

RAJESH EXPORTS LIMITED

| Note No. | |
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| 1 | <p data-bbox="204 394 1114 427">Company Information and significant accounting Policies</p> <p data-bbox="204 439 512 472">i. Reporting Entity:</p> <p data-bbox="260 483 1469 734">Rajesh Export Limited (“The Company”) is an Indian Public Company limited by shares. Incorporated under provisions of Companies Act, 1956. The equity share of the company are traded on the BSE and NSE Limited. The address of the company’s registered office is #4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore-560 001. The Company is a leading gold refiner and Manufacturer of various types of Gold products. The Company exports its products to various countries around the world, it also sells its products in whole sale and retail in India, and also has retail showrooms under the brand name of SHUBH Jewellers. REL has setup various manufacturing facilities in India and in other countries.</p> <p data-bbox="204 752 555 786">ii. Basis of Preparation</p> <p data-bbox="260 797 679 831">A. Statement of Compliances</p> <p data-bbox="304 842 1469 1032">The standalone financial Statements are prepared on accrual basis of accounting except for the statement of cash flows and comply with the Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules and Companies (Indian Accounting Standards)Amendment Rules, 2016, The companies Act 2013(to the extent notified and applicable), other relevant provisions of the Act and Guidelines issued by the Security Exchange Board of India (SEBI).</p> <p data-bbox="260 1043 632 1077">B. Basis of Measurement:</p> <p data-bbox="304 1088 1469 1122">The Financial statements have been prepared at Historical cost except the following items</p> <ul data-bbox="304 1133 1254 1211" style="list-style-type: none">• Defined benefit plan - plan assets measured at fair value.• Certain Financial Assets and Liabilities measured at fair market value <p data-bbox="304 1223 1469 1346">Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</p> <p data-bbox="260 1368 858 1402">C. Functional and Presentation Currency</p> <p data-bbox="304 1413 1469 1503">The Financial statements are presented in Indian Rupees (INR), which is the company’s functional currency. All financial information presented in INR has been rounded off to the nearest in Lakhs</p> <p data-bbox="260 1525 762 1559">D. Use of Estimate and Judgments</p> <p data-bbox="304 1570 1469 1637">Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.</p> <p data-bbox="304 1648 464 1682">Judgments</p> <p data-bbox="304 1693 1469 1783">Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes:</p> |



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| 1 | <p>Note: 2 :- Lease Classification</p> <p>Assumption and Estimation Uncertainties</p> <p>Information about assumptions and estimations uncertainties that have a risk significant of resulting in material adjustments in the year ended 31st March 2020 is included in following notes:</p> <p>Note 1 and 2 : Depreciation and amortization method and useful life of items of properties, Plant & Equipments and Investment properties</p> <p>Note 1 & 23 : Measurement of defined benefit obligations : Key actuarial assumptions</p> <p>Note 1, 19 & 26 : Reorganization and measurement of provisions and contingencies: Key assumptions about the likelihood and magnitude of an outflow of resources.</p> <p>E. Measurement of Fair Value</p> <p>Some of the company's accounting policies and disclosures required the measurement of fair values, for both financial and non-financial assets and liabilities.</p> <p>The Company uses valuation techniques that are appropriate in the circumstances and for which significant data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.</p> <p>Significant valuation issues are reported to the Company's audit committee. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:</p> <ul style="list-style-type: none">- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly(i.e. as prices) or indirectly (i.e. derived from prices).- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). <p>When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.</p> <p>For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy</p> <p>iii. Significant accounting Policies:</p> <p>a) Property, Plant and Equipments</p> <p>Reorganization and Measurement</p> <p>Fixed assets are stated at historical cost less accumulated depreciation and impairment loss if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and includes financing cost if any, relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date when the asset is ready for intended use, any trade discounts and rebates are deducted in arriving at the purchase</p> |

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| 1 | <p>price. Subsequent expenditure on fixed assets after its purchase/ completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.</p> <p>Intangible assets are stated at cost less accumulated amortization and impairment.</p> <p>Intangible assets are amortized over their respective individual estimated useful life on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on number of factors including the effects of obsolescence, demand, competition and other economic factors, and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful life are reviewed periodically including at each financial year end. Expenditure on research and development eligible for capitalization is carried as intangible assets under development where such assets are not yet ready for their intended use.</p> <p>Work in Progress</p> <p>Cost of fixed assets not ready for use before the balance sheet date is disclosed under capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.</p> <p>Depreciation :</p> <p>The Company has provided depreciation on straight line method over the useful lives of the assets estimated by the management as per Schedule II of the Companies Act, 2013. Depreciation on additions or extensions to existing assets is provided so as to terminate with the life of the original asset if it becomes internal part of the existing asset or on the useful life of the asset if it is capable of independent use.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Asset</th> <th style="text-align: center;">Management Estimate of useful life</th> <th style="text-align: center;">Useful life as per Schedule II</th> </tr> </thead> <tbody> <tr> <td>Building</td> <td style="text-align: center;">30-60 years</td> <td style="text-align: center;">30-60 years</td> </tr> <tr> <td>Plant and Machinery</td> <td style="text-align: center;">15 years</td> <td style="text-align: center;">15 years</td> </tr> <tr> <td>Generator</td> <td style="text-align: center;">15 Years</td> <td style="text-align: center;">15 years</td> </tr> <tr> <td>Furniture and Fixtures</td> <td style="text-align: center;">10 Years</td> <td style="text-align: center;">10 Years</td> </tr> <tr> <td>Office Equipment</td> <td style="text-align: center;">05 Years</td> <td style="text-align: center;">05 Years</td> </tr> <tr> <td>Weighing Scale</td> <td style="text-align: center;">15 years</td> <td style="text-align: center;">15 years</td> </tr> <tr> <td>Borewell</td> <td style="text-align: center;">30-60 years</td> <td style="text-align: center;">30-60 years</td> </tr> <tr> <td>Technical Knowhow</td> <td style="text-align: center;">8 Years</td> <td style="text-align: center;">8 Years</td> </tr> <tr> <td>Motor Vehicles</td> <td style="text-align: center;">8 Years</td> <td style="text-align: center;">8 Years</td> </tr> <tr> <td>Lease hold land</td> <td style="text-align: center;">Lease Term</td> <td style="text-align: center;">Lease Term</td> </tr> </tbody> </table> <p>Depreciation on additions (disposals) provided on prorata basis, i.e from (up to) the date on which asset is ready for use (Disposed of)</p> <p>b) Investment Property</p> <p>Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of the business, use in the production or supply of goods or services or for administrative purposes. upon initial reorganization, investment property is measured at cost .subsequent to initial reorganization, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any</p> | Asset | Management Estimate of useful life | Useful life as per Schedule II | Building | 30-60 years | 30-60 years | Plant and Machinery | 15 years | 15 years | Generator | 15 Years | 15 years | Furniture and Fixtures | 10 Years | 10 Years | Office Equipment | 05 Years | 05 Years | Weighing Scale | 15 years | 15 years | Borewell | 30-60 years | 30-60 years | Technical Knowhow | 8 Years | 8 Years | Motor Vehicles | 8 Years | 8 Years | Lease hold land | Lease Term | Lease Term |
| Asset | Management Estimate of useful life | Useful life as per Schedule II | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building | 30-60 years | 30-60 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Plant and Machinery | 15 years | 15 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Generator | 15 Years | 15 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Furniture and Fixtures | 10 Years | 10 Years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office Equipment | 05 Years | 05 Years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weighing Scale | 15 years | 15 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Borewell | 30-60 years | 30-60 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Technical Knowhow | 8 Years | 8 Years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Motor Vehicles | 8 Years | 8 Years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lease hold land | Lease Term | Lease Term | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



