

What makes Rajesh
Exports the world's
largest

gold consuming
company?



Corporate Information

Board of Directors

Shri. Rajesh Mehta *Executive Chairman*
Shri. Prashant Mehta *Managing Director*
Shri. P. Siva Sankar *Director*
Shri. Y. Venu Madhava Reddy *Director*
Shri G. Shanker Prasad *Director*

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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400

Tonnes per annum –
India's largest gold
refining capacity

0.25


Percent – World's lowest
gold wastage levels
compared with the 3 percent
global industry average

250

Tonnes per annum –
World's largest gold
manufacturing capacity

30,000

World's largest active gold
jewellery design repertoire



Gold is the world's
most enduring asset.

Rajesh Exports
Limited is the world's
largest and lowest-
cost gold jewellery
manufacturer and
exporter.

Speed

Sales turnover in volumes grew at 11.45 percent CAGR over the past five years to 104.68 tonnes in 2010-11, the fastest in the industry.

Legacy

Incorporated in 1989 by Mr. Rajesh Mehta and his brothers with a vision to start a gold jewellery retail business.

Portfolio

Possesses the world's largest repertoire of 30,000 active designs.



Rajesh Exports is now leveraging its rich expertise and strength to unleash a gold jewellery retail revolution in India.

Integration

The world's only fully integrated gold jewellery company; from gold refining, alloying, jewellery manufacturing, exports to jewellery retailing.

Exports

Only Indian company in the sector to be recognised by the Government of India as a 'five star export house' for gold jewellery; India's largest gold jewellery exporter with a 40 percent share.

Retail

Initiated retail gold revolution in India under the brand Shubh Jewellers with an offering that extended from mines to consumers.

Chairman's review



“We are building on the retail gold jewellery revolution and expect that over the next three years, one out of ten Indians will buy gold jewellery from us.”

RAJESH EXPORTS began with a dream. My father started our family's presence in the jewellery trade by selling precious stones to jewellery manufacturers way back in 1960. My brothers and I decided to take this business forward and in 1985, we started our own gold jewellery store in Bangalore. This store met with success as we redefined service and range. Soon, we opened another store in the following year with similar success.

Given this reality, we decided to scale our expertise across the country and market gold jewellery directly to the consumer. This transpired at a time when most gold jewellery was being hand-made in small 50-100 sq. ft goldsmith rooms with no consideration for purity, wastage or quality.

The reason was The Gold Control Act, 1968, which restricted gold buying and gold imports as it depleted India's low foreign currency reserves. From an industry standpoint, everything around gold and gold jewellery was fragmented and fraught with inconsistencies

and illegal practices, which made it progressively difficult for us to establish gold jewellery retail stores across India.

There was a silver lining. The Gold Control Act permitted the import of gold and manufacture of large-scale gold jewellery as long as 100% of the output was exported. We saw this as an opportunity and invested our business with scale, automation and transparency.

We began with a modest capacity of 2.5 tonnes per annum in 1994, expanded to 10 tonnes per annum by 1998 and 250 tonnes per annum by 2001. Within a mere seven years, we had expanded our manufacturing capacity hundred-fold. More important, given our exports and a five-star trading house status accorded by the Government of India, we imported gold directly from refiners, the only company in India in jewellery sector to enjoy this distinction.

The result is that gold jewellery exports catalysed our growth and we emerged as India's largest gold jewellery exporter with a share of 40 percent. In addition to this attractive

growth, we emerged as the most competitive gold jewellery producer. We integrated backwards into gold jewellery manufacture and gold refining. The result is that we are today the world's most integrated gold jewellery company with a size no other company can match.

Our manufacturing facility is now spread over 500,000 sq. ft, is significantly automated and delivered 110 tonnes of gold jewellery across 30,000 active designs in 2010-11. More importantly, the entire manufacturing technology was indigenously developed, which would not be easy to replicate. Our manufacturing operations are tightly run making us the world's lowest gold wastage incurring jewellery Company. We believe it will be difficult for others to achieve our size and standards in gold jewellery manufacture.

Once the government permitted gold refining, we commenced refining in Uttaranchal, setting up a 400 tonnes per annum capacity within record time.

While we were busy integrating backwards to export more gold jewellery to various corners of the world, we

acquired Oysterbay in line with our retail vision in 2008. We realized that to be successful we needed strong consumer trust, a strength that was built over generations and could not be easily overcome. We also needed to understand consumer preferences that changed every few kilometres in India. We needed to back this with the highest purity standards and the most competitive pricing.

We addressed these challenges through the institution of Shubh Jewellers. We transformed local jewellers into partners by offering them the best designs at the best price without investing in inventory. The result was that the local jeweller invested in store interiors and replaced and accepted the brand of Shubh Jewellers as his retail brand.

Rajesh Exports is attractively placed to take its business ahead. The company possesses a repertoire of over 30,000 active designs; we enjoy an insight into India's design and taste preference. Building on this advantage, we launched the Real Rate Per Gram concept, where we do not levy making charges and any

other charges. As a result, gold jewellery purchased at Shubh Jeweller stores is between 9% to 30% cheaper. We opened 25 stores simultaneously in Bangalore on the auspicious day of Akshya Tritiya and recorded the highest-ever sale per day by any gold retail jeweller in India.

The time has come to achieve our vision. Over the last few years, we achieved the near-impossible by fully integrating the gold jewellery trade for the first time in the world wherein we have a sizeable presence from refining of gold to retailing of gold jewellery. We currently have 55 retail stores in India and we expect to take the number of stores to 500 by 2014.

As we build on our existing strength, we expect to scale our retail model wherein one of every ten Indians will buy gold jewellery from us, translating into projected retail revenues of USD 5 billion by 2014.

I invite you to be a part of this exciting journey.

With my best regards,

Rajesh Mehta
Executive Chairman

Manufacturing & Exports

Rajesh Exports invested in the world's largest gold jewellery manufacturing facility with a capacity of 250 tonnes per annum.





The Company reinforced its competitive positioning through the following initiatives:

- Integrated fully from gold refining to gold jewellery retailing
- Emerged as the world's lowest-cost gold jewellery producer with the world's lowest gold wastage levels of 0.25 percent compared with the industry average of 3 percent
- Possesses the world's largest gold jewellery manufacturing facility of 500,000 sq. ft spread across 12 acres in Bengaluru with a capacity to process 250 tonnes of gold into world-class jewellery
- Indigenously developed an automation technology ensuring standardisation, consistency, color and durability, to manufacture jewellery of the highest precision and design standard, the first such instance across such a large capacity
- Established India's largest gold refinery (400 tonnes per annum) at Rudrapur, Uttaranchal, in record time
- Emerged as the only Indian company to import Dore Gold with an import duty of Rs. 14 per gm (Rs. 30.90 per gm for pure gold), resulting in significant savings, being the only Indian jewellery company with a direct import license to import gold from gold refineries (imported 110 tonnes in 2010-11); imported gold from Valcambi and ANZ Bank, with corresponding margin advantages
- Has established enviable track record for more than two decades in the international jewellery market by consistently supplying quality jewellery at the lowest prices on schedule to regular large scale importers across the world

The result: Rajesh Exports emerged as the world's only fully integrated gold jewellery company, integrated from mining to retail customer. It also emerged as the world's largest gold jewellery company and largest manufacturer of gold jewellery at lowest cost in the world.

Retail

Rajesh Exports is unleashing an organised gold jewellery retail revolution in India.

The path-breaking gold jewellery retail revolution unleashed by Rajesh Exports is expected to create a paradigm shift in the way consumers shop for gold jewellery across India. Only Rajesh Exports is capable of offering world-class gold jewellery at Real Rate Per Gram (RRPG) without charging any making charges because:

- It has the world's largest active jewellery product repertoire comprising more than 30,000 designs
- It is the lowest cost gold jewellery producer in the world
- Its fully integrated operations without any middlemen ensures huge cost savings and sanctity of designs
- It is a direct importer of Dore Gold into India from mines ensuring substantial savings in the raw material cost
- Its retail operations through a unique associate model ensure very low operating cost without any operating risks
- Its unique financial model ensures very low inventory carrying cost
- The retail gold revolution was launched on the auspicious Akshay Tritiya (May 6, 2011) with the biggest awareness and advertising campaign by any gold jewellery retailer in India covering 11 pages in India's largest daily newspaper (Times of India) and in many other vernacular dailies

■ The awareness campaign resulted in unprecedented response from the retail consumers and record breaking sales of Rs 600 million on a single day, the highest by any jewellery retailer in India

■ Under the gold revolution, the company launched 25 retail stores under the brand name of Shubh Jewellers on a single day. Currently, the company operates 55 Shubh Jewellers stores primarily in the State of Karnataka, India

■ The revolutionary RRPB has transformed the entire gold jewellery trade in India as a result of which there have been more than 2,500 applications from leading jewellers across India for franchisee of Shubh Jewellers

■ The company intends to complete 125 stores in the State of Karnataka by the end of March 2012. Going forward, the company would expand the retail gold jewellery revolution in the states of Andhra Pradesh, Tamil Nadu and Kerala

■ The company would be completing its pan-Indian presence by 2014 with 500 stores across India

The result : Currently, the company has already established itself as the largest gold jewellery retailer in the State of Karnataka. By April 2012, Rajesh Exports will establish itself as the largest gold jewellery retailer in India. By April 2014, the company expects to emerge as the largest retailer in India by revenue across any sector.



