



DIRECTORS' REPORT

To
The Members of
Rajesh Export Limited

We are delighted to present on behalf of Board of Directors the 26th Annual Report on the business and operations of the Company, for the financial year ended 31st March 2020.

FINANCIAL RESULTS

(Rs. in Millions)

	CONSOLIDATED		STANDALONE	
	For the year ended 31.03.2020	For the year ended 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
Profit before Depreciation	13338.13	14199.43	4368.87	4669.30
Less : Depreciation	726.27	743.45	11.38	14.09
Profit after depreciation	12611.86	13455.98	4357.49	4655.21
Less : Provision for taxation & Deferred tax	554.25	535.26	325.95	234.59
Profit after taxation	12057.61	12920.72	4031.54	4420.62
Add : Balance as per last account	60216.33	47590.87	24533.09	20407.73
Profit available for appropriation	72273.94	60511.59	28564.63	24828.35
Less: Dividend	295.26	295.26	295.26	295.26
Balance surplus transferred to Balance Sheet	71978.68	60216.33	28269.37	24533.09

OPERATIONS

Your Directors are pleased to report that your Company's total income during the period under review stood at Rs. 1956001.70 million. As a result, the net profit for the year under review, after provision for depreciation and income tax was Rs. 12057.61 million.

DIVIDEND

The Board of Directors are pleased to recommend the payment of dividend for the year ended 31st March 2020 @ Re.1.00 per share (100 per cent) for all the shareholders whose names appear on the Register of Members as on the Book Closure date. Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of tax at source.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Policy is available on the website of the Company i.e., www.rajeshindia.com

During the year 2019-2020, no complaints were received by the Company related to sexual harassment.

RAJESH EXPORTS LIMITED

BOARD MEETINGS, BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL & COMMITTEES OF DIRECTORS

Board Meeting

The Board of Directors of the Company met seven times during the financial year. The details of various Board Meetings are provided in the Corporate Governance Report. The gap intervening between two meetings of the board is as prescribed in the Companies Act, 2013 (hereinafter “the Act”).

BOARD COMMITTEES

The Company has the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee and
5. Risk Management Committee

The composition of each of the above Committees, their respective role and responsibility is as detailed in the Report of Corporate Governance.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he /she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing obligation disclosure requirement), 2015.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Board carried out annual evaluation of its own performance, performance of its Committees and evaluation of individual director including independent directors. The independent directors carried out an annual performance of non independent directors, the Board as a whole and chairperson of the Company. Nomination and Remuneration Committee of the Board of directors evaluated the performance of every director. The performance is evaluated on the basis of number of Board and Committee meetings attended by individual directors, participation of director in the affairs of the company, duties performed by each director, targets achieved by the company during the year. The Board found the evaluation satisfactory and no observations were raised during the said evaluation in current year as well as in previous year.

VIGIL MECHANISM

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. The Policy is available on the website of the Company i.e. <http://www.rajeshindia.com/>

RELATED PARTY TRANSACTIONS

The details of the related party transactions as required under Section 134(3)(h) read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as Annexure IV.



DEPOSITS

In terms of the provisions of Section 73 of the Act read with the relevant Rules of the Act, the Company had no opening or closing balances and also has not accepted any fixed deposits during the year under review and as such, no amount of principal or interest was outstanding as on March 31, 2020.

CORPORATE GOVERNANCE

Your Company has been practicing the principles of good corporate governance. The Company is in compliance with the provisions on corporate governance specified in the SEBI (Listing obligation disclosure requirement), 2015 of BSE and NSE. A detailed report on corporate governance is available as a separate section in this Annual Report. Certificate of the Statutory Auditors regarding compliance with the conditions stipulated in Reg. 34(3) of the SEBI(Listing obligation disclosure requirement), 2015 is provided separately under this Annual Report.

SHARE CAPITAL

There is no change in Share capital (authorized and paid-up) from last financial year.

AUDITORS

a) STATUTORY AUDITOR

M/s P. V. Ramana Reddy & Co., Chartered Accountants, Bengaluru, were appointed as Statutory Auditors of Company in the 25th AGM up to the conclusion of next Annual General Meeting. The Audit Committee and the Board of Directors have recommended the proposal to reappoint M/s. P. V. Ramana Reddy & Co., Chartered Accountants, Bengaluru, as the Statutory Auditors of Company up to the conclusion of next Annual General Meeting, and to authorize the Board of Directors and Committees thereof to fix their remuneration. The company has received a certificate from the auditor to the effect that the appointment if made, would be, in accordance with limits specified in the Act and that, they meet the criteria of independence.

b) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr. Deepak Sadhu, Practicing Company Secretary, for conducting Secretarial Audit of the Company for the financial year 2019-2020.

AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

The Auditors Report and Secretarial Audit Report do not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report is annexed herewith as Annexure II.

DETAILS ABOUT SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

The Details on Subsidiaries/Associates/Joint Ventures is annexed herewith as Annexure III.

CORPORATE SOCIAL RESPONSIBILITY

The Company has actively supported various initiatives in the areas of health, education and environment over the years. With the introduction of Section 135 of the Act, which came into effect during financial year 2014-15, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The CSR Committee decided to continue with the existing programmes and increase focus on health and education in the years ahead. The CSR Policy is available on the website of the Company i.e., www.rajeshindia.com

The Annual Report on Corporate Social Responsibility Activities is annexed herewith as Annexure VI.