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| 1 | <p>On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.</p> <p>c) Impairment of Assets</p> <p>Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.</p> <p>When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.</p> <p>iv. Inventories</p> <p>Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost, calculated on weighted average basis, and net realizable value. Cost of raw materials and stores comprise of cost of purchases. Cost of work-in- progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Items held for use in the production of inventory are not written below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.</p> <p>v. Revenue Recognition</p> <p>Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, sales tax, value added taxes, Goods & Service Tax (GST) and amounts collected on behalf of third parties.</p> <p>a) Revenue from sale of Goods</p> <p>Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, revenue can be measured reliably, the cost incurred can be measured reliably, it is probable that the economic benefits associated to the transaction will flow to the entity and there is no continuing management involvement with the goods. Transfer of risks and rewards vary depending on the individual terms of contract of sale.</p> <p>b) Dividend Income</p> <p>Dividend income on investments is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend.</p> |

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| 1 | <p>c) Interest Income</p> <p>For all financial instruments measured at amortised cost, interest income is recognized using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in Other Income in the Statement of Profit and Loss.</p> <p>d) Rental income</p> <p>Rental income from property leased under operating lease is recognised in the statement of profit and loss on an actual basis over the term of the lease since the rentals are in line with the expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income.</p> <p>vi. Leases</p> <p>At inception of an arrangement, company determines whether the arrangement is or contains a lease</p> <p>1. Assets Held under lease</p> <p>Lease or property, plant and equipment that transfer to the company substantially all the risk and rewards of ownership are classified as finance lease.</p> <p>The assets held under lease which don't transfer the company sustainably all risks and rewards of ownership (Operating Lease) are not considered in company's balance sheet.</p> <p>2. Lease Payments</p> <p>Payments made under operating leases are generally recognized in profit or loss on straight line basis over the term of lease. Minimum lease payment made under financial leases is apportioned between finance charge and deduction of the outstanding liability.</p> <p>3. Lease Income</p> <p>Lease income from operating leases where the group is a lessor is recognized in income on actual basis over the lease term. Since the lease receipts are in line with general inflation rate.</p> <p>vii. Financial Instruments</p> <p>a) Financial Assets :</p> <p>Recognition and Initial Measurement:</p> <p>Trade Receivables and debt securities issued are initially recognized when they are originated .All other financial assets and financial liabilities are initially recognized when the company become the party to the contractual provisions of the instruments.</p> <p>Classification and Subsequent Measurement</p> <p><i>Financial assets at FVTPL -</i></p> <p>These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss</p> <p><i>Financial assets at amortized cost -</i></p> <p>These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.</p> |



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| 1 | <p><i>Equity investments at FVOCI -</i></p> <p>These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.</p> <p><i>Debt investments at FVTPL-</i></p> <p>These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in statement of profit and loss.</p> <p>Derecognition</p> <p>The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.</p> <p>If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.</p> <p>b) Financial Liabilities :</p> <p>Recognition and Initial Measurement</p> <p>Financial Liabilities initially recognized at fair value less transaction cost, that are directly attributable and subsequently measured at amortized cost</p> <p>Classification and Subsequent Measurement</p> <p>Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability atleast 12 months after the reporting period.</p> <p>Derecognition</p> <p>The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.</p> <p>viii. Employee Benefits</p> <p>Provident Fund contributions are charged to the Statement of profit and loss of the period as and when the contribution to the respective fund is due. The Company has no obligation, other than the contribution payable under the respective scheme. Company's employees have not participated in Superannuation Schemes/ Plan.</p> <p>The company provides for gratuity a defined benefit retirement plan (the Gratuity plan) covering eligible employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee salary and tenure of employment with the company.</p> <p>Liabilities are determined with regard to the gratuity plan or determined by actuarial valuation, performed by independent actuary, at each balance sheet date using the projected unit credit method.</p> <p>The Company does not provide leave encashment and carry forward of accumulated leave to next year to its employees.</p> |

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| 1 | <p>ix. Foreign Currency Transactions :</p> <p>For its import and export transactions the company is exposed to currency fluctuations on foreign currency transactions, the company hedges its foreign exchange transactions against its own imports and exports and also by way of forward contracts with banks. Premium paid on forward contracts is recognized over the life of the contracts. The Company enters into derivative contracts in the nature of foreign currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions.</p> <p>x. Income Tax</p> <p>The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.</p> <p>The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities</p> <p>Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.</p> <p>Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.</p> <p>Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.</p> <p>Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.</p> <p>Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.</p> <p>For operations carried out in Special Economic Zones which are entitled to tax holiday under the Income tax Act, 1961 no deferred tax is recognized in respect of timing differences which reverse during the tax holiday period, to the extent company's gross total income is subject to deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which timing difference originate.</p> <p>Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.</p> |