Understanding our financials

Consolidated Balance Sheet

(Rs. In lacs)

Particulars	31.03.2011	31.03.2010	31.3.2009	31.3.2008	31.3.2007
SOURCES OF FUNDS					
1. Share Holder Funds					
a. Share Capital	2,952.60	2,658.15	2,570.08	2,506.13	739.07
b. Reserve & Surplus	156,724.87	111,762.52	88,813.43	76,386.04	30,167.89
2. Loans Funds					
Secured Loans					
Working Capital	85,484.15	60,128.24	21,053.95	20,472.91	22,874.68
Loans against Fixed Deposit	156,054.95	115,698.05	134,799.62	38,516.23	240,460.12
3. Unsecured Loans	11,500.49	32,803.05	39,197.18	38,093.03	69,003.10
Total	412,717.06	323,050.01	286,434.26	175,974.34	363,244.87
Application of Funds					
1. Fixed Assets					
Gross Block	8,633.64	8,366.31	7,560.95	6,571.22	5,962.24
Less : Depreciation	1,495.82	1,300.25	1,122.30	950.08	787.26
Net Block	7,137.82	7,066.06	6,438.65	5,621.14	5,174.98
Work in Progress	0.00	0.00	49.69	44.07	193.40
	7,137.82	7,066.06	6,488.34	5,665.20	5,368.38
2. Investments	341.77	441.77	38,491.17	13,630.28	630.28
3. Current Assets, Loans & Advances					
a. Inventories	37,734.14	41,350.47	17,429.31	24,582.50	9,566.34
b. Sundry Debtors	158,054.62	61,206.43	54,726.98	50,427.30	89,669.53
c. Cash & Bank Balances	781,499.78	665,351.31	553,717.94	500,236.86	576,467.08
d. Loans & Advances	69,509.03	86,956.94	76,526.07	23,803.72	15,754.46
	1,046,797.57	854,865.15	702,400.30	599,050.38	691,457.41
Less : Current Liabilities & Provisions	641,642.33	539,405.48	461,028.33	442,454.59	334,294.55
Net Current Assets	405,155.24	315,459.67	241,371.97	156,595.79	357,162.87
4. Deferred Tax Assets	82.23	82.23	82.23	82.23	82.23
5. Miscellaneous Expenditure	0.00	0.28	0.56	0.84	1.12
Total	412,717.06	323,050.01	286,434.26	175,974.34	363,244.87

Balance sheet

Cash and bank balances:

The Company is engaged in the business of jewellery manufacture. It buys raw gold and sells manufactured gold jewellery. Most sales are realized within a period of 8-10 days. The import of raw material (raw gold) from suppliers is on a credit period of 90/180/270 days backed by Letters of Credits (LCs) by recognized banks. The company generates a 'float' which is parked as fixed deposits with banks which are used to establish further LCs for import of raw gold. The above arrangement is necessitated due to the large requirement of the raw material by the company.

Secured loans from banks against fixed deposits (FD):

The Company opens fixed deposits with banks as a margin to establish Letters of Credits for import of its raw material. Upon maturity the LCs are honored from the proceeds of the FD. In many

cases the maturity date of the FD may not match with the maturity date of LCs due to which the company is required to draw an overdraft against its own FD, to honor the LCs. Upon maturity of the FD the overdraft is cleared.

Secured working capital loan:

The Company has not availed any debt. The company has drawn working capital facilities for short term working capital requirements in the form of packing credit and bills discounted from banks.

Current liabilities: The Company procures raw material (raw gold) from suppliers on extended credit which is treated as current liabilities. These current liabilities are matched to a substantial extent with the cash and bank balances in the form of fixed deposits (explained above under cash and bank balances).

Loans and advances: The Company invests its cash

surplus in secured inter-corporate deposits with the objective to generate a secure interest income.

Inventories: Includes stock-in-trade of gold, diamonds, gold jewellery and diamond jewellery. Major part of the inventory is parked in retail stores and in warehouse catering to the retail operations. The inventory is valued at cost or net realizable value (international standard rate as on 31 March 2011) whichever is less. The entire gold inventory is hedged against the gold price fluctuation thereby insulating the company from volatility in gold prices. The hedging profit or loss is set off in the P&L account every year.

Profit and Loss Statement

(Rs. In lacs)

Particulars	31.03.2011	31.03.2010	31.3.2009	31.3.2008	31.3.2007
INCOME SIDE					
Total Revenues	2,086,438.01	1,852,943.99	1,236,110.36	866,709.05	689,339.29
EXPENDITURE SIDE					
Cost of goods sold	2,032,542.29	1,817,946.83	1,186,161.09	808,972.37	654,254.07
Manufacturing, administrative & selling expenses	10,150.83	4,557.79	25,759.23	19,561.10	13,658.17
Financial Charges	16,668.84	9,537.32	14,157.43	14,799.86	10,856.43
Depreciation	195.57	177.95	175.57	162.83	145.84
Preliminary & Public Issue written off	0.28	0.28	0.28	0.28	0.28
	2,059,557.81	1,832,220.17	1,226,253.60	843,496.44	678,914.78
Profit /(Loss) for the year before Tax	26,880.20	20,723.81	9,856.76	23,212.62	10,424.51
Income Tax for earlier years	(255.73)	0.00	0.00	(0.06)	0.00
Provision for taxation for the year	(1,825.11)	(1,383.50)	(1,116.77)	(2,553.09)	(294.15)
Fringe Benefit Tax	0.00	0.00	(2.39)	(3.33)	(1.99)
Profit for the year after tax	24,799.36	19,340.31	8,737.60	20,656.13	10,128.36
Balance as per last year	10,675.82	4,435.14	7,520.48	2,890.56	1,126.88
	35,475.18	0.00	0.00	0.00	0.00
Less : Proposed Dividend	(1,771.56)	(2,658.15)	(1,542.05)	(877.15)	(739.07)
Dividend for previous year	(176.80)	0.00	(0.10)	0.00	0.00
Tax on Dividend	(287.39)	(441.49)	(262.07)	(149.07)	(125.60)
Tax on Dividend for earlier years	(29.36)	0.00	(0.02)	0.00	0.00
Less : Transferred to General Reserve	30,000.00	10,000.00	10,000.00	15,000.00	7,500.00
Balance carried to Balance Sheet	3,210.06	10,675.82	4,435.14	7,520.48	2,890.56

P&L statement

Operational Income: The P&L statement of the company shows operational loss which actually is not true. The entire profits of the company are generated from the operations of the company.

The interest income on certain fixed deposits generated by the company is an operational income because the company receives interest on its fixed deposits which it makes for the sole purpose of import of gold. The interest income generated on such deposits is shown separately in the P&L statement as Other Income. The interest paid for the import of gold on credit basis is included in the cost of goods by the supplier. The interest paid plus the forward premium of the rupee incurred is almost equal to the interest received on fixed deposits (accounted

as other income) which means that company is not generating any additional income out of the interest income on the fixed deposits. It is required under the Indian GAAP to show the interest received separately whereas it should have been actually deducted from Cost of Goods or added to the sales. If it is done so, it is very clear that there is a handsome operating profit generated by the Company.

It is the requirement of large amounts of Letters of Credit to suffice the raw material requirement of the company which makes it necessary for the company to place the fixed deposits which in turn generates this accounting anomaly, otherwise it is quite evident that the entire income of the company is generated from its integrated operations

namely manufacture, exports and retail. Interest generated from other fixed deposits not linked to imports or from any other source is shown separately as interest income and is not included in the other income generated from the fixed deposits, made for import of gold.

Profit/Loss from foreign exchange fluctuation: The company does not engage itself in any speculative foreign exchange transactions to generate any foreign exchange related profit or loss. The company hedges its entire foreign exchange receivables and payables which generates a loss or profit depending on the relevant foreign exchange currency prices on settlement date which is accounted as profit/loss from foreign exchange fluctuation.

The corresponding profit or loss is absorbed either in sales or in cost of goods as the case may be.

Profit/Loss on MCX Trading (Hedging): The Company does not engage in any speculative transactions of gold or any other commodity on MCX or any other exchanges. The company carries a physical inventory of gold for its manufacturing, warehousing and retail operations. The physical inventory of gold carried by the Company is always fully hedged on MCX. Whenever the gold prices increase the company makes a profit in its inventory and a corresponding loss on the

hedged position on the MCX. Similarly, when gold prices come down, the Company makes a loss on its physical inventory and a corresponding profit on its hedged positions on the MCX. The entire amount under the head 'Profit/Loss from MCX Trading' is a result of the physical gold inventory hedging policy of the Company.

