,746	78,725,532	16,282,704	-	95,008,236	562,113,510	517,498,017
Previous Year	548,502,293	48,361,256	640,000	596,223,549	64,282,761	14,583,736	140,965	78,725,532	517,498,017	484,219,532

RAJESH EXPORTS LIMITED

(Amount in India Rupees)

SCHEDULE "G"

INVESTMENTS

Long term investments- At cost

	As at 31.03.2008	As at 31.03.2007
A. Quoted : 48,99,980 (48,99,980) equity share of Rs 10/- each fully paid up in Rajesh Global Solutions Ltd.	48,999,800	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	-
B. 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 10/- each fully paid up	486,820	486,820
	1,363,027,800	63,027,800

QUOTED INVESTMENT

	<i>Cost</i>	<i>Market Value</i>
Rajesh Global Solution Ltd.	48,999,800	Not traded during the year
Mutual Funds	1,300,000,000	1,300,000,000

SCHEDULE "H"

INVENTORIES

Stock in trade of gold & gold ornaments	2,405,155,593	954,133,515
Stock in trade of diamonds	53,093,997	2,500,000
	2,458,249,590	956,633,515

SCHEDULE "I"

SUNDRY DEBTORS*

(Unsecured)		
Due for more than 6 months - Considered good	10,587,238	2,623,507,872
Due for more than 6 months - Considered doubtful	6,453,155	6,703,155
Other debts	5,032,142,770	6,343,445,504
	5,049,183,163	8,973,656,531
Less: Provision for doubtful debts	6,453,155	6,703,155
	5,042,730,008	8,966,953,376

*Note Refer Para B4 of Schedule 'S' annexed herewith

SCHEDULE "J"

CASH AND BANK BALANCES

Cash in hand	-	250,000
Balances with scheduled banks		
In current accounts	9,720,670	2,975,874
In fixed deposits	50,012,507,719	57,642,224,553
In unclaimed dividend accounts	1,457,501	1,258,042
	50,023,685,890	57,646,708,469



(Amount in India Rupees)

SCHEDULE "K"

LOANS AND ADVANCES

Advance recoverable in cash or in kind or for value to be received or adjusted (Unsecured)

	As at 31.03.2008	As at 31.03.2007
Advances- Considered good	2,374,442,124	1,569,755,789
Advances- Considered doubtful	8,591,113	-
Deposits - Considered good	5,930,063	5,690,056
	2,388,963,300	1,575,445,845
Less: Provision for doubtful advances	8,591,113	-
	2,380,372,187	1,575,445,845

*Note Refer Para B4 of Schedule 'S' annexed herewith

SCHEDULE "L"

CURRENT LIABILITIES & PROVISIONS

A. Current liabilities

Sundry creditors	44,110,359,955	33,316,867,529
Advance received from customers	10,694,815	5,124,706
Unclaimed dividend	1,457,501	1,282,361
Book overdraft from bank	381,058	-
Rent advance	19,700,000	19,700,000
Statutory liabilities	58,667	2,214

A'

44,142,651,996

B. Provisions

Proposed dividend	87,714,654	73,907,000
Provision for taxation net of payments including Fringe benefit tax	15,092,302	12,570,718

'B'

102,806,956

TOTAL 'A' + 'B'

44,245,458,952

SCHEDULE "M"

MISCELLANEOUS EXPENDITURE

Preliminary Expenses	83,719	111,626
	83,719	111,626

SCHEDULE "N"

INCOME FROM OPERATIONS

Sales	81,876,247,979	65,988,102,211
Bank Interest Received (Tax deducted at source Rs 716,422,924 ;Previous Year Rs 484,785,306)	4,793,906,943	2,944,584,028
Making Charges Received	-	967,583
	86,670,154,922	68,933,653,822

SCHEDULE "O"

OTHER INCOME

Rent	148,484	275,068
Professional Tax refund	1,710	-
Customs Duty refund	600,000	-
	750,194	275,068