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| 1 | <p>xi. Provisions and Contingent Liabilities (Other than for employee benefit):</p> <p>Provisions are recognized when the company has a present legal and constructive obligations arising from past events, outflow of future economic benefits should be probable and it should be measured in a reliable manner.</p> <p>Provisions for onerous contracts i.e., contract where the expected unavoidable cost of meeting the obligation under the contract exceed the economic benefits expected to received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as result of an obligating event based on a reliable estimate of such obligations</p> <p>Provisions are measured at the present value of management best estimates. Expenditure will be required to settle the present obligation at the end of the reporting period.</p> <p>Disclosures of contingent liability is present obligation as a result of past obligation events-on the basis of the evidence available , there is present obligation and an outflow of resources embodying economic benefits where settlement is probable.</p> <p>xii. Cash and cash equivalents</p> <p>For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short- term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet</p> <p>Statement of cash flow is prepared in accordance with the indirect method prescribed in Ind AS-7 ‘Statement of cash flows.</p> <p>xiii.Earning Per Share :</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.</p> <p>xiv.Recent accounting Pronouncements</p> <p>Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards.</p> <p>There is no such notification which would have been applicable from 1 April 2020.</p> |

RAJESH EXPORTS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

Note - 2 : PROPERTY, PLANT AND EQUIPMENTS

(Rs. in lakhs)

| Particulars | Gross block / Original cost | | | | Accumulated depreciation | | | | Net block | |
|--------------------------------------|-----------------------------|----------------------|-------------------------|--|--------------------------|------------------------|-------------------------|---------------------|---------------------|---------------------|
| | As on 31.03.2019 | Additions | Disposals/ Transfers | As on 31.03.2020 | As on 31.03.2019 | Charge for the year | Disposals/ Transfers | As on 31.03.2020 | As on 31.03.2020 | As on 31.03.2019 |
| A. BUSINESS ASSETS | | | | | | | | | | |
| Land | 440.80 | - | - | 440.80 | - | - | - | - | 440.80 | 440.80 |
| Building | 3,447.72 | - | - | 3,447.72 | 1,509.25 | 39.42 | - | 1,548.67 | 1,899.05 | 1,938.47 |
| Plant & Machinery | 857.77 | - | - | 857.77 | 603.65 | 44.27 | - | 647.91 | 209.86 | 254.13 |
| Generator | 32.95 | - | - | 32.95 | 23.18 | 2.43 | - | 25.61 | 7.34 | 9.77 |
| Furniture & Fixtures | 190.45 | - | - | 190.45 | 180.56 | 6.97 | - | 187.53 | 2.92 | 9.89 |
| Office Equipments | 84.34 | - | - | 84.34 | 55.94 | 6.63 | - | 62.57 | 21.77 | 28.39 |
| Computer and Software | 49.96 | 0.59 | - | 50.55 | 49.13 | 0.83 | - | 49.96 | 0.59 | 0.83 |
| Weighing Scale | 34.27 | - | - | 34.27 | 16.71 | 1.98 | - | 18.70 | 15.57 | 17.55 |
| Borewell | 1.48 | - | - | 1.48 | 0.40 | 0.02 | - | 0.42 | 1.06 | 1.08 |
| Technical Knowhow | 6.70 | - | - | 6.70 | 6.37 | 0.34 | - | 6.70 | - | 0.34 |
| Motor Vehicle | 133.05 | 25.88 | 1.40 | 157.53 | 102.83 | 10.89 | 1.40 | 112.32 | 45.21 | 30.22 |
| | 5,279.48 | 26.47 | 1.40 | 5,304.55 | 2,548.01 | 113.77 | 1.40 | 2,660.38 | 2,644.17 | 2,731.47 |
| WIP Whitefield | 35.05 | - | - | 35.05 | - | - | - | - | 35.05 | 35.05 |
| Sub Total | 5,314.53 | 26.47 | 1.40 | 5,339.60 | 2,548.01 | 113.77 | 1.40 | 2,660.38 | 2,679.22 | 2,766.52 |
| B. OTHER IMMOVABLE PROPERTIES | | | | | | | | | | |
| Sujatha Complex Building | 205.05 | - | - | 205.05 | - | - | - | - | 205.05 | 205.05 |
| Mohan Building | 977.16 | - | - | 977.16 | - | - | - | - | 977.16 | 977.16 |
| Volga Hotel Building | 26.09 | - | - | 26.09 | - | - | - | - | 26.09 | 26.09 |
| Land At Kumbalgod | 200.23 | - | - | 200.23 | - | - | - | - | 200.23 | 200.23 |
| Land At Akkuppette | 111.95 | - | - | 111.95 | - | - | - | - | 111.95 | 111.95 |
| Property In Kerla | 314.19 | - | - | 314.19 | - | - | - | - | 314.19 | 314.19 |
| Property At Nandi | 121.74 | - | - | 121.74 | - | - | - | - | 121.74 | 121.74 |
| Land At Peenya | 13.68 | - | - | 13.68 | - | - | - | - | 13.68 | 13.68 |
| Jayashree Complex | 131.83 | - | - | 131.83 | - | - | - | - | 131.83 | 131.83 |
| Property At Commercial Street | 882.64 | - | - | 882.64 | - | - | - | - | 882.64 | 882.64 |
| Malleshwaram | 372.13 | - | - | 372.13 | - | - | - | - | 372.13 | 372.13 |
| Magadi Road Prop | 40.04 | - | - | 40.04 | - | - | - | - | 40.04 | 40.04 |
| Mg Road Property | 295.05 | - | - | 295.05 | - | - | - | - | 295.05 | 295.05 |
| | 3,691.78 | - | - | 3,691.78 | - | - | - | - | 3,691.78 | 3,691.78 |
| TOTAL FIXED ASSETS | 9,006.31 | 26.47 | 1.40 | 9,031.38 | 2,548.01 | 113.77 | 1.40 | 2,660.38 | 6,371.00 | 6,458.30 |
| Previous Year | 9,510.17 | 231.04 | 734.90 | 9,006.31 | 2,795.46 | 140.94 | 388.39 | 2,548.01 | 6,458.30 | 6,714.49 |
| INVESTMENT PROPERTY | | | | AMOUNT RECOGNISED IN PROFIT AND LOSS ACCOUNT | | | | | | |
| Particulars | As at 31st March 2020 | As a 31st March 2019 | | Particulars as on 31st March 2020 | | | | | | |
| Opening balance | 309.65 | 131.83 | | Particulars | As at 31st March 2020 | | As a 31st March 2019 | | | |
| Add: Additions | - | 177.82 | | Rental Income from investment property | 96.92 | | 36.47 | | | |
| Less : Deletions | - | - | | Direct Expenses | - | | - | | | |
| Closing balance | 309.65 | 309.65 | | Profit | 96.92 | | 36.47 | | | |
| Accumulated Depreciations | | | | Less : Depreciation | - | | - | | | |
| Opening balance | - | - | | Profit from investment properties before indirect expenses | 96.92 | | 36.47 | | | |
| Add: Charged for the year | - | - | | | | | | | | |
| Less: Deletion | - | - | | | | | | | | |
| Closing balance | - | - | | | | | | | | |
| Net carrying Amount | 309.65 | 309.65 | | | | | | | | |