Provision for Taxation: The Company's manufacturing operations are under a registered SEZ unit. The Company is enjoying a tax holiday till 2013-14 subject to further tax holidays being announced by the Government. The income

generated from the SEZ operations of the Company is completely tax free. Also, the Company has set up a gold refinery in Rudrapur, Uttaranchal in a tax and excise free zone. The domestic operations of the Company also do not incur taxation significantly due to this reason.

Cost of goods sold: Cost of goods sold includes cost of gold, wastage, making charges and interest charged for the credit period. Though the interest is added as cost of goods sold, the corresponding fixed deposit interest income received is shown separately as a part of operational income.

Industry overview

Global economic scenario

In 2010, the global economy witnessed a 5 percent increase with nearly a quarter of the incremental output coming from India and China. The global GDP growth is expected to slow to 4.5 percent in 2011 and 2012; developing nations are expected to grow by 6.5 percent whereas developed nations are expected to grow by 2.5 percent in 2011 (Source: *The IMF World Economic Outlook of April 2011*).

Indian economic scenario

In 2010-11, the Indian economy grew at a healthy 8.5 percent against 8 percent

in 2009-10. Most of the sectors in the economy maintained constant growth, with the agricultural sector recording a robust 5.4 percent growth in 2010-11 against 0.4 percent in 2009-10. FII inflows grew from USD 13.7 bn to USD 36.7 bn as on 31st March 2011. Foreign exchange reserves also grew by USD 20 bn to reach USD 305.49 bn (Source: *Prime Minister's Economic Advisory Council, PMEAC*).

Global gems and jewellery industry

Demand and supply: The total gold supply (including recycled gold, mine production and official sector transactions) grew 2 percent to 4,155 tonnes. Global gold demand

increased 10 percent from 3,618.1 tonnes in 2009 to 3,970.5 tonnes in 2010 with a value of USD 156 bn. Total mine production grew 10 percent to 2,586 tonnes in 2010 (Source: *World Gold Council*).

Consumption: Gold consumption increased 22 percent globally from 2,503 tonnes in 2009 to 3,055 tonnes in 2010. The consumption growth was driven by India and China, with consumption levels of 963 and 580 tonnes respectively in 2010.

Gold stock: The total above-the-ground stock of gold at the end of 2010 was 166,600 tonnes of which 52 percent of the stock was held as jewellery.

Demand patterns

Gold demand	In volume (tonnes)			In value (USD mn)		
	2009	2010	Percentage growth	2009	2010	Percentage growth
Jewellery	1,813.60	2,016.70	11	56,695	79,395	40
Industrial	409.80	466.40	14	12,811	18,363	43
Investment	1,394.80	1,487.40	7	43,604	58,559	34
Total gold demand	3,618.20	3,970.50	9.74	113,110	156,317	38

Indian gems and jewellery industry

India is the largest gold consumer, accounting for nearly 32 percent of global consumption. With a voracious appetite, gold demand is estimated to increase from 1,000 tonnes in 2010-11 to 1,300 tonnes in 2015-16 and at current gold prices, the Indian annual gold jewellery market could touch USD 66.5 bn by 2016.

The Indian gems and jewellery market comprises diamonds, coloured stones, jewellery (gold and silver), pearls and others. Gold and diamond jewellery account for around 90 percent of jewellery market share. The Indian gems and jewellery market is expected to grow from USD 45 billion (bn) in 2010 to USD 66.5 bn by 2016. India is a global gold jewellery demand driver for the following reasons:

- In 2010, India accounted for nearly 32 percent of global gold purchases at a cost of USD 38.2 bn
- The household sector in India holds 18,000 tonnes of gold

with a value in excess of USD 1 trillion.

- The rural population in India accounts for almost two-thirds of the gold demand. The sector is projected to grow at over 5 percent annually

Demand: The total consumer demand for gold in India reached 963.1 tonnes in 2010 with 75 percent of it accounted by gold jewellery. India's gold jewellery demand rose 69 percent from 303 tonnes in 2009 to 746 tonnes in 2010 with a spending of Rs. 1.34 trillion. The growing income and savings scenario in the country will drive gold demand in the coming years (*Source: World Gold Council*).

Prices: In the last three years, the average gold prices in India witnessed a compounded annual growth of 24.8 percent from Rs. 9,250/10 gm in 2007 to Rs. 17,995/10 gm in 2010.

Exports and imports: India's gems and jewellery sector accounted for 16.67 percent of the total merchandise exports of India are valued at USD 43 bn in 2010, an increase of about 47 percent

over the last year. The total imports in the gems and jewellery sector increased 46.96 percent from USD 28.53 bn in 2009-10 to USD 41.93 bn in 2010-11 (*Source: Gem and Jewellery Export Promotion Council*).

India's demand drivers

With 50 percent of the population under the age of 25, about 150 million weddings are expected to take place. This is likely to generate a gold demand of about 500 tonnes a year.

■ Demographic change:

Despite an increase in the population to 1.21 bn, India's per capita income rose 17.9 percent to Rs. 54,835 in 2010-11 compared with 1.17 bn and Rs. 46,492 in 2009-10. This will lead to an increase in gold purchases as an alternative mode of savings (*Source: Business Standard*).

- **Retail market:** The increasing population, per capita income and the rapid expansion of the organised retail market is expected to drive Indian retail market growth to Rs. 30.23 trillion by 2015.

NOTICE

Notice is hereby given that the **17th Annual General Meeting** of the Members of **RAJESH EXPORTS LTD** will be held at **12 Noon, on 30-09-2011 at the Guru Raja Kalyana Mantap, No 21, Crescent Road, Next to Karnataka Film Chamber of Commerce Near Shivanada Circle, BANGALORE – 560 001** to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss account for the year ended 31st March 2011 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. Y. Venu Madhava Reddy, who retires by rotation and being eligible, offers him self for re-appointment.
4. To appoint auditors and fix their remuneration.

By the Order of the Board
Sd/-

RAJESH MEHTA
Chairman

Place : Bangalore
Date : 12-8-2011

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company.
2. Proxy Forms, in order to be effective, should be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23-09-2011 to 30-09-2011 (both days inclusive), notice of which will appear in the News Paper on 14-09-2011.
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. Y. Venu Madhava Reddy, aged about 40 years, has an experience of over 16 years in management and administration. The Board considers it necessary to reappoint Mr. Y Venu Madhava Reddy as a Director.

DIRECTORS' REPORT

Your Directors have great pleasure in presenting their 17th annual report on the business and operations of the Company, for the financial year ended 31st March 2011.

FINANCIAL RESULTS

	(Rs. in Millions) For the year ended 31.03.2011	(Rs. in Millions) For the year ended 31.03.2010
Profit Before Depreciation	2707.6	2090.2
Less : Depreciation	19.6	17.8
Profit after depreciation	2688.0	2072.4
Less : Provision for taxation	208.1	138.3
Deferred taxation for the year		
Profit after taxation	2479.9	1934.1
Add : Balance as per last account	1067.7	443.5
Profit available for appropriation	3547.6	2377.6
Less : Transfer to general reserves	3000.0	1000.0
Less : Proposed dividend including tax on Dividend	226.5	309.9
Balance surplus transferred to Balance Sheet	321.1	1067.7

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. 208643.8 Million compared to that of Rs. 185294.4 Million during the previous year. As a result, the net profit for the year under review, after provision for depreciation and income tax was Rs. 2479.9 Million. The Company has transferred an amount of Rs. 3000.0 Million to the general reserves. As a result, the total reserve of the Company has moved up to Rs. 15672.5 Million.

DIVIDEND

Your Directors have recommended a dividend of 60 % for the year ended 31.03.2011.

DIRECTORS

Mr. Y. Venu Madhava Reddy, Director of your Company, retires by rotation; and being eligible offers himself for reappointment.

AUDITORS

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

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 31.03.2011, 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 maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have compiled the accounts for the financial year ended 31.03.2011 on a "going concern" basis.

LISTING

The shares of the Company continue to be listed at the National Stock Exchange of India Ltd, Mumbai, and the Bombay Stock Exchange Ltd, Mumbai. The annual listing fees for National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd have been paid.

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 comprise of some of the finest designers, metallurgists, chemists and senior craftsman. The Company has been instrumental in developing and introducing several widely acclaimed jewellery designs. The Company has also developed various new systems, procedures and techniques in jewellery manufacturing.

B) FOREIGN EXCHANGE EARNINGS

During the year the Company has reported foreign exchange earnings of Rs. 154341.50 Million (Previous year: Rs. 162536.0 Million). The foreign exchange outgo on account of import amounted to Rs. 161070.70 Million (Previous year: Rs. 183969.60 Million).