RAJESH EXPORTS LIMITED

(Amount in India Rupees)

SCHEDULE "P"

COST OF GOODS SOLD

Gold jewellery, bullion, medallions and diamond:

	As at 31.03.2008	As at 31.03.2007
Opening stocks	956,633,515	1,480,952,744
Add : Purchases etc	82,390,227,886	64,893,773,159
Add : Consumption of consumables	5,362,031	5,276,366
Add : Making charges	2,533,046	1,502,666
Add : Production expenses	730,033	535,880
	83,355,486,511	66,382,040,815
Less : Closing stocks	2,458,249,590	956,633,515
	80,897,236,921	65,425,407,300

SCHEDULE "Q"

ADMINISTRATIVE AND SELLING EXPENSES

Salaries and wages	45,333,736	36,159,097
Asset maintenance expenses	2,969,589	2,180,808
Electricity charges	3,449,683	2,661,351
Directors' remuneration	239,976	239,976
Professional charges	1,309,963	476,252
Postage, telegram & telephones	1,614,532	1,112,461
Insurance premium	17,320,099	13,926,892
Staff welfare expenses	3,609,235	3,796,275
Travelling & conveyance	2,223,247	1,378,878
Miscellaneous expenses	3,780,514	2,393,324
Bad Debts	-	3,200,000
Provision for doubtful debts	8,341,113	6,703,155
Auditors remuneration :		
As audit fees	300,000	300,000
Rates & taxes	5,498,347	1,232,467
Loss on sale of fixed assets	-	277,035
Loss on theft	430,701	-
Loss on MCX Trading	394,028,571	3,625,917
Frieght charges (Net)	13,499,735	11,948,862
Advertisement expenses	8,311,255	581,283
Commission	3,806,995	-
Rent paid	3,693,872	99,000
Fluctuation in foreign currency	1,436,348,740	1,273,523,581
	1,956,109,903	1,365,816,614

SCHEDULE "R"

INTEREST & BANK CHARGES

Interest on term loans	586,641	3,042,836
Interest on other loans	1,309,450,776	933,369,590
Bank charges	14,507,109	16,862,877
Export finance option premium	155,441,600	132,367,500
	1,479,986,126	1,085,642,803



SCHEDULE 'S'

Annexed to and forming part of the accounts for the year ended 31st March 2008

Significant accounting policies and notes to accounts:

A. Significant accounting policies:

1. Accounting convention:

- a. The annual accounts have been prepared on the historical cost basis and confirm to the statutory provisions of the Companies Act, 1956, the General accounting practices prevailing in the country and applicable accounting standards.
- b. The Accounts have been prepared on accrual basis.

2. Fixed assets:

- a. fixed Assets are stated at cost of acquisition or construction less accumulated depreciation/amortization. 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 asset 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 asset are capitalized as a part of the cost of such assets 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 options 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 recognize as income or expenses 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 forward foreign exchange option contracts is charged to the Profit & Loss Account as and when the contacts are entered into but the gain on option contracts, if any, is recognised 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 cost and market/fair value.

6. Revenue recognition:

Sales are recorded net of trade discounts, rebates and sales tax if any and are inclusive of foreign currency fluctuations. 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 exports and imports have been accounted for as per the customs assessment of the goods. When the price of the import shipment is fixed or when the price of the export shipment is fixed, the final invoice is submitted to the customs and the differential is accounted for as sales or purchase. Dividend income on investments is accounted for when the right to receive the payment is established.

RAJESH EXPORTS LIMITED

7. Employees benefits:

Retirement benefits in the form of provident fund and superannuation Schemes are not applicable to the company at present.

Gratuity liability under the Payment of Gratuity Act is accounted on cash basis and liability for gratuity is not ascertained.

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

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 difference between taxable income 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 realizable value (International Standard rate as on 31.03.2008), whichever is less for E.O.U and SEZ units and of other units at cost or net realizable value (Rate prevailing at Bangalore as on 31.03.2008), whichever is lower.