Note: Investment property comprises of commercial property which is leased to third party .the lease contains an initial and non cancellable period



| Note No. | Particulars | As on 31.03.2020 Rs. in lakhs | As on 31.03.2019 Rs. in lakhs |
|----------|--|----------------------------------|----------------------------------|
| 3 | INVESTMENTS | | |
| | (i) Investment in Equity instruments (unquoted) | 541.17 | 541.17 |
| | (ii) Investments in Government or Trust - securities and others (quoted) | 22.36 | 22.36 |
| | (iii) Investments in Subsidiary Firms/ Companies (unquoted) | 234,806.17 | 47,912.83 |
| | (iv) Investments in Mutual Funds (quoted) | 23,819.01 | 24,856.82 |
| | Total Non Current Investments | 259,188.71 | 73,333.18 |
| | Investment wise details | | |
| | i. Investment in Equity Investment (Unquoted) | | |
| | (a). Rajesh Global Solutions Ltd 3399980 shares of Rs. 10/- each fully paid up | 340.00 | 340.00 |
| | (b). Eaglesight media Pvt Ltd 200000 Shares, Face Value of Rs. 10/- each Fully Paid up | 200.00 | 200.00 |
| | (c). Sri Ashtalaxmi Mktg Pvt Ltd | 1.17 | 1.17 |
| | Total of Investment in Equity Investment | 541.17 | 541.17 |
| | ii. Investments in Government or Trust | | |
| | Sovereign Gold Bonds | 22.36 | 22.36 |
| | Total | 22.36 | 22.36 |
| | iii. Investments in Subsidiary Firms/Companies | | |
| | (a) Global Gold Refineries SA 250 shares of CHF 1000 each fully paid up | 167.58 | 167.58 |
| | (b) REL Singapore PTE Ltd 9980 shares of SGD 1 each fully paid up, 77001000 shares of USD 1 each fully paid up | 47,745.25 | 47,745.25 |
| | (c) REL Singapore PTE Ltd - Preference Shares 323000 shares of USD 1000 each fully paid up | 186,893.33 | 186,893.33 |
| | Total of Investments in Subsidiary Firms/Companies | 234,806.17 | 234,806.17 |
| | iv. Investments in Mutual funds | | |
| | Canara Robeco Mutual Fund | 10,800.00 | 12,800.00 |
| | DSP Blackrock Mutual Fund | 1,000.00 | 1,000.00 |
| | ICICI Mutual Fund | 1,000.00 | 1,000.00 |
| | HDFC Mutual Fund | 1,000.00 | 1,000.00 |
| | IDFC Mutual Fund | 1,000.00 | 1,000.00 |
| | Kotak Mutual Fund | 1,000.00 | 1,000.00 |
| | Nippon Mutual Fund | 1,000.00 | 1,000.00 |
| | SBI Mutual Fund | 1,000.00 | 1,000.00 |
| | UTI Mutual Fund | 1,000.00 | 1,000.00 |
| | Birla Mutual Fund | 1,000.00 | 1,000.00 |

RAJESH EXPORTS LIMITED

| Note No. | Particulars | As on 31.03.2020 Rs. in lakhs | As on 31.03.2019 Rs. in lakhs |
|----------|---|----------------------------------|----------------------------------|
| | Accrued Interest on Above Mutual Funds | | |
| | Birla Mutual Fund | 254.90 | 163.89 |
| | Canara Robeco Mutual Fund | 1,885.76 | 1,617.28 |
| | DSP Blackrock Mutual Fund | 254.16 | 159.20 |
| | HDFC Mutual Fund | 220.00 | 148.70 |
| | ICICI Mutual Fund | 265.13 | 156.71 |
| | IDFC Mutual Fund | 251.57 | 158.52 |
| | Kotak Mutual Fund | 249.23 | 161.74 |
| | Nippon Mutual Fund | 244.73 | 164.27 |
| | SBI Mutual Fund | 287.66 | 168.32 |
| | UTI Mutual Fund | 105.86 | 158.19 |
| | Total of Investments in Mutual Funds | 23,819.01 | 24,856.82 |
| 4 | LOANS | | |
| | Unsecured considered good | | |
| | Security Deposits | 4,155.52 | 4,155.51 |
| | Secured | | |
| | Capital Advances | 823.68 | 823.68 |
| | Total Long Term Loans and Advances | 4,979.20 | 4,979.19 |
| 5 | INVENTORIES | | |
| | (i) Raw materials | 3,649.05 | 2,748.48 |
| | (ii) Work In Progress | 10,166.57 | 22,165.91 |
| | (iii) Finished goods | 44,148.16 | 37,583.93 |
| | Total Inventories | 57,963.78 | 62,498.32 |