C) PARTICULARS OF EMPLOYEES

During the year under review, there were no employees who were drawing remuneration in excess of Rs. 60 Lakhs per annum or Rs. 5 lakhs per month, if employed for a part of the year.

D) NEW DIVISION

During the year, company opened a new Branch office in Mumbai, situated at Rajesh Export Limited, 4A, Trishla Premises, 122, Shaikh Memon Street, Zaveri Bazar, Mumbai – 400 002.

ACKNOWLEDGEMENTS

Your directors specially wish to place on record, their sincere appreciation to the employees of the Company for their dedication and hard work, which has resulted in the overwhelming success of the Company during the year under report. Your directors place on record their gratitude to Canara Bank, State Bank of Hyderabad, UCO Bank and IDBI 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 in successful running of company's business and its continued progress.

For and on behalf of the Board
Sd/-

RAJESH MEHTA
Chairman

Place : Bangalore
Date : 12-8-2011

MANAGEMENT DISCUSSION AND ANALYSIS

In 2010-11, your Company recorded 12 % comparable sales growth despite slow economic recovery seen in the world market. These figures are built on the strong momentum gathered from the previous year consistent growth.

Company had issued FCCB for USD 150 million on 09-02-2007. There was a huge interest among the foreign investors and the Bonds were oversubscribed, several times. There were totally 1500 bonds of 1,00,000 USD each issued. Currently, out of the 1500 bonds issued, 1349 bonds (89.93% of the total) have already been converted into equity shares. Remaining 151 bonds would be redeemed on 21.02.2012, there would be no further conversion of the bonds into equity.

“THE GOLD REVOLUTION” launched by the Company last year across the state of Karnataka through its retail net-work has been well received heralding a new era of transparency in gold purity, price and weight, and redefining the Gold Jewellery retail industry in India. The Company currently has 40 showrooms of SHUBH spread across the country, with many more to be added soon. “Real Rate per Gram (RRG) launched by the company in June 2010, has revolutionized the global Gold jewellery retailing industry”. Besides, the company launched the World’s First Gold jewellery Service Centre” in Bangalore.

The management team is strongly committed to take the company to further heights with its focus on speed and discipline in execution and consolidate the company’s position as the world leader in Jewellery manufacturing and retailing.

MANAGEMENT

The Board of Directors head the Management of the Company, which also includes Whole Time Directors. The following is the composition of the Board of Directors of the Company as on 31.03.2011.

Sl. No.	Name	Designation	Profession
01.	Mr. Rajesh Mehta	Executive Chairman	Rich and varied experience of over two decades in the Management of jewellery trade, with un-paralleled expertise in the complete cycle of gold jewellery trade.
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. Y Venu Madhava Reddy	Non Executive & Independent Director	Has an experience of over 16 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 considerable experience and expertise in their respective fields.

HUMAN RESOURCES

Rajesh Exports realizes the importance of human resources, which it considers next only to capital in the order of importance. The Company has a pool of highly qualified and experienced professionals, who are instrumental in achieving the impressive 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.

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:**

	2010-2011	2009-2010
Return on Net Worth	15.53%	16.91%
PAT to Sales	1.24%	01.08%
Fixed Assets / Turnover (Times)	280.82	253.25
Sales / Total Assets (Times)	4.86	5.50

b) **Revenues:**

The business operations of Rajesh Exports Ltd. for the year 2010-11 resulted in the Company achieving total revenue of Rs. 208643.8 Million as against Rs. 185294.4 Million during the previous year.

(Rs. in Million)

	2010-2011	2009-2010
Operating Revenue	205337.63	184113.46
Other Operating Income	3306.16	1180.94
Total Revenue	208643.79	185294.40

c) **Operating Income:**

Operating revenue for the year 2010-2011 is Rs. 208643.79 Million as compared to Rs. 185294.40 Million in the previous year

d) **Cost of Revenue:**

Cost of goods sold for 2010-2011 is Rs. 203254.2 Million as compared to Rs. 181794.7 Million in the previous year.

e) **Provision for Taxation:**

The provision for taxation for 2010-2011 is Rs. 208.1 Million as compared to Rs. 138.3 Million during the previous year.

f) **Debt:**

The Company as at 31st March 2011 had working capital facilities outstanding with the consortium of member Banks of Rs.8548.4 Million, The company has not availed any long term debt.

g) **Fixed Assets:**

The book value of fixed assets for the year ended 31.03.2011 after providing for depreciation is Rs. 713.78 Million.

h) **Loans and Advances:**

The loans and advances as on 31st March 2011 were Rs. 6950.9 Million as compared to Rs. 8695.6 Million during the Previous year

i) **Cash and Bank Balances:**

REL continues to be a cash positive Company. As on 31st March 2011 the Company has Rs. 78149.9 Million (Net) as cash and bank balances.

h) **Current Liabilities:**

The current liabilities as on 31.03.2011 are Rs. 63954.2 Million.

For and on behalf of the Board

Sd/-

RAJESH MEHTA

Chairman

Place : Bangalore

Date : 12-8-2011

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

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

BOARD MEETINGS

During the year 2010-11, twenty one (21) board meetings were held on the following dates:

09.04.2010, 17.04.2010, 24.04.2010, 03.05.2010, 06.05.2010, 08.05.2010, 31.05.2010, 03.07.2010, 21.07.2010, 13.08.2010, 19.08.2010, 01.09.2010, 04.09.2010, 27.09.2010, 23.10.2010, 14.11.2010, 30.11.2010, 01.01.2011, 05.02.2011, 14.02.2011 and 28.02.2011.

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>	21
Mr. Prashant Mehta <i>Managing Director</i>	21
Mr. P. Siva Sankar <i>Independent & Non-Executive Director</i>	21
Mr. Y. Venu Madhava Reddy <i>Independent & Non-Executive Director</i>	21
Mr. G. Shanker Prasad <i>Independent & Non-Executive Director</i>	08

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 : 00

No. of complaints resolved : 00

No. of complaints pending : 00

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.

ANNUAL GENERAL BODY MEETINGS

Details of Previous General Body Meetings of the company held during last three years

Last 3 AGM's	Date/Time of AGM	Venue
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.
16th AGM	22nd September 2010 @ 5.00 P.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.

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 the 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.

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. Your 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 : 30th September 2011 at 12 Noon
At Guru Raja Kalyana Mantap,
No 21, Crescent Road,
Next to Karnataka Film Chamber of Commerce
Near Shivananda Circle,
BANGALORE - 560 001.

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. Phone No: 080-40239940

All the share transfers received up to 31st March 2011 have been processed.

FINANCIAL CALENDAR FOR THE YEAR 2010-11**Financial Year 1st April 2010 to 31st March 2011**

Board meeting for considering audited accounts and recommendation of dividend for the year ended 31.03.2010.	31.05.2010
Board meeting for considering Un-audited results for the first quarter.	13.08.2010
Board meeting for considering Un-audited results for the Second quarter.	14.11.2010
Board meeting for considering Un-audited results for the Third quarter.	14.02.2011
Board meeting for considering audited results for the financial year ended 31.03.2011 and recommendation of Dividend.	30.05.2011
Posting of Annual Reports.	on / before 05.09.2011
Book Closure Dates.	23-09-2011 to 30-09-2011
Last date of receipt of Proxy Forms.	28-09-2011
Date of AGM.	30-09-2011
Probable date of dispatch of Dividend Warrants.	Second week of October 2011

DIVIDEND

The Board of Directors are pleased to recommend the payment of dividend for the year ended 31st March 2011 @ 60 paise per share for all the shareholders whose names appear on the register of members as on the book closure date i.e. 23-09-2011.