RAJESH EXPORTS LIMITED

Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

CONSERVATION OF ENERGY

The Details on Conservation of energy is annexed herewith as Annexure VII.

RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

Your Company has the largest and one of the finest R&D units in jewellery industry. The research and development team of the Company comprises of some of the finest designers, metallurgists, chemists and senior craftsman. The Company has been instrumental in developing and introducing several widely acclaimed jewellery designs. The Company has also developed several new systems, procedures and techniques in jewellery manufacturing.

The company continues to adopt and use the latest technologies to improve the productivity and quality of its service and products.

FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lakhs)

Particulars	2019-20	2018-19
Foreign Exchange Earnings	4,579,008.56	4,171,174.67
Foreign Exchange Outgo	4,604,408.57	4,111,201.23

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134 of the Companies Act 2013, with respect to Directors responsibility statement, it is hereby confirmed:

1. That for compilation of annual accounts for the financial year ended 31.03.2020, the applicable accounting standards have been followed along with proper explanation relating to the material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that period.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have compiled the accounts for the financial year ended 31.03.2020 on a "going concern" basis.
5. Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
6. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHERS

There are no material changes and commitments made between balance sheet date and date of directors Report.



INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2016, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures (“Code”), as approved by the Board from time to time, are in force at the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity of dealing in shares of the Company by its Directors, designated employees and other employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in securities of Rajesh Exports Limited at the time when there is unpublished price sensitive information. No other material changes and commitments affecting the financial position of the Company have occurred between April 1, 2020 and the date of signing of this Report. The Policy is available on the website of the Company i.e., <http://www.rajeshindia.com/>

INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorised, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

An extensive programme of internal audits and management review supplements the process of internal financial control framework. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal financial control framework has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. In addition, the Company has identified and documented the risks and controls for each process that has a relationship to financial operations and reporting.

The Company also has an Audit Committee to interact with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference. This Committee mainly deals with accounting matters, financial reporting and internal controls.

AUDIT COMMITTEE RECOMMENDATIONS

During the year all recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit Committee is as described in the Corporate Governance Report.

EXTRACT OF ANNUAL RETURN

As required under Section 134(3)(A) of the Act, the extract of annual return is put up on the Company’s website.

MATERIAL SUBSIDIARIES:

In accordance with SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, the Company has formulated a policy for determining material subsidiaries. The policy has been uploaded on the website of the Company at https://rajeshindia-production.s3.amazonaws.com/uploads/corporate_governance/file/15/Material_Subsiidiaries.pdf

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR:

The Company has a familiarization Program for Independent Directors to familiarize them with regard to their roles, rights, responsibilities in the Company, along with industry, business operations, business model, code of conduct and policies of the Company etc. The Familiarization Program has been disclosed on the website of the Company. The company’s policy on familiarization Program is available on the following web link: https://rajeshindia-production.s3.amazonaws.com/uploads/corporate_governance/file/1/familiarization_Program_for_independent_directors.pdf.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments have occurred after the closure of financial year till the date of this Report, which affect the financial position of the Company.

RAJESH EXPORTS LIMITED

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED (REFERENCE SECTION 186)

The details of the investments made by the Company are in Note No. 3 of the audited financial statements. The Company has not made any loans to any persons within the meaning of Section 186 and has also not given any guarantees within the meaning of that section.

RISK MANAGEMENT POLICY

The Company has a robust Enterprise Risk Management (ERM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The Company has identified various risks and also has mitigation plans for each risk identified. The Policy is available on the website of the Company i.e., www.rajeshindia.com

STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

In requirement of para 9 of revised Secretarial Standards on the Board Meeting i.e SS-1 your Directors state that they have devised proper systems to ensure compliance with the provisions of all Secretarial Standards and that such systems are adequate and operating effectively.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Section 125 of Companies Act, 2013 (corresponding to section 205C of Companies Act, 1956) all unpaid dividend due for more than seven years has to be transferred to Investor Education and Protection fund maintained by Central Government. Accordingly the company has transferred a sum of Rs. 5,15,253 (Rupees Five Lakh Fifteen Thousand, Two Hundred and Fifty Three) during the year to the said fund. The details of the investors whose amount is transferred is available on website of the company www.rajeshindia.com.

CODE OF CONDUCT

Your Company has laid down a Code of Conduct ("Code") for all the Board Members and Senior Management Personnel of the Company. The Code is available on the website of the Company i.e., https://rajeshindia-production.s3.amazonaws.com/uploads/corporate_governance/file/7/Code_of_Conduct.pdf. All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2020. A declaration signed by the Chief Executive Officer (CEO) to this effect is attached in the Annual Report.

LISTING FEES

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

ACKNOWLEDGEMENTS

Your directors specially wish to place on record, their sincere appreciation to the employees of the Company for their dedication and hard work, which has resulted in overwhelming success of the Company during the year under report. Your directors place on record their gratitude to Canara Bank for their continued support. Your Directors also thank all the Shareholders, Consultants, Customers, Vendors, Service providers, Government & Statutory authorities for their continued support in successful running of company's business and its continued progress.

For and on behalf of the Board

Sd/-

RAJESH MEHTA

Chairman

Place : Bengaluru

Date : June 30, 2020