| Note No. | Particulars | As on 31.03.2020 Rs. in lakhs | As on 31.03.2019 Rs. in lakhs |
|-------------|--|----------------------------------|----------------------------------|
| 6 | TRADE RECEIVABLES | | |
| | a. (i) Outstanding for less than 6 months, Considered Good | 273,258.16 | 229,513.87 |
| | (ii) Outstanding for more than 6 months, Considered good | 440.22 | 440.22 |
| | b. Sundry Debtors on Interest Accrued | 5,325.64 | 5,357.47 |
| | Total Trade Receivables | 279,024.02 | 235,311.57 |
| 7(a) | CASH AND CASH EQUIVALENTS | | |
| | (i) Bank Balances in Current Accounts | 74.63 | 32.34 |
| | (ii) Cash on hand | 7.72 | 12.71 |
| | Total Cash and Cash Equivalents | 82.35 | 45.05 |
| 7(b) | Bank Fixed Deposits | | |
| | (i) Unpaid Dividend Bank Accounts | 343.71 | 192.20 |
| | (ii) Fixed Deposits with banks | 1,117,790.74 | 1,446,797.29 |
| | Total Other Bank Balances | 1,118,134.45 | 1,446,989.48 |
| 8 | SHORT TERM LOANS AND ADVANCES | | |
| | (i) Advances Recoverable in Normal Course of Business | 18,911.96 | 17,862.50 |
| | (ii) Advances to employees | 21.82 | 26.03 |
| | (iii) Inter Corporate Deposits | 26,305.70 | 26,323.60 |
| | Total Short term Loans and Advances | 45,239.48 | 44,212.13 |
| 9 | OTHER FINANCIAL ASSETS | | |
| | (i) Balances with Govt departments | 62,964.59 | 56,175.94 |
| | (ii) Other Receivables | 227.16 | 118.13 |
| | Total Other Financial Assets | 63,191.75 | 56,294.08 |

RAJESH EXPORTS LIMITED

| Note No. | Particulars | As on 31.03.2020 | | As on 31.03.2019 | |
|--|--|----------------------------------|-------------------|----------------------------------|-------------------|
| | | Number | Rs. in lakhs | Number | Rs. in lakhs |
| 10 | SHARE CAPITAL | | | | |
| | Authorised Share Capital 30,00,00,000 Equity Shares of Re.1/- each | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 |
| | Issued, Subscribed & Paidup Share Capital 295259959 equity shares of Re.1/- each | 2,952.60 | 2,952.60 | 2,952.60 | 2,952.60 |
| | Reconciliation of number of Equity Shares and amount outstanding | | | | |
| | Shares outstanding at the beginning of the year | 2,952.60 | 2,952.60 | 2,952.60 | 2,952.60 |
| | Shares issued during the year | - | - | - | - |
| | Total | 2,952.60 | 2,952.60 | 2,952.60 | 2,952.60 |
| | Less : Shares issued to ESOP Trust as Treasury Stock | - | - | - | - |
| | Shares outstanding at the end of the year | 2,952.60 | 2,952.60 | 2,952.60 | 2,952.60 |
| Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows: | | | | | |
| Name of the shareholder | | As at 31st March, 2020 | | As at 31st March, 2019 | |
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Mr.Rajesh J Mehta | | 884.64 | 29.96 | 884.37 | 29.95 |
| Mr.Prashanth J Mehta | | 371.62 | 12.58 | 371.62 | 12.68 |
| M/s.Bridge India Fund | | 288.79 | 9.78 | 289.77 | 9.81 |
| Mr.Mahesh J Mehta | | 240.41 | 8.14 | 240.41 | 8.14 |
| i) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash - NIL (Previous Year - NIL) ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - NIL (Previous Year - NIL) iii) Aggregate number and class of shares bought back - NIL (Previous Year - NIL) iv) Each Equity Share entitles the holder to one vote and carries an equal right to dividend. | | | | | |
| Note No. | Particulars | As on 31.03.2020 Rs. in lakhs | | As on 31.03.2019 Rs. in lakhs | |
| 11 | OTHER EQUITY | | | | |
| | (A) Securities Premium Reserve | | | | |
| | (i) As per last Balance Sheet | | 64,492.95 | | 64,492.95 |
| | (ii) Additions during the year | | 0.00 | | 0.00 |
| | Total Securities Premium Reserve | | 64,492.95 | | 64,492.95 |
| | (B) General Reserve: | | | | |
| | (i) As per last Balance Sheet | | 143,500.00 | | 143,500.00 |
| | Add : Transferred from Profit and loss Account | | 0.00 | | 0.00 |
| | Total General Reserve | | 143,500.00 | | 143,500.00 |
| | (C) Surplus in Statement of Profit and Loss | | | | |
| | (i) As per last Balance Sheet | | 245,330.91 | | 204,077.32 |
| | (ii) Add: Profit for the year | | 40,315.43 | | 44,206.19 |
| | | | 285,646.34 | | 248,283.51 |
| | Less: Appropriations | | | | |
| | Dividend on equity shares | | (2,952.60) | | (2,952.60) |
| | Available Surplus in Statement of Profit and Loss | | 282,693.74 | | 245,330.91 |
| | (D) Total Other Equity | | 490,686.69 | | 453,323.86 |



| Note No. | Particulars | As on 31.03.2020 Rs. in lakhs | As on 31.03.2019 Rs. in lakhs |
|-----------|--|----------------------------------|----------------------------------|
| 12 | OTHER LONG TERM FINANCIAL LIABILITIES | | |
| | (i) Franchise Deposit Received | 391.22 | 386.22 |
| | (ii) Rent Advance | 255.52 | 255.52 |
| | Total Other Long Term Financial Liabilities | 646.75 | 641.75 |
| 13 | DEFERRED TAX LIABILITIES (NET) | | |
| | Deferred Tax Liabilities | 423.03 | 408.63 |
| | Deferred Tax Liabilities (Net) | 423.03 | 408.63 |
| 14 | LONG-TERM PROVISIONS | | |
| | Provision for gratuity (Refer Note 26) | 77.83 | 67.28 |
| | Total Long Term Provisions | 77.83 | 67.28 |
| 15 | SHORT TERM BORROWINGS | | |
| | (a) Secured | | |
| | (i) Working Capital Loans (secured against stocks, book debts, Immoveable properties and export bills) | 11,048.37 | 186,048.37 |
| | (ii) Loans against Company's own - - Fixed deposits with Banks | 83,121.08 | 418,833.29 |
| | (b) Unsecured | | |
| | (i) From Directors | 1,926.57 | 2,350.69 |
| | Total Short Term Borrowings | 96,096.03 | 607,232.36 |
| 16 | TRADE PAYABLES | | |
| | (i) Raw Materials | 180,157.15 | 167,031.92 |
| | (ii) FLC liabilities | 1,058,359.77 | 880,472.38 |
| | Total Trade Payables | 1,238,516.92 | 1,047,504.30 |
| 17 | OTHER FINANCIAL LIABILITIES | | |
| | (i) Unpaid Dividend* | 343.72 | 192.20 |
| | (ii) Other Payables | 190.81 | 1,414.14 |
| | Total Other Financial Liabilities | 534.53 | 1,606.34 |
| | * Unpaid dividend/ unclaimed dividend kept in separate bank accounts. | | |