LISTING ON STOCK EXCHANGES

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

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

MONTHLY HIGH AND LOW QUOTATION AND VOLUME OF SHARES TRADED FROM 01.04.2010 TO 31.03.2011.**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 Millions
@ Re. 1 / Share				
April, 2010	133.05	111.75	1,14,91,678	1444.21
May, 2010	127.05	83.05	86,70,863	905.58
June, 2010	92.05	74.08	2,24,78,711	1842.34
July, 2010	91.25	80.00	1,68,14,437	1461.68
August, 2010	103.75	86.00	1,63,99,631	1605.12
September, 2010	104.95	80.00	1,41,75,657	1394.07
October, 2010	120.50	99.40	2,05,00,046	2245.09
November, 2010	141.85	100.00	3,09,84,141	3887.62
December, 2010	139.25	105.05	2,57,67,257	3168.61
January, 2011	145.80	123.95	1,53,68,580	2074.94
February, 2011	142.25	104.40	97,77,357	1314.11
March, 2011	129.00	103.00	55,60,298	644.07

ON BOMBAY STOCK EXCHANGE LTD., MUMBAI (BSE)

Period	Highest Quotation in Rs.	Lowest Quotation in Rs.	Volume of shares Traded	Turnover Rs. in Millions
@ Re. 1/ Share				
April, 2010	133.05	115.50	51,00,057	643.30
May, 2010	127.00	83.00	37,77,205	408.35
June, 2010	92.75	74.70	98,80,032	816.17
July, 2010	94.50	80.05	82,97,486	721.16
August, 2010	103.70	86.85	90,75,880	891.39
September, 2010	105.00	87.75	74,30,778	733.55
October, 2010	123.00	97.40	1,15,15,886	1261.59
November, 2010	141.85	105.00	1,33,91,674	1675.11
December, 2010	138.80	106.80	1,10,30,439	1359.13
January, 2011	145.35	125.60	78,67,957	1062.24
February, 2011	142.40	123.10	57,81,636	777.35
March, 2011	128.00	103.20	27,76,980	321.63

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2011

Value (in Rs.)	No. of share holders	%	Amount (Rs)	%
Upto 5,000	50179	99.29	10672571	3.61
5,001 to 10,000	178	0.35	1250395	0.42
10,001 to 20,000	66	0.13	974566	0.33
20,001 to 30,000	24	0.05	608734	0.21
30,001 to 40,000	9	0.02	314043	0.11
40,001 to 50,000	13	0.03	589398	0.20
50,001 to 1,00,000	17	0.03	1188616	0.40
1,00,001 and above	50	0.10	279661636	94.72
TOTAL	50536	100.00	295259959	100.00

CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH 2011

Category	No of Shares	%
Indian Promoters	149127180	50.506
Foreign Institutional Investors	43872753	14.859
Private Corporate Bodies	2263264	0.767
Indian Public/Mutual Fund/ Financial Institutions etc.	47939329	16.237
NRI's / OCB's	52057433	17.631
TOTAL	295259959	100.000

DEMATERIALIZATION OF EQUITY SHARES

The Company's shares are under compulsory dematerialization list and can be transferred through depository system. The Company entered into tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the dematerialization of shares. As on 31.03.2011, 99.862% shares of the Company were in electronic form.

	No. of shares	% of holding
No of shares held in CDSL	3926158	1.330
No of shares held in NSDL	290926150	98.532
Total No. of shares held in DE-Mat form	294852308	99.862
No. of shares held in Physical form	407651	0.138
Grand Total	295259959	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 Finance Manager of the Company, has duly verified and certified to the Board of the Company that the procedures and internal controls of 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 he has reviewed financial statements and the cash flow statement for the year and that to the best of his 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 my 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 : 30.05.2011

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 31.03.2011, 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 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 : 30.05.2011

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 2011, 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.
 - 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 2011 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 the Company has adopted the Accounting Policy with regard to accounting of interest income on interest bearing loans other than bank deposits from accrual to cash basis, as a result of which the profit for year has been understated by Rs.33,08,58,068/- (as stated in Para A.6 in schedule 'S');* *(ii) that during the year 99.055 Kilos of gold jewellery is charged off from the Stocks as same is not recoverable from some of the employees and (iii) that there is no value addition in sales made in SEZ Unit of the Company in the quarter ended 31st March 2011, 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 2011 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: 30th May 2011

**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 2011.**

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 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.384,176,838/- and maximum amount taken at any time of the year is Rs.388,226,838/-. 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 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
Karnataka Sales Tax Act	Sales Tax	1,54,702	2001-02	First Appellate authority
--Do--	--Do--	1,00,000	2002-03	--Do--
--Do--	--Do--	2,24,355	2003-04	--Do--
Income Tax Act	Income Tax	26,23,25,771	2007-08	The Commissioner Appeals
Income Tax Act	Income Tax	18,84,18,119	2008-09	The Commissioner Appeals
ESI of Karnataka	ESI	89,27,290	04/2000 to 03/2003	The Appellate Authority ESI, Karnataka
ESI of Karnataka	ESI	37,78,409	04/06 to 09/07	The Appellate Authority ESI, Karnataka
Service Tax	Service Tax and penalty	3,67,24,590	2006-07	The Appellate Tribunal, Customs, Excise and Service Tax

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. 765,872,000/- outstanding as on 31st March 2011 as FCCB issue proceeds shown under the head 'Unsecured Loan' in Schedule 'E' annexed to the accounts and the same is kept with bank deposits in Foreign currency till it's 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 except that *99.055 Kilos of gold jewellery was mishandled by the employees.*

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

Place: Bangalore
 Date: 30th May 2011

BALANCE SHEET AS AT 31st MARCH 2011

(Amount in Indian Rupees)

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS:			
Share Capital	A	295,259,959	265,815,372
Reserves & Surplus	B	15,672,487,340	11,176,251,571
		15,967,747,299	11,442,066,943
LOAN FUNDS:			
Secured Loans:			
Term Loan and Working Capital	C	8,548,414,970	6,012,824,225
Loans from banks against fixed deposits	D	15,605,495,284	11,569,805,419
Unsecured Loans:			
From directors and others	E	1,150,048,838	3,280,304,838
		25,303,959,092	20,862,934,482
		41,271,706,391	32,305,001,425
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block		863,364,062	836,631,066
Less : Depreciation		149,582,039	130,025,132
Net block	F	713,782,023	706,605,934
Work in progress		-	-
		713,782,023	706,605,934
INVESTMENTS	G	34,176,800	44,176,800
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	H	3,773,414,453	4,135,046,530
Sundry debtors	I	15,805,461,686	6,120,643,233
Cash & bank balances	J	78,149,978,253	66,535,131,087
Loans and advances	K	6,950,903,028	8,695,694,356
		104,679,757,420	85,486,515,206
Less : Current Liabilities & Provisions	L	64,164,233,237	53,940,547,805
Net current assets		40,515,524,183	31,545,967,401
DEFERRED TAX ASSET		8,223,385	8,223,385
MISCELLANEOUS EXPENDITURE	M	-	27,905
		41,271,706,391	32,305,001,425

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

For and on behalf of the Board

Place: Bangalore
Date : 30.05.2011

RAJESH MEHTA
Chairman

PRASHANT MEHTA
Managing Director

Director

As per our Report of even date
For P.K. Rungta & co,
Chartered accountants,
Sd/-
C.A. P.K. Rungta
Proprietor
M.No. 051184

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

(Amount in Indian Rupees)

	Schedule	As at 31.03.2011	As at 31.03.2010
INCOME			
Income from operations *	N	205,337,636,550	184,113,456,055
(Refer Note B7 in Schedule 'S')			
Other income	O	3,306,164,169	1,180,942,626
		<u>208,643,800,719</u>	<u>185,294,398,681</u>
EXPENDITURE			
Cost of goods sold	P	203,254,228,769	181,794,682,702
Administrative & Selling expenses	Q	1,015,082,658	455,779,245
Interest and bank charges	R	1,666,884,403	953,732,202
Depreciation		19,556,907	17,795,146
Preliminary expenses written off		27,905	27,907
		<u>205,955,780,642</u>	<u>183,222,017,202</u>
Profit for the year before tax		2,688,020,077	2,072,381,479
Provision for taxation for the year		(182,511,206)	(138,350,019)
Income tax for earlier years		(25,573,107)	-
Profit for the year after tax		2,479,935,764	1,934,031,460
Balance as per last account		1,067,581,822	443,514,345
Profit available for appropriation		3,547,517,586	2,377,545,805
Proposed dividend		(177,155,975)	(265,815,372)
Dividend for earlier years		(17,679,896)	-
Tax on dividend		(28,739,128)	(44,148,611)
Tax on Dividend for earlier years		(2,936,409)	-
Transferred to general reserve		(3,000,000,000)	(1,000,000,000)
Balance carried to balance sheet		321,006,178	1,067,581,822
Earning per share			
(Per Equity share of Re 1/- each,)			
Basic		8.40	7.28
Diluted		8.40	6.34

(Refer Para 12 of notes to accounts in Schedule S)

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

Place: Bangalore
Date : 30.05.2011

RAJESH MEHTA
Chairman

PRASHANT MEHTA
Managing Director

Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

(Amount in Indian Rupees)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE "A"		
SHARE CAPITAL		
Authorised :		
30,00,00,000 Equity Shares of Re.1/- each		
(Previous Year 30,00,00,000 Equity shares of Re.1/- each)	300,000,000	300,000,000
Issued, subscribed and paid up :		
29,52,59,959 equity shares of Re.1/- each fully paid up (Previous year 26,58,15,372 equity shares of Re.1/- each fully paid up)	295,259,959	265,815,372
(includes 14,78,14,000 equity shares of Re.1/ each issued as bonus shares on capitalisation of general reserve)	295,259,959	265,815,372
SCHEDULE "B"		
RESERVES AND SURPLUS		
Share premium account		
As per last account	4,206,483,749	3,535,642,834
Add : Additions during the year	2,242,811,413	670,840,915
	6,449,295,162	4,206,483,749
GENERAL RESERVE		
As per last account	5,902,186,000	4,902,186,000
Add : Additions during the year	3,000,000,000	1,000,000,000
	8,902,186,000	5,902,186,000
Surplus as per the Profit and Loss account	321,006,178	1,067,581,822
	15,672,487,340	11,176,251,571
SCHEDULE "C"		
SECURED LOANS:		
A. Working Capital		
Canara Bank	6,750,000,000	603,015,350
State Bank of Hyderabad	600,000,000	600,195,750
UCO Bank	597,088,720	599,613,125
Above loans are secured on pari passu basis by hypothecation of stocks & book debts and mortgagage 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	601,326,250	3,000,000,000
	8,548,414,970	6,012,824,225