10. Book debts and advances:

Previous 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 products. These in the concept of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India, are considered 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 and are disputed by the Company Rs.8,31,901/- (Previous year - 831,901/-)

(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 firmly believes that the issue will be settled in its favour.



The Company has also received an order from the tax authorities dated July 26, 2007 for the period April 1, 2004 to March 31, 2005 demanding an additional tax payment of Rs 843,558,994. The Company has appealed against the said order and firmly believes that the issue will be settled in its favour.

Further, the Company had received an order from the tax authorities dated January 31, 2008 for the period April 1, 2005 to March 31, 2006 demanding an additional tax payment of Rs 205,947,800. The Company has appealed against the said order and firmly believes that the issue will be settled in its favour.

3. Certain balances under the heads "Debtors, creditors, advance from customers, advances deposits and stocks of gold & gold jewellery lying with third parties are subject to confirmation.
4. Sundry debtors includes Rs 1,331,962 (Previous year Rs 2,608,457) and loans and advances includes Rs 179,476,516 (Previous year 338,636,185) 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:

Sundry Debtors	Current Year	Previous Year
Laabh Jewels Gold Pvt Ltd	—	1,276,495
Oyzyterbay Pvt Ltd	1,331,962	1,331,962
Loans and advances	Current Year	Previous Year
Rajesh Global Solutions Ltd	—	234,304,586
Laabh Jewels Gold Pvt Ltd	179,221,441	103,450,500
Oyzyterbay Pvt Ltd	255,075	881,099

5. Directors remuneration includes remuneration payable to Executive Chairman and managing director of Rs. 239,976 (Previous year Rs 239,976/-)
6. Brief particulars of Employees who were entitled to Receive or were in receipt of emoluments aggregating to Rs.2,400,000/- or more per annum and /or Rs 200,000/- or more per month, if employed, for a part of the year is Nil.
7. 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 a ten year term and paid annual premium of Rs. 3,049,470 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.
8. Income from operations includes bank interest earned Rs. 4,793,906,943/-; Previous year Rs.2,944,584,028/-. Interest earned on fixed deposits with banks is recognised as income from operations since these deposits are utilized for the business of the company.
9. 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 recognised the Deferred tax assets on accounts of unabsorbed losses etc, on account of timing difference of Rs. 6,397,525 as on 31st March 2008, previous year 110,384,646 as there is on virtual certainty that such deferred tax assets can be realized against future taxable profits.

RAJESH EXPORTS LIMITED

The breakup of deferred tax assets not recognised is furnished hereunder;

	CURRENT YEAR	PREVIOUS YEAR
(a) Defferred tax assets		
Unabsorbed business loss	34,845,686	130,854,025
Unabsorbed long term capital loss	78,104	77,346
Total	34,923,790	130,931,371
(b) Deferred tax liability		
Timing difference on account of depreciation.	(20,302,880)	(12,323,340)
(c) Net deferred tax assets	14,620,910	118,608,031
Less: already accounted	8,223,385	8,223,385
Balance not recognized	6,397,525	110,384,646

10. The company is registered under Chapter IX of the companies Act, 1956 and the Registrar of Companies has issued certificate of Incorporation and commencement of business on 1st of February 1995. Before the registration of the company, "M/s. Rajesh Exports" carried on the business in partnership as Joint Stock Company. After registration under chapter IX of the companies Act, 1956, "Rajesh Export" was converted into this company.
11. Zero coupon FCCB were issued on 17th February 2007 for US \$ 150 millions (Rs.661.35 crores at issue time). The Bond holders have an option to convert FCCB into Equity Shares at a 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 NSE or BSE, at the accreted principle amount. During the year, some of the Bonds holders have exercised their options to convert FCCB into equity shares and consequent to this 2,88,92,298 equity shares of Rs 1/- each has been allotted by the Company.
12. 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
Oyzerbay 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 with related parties referred to in (a) & (c) above in ordinary course of business:

Nature of transactions	Related Parties	Key Management Personnel
Sales	103,719,168 (80,721,570)	— (—)
Expenses-Remuneration		311,976 (300,802)
Income- Rent & Electricity Charges	300,000 (414,586)	— (—)
Out standings-Debit	180,808,478 (256,244,642)	— (—)

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

Unsecured Loans taken	Rs. 21,000,000/- (40,500,000)	
Balance outstanding	Rs. 271,415,473 (250,415,473)	
Interest Paid	Rs. NIL	

13. **Accounting Standard 19-Leases:**

The company has let out and taken premises under cancellable operating lease agreements, which the company intends to renew in the normal course of its business. The 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 148,484/- (Previous Year Rs.275,068) and total Lease rentals recognized as expenditure is Rs. 3,693,872/- (Previous Year Rs. 99,000/-)

14. 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 31.03.2008	Year Ended 31.03.2007
Profit after Taxation	2,065,613,225	1,012,836,150
Weighted average number of shares for basic EPS	250,681,217	36,953,500
Weighted average number of shares for diluted EPS	287,289,739	48,455,239
Earning per share of Rs. 1/- each, previous year and Rs.2/- each		
Basic	8.24	27.41
Diluted	7.19	20.90

15. Company has identified that there is not material impairment of assets and as such no provision is required as per As-28 issued by the ICAI.
16. In the opinion of the management, no provision is required against contingent liabilities referred to in Schedule "S" Para B Point 2.
17. Based on the information /documents available with the Company, the amount due to small-scale industries is nil.

RAJESH EXPORTS LIMITED

18. Unclaimed dividend accounts are subject to reconciliation.
 19. Additional information required in pursuant to paragraph 3 and 4 of the part II of Schedule VI of the Companies Act 1956.

	Unit	Quantity	Amount
A. OPENING STOCK			
Gold and Gold Products	Kgs.	1148.166 (1996.777)	954,133,515 (1,478,452,744)
Diamond	Cts	90.55 (91.9)	25,00,000 (25,00,000)
B. PURCHASES			
Gold and Gold Products	kgs	80,500.815 (66,848.297)	82,339,633,889 (64,893,773,159)
Diamond	Cts	2221.160 (—)	50,593,997 (—)
Alloys	Kgs	144.255 (153.499)	257,242 (201,581)
C. SALES TURNOVER			
Gold And Diamond	Kgs	79,564.448 (67,849.829)	81,876,247,979 (65,987,879,439)
Diamond	Cts	— (1.350)	— (222,772)
D. CLOSING STOCK			
Gold and Gold Products	Kgs	2226.785 (1148.166)	2,405,155,593 (954,133,515)
Diamonds	Cts	2311.710 (90.55)	53,093,997 (2,500,000)
E. WASTAGES			
Gold and Gold products		2.003 (0.578)	
Diamond	Cts	NIL (—)	
F. EARNINGS IN FOREIGN CURRENCY			
F.O.B Value of Exports			80,639,672,461 (63,831,540,018)
G. EXPENDITURE IN FOREIGN CURRENCY			
Traveling Expenses			64,285 (378,497)
C.I.F value of imports			82,339,633,889 (63,375,368,414)

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,

Place: Bangalore

Date : 18.06.2008

Chairman

Managing Director

P.K. Rungta
 M.No. 051184



CASH FLOW STATEMENT

(Amount in Indian Rupees)