RAJESH EXPORTS LIMITED

| Note No. | Particulars | As on 31.03.2020 Rs. in lakhs | As on 31.03.2019 Rs. in lakhs |
|-----------|---|----------------------------------|----------------------------------|
| 18 | OTHER CURRENT LIABILITIES | | |
| | (i) Advance Received From Customers | 978.56 | 881.52 |
| | (ii) Other Payables | 20.38 | - |
| | Total Other Current Liabilities | 998.95 | 881.52 |
| 19 | SHORT-TERM PROVISIONS | | |
| | Provision for Income Tax | 3,241.42 | 2,396.00 |
| | Total Short Term Provisions | 3,241.42 | 2,396.00 |
| 20 | REVENUE FROM OPERATIONS | | |
| | (i) Revenue from operations* | 4,689,911.31 | 4,267,088.65 |
| | Total Revenue from Operations | 4,689,911.31 | 4,267,088.65 |
| | *includes interest received on fixed deposits & Mutual Funds made for margin purposes for the sake of procurement of Raw Materials. | | |
| 21 | OTHER INCOME | | |
| | (i) Interest on ICD's | 180.63 | 5,113.45 |
| | (ii) Other Miscellaneous income | - | 0.35 |
| | (iii) Rent received | 96.92 | 36.47 |
| | Total Other Income | 277.55 | 5,150.28 |
| 22 | COST OF MATERIAL CONSUMED | | |
| | (i) Raw material consumed | | |
| | Opening stock | 62,498.32 | 105,084.15 |
| | Add: Purchases | 4,607,241.28 | 4,112,910.79 |
| | Less: Closing Stock | (57,963.78) | (62,498.32) |
| | (ii) Currency Hedging and Forex Fluctuation cost | 11,810.81 | 34,022.97 |
| | Total Cost of Material Consumed | 4,623,586.63 | 4,189,519.59 |



| Note No. | Particulars | As on 31.03.2020 Rs. in lakhs | As on 31.03.2019 Rs. in lakhs |
|-----------|---|----------------------------------|----------------------------------|
| 23 | EMPLOYEE BENEFIT EXPENSES | | |
| | (i) Salaries and wages | 533.17 | 587.19 |
| | (ii) Contribution to PF, ESIC and gratuity | 18.66 | 34.02 |
| | (iii) Staff Welfare Expenses | 57.59 | 65.98 |
| | Total Employee Benefit Expenses | 609.42 | 687.19 |
| 24 | SELLING & ADMINISTRATION, OTHER EXPENSES | | |
| | Rent | 32.10 | 40.64 |
| | Repairs & Maintenance | 75.35 | 114.55 |
| | Legal, Professional and consultancy charges | 141.83 | 54.51 |
| | Postage, Telegrams & Telephones | 13.07 | 17.37 |
| | Insurance | 122.99 | 96.01 |
| | Rates, Taxes & Octroi Charges | 30.43 | 15.13 |
| | Auditors Fees | 14.52 | 11.04 |
| | Advertisement, Publicity and others | 79.27 | 95.91 |
| | Travelling and Conveyance | 16.72 | 17.79 |
| | Freight Charges | 306.45 | 327.24 |
| | Printing & Stationery | 5.89 | 6.95 |
| | Membership Fees | 0.13 | 11.90 |
| | Donation | 17.75 | 14.27 |
| | Commission and other Misc expenses | 27.47 | 110.32 |
| | Other Manufacturing and Processing Expenses | 72.13 | 99.05 |
| | Bad debts written off | - | 2,145.63 |
| | Loss on sale of fixed assets | - | 171.83 |
| | Total S&A and Other Expenses | 956.09 | 3,350.16 |
| 25 | FINANCE COST | | |
| | (i) Bank charges | 1,016.43 | 1,161.39 |
| | (ii) Interest on working capital | 20,324.72 | 30,822.15 |
| | Total Finance Costs | 21,341.15 | 31,983.54 |

RAJESH EXPORTS LIMITED

| Note No. | | | | | |
|--|---|---------------------------------------|---|-----------------------|--------------|
| 26 | NOTES TO FINANCIAL STATEMENT | | | | |
| | 1. Related Party Disclosure | | | <i>(Rs. in lakhs)</i> | |
| | Loans and advances | Current Year Balance | Previous Year Balance | Relationship | |
| | Outstanding - net receivables / (payables) | | | | |
| | Laabh Jewels Gold Pvt Ltd | 18.25 | 18.25 | Associate Entity | |
| | Shubhlaabh Housing Pvt Ltd | 379.00 | 379.00 | Associate entity | |
| | Valcambi SA | (162,576.58) | (150,694.73) | Step Down Subsidiary | |
| | Rajesh. J. Mehta | (808.11) | (1,403.95) | Chairman | |
| | Prashanth.J.Mehta | (1,118.47) | (946.75) | Managing Director | |
| | 2. Transactions with related parties | | | <i>(Rs. in lakhs)</i> | |
| | Name of the related party | Description of the nature of relation | Description of the nature of transaction | 31.03.2020 | 31.03.2019 |
| | Rajesh. J. Mehta | Chairman | Remuneration | 1.20 | 1.20 |
| | Prashanth.J.Mehta | Managing Director | Remuneration | 1.20 | 1.20 |
| | Bhavesh B Mehta | Relative of Director | Remuneration | 1.80 | 1.80 |
| | Valcambi | Step Down Subsidiary | Purchases | 4,604,408.57 | 4,038,398.34 |
| 3. Corporate Social Responsibilities | | | | | |
| As per section 135 of Companies Act, 2013, A Company meeting the applicability threshold, needs to spend atleast 2% of its average net profits of the immediate preceding 3 financial years on CSR Activities. CSR Committee has been formed as per the Companies Act. The funds are allocated to the activities which are specified in schedule VII of the Companies Act, 2013. | | | | | |
| Particulars | For the year ending 31.03.2020 <i>(Rs. In lakhs)</i> | | For the year ending 31.03.2019 <i>(Rs. In lakhs)</i> | | |
| Amount required to be spent during the year | 960.09 | | 989.67 | | |
| Amount spent | 17.75 | | 47.15 | | |