SCHEDULE “D”*(Amount in Indian Rupees)***OVERDRAFT ON PLEDGE OF FIXED DEPOSITS**

	As at 31.03.2011	As at 31.03.2010
Canara Bank	2,024,208,708	2,321,026,033
Indus Ind Bank Limited	31,243,329	13,123,988
State Bank of India	4,258,133,963	3,931,943,402
UTI Bank	9,858,155	-
IDBI Bank Limited	3,643,430,384	3,221,779,030
Bank of India	910,000,200	-
Axis Bank	5,871,949	615,839,391
State Bank of Hyderabad	4,335,551,303	229,071,087
State Bank of Mysore	4,003,925	572,799,767
Tamilnadu Mercantile Bank Limited	2,107,995	32,175
UCO Bank	381,085,373	17,584,567
Indian Bank	-	469,627,629
Punjab & Sind Bank	-	176,747,114
Yes Bank Limited	-	231,236
	15,605,495,284	11,569,805,419

SCHEDULE ‘E’**UNSECURED LOANS**

From Directors	254,283,420	112,283,420
From Others	129,893,418	129,893,418
FCCB Issue	765,872,000	3,038,128,000
	1,150,048,838	3,280,304,838

SCHEDULE “F”**SCHEDULE OF FIXED ASSETS AS AT 31ST MARCH 2011**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on	Additions	Sales	Total	As on	For the	Withdrawn	Total	As on	As on
	01.04.2010			31.03.2011	01.04.2010	Year			31.03.2011	31.03.2010
	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	7,155,563
Buildings	325,511,386	1,302,164	-	326,813,550	88,876,683	10,886,498	-	99,763,181	227,050,369	236,634,703
Plant and machineries	96,349,730	12,122,064	-	108,471,794	26,108,575	5,402,931	-	31,511,506	76,960,288	70,241,155
Generator	2,944,621	150,000	-	3,094,621	423,796	160,054	-	583,850	2,510,771	2,520,825
Furniture and fixtures	18,161,151	33,952	-	18,195,103	6,249,522	1,205,785	-	7,455,307	10,739,796	11,911,629
Office equipments	5,381,810	1,806,518	-	7,188,328	1,381,215	324,263	-	1,705,478	5,482,850	4,000,595
Computers	3,881,761	686,111	-	4,567,872	2,664,719	662,697	-	3,327,416	1,240,456	1,217,042
Weighing scales	1,408,895	270,457	-	1,679,352	582,720	78,537	-	661,257	1,018,095	826,175
Borewell	148,000	-	-	148,000	9,521	4,943	-	14,464	133,536	138,479
Motor vehicles	7,132,500	2,608,000	-	9,740,500	3,728,381	831,200	-	4,559,581	5,180,919	3,404,119
Sub total	504,999,514	18,979,266	-	523,978,780	130,025,132	19,556,908	-	149,582,040	374,396,740	374,974,382
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 Kumbalagod	20,023,112	-	-	20,023,112	-	-	-	-	20,023,112	20,023,112
Land at Akupette	11,195,065	-	-	11,195,065	-	-	-	-	11,195,065	11,195,065
Property in Kerala	29,435,930	1,983,000	-	31,418,930	-	-	-	-	31,418,930	29,435,930
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
Magadi Road Prop	-	3,906,870	-	3,906,870	-	-	-	-	3,906,870	-
Malleshwaram	35,158,008	1,863,860	-	37,021,868	-	-	-	-	37,021,868	35,158,008
Sub total	331,631,552	7,753,730	-	339,385,282	-	-	-	-	339,385,282	331,631,552
Grand total	836,631,066	32,970,581	-	863,364,062	130,025,132	19,556,908	-	149,582,040	713,782,022	706,605,934
Previous year	756,094,763	80,536,303	-	836,631,066	112,229,986	17,795,146	-	130,025,132	706,605,934	643,864,777

(Amount in Indian Rupees)

SCHEDULE "G"**INVESTMENTS**

Long term investments- At cost

A. Canara ROBECO CNRB0001833

B. Non - Quoted - Long Term: In Govt Securities: At Cost

National Saving Certificates

(Deposited with Govt. Department)

C. Non Quoted: Non Trade - shares in

1. Non-Quoted : Non - Trade 33,99,980 (33,99,980) equity share of Rs 10/- each fully paid up in Rajesh Global Solutions Ltd.

2. Sri Ashtalakshmi Marketing Pvt Ltd

a. 180 equity share of Rs.200 each fully paid up

b. 144 equity share of Rs.1000 each fully paid up

3. Laabh Jewel Gold Pvt Ltd

a. 30,99,000 equity share of Re 1 each fully paid up

b. 88,02,000 Convertible Preference share of Re 1 each fully paid up

4. Oyzterbay Pvt Ltd

a. 1,09,600 equity share of Rs 10/ each fully paid up

b. 48,682 Preference share of Rs 10/ each fully paid up

Less : Provision for diminution in value

As at 31.03.2011	As at 31.03.2010
-	10,000,000
60,000	60,000
33,999,800	33,999,800
23,400	23,400
93,600	93,600
3,099,000	3,099,000
8,802,000	8,802,000
1,523,180	1,523,180
486,820	486,820
48,087,800	58,087,800
13,911,000	13,911,000
34,176,800	44,176,800

SCHEDULE "H"**INVENTORIES**

Stock in trade of gold & gold ornaments

Stock in trade of diamonds

Stock of Silver

3,679,820,014	4,045,580,806
88,240,579	87,365,189
5,353,860	2,100,535
3,773,414,453	4,135,046,530

SCHEDULE "I"**SUNDRY DEBTORS***

(Unsecured)

Due for more than 6 months - Considered good

Due for more than 6 months - Considered doubtful

Other debts

32,044,285	29,770,802
3,367,236	3,477,236
15,773,417,401	6,090,872,431
15,808,828,922	6,124,120,469
3,367,236	3,477,236
15,805,461,686	6,120,643,233

Less: Provision for doubtful debts

SCHEDULE "J"**CASH AND BANK BALANCES**

Cash in hand

Balances with scheduled banks

In current accounts

In fixed deposits

In unclaimed dividend accounts

Deposit in Foreign Currency

Bank of Baroda, Dubai

Less : Provision for doubtful balances

55,472,926	52,865,491
10,990,797	1,005,882,177
76,584,908,358	64,005,077,725
3,295,514	2,541,418
1,497,810,658	1,471,264,276
78,152,478,253	66,537,631,087
2,500,000	2,500,000
78,149,978,253	66,535,131,087

(Amount in Indian Rupees)

SCHEDULE "K"**LOANS AND ADVANCES**

	As at 31.03.2011	As at 31.03.2010
A. Loans given		
Secured - Considered good	4,114,824,470	3,641,681,610
Interest Accrued	82,201,183	-
Unsecured - Considered good	13,000,000	13,000,000
B. Advance recoverable in cash or in kind or for value to be received or adjusted (Unsecured)		
Advances- Considered good	2,734,785,368	5,032,013,739
Advances- Considered doubtful	253,664,904	253,664,904
Deposits - Considered good	6,092,007	8,999,007
	7,204,567,932	8,949,359,260
Less: Provision for doubtful advances	253,664,904	253,664,904
*Note Refer Para B3 of Schedule 'S' annexed herewith	6,950,903,028	8,695,694,356

SCHEDULE "L"**CURRENT LIABILITIES & PROVISIONS****A. Current liabilities**

Sundry creditors including acceptances	63,835,095,327	53,249,261,479
Advance received from customers	24,567,231	26,010,835
Unclaimed dividend	3,295,514	2,541,418
Book overdraft from bank	38,078,089	297,453,390
Outstanding Liabilities	477,810	471,875
Franchise deposit	30,724,000	28,574,000
Rent advance	21,277,592	21,277,592
Statutory liabilities	703,455	416,908

	63,954,219,018	53,626,007,497
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B. Provisions

Proposed dividend	177,155,975	265,815,372
Provision for tax on dividend	28,739,128	44,148,611
Provision for Gratuity	4,119,116	4,576,325

	210,014,219	314,540,308
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TOTAL 'A' + 'B'	64,164,233,237	53,940,547,805
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SCHEDULE "M"**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Preliminary Expenses	-	27,905
	-	27,905

