

RAJESH EXPORTS LIMITED

REPORT ON CORPORATE GOVERNANCE

Rajesh Exports Limited 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

The Board of the Company is comprised of Executive and Non-Executive Directors. As on March 31, 2018, the strength of the Board was Five Directors comprising of two Executive including the Chairman of the Company and three Non-Executive Directors. Sixty per cent of the Board is comprised of Independent Directors.

The details of the Board of Directors as on March 31, 2018 are given below:

Category	Name of the Directors	Number of Directors	Composition %	No. of Directorship's in other Companies	No. of Board Meetings of REL Held	No. of Board Meetings of REL Attended
Executive Directors		2	40%			
Promoter Executive Chairman	1. Mr. Rajesh Mehta			Rajesh Global Solutions Limited	07	07
Managing Director	2. Mr. Prashant Mehta			Rajesh Global Solutions Limited	07	07
Independent & Non-Executive Directors		3	60%			
	1. Mr. Y Venu Madhava Reddy			Rajesh Global Solutions Limited	07	05
	2. Mr. G. Shanker Prasad			1.SME Development Center 2.Gopichand Rohra & Associates Pvt. Ltd	07	07
	3. Ms. Vijaya Lakshmi			Nil	07	07

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



BOARD MEETINGS

During the year 2017-18, seven (7) board meetings were held as follows and the necessary quorum was present for all the meetings:

Sl. No.	1	2	3	4	5	6	7
Date	15.04.2017	26.05.2017	05.07.2017	11.08.2017	23.10.2017	13.11.2017	12.02.2018

COMMITTEES OF DIRECTORS

The Board has constituted Committees of Directors to deal with matters which need quick decisions and timely monitoring of the activities falling within their terms of reference. The Board Committees are as follows.

AUDIT COMMITTEE

The Audit Committee presently comprises of one Executive Director viz Mr. Rajesh Mehta, and two non-executive Directors viz Mr. G. Shanker Prasad and Mr. Y. Venu Madhava Reddy. During the year under review the Committee held four meetings.

The terms of reference of the Audit Committee are in accordance with Clause 18(i) and (ii) of Listing Regulations of the Stock Exchanges read with section 177 of the Act which inter-alia includes 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. (26.05.17, 11.08.17, 13.11.17 & 12.02.18)

Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Y. Venu Madhava Reddy	Chairman	Independent & Non-Executive Director	4	4
Mr. G Shanker Prasad	Member	Independent & Non-Executive Director	4	4
Mr. Rajesh Mehta	Member	Executive Chairman	4	4

STAKEHOLDERS RELATIONSHIP COMMITTEE

The **Stakeholders Relationship Committee** presently comprises of Mr. Y. Venu Madhava Reddy, Mr. G Shanker Prasad and Mr. Rajesh Mehta. The Committee approves and monitors transfers, transmissions, redressal, 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	: 0
No. of complaints resolved	: 0
No. of complaints pending	: 0

The Committee is chaired by Mr. Y. Venu Madhava Reddy, who is a non executive director. The Committee held four meetings during the year. (15.04.17, 05.07.17, 23.10.17 & 12.02.18)

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Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Y. Venu Madhava Reddy	Chairman	Independent & Non-Executive Director	4	4
Mr. G Shanker Prasad	Member	Independent & Non-Executive Director	4	4
Mr. Rajesh Mehta	Member	Executive Chairman	4	4

Mrs. Stuti Agrawal, Company Secretary is the Secretary to the Stakeholders Relationship Committee and the Compliance Officer of the Company.

During the financial year, there were no complaints from shareholders which were pending as on March 31, 2018.

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Reg. 19 of the Listing Regulations and Section 178 of the Act, the Board has re-constituted and renamed the Remuneration Committee as Nomination and Remuneration Committee and adopted new terms of reference.

The terms of reference for the Nomination and Remuneration Committee includes:

- To formulate a Nomination and Remuneration Policy on:
 - ❖ determining qualifications, positive attributes and independence of a director.
 - ❖ guiding remuneration of Directors, Key Managerial Personnel (“KMP”) and other employees and Board diversity.
- Recommend Nomination and Remuneration Policy to the Board.
- Identify candidates who are qualified to become Directors.
- Identify persons who are qualified to become Senior Management (Senior Management of the Company means employees of the Company who are Divisional Heads and Corporate Functional Heads).
- Recommend to the Board the appointment and removal of Directors and Senior Management.
- Lay down the process for evaluation of the performance of every Director on the Board.
- The Chairman of the Committee to attend the General Meeting to respond to the queries of shareholders.

During the period under review, the Nomination and Remuneration Committee met twice on October 23, 2017 and February 12, 2018. The Policy on Nomination, Remuneration and Evaluation of Directors and KMP is annexed herewith as Annexure VI.

Constitution of the Nomination and Remuneration Committee and attendance details during the financial year ended March 31, 2018 are given below:

Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Y. Venu Madhava Reddy	Chairman	Independent & Non-Executive Director	2	2
Mr. G Shanker Prasad	Member	Independent & Non-Executive Director	2	2
Ms. Vijaya Lakshmi	Member	Independent & Non-Executive Director	2	2
Mr. Rajesh Mehta	Member	Executive Chairman	2	2

RISK MANAGEMENT COMMITTEE

Evaluation of Business Risk and managing the risk has always been an ongoing process in the Company. The Company has set up a robust risk management framework to identify, monitor and minimize risk



and also to identify business opportunities. The Audit Committee also functions as the Risk Management Committee. The objectives and scope of the RMC committee comprises of an oversight of risk management performed by the executive management, review RMC policy and framework in line with local legal framework and SEBI guidelines and defining framework in identification, assessment, monitoring, mitigation and reporting risks.

During the financial year under review the RMC committee met one time on January 10, 2018.

Details of constitution and attendance details of the RMC Committee as on March 31, 2018 are given below:

Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Prashant Mehta	Chairman	Managing Director	1	1
Mr. Y. Venu Madhava Reddy	Member	Independent & Non-Executive Director	1	1
Ms. Vijaya Lakshmi	Member	Independent & Non-Executive Director	1	1

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Act the Board constituted the CSR Committee. The CSR Committee provides guidance on various CSR activities to be undertaken by the Company and monitors its progress.

The terms of reference for the CSR Committee include:

- Formulate a CSR Policy which shall indicate activities to be undertaken by the Company.
- Recommend the CSR Policy to the Board.
- Recommend the amount of expenditure to be incurred on the activities.
- Monitor the Policy from time to time as per the CSR Policy.

During the financial year under review the CSR Committee met two times on November 13, 2017 and February 12, 2018.

Details of constitution and attendance details of the CSR Committee as on March 31, 2018 are given below:

Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Rajesh Mehta	Chairman	Executive Chairman	2	2
Mr. Y. Venu Madhava Reddy	Member	Independent & Non-Executive Director	2	2
Mr. G Shanker Prasad	Member	Independent & Non-Executive Director	2	2

Annual Report on CSR activities which is a part of the Directors' Report detailing the CSR projects undertaken by the Company is annexed herewith as Annexure VII.

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 13.11.2017 *interalia*, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
2. Evaluation of the performance of Chairman of the Company taking into account, the views of Executive and Non Executive Directors.
3. Evaluation of the quality content and time lines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting. The terms and conditions of appointment of independent directors are disclosed in the website of the company.