| Note No. | | | | | |
|-----------|---|-------------------|------------------------------|------------------------------------|---|
| 26 | 4. Contingent Liabilities | | | | <i>(Rs. in lakhs)</i> |
| | Name of the Statute | Nature of the due | Amount | Period to which the amount relates | Forum where dispute is pending |
| | ESI of Karnataka | ESI | 89.27 | 2000-03 | The Appeals Authority ESI, Karnataka |
| | ESI of Karnataka | ESI | 37.78 | 2006-07 | The Appeals Authority ESI, Karnataka |
| | Service Tax | Service Tax | 367.25 | 2006-07 | The Appellate Tribunal Service tax |
| | 5. Earnings and Expenditure in foreign currency | | | | <i>(Rs. in lakhs)</i> |
| | Particulars | | As on 31.03.2020 | As on 31.03.2019 | |
| | Earnings (Exports of Finished goods FOB value) | | 4,579,008.56 | 4,171,174.67 | |
| | Expenditure (Imports) | | 4,604,408.57 | 4,111,201.23 | |
| | 6. Employee Benefits: | | | | <i>(Rs. in lakhs)</i> |
| | Particulars | | As at 31st March 2020 | As at 31st March 2019 | |
| | Opening defined Benefit Obligation | | 67.28 | 58.93 | |
| | Add: | | | | |
| | Current Service Cost | | 19.24 | 18.18 | |
| | Interest Cost | | 4.47 | 3.80 | |
| | Components of actuarial gains/losses on obligations | | | | |
| | a) Due to Change in financial assumptions | | 6.58 | (1.33) | |
| | b) Due to experience adjustments | | (19.70) | (12.29) | |
| | c) Due to change in demographic assumptions | | (0.04) | | |
| | Less: | | | | |
| | Benefits Paid | | - | - | |
| | Closing Defined benefit obligation | | 77.83 | 67.28 | |
| | 7. In Accordance with the Accounting Standards on "Income Taxes" issued by the Institute of Chartered Accountant of India, The Company has recognized the Deferred tax liabilities on account of timing differences of Rs. 423.03 lakhs as on 31st March 2020 (Previous Year Rs. 408.63 lakhs) as there is no virtual certainty that such deferred assets can be realized against future taxable profits. The breakup of deferred tax liabilities not recognized is furnished here under: | | | | |
| | Particulars | | Current Year | Previous Year | |
| | Deferred Tax Liability | | | | |
| | Time Difference on account of Depreciation & Other Inadmissible Expenditure | | (14.40) | 53.02 | |
| | Less: Deferred tax asset accounted Previously | | 408.65 | 461.67 | |
| | Net Deferred tax liability Recognized during the year | | 423.05 | 408.65 | |

RAJESH EXPORTS LIMITED

| Note No. | |
|----------|--|
| 26 | <p data-bbox="218 394 352 421">8. Leases</p> <p data-bbox="253 445 488 472">Operating lease:</p> <p data-bbox="253 497 1465 680">The Company has let-out and taken premises under cancellable operating lease agreements, which the Company intends to renew in the normal course of its business. The lessee cannot sublease these properties. Total lease rentals recognized as income (on cash basis) in the Profit and Loss Account for the year with respect to above is Rs.96.92 lakhs (Previous year Rs.36.47 lakhs) and total lease rentals paid recognized as expenditure is Rs.32.10 lakhs (Previous year Rs.40.64 lakhs).</p> <p data-bbox="218 705 711 732">i. Capital and other commitments</p> <p data-bbox="253 757 1465 815">Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL (Previous Year is NIL).</p> <p data-bbox="218 840 743 866">ii. Micro and Small Enterprises dues</p> <p data-bbox="253 891 1465 949">Based on the information / Documents available with the Company, amounts due to micro and small enterprises are NIL.</p> <p data-bbox="218 974 1465 1064">9. Brief Particulars of Employees who were entitled to receive or were in receipt of emoluments aggregating to Rs.60 lakhs or more per annum and/or Rs.5 lakhs or more per month, if employed, for a part of the year is Nil (Previous Year Nil)</p> <p data-bbox="218 1088 1465 1214">10. The Company had filed a case on IDBI Bank, in the Hon'ble High Court of Karnataka, for deciding the incorrect accounting done by IDBI Bank, the Hon'ble High Court has directed the DRT to decide the accounts, the DRT process is in progress and based on the decision of the DRT, the exact amount payable or receivable will be accounted through Profit and Loss Account.</p> <p data-bbox="218 1238 612 1265">11. Segment reporting policies:</p> <p data-bbox="253 1290 1465 1379">The Company is mainly engaged in the business of gold and gold products. These, in the context of Ind AS 108 on segment reporting, issued by The Institute of Chartered Accountants of India are considered to constitute one single primary segment.</p> <p data-bbox="218 1404 1465 1462">12. Company has identified that there is no material impairment of assets and as such no provision is required as per Accounting Standards issued by the ICAI.</p> <p data-bbox="218 1487 1358 1514">13. In opinion of the management, no provision is required against contingent liabilities.</p> <p data-bbox="218 1538 660 1565">14. Financial risk management</p> <p data-bbox="253 1590 1465 1671">The Company's financial assets majorly comprise of trade receivables, current investments, deposits banks and cash & cash equivalents. The Company's financial liabilities majorly comprises of borrowings, trade payables and other commitments.</p> <p data-bbox="253 1695 1465 1794">The Company is primarily exposed to market risk, credit risk and liquidity risk arising out of operations and the use of financial instruments. The Board of Directors have overall responsibility for establishment and review of the Company's risk management framework.</p> <p data-bbox="253 1818 1465 1944">The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions affecting business operations and the Company's activities.</p> |