SCHEDULE "N"**INCOME FROM OPERATIONS**

Sales	200,451,603,340	178,949,608,803
Bank Interest Received (Tax deducted at source Rs. 475,117,858 ; Previous Year Rs 523,203,243)	4,886,033,210	5,163,847,252
	205,337,636,550	184,113,456,055

(Amount in Indian Rupees)

SCHEDULE "O"**OTHER INCOME**

	As at 31.03.2011	As at 31.03.2010
Rent received	640,151	726,353
Provision for Doubtful Debts withdrawn	110,000	358,490
Long term Capital Gain on Sale of Mutual funds	4,982,450	406,535,211
Delivery Charges received	397,868	716,850
Duty Drawback received	7,875,676	-
Handling Charges received	3,268,874	-
Making Charges Received - Inventory Division	7,620,414	1,758,672
Hallmark charges collected	29,736	-
Insurance claim	202,851	623,000
Fluctuation in foreign currency including profit from Forward Contracts	2,415,175,073	154,256,773
Other Interest received (Tax deducted at source 56,461,304 Previous year Rs. 112,425,966)	684,668,691	615,967,277
Interest received on Income Tax refund	181,192,385	-
	3,306,164,169	1,180,942,626

SCHEDULE "P"**COST OF GOODS SOLD**

Gold jewellery, bullion, medallions and diamond:		
Opening stocks	4,135,046,530	1,742,931,322
Add : Purchases etc	202,869,680,657	184,181,915,134
Add : Consumption of consumables	10,647,593	4,717,876
Add : Making charges	12,268,442	164,900
	207,027,643,222	185,929,729,232
Less : Closing stocks	3,773,414,453	4,135,046,530
	203,254,228,769	181,794,682,702

SCHEDULE "Q"**ADMINISTRATIVE AND SELLING EXPENSES**

Salaries,Wages & Bonus	53,336,887	46,389,656
Repairs & Maintenance	8,168,709	4,243,538
Directors Remuneration	239,976	239,976
Professional Charges	7,995,565	7,631,729
Postage & Telegram & Telephones	1,885,779	1,774,189
Insurance Premium	25,673,205	24,674,872
Auditors Remuneration :		
As Audit Fees	561,800	500,000
Staff Welfare Expenses	3,429,835	2,758,359
Gratuity	(457,209)	1,910,209
Travelling & Conveyance Expenses	1,874,666	1,308,030
Advertisement Expenses	83,730,158	15,769,931
Electricity Charges	5,137,929	3,273,595
Rates & Taxes	3,237,980	1,658,095
Bad Debts	-	194,953,380
Loss from MCX Trading	704,978,536	101,187,901
Freight Charges (Net)	17,459,491	15,065,172
Miscellaneous Expenses	81,298,235	13,577,353
Minimum Guarantee	11,604,367	12,699,846
Rent Paid	4,926,749	6,163,414
	1,015,082,658	455,779,245

SCHEDULE "R"**INTEREST & BANK CHARGES**

Bank charges	43,975,296	33,766,960
Interest on working capital	1,621,073,759	917,411,461
Interest to Others	1,835,348	2,553,781
	1,666,884,403	953,732,202

SCHEDULE 'S'

Schedule 'S' annexed to and forming part of the accounts for the year ended 31st March 2011

Significant accounting policies and notes on accounts:

A. Significant accounting policies:

1. Accounting convention:

- a. The annual accounts have been prepared on the historical cost basis and confirms 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 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 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. Foreign currency monetary assets and liabilities with forward foreign exchange contract are recorded at forward 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 cost of the respective assets. Premium in respect of forward foreign exchange contract is charged to the Profit & Loss Account. Premium in respect of foreign exchange option contracts is charged to the Profit & Loss Account as and when the contracts 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 recorded at the realized foreign currency rates. 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 price of the export shipment is fixed, the final invoice is submitted to the customs; the differential is accounted for as purchase or sales.

Making charges income is recognized on despatch of goods.

Interest on bank deposits and other interest bearing loans is accounted on accrual basis. However, since previous financial year the company has adopted the accounting policy with regard to accounting of interest income on interest bearing loans other than bank deposits to cash basis instead of accrual basis due to which the profit for the year has been understated by Rs.33,08,58,068/-

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 31.03.2011), 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 Bangalore Market as on 31.03.2011), 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 are disputed by the Company Rs. 4,79,057/- (Previous year Rs 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 in favour of the company, allowing the deduction under section 10B of the Income Tax Act, which is the major portion of the demand raised by the department. However, the Tribunal did not allow an expense of Rs. 200 lakhs. 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 36,99,89,925. 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.

Further, the Company had received an order from the tax authorities dated December 30, 2010, (rectified by order dated January 19, 2011 and order dated January 27, 2011) for the period April 1, 2007 to March 31, 2008 demanding an additional tax payment of Rs 88,23,82,070. 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.

- (c) The Company has received a Demand Notice from Employees State Insurance Corporation, Karnataka Region for the period from April 2000 to March 2003 demanding for Rs. 1,19,03,054/- The Company has appealed against the order and paid Rs. 29,75,764/- under protest, which is pending decision before Appellate Authority. The management firmly believes that the issue will be settled in its favour.

During the year Company has received a Demand Notice from Employees State Insurance Corporation, Karnataka Region for the period from April 2006 to September 2007 demanding for Rs. 47,22,209/-. The Company has appealed against the order and paid Rs. 9,43,800/- under protest, which is pending decision before Appellate Authority. The management firmly believes that the issue will be settled in its favour.

- (d) The Company has received an order from the Commissioner of Central Excise, Bangalore demanding Service Tax of Rs.2,44,83,060/- with the equal amount as penalty for the period from April 2006 to March 2007. The Company has appealed against the order before the Appellate Tribunal and paid Rs.1,22,41,530/- under protest, which is pending decision before Appellate Authority. The management firmly believes that the issue will be settled in its favour.

3. Loans and advances includes Rs.14,51,40,760/- (Previous year Rs. 14,51,40,760/-) 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	14,51,40,760	14,51,40,760

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.60,00,000/- or more per annum and/or Rs.500,000/- 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. 4,886,033,210/-; (Previous Year Rs. 516,38,47,252/-). 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 772,766,850/- as on 31st March 2011, (Previous Year Rs. 1,174,328,324/-) 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	736,039,870	1,134,075,747
Provision for doubtful debts	90,830,974	9,29,80,712
Total	826,870,844	1,227,056,459
(b) Deferred Tax Liability		
Time Difference on account of Depreciation	(45,880,609)	(4,45,04,750)
(c) Net Deferred Tax Assets	780,990,235	1,182,551,709
Less : Already accounted	82,23,385	82,23,385
	772,766,850	1,174,328,324

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 the Bond holders have exercised their options to convert FCCB into equity shares and consequent to this 29,444,587 (Previous Year 8,807,085) equity shares of Re 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 (3,55,476)
Out standings - Debit	14,51,40,760 (14,51,40,760)	----- (---)

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

Balance outstanding credit	Rs. 38,41,76,838 (Rs. 24,21,76,838)
----------------------------	--

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 6,40,151/- (Previous Year Rs.7,26,353/-) and total Lease rentals recognized as expenditure is Rs 49,26,749/- (Previous Year Rs 61,63,414/-).

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. Earning per share has been computed as under:

Description	Year Ended 31.03.2011	Year Ended 31.03.2010
Profit after Taxation	2,479,935,764	1,934,031,460
Weighted average number of Shares for basic EPS	295,259,959	265,815,372
Weighted average number of Shares for diluted EPS	295,259,959	305,184,359
Earning per Share in Rs. per Equity Share of Re. 1/- each (Previous year Re.1/- each.)		
Basic	8.40	7.28
Diluted	8.40	6.34

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 pursuant 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.	2583.066* (1535.882)	4,045,580,806 (1,672,886,291)
Diamond	Cts	3781.41 (2997.220)	87,365,189 (70,045,031)
B. PURCHASES			
Gold and Gold Products	Kgs.	103,919.330 (118,180.005)	202,845,485,842 (184,158,308,310)
Diamond	Cts	815.05 (1059.33)	24,187,336 (23,606,824)
Alloys	Kgs	153.917 (116.383)	1,120,890 (4,266,857)
C. SALES TURNOVER			
Gold and Gold Products	Kgs	104,675.215 (117,248,061)	200,428,291,394 (178,946,170,160)
Diamond	Cts	769.76 (275.14)	23,311,946 (3,438,643)
D. CLOSING STOCK			
Gold and Gold Products		1879.6347 (2583.066*)	4,045,580,806 (4,045,580,806)
Diamonds		382.670 (3781.41)	8,7365,189 (87,365,189)
E. WASTAGES/LOST			
Gold and Gold Products	Kgs	101.447 (1.143)	
Diamond	Cts	Nil (Nil)	
F. EARNINGS IN FOREIGN CURRENCY			
F. O. B Value of Exports			175,809,476,418 (162,536,014,836)
G. EXPENDITURE IN FOREIGN CURRENCY :			
C.I.F value of Imports			202,421,051,365 (183,969,574,224)

* 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 Stock quantity also.