	2007-2008	2006-2007
A. Cash Flow from Operating Activities		
Net Profit before tax and Extra ordinary items	2,321,261,555	1,042,450,530
Depreciation	16,282,704	14,583,736
Finance cost	1,479,986,126	1,085,642,803
Rent received	(148,484)	(275,068)
Loss on Sale of Fixed Assets	-	277,035
Preliminary expenses written off	27,907	-
Operational Profit before working Capital changes	3,817,409,808	2,142,679,036
Adjustments for Decrease (Increase) in Trade and other receivables including Loans & Advances	3,580,410,502	(5,499,439,753)
Decrease (Increase) in Inventories	(1,501,616,075)	524,319,229
Increase(Decrease) in Current Liabilities	10,815,819,227	8,505,848,796
Cash generated from operations	16,712,023,463	5,673,407,308
Direct Taxes paid	(716,576,609)	(484,974,562)
Net cash from Operating Activities	15,995,446,854	5,188,432,746
B. Cash Flow from Investing Activities		
Increase in fixed assets	(45,964,933)	(52,419,027)
Sale Proceeds of Fixed Asset	-	222,000
Increase in Miscellaneous Expenditure	-	(111,626)
(Purchase)/Sale proceeds of Investments	(1,300,000,000)	(13,911,000)
Rent Received	148,484	275,068
Net cash from Investing Activities	(1,345,816,449)	(65,944,585)
C. Cash Flow from Financing Activities		
Increase in Share Capital and Share Premium	2,835,529,071	-
Finance Cost	(1,479,986,126)	(1,085,642,803)
F C C bond issue expenses	-	(198,406,950)
Increase /(Decrease) in Secured Loan	(20,434,567,160)	13,204,164,431
Increase /(Decrease) in Unsecured Loan	(3,091,007,009)	6,586,710,272
Dividend paid and tax on Dividend	(102,621,759)	(86,467,495)
Net cash from Financing Activities	(22,272,652,983)	18,420,357,455
Net increase(decrease) in cash & cash equivalents (A+B+C)	(7,623,022,578)	23,542,845,616
Opening cash and cash equivalents	57,646,708,469	34,103,862,853
Closing cash and cash equivalents	50,023,685,891	57,646,708,469

For and on behalf of the Board

As per our Report of even date
For **P.K. Rungta & Co.**,
Chartered Accountants,

Place: Bangalore
Date : 18.06.2008

Chairman

Managing Director

P.K. Rungta
Proprietor
M.No. 051184

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Rajesh Exports Limited for the year ended 31st March 2008. 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 and Covered by our report of even date.

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

Place: Bangalore
Date : 18.06.2008

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

RAJESH EXPORTS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	17077	State Code	08
Balance Sheet Date	31.03.2008		

II. CAPITAL RAISED DURING THE YEAR

Public Issue	NIL	Rights issue	NIL
Bonus Issue	147,814,000	Private Placement	28,892,298

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities		Total Assets	
Sources of Funds		Application of Funds	
Paid-up Capital	250,613,298	Net Fixed Assets	566,520,140
Unsecured Loans	3,809,303,473	Net Current Assets	15,659,578,723
Secured Loans	589,891,349	Investments	1,363,027,800
Reserves & Surplus	7,638,603,505	Misc. Expenditure	83,719
Deferred taxation	NIL	Deffered Tax Asset	8,223,385

IV. PERFORMANCE OF COMPANY

Total Income	86,670,905,116	Total Expenditure	84,349,643,561
Profit Before Tax	2,321,261,555	Profit After Tax	2,065,613,225
Earning per share in Rs.	Per equity share of Rs.1	Dividend Rate	35%
Basic	8.24		
Diluted	7.19		

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

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

For and on behalf of the Board

Place: Bangalore
Date : 18.06.2008

Chairman

Managing Director

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 14th Annual General Meeting at the Mini Hall, Hotel Woodlands, No.5, Raja Rammohan Roy Road, Bangalore - 560 001 on 16.09.2008 at 10.15 A.M.

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 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 14th Annual General Meeting of the Company to be held at the Mini Hall, Hotel Woodlands, No.5, Raja Rammohan Roy Road, Bangalore - 560 001. on 16.09.2008 at 10.15 A.M.

Signed this _____ day of _____

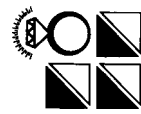
Signature of the said _____

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.