| Note No. | |
|----------|--|
| 26 | <p data-bbox="264 392 475 421">a. Market risk</p> <p data-bbox="301 448 1466 577">Market risk is that risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risk: interest rate risk, currency risk and other price risk, such as commodity risk. The expose to currency risk and interest risk is given below:</p> <p data-bbox="301 602 568 631"><i>(a) Interest rate risk</i></p> <p data-bbox="352 658 1466 788">Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates to short term borrowings/working capital in nature and hence are not exposed to significant interest rate risk.</p> <p data-bbox="301 813 627 842"><i>(b) Foreign currency risk</i></p> <p data-bbox="352 869 1466 1032">Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses is denominated in a foreign currency) and the Company's net investment in foreign subsidiaries.</p> <p data-bbox="264 1057 462 1086">b. Credit risk</p> <p data-bbox="301 1113 1466 1274">Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The Company's exposure to credit risk arises from its operating and financing activities. The credit risk arises primarily from trade receivables, and the maximum exposure to credit risk is equal to the carrying value of financial assets.</p> <p data-bbox="301 1301 1466 1433">In order to mitigate the credit risk on receivables, credit quality of the customer is assessed based on the credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding receivables are monitored on an ongoing basis to ensure timely collections and to mitigate the risk of bad debts.</p> <p data-bbox="301 1458 1466 1588">An impairment analysis is performed at each reporting date for the outstanding trade receivables and expected credit loss if any are provided for. The Company's maximum exposure to counterparty credit risk at the reporting date is the carrying value of financial assets.</p> <p data-bbox="264 1615 504 1644">c. Liquidity risk</p> <p data-bbox="301 1671 1466 1901">Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities in financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company's treasury management team monitors on a daily basis the fund positions/requirements and identifies future mismatches in funds availability and reports the planned and current liquidity position to the top management and board of directors of the Company.</p> |

RAJESH EXPORTS LIMITED

| | | | | | |
|---|--|-----------------------|----------------------|--------------------|--------------|
| Note No. | | | | | |
| 26 | The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows: | | | | |
| | As at 31 March 2020 (Rs. In Lakhs) | | | | |
| | Particulars | One Year or Less | One to five years | Over five years | Total |
| | Financial Assets | | | | |
| | Investments(Non Current) | 23,819.01 | 2,35,369.69 | - | 2,59,188.71 |
| | Loans(Current and Non Current) | 45,239.48 | 4,979.20 | - | 50,218.68 |
| | Trade Receivables | 279,024.02 | - | - | 279,024.02 |
| | Cash and Cash Equivalents | 11,18,216.81 | - | - | 11,18,216.81 |
| | Other Financial Assets | 63,191.75 | - | - | 63,191.75 |
| | Financial Liabilities | | | | |
| | Borrowings | 96,096.03 | - | - | 96,096.03 |
| | Trade Payables | 12,38,516.92 | - | - | 12,38,516.92 |
| | Other Financial Liabilities (Current and Non current) | - | 1,181.27 | - | 1,181.27 |
| | 15. Transfer pricing | | | | |
| | The Company has imported gold from its associate enterprise within the meaning of section 92BA and 92A of the Income Tax Act, 1961 respectively. The gold has been imported based on international price and the price has been assessed and verified by the customs authorities, which clearly demonstrates that the transaction is at arms length. | | | | |
| 16. Earning Per Share | | | | | |
| (a) Basic | | | | | |
| Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the financial year held by the Company. | | | | | |
| Particulars | Group | | | | |
| | 2020 | 2019 | | | |
| | <i>(Rs. in lakhs)</i> | <i>(Rs. in lakhs)</i> | | | |
| Profit attributable to equity holders of the parent company | 40,314.04 | 44,206.19 | | | |
| Number of shares in issue (net of treasury shares) as at beginning of year | 2,952.60 | 2,952.60 | | | |
| Effect of treasury shares | - | - | | | |
| Effect of rights shares | - | - | | | |
| Effect of warrants | - | - | | | |
| Effect of share options | - | - | | | |
| Weighted average number of ordinary shares in issue | 2,952.60 | 2,952.60 | | | |
| Basic earnings per share (s) | 13.65 | 14.97 | | | |



| Note No. | | | |
|-----------|---|--------------------------------------|---|
| 26 | (b) Diluted | | |
| | <p>For the purpose of calculating diluted earnings per share, the profit attributable to equity holders of the parent and the weighted average number of ordinary shares outstanding during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, warrants and share options granted to employees. The dilutive earning per share is calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of shares that would have been in issue upon full exercise of the remaining warrants, adjusted by the number of such shares that would have been issued at fair value as follows:</p> | | |
| | Particulars | 2020 <i>(Rs. in lakhs)</i> | Group 2019 <i>(Rs. in lakhs)</i> |
| | Profit attributable to equity holders of the parent company | 40,314.04 | 44,206.19 |
| | Weighted average number of ordinary shares in issue | 2,952.60 | 2,952.60 |
| | Effect of dilution due to warrants | - | - |
| | Adjusted weighted average number of ordinary shares | 2,952.60 | 2,952.60 |
| | Diluted earnings per share (s) | 13.65 | 14.97 |
| | 17. Covid Pandemic | | |
| | <p>Covid 19 has been an unprecedented phenomenon in human history. Due to the national lockdown and also due to lockdown in various international markets, business was at a total standstill during that period in our Indian operations. Our business is primarily dependant on international passenger flights as all the Imports and Exports are carried on international passenger flights in high value and high security vaults. Due to the suspension of international passenger flights from India, there was a major impediment in Imports and Exports from the Indian operations. However, the refining business of Valcambi achieved record sales during the Pandemic. As a Company we have been prudent to survive the Pandemic without any adverse impact except for temporary loss of Export Sales from our Indian operations. We are confident that the Export sales from India will bounce back once the situation normalizes.</p> | | |
| | 18. The previous year's figures are regrouped / rearranged wherever deemed necessary. | | |

For and on behalf of the Board

RAJESH J MEHTA
Chairman
DIN : 00336457

PRASHANT J MEHTA
Managing Director
DIN : 00336417

NIDHI TULSYAN
Company Secretary
M.No. A56251

As per our Report of even date
For **P V RAMANA REDDY & CO**
Chartered Accountants,
Firm Regn. No. 007156S
Sd/-

VIJAYA LAKSHMI
Independent Director
DIN : 071460

B. VIJENDRA RAO
Chief Financial Officer

(CA. P V RAMANA REDDY)
Proprietor
M.No. 204588

Place: Bengaluru

Date : June 30, 2020