Previous year's figures are furnished in brackets.

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

For and on behalf of the Board

Place: Bangalore
Date : 30.05.2011

RAJESH MEHTA
Chairman

PRASHANT MEHTA
Managing Director

Director

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

Sd/-

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

CASH FLOW STATEMENT

(Amount in Indian Rupees)

	2010-2011	2009-2010
A. Cash Flow from Operating Activities		
Net Profit before tax and Extra ordinary items	2,688,020,077	2,072,381,479
Depreciation	19,556,907	17,795,146
Finance Cost	1,666,884,403	953,732,202
Rent Received	(640,151)	(726,353)
Preliminary Expenses Written Off	27,905	27,907
Profit on sale of Mutual Fund	(4,982,450)	(406,535,211)
Operational Profit before working Capital changes	4,368,866,691	2,636,675,170
Adjustments for Decrease (Increase) in Trade and other receivables including Loans & Advances	(7,590,959,169)	(1,306,088,027)
Decrease (Increase) in Inventories	361,632,077	(2,392,115,208)
Increase(Decrease) in Current Liabilities	10,223,685,432	7,665,815,371
Cash generated from operations	7,363,225,031	6,604,287,306
Prior Period Taxes paid	(25,573,107)	
Direct Taxes paid	(531,579,162)	(523,294,613)
Net cash from Operating Activities	<u>6,806,072,762</u>	<u>6,080,992,693</u>
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(26,732,996)	(75,567,487)
Sale Proceeds of Fixed Asset	-	-
(Purchase)/Sale proceeds of Investments	14,982,450	4,211,475,211
Rent Received	640,151	726,353
Net cash from Investing Activities	<u>(11,110,395)</u>	<u>4,136,634,077</u>
C. Cash Flow from Financing Activities		
Increase in Share Capital and Share Premium	2,272,256,000	557,668,000
Finance Cost	(1,666,884,403)	(1,415,742,627)
Increase /(Decrease) in Secured Loan	6,571,280,610	9,686,443,207
Increase /(Decrease) in Unsecured Loan	(2,130,256,000)	110,414,747
Dividend paid and tax on Dividend	(226,511,408)	(180,423,931)
Net cash from Financing Activities	<u>4,819,884,799</u>	<u>8,758,359,396</u>
Net increase(decrease) in cash & cash equivalents(A+B+C)	11,614,847,166	11,163,337,149
Opening cash and cash equivalents	66,535,131,087	55,371,793,938
Closing cash and cash equivalents	78,149,978,253	66,535,131,087

For and on behalf of the Board

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

Place: Bangalore
Date : 30.05.2011

RAJESH MEHTA
Chairman

PRASHANT MEHTA
Managing Director

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 2011. 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/-
(C.A. P.K. RUNGTA)
Proprietor
M.No. 051184

Place: Bangalore
Date : 30.05.2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	L36911KA1995PLC017077	State Code	08
Balance Sheet Date	31.03.2011		

II. CAPITAL RAISED DURING THE YEAR

Public Issue	NIL	Rights issue	NIL
Bonus Issue	NIL	Private Placement	Rs. 2,94,44,587

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities		Total Assets	
Sources of Funds	Rs.	Application of Funds	Rs.
Paid-up Capital	29,52,59,959	Net Fixed Assets	71,37,82,023
Unsecured Loans	1,15,00,48,838	Net Current Assets	40,51,55,24,183
Secured Loans	24,15,39,10,254	Investments	3,41,76,800
Reserves & Surplus	15,67,24,87,340	Misc. Expenditure	
		Deffered Tax Asset	82,23,385

IV. PERFORMANCE OF COMPANY

Total Income	2,08,64,38,00,719	Total Expenditure	2,05,95,57,80,642
Profit Before Tax	2,68,80,20,077	Profit After Tax	2,47,99,35,764
Earning	Per equity share of Re.1	Dividend Rate	60%
Basic	8.40		
Diluted	8.40		

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 : 30.05.2011

RAJESH MEHTA
Chairman

PRASHANT MEHTA
Managing Director


Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Rajesh Exports Ltd

The Largest Manufacturer of Gold jewellery in the World puts an end to all Confusing Practices in the Sale of Gold Jewellery to Retail Customers


Correct Purity:

24 ct gold is 100% pure gold. 22 ct gold has to be 91.67% pure gold and 8.33% of other metals. When a jeweller promises 22ct gold, under any circumstances he has to deliver 91.67% purity even if the jewellery is melted into a bar of gold. Any other explanation for not delivering 91.67% pure gold upon melting is incorrect and unacceptable. While buying gold jewellery the customers must look for 22ct  BIS Hallmark stamp and authentication.

Actual Physical Weight:

Gold jewellery must always be sold to you at the actual physical weight of the jewellery. Any addition to the Actual Weight in the form of 'wastage', value addition charges or in any other form is incorrect and unacceptable. You should be charged only on the Actual Physical Weight of the jewellery being delivered to you.

Real Rate Per Gram: (For the first time in global history)

Whenever you buy gold jewellery you are quoted rate per gram of gold by the jeweller, but invariably you would have noticed that when you make the payment, you end up paying much more than the price per gram quoted to you. The difference in most of the cases is as high as 20% resulting in the gold prices quoted to you becoming meaningless and an eyewash. The excess payment to be made by you is explained as wastage, value addition charges, making charges etc. Now for the first time in the world all this confusion comes to an end. At **SHUBH** any 22ct  BIS Hallmarked jewellery out of the 10,000 exclusive designs would be available to you without any extra charges, just select the jewellery, multiply the actual weight of the jewellery by the Real Rate Per Gram and this is what you pay and nothing extra.

How do you calculate the Real Rate Per Gram of any other jeweller?

Take this simple test to become an expert jeweller yourself. Take the total amount payable by you for the jewellery and divide it by the actual physical weight (without the addition of any wastage or value addition charges) of the jewellery received by you, the value so arrived at is the Real Rate Per Gram.


What is the SHUBH Test?

Take the Real Rate Per Gram at SHUBH and compare it with the Real Rate Per Gram calculated at any other jeweller, you will be surprised to note that the Real Rate Per Gram at **SHUBH** is the lowest in the world. Lower by about 10% to 20% compared to any other jeweller. Which means, when you buy from **SHUBH**, the final amount that you pay is less by about 10% to 20% compared to any other jeweller.

REL has decided to offer 22ct  BIS Hallmarked gold jewellery at Actual Physical Weight at Real Rate Per Gram to the Customers at its **SHUBH JEWELLERS STORES**, without any wastage, value addition charges or making charges or any other hidden charges, ensuring the best designs, guaranteed purity and a saving of between 10% to 20% to the customer.

NO

Making Charges
Wastage/ Value Addition Charges
Stone Charges
Misleading Schemes
Eyewash Discounts
Any other hidden charges

First time in the world, 22ct
BIS  Hallmarked gold jewellery
at Real Rate Per Gram.

The lowest and the most
transparent price of gold
jewellery in the world.


SHUBH
JEWELLERS
PURE GOLD • LOWEST PRICE

Directly From Mines To Consumer

An Enterprise of Rajesh Exports Ltd.

- 22CT  BIS HALLMARKED GOLD JEWELLERY ● LARGEST & LATEST RANGE OF DESIGNS
- LOWEST PRICES IN THE WORLD

LIST OF SHUBH JEWELLERS SHOWROOMS IN THE STATE OF KARNATAKA

- M.G. Road - Ph : 080- 42426666
- Jewel Street - Ph : 080- 25357666
- Yeshwanthpur - Ph : 9141332210
- Vijayanagar - Ph : 080-40996394
- K.R. Puram - Ph : 9986550027
- Kolar - Ph : 08152-401461
- Chickpet - Ph : 080-41224768
- Jayanagar 4th Block - Ph : 080-41307463
- Madiwala - Ph : 080-42029096
- Ankel - Ph : 080-27841825
- Nelamanagala - Ph : 080-27722778
- Doddaballapur - Ph : 081192-7622413
- Chintamani - Ph : 08154-252201
- Mysore K.R. Circle - Ph : 0821-4252987
- Piriapatna - Ph : 08223-274557
- Chanarayapatna - Ph : 9481080008
- Hiriyur - Ph : 08193-220322
- Davanagere 1 - Ph : 08192-232087
- Bharavathi - Ph : 9886537086
- Thirtha Halli - Ph : 9844161190
- Gadag - Ph : 9741785367
- Karwar - Ph : 08382-285042
- Commercial Street - Ph : 080-41239554
- Kamanahalli - Ph : 080-25459255
- Malleswaram - Ph : 080-41105725
- R.T. Nagar - Ph : 080-23541447
- Hoskote - Ph : 080-27931317
- Banagarpet - Ph : 08153-255651
- Gandhi Bazar - Ph : 080-42103140
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