

## Rajoo Engineers Limited

Rajoo Avenue  
Survey No. 210, Plot No.1  
Industrial Area, Veraval (Shapar)  
Rajkot - 360 024, India

Phone : +91-97129-62704/52701/32706  
Fax : +91-2827-252700  
E-mail : rel@rajoo.com  
Web : www.rajoo.com

**RAJOO®**  
excellence in extrusion

27<sup>th</sup> August, 2019

To,  
**The Department of Corporate Services,**  
**The Bombay Stock Exchange Ltd.,**  
**Phiroz Jeejeebhoy Towers,**  
**Dalal Street,**  
**Mumbai – 400 001.**

**BSE Scrip Code: 522257**

Dear Sir,

**Reg: Submission of Notice of 32<sup>nd</sup> Annual General Meeting (AGM) and Annual Report for the FY 2018-19 under Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed the Notice of 32<sup>nd</sup> AGM and Annual Report for the FY 2018-19.

The aforesaid documents are available on the website of the Company viz., [www.rajoo.com](http://www.rajoo.com)

Please take the same on your records and oblige.

Thanking you,

Yours faithfully,

**For RAJOO ENGINEERS LIMITED,**

  
**(J. T. Jhalavadia)**  
**Chief Financial Officer**





# Annual Report | 2018-19



# Rajoo Engineers Limited

## ANNUAL REPORT 2018 - 2019

### **32<sup>nd</sup> ANNUAL GENERAL MEETING**

Date : 20<sup>th</sup> September, 2019

Day : Friday

Time : 11.00 a.m.

Venue : Registered Office, Junagadh Road,  
Manavadar - 362 630 District : Junagadh (Gujarat)

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#### **Admn. & Mktg. Office :**

Rajoo Avenue, Survey No.210, Plot No. 1, Industrial Area, Veraval (Shapar),

Dist. : Rajkot - 360 024. Gujarat, India

Phone : +91-97129-62704/52701 Fax : +91 02827 252700 E-mail : [rel@rajoo.com](mailto:rel@rajoo.com)

#### **Regd. Office :**

Junagadh Road, Manavadar-362 630. Dist. : Junagadh (Gujarat) E-mail : [relmvr@rajoo.com](mailto:relmvr@rajoo.com)

CIN : L27100GJ1986PLC009212





#### Important Communication to Members

The Ministry of Corporate Affairs has taken a **"Green Initiative in Corporate Governance"** by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members feedback form given hereunder and register the same to

**Link Intime India Private Limited,**  
**506-508,Amarnath Business Centre-1 (ABC-1),**  
**Besides Gala Business Centre**  
**Near XT Xavier's College Corner,**  
**Off C G Road , Ellisebridge**  
**Ahmedabad 380006 Tel No : +91 79 26465179 /86 / 87**  
**E-mail id : ahmedabad@linkintime.co.in**  
**Website : www.linkintime.co.in**

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## PERFECT BLEND OF EXPERIENCE AND EXPERTISE

Our Eminent team is responsible for the corporate governance and is ultimately accountable for overall strategy, risk management and financial performance of the company.

The team is led by our Chairman and Managing Director-Mr. R.N.Doshi and is ably assisted by the Executive Team.



**R. N. Doshi**  
Chairman & Managing Director

Responsible for the overall operations including production, new developments and services, is the co-founder of this company. He has over 35 years of experience in plastic processing, machinery manufacturing, engineering and product innovation and development. He is adept in selection of world class inputs for our products, cost reduction and inventory control to ensure our continued competitiveness. His extensive management experience includes several start-ups, plant installations and significant processing improvements in record time.



**Sunil Jain**  
Executive Director  
(Professional)

Overall marketing, business development, diversification and growth strategies at the corporate level are his responsibilities. He has more than 40 years of experience in the flexible packaging industry and plastic extrusion machinery industry. He has successfully developed key relationships with our esteemed customers and overseas partners. Prior to joining Rajoo, he has worked with various flexible packaging conversion Units, holding various senior managerial and technical positions. He is a graduate in Mechanical Engineering from BITS (Pilani), a reputed institute of India.



**Khushboo Chandrakant Doshi**  
Whole Time Director

Over 11 years of experience in the area of HR, Business Development, Customer Care and Finance. Khushboo is an architect by education and holds a Master's Degree in Industrial Product Design from UK. She is also a "Masters in Management for Entrepreneurs" from IIM Ahmedabad and "Family Businesses" from IIM Bangalore. Sales and Marketing is her passion and has been responsible for establishing brand "Rajoo" in the industry- both in the country and globally. A firm believer in Woman Empowerment, Rajoo Engineers is one of the first companies in Saurashtra Region of Gujarat to employ women in the engineering functions.



**Utsav Doshi**  
Whole Time Director

Utsav Doshi, a second generation entrepreneur, joined Rajoo Engineers in 2011 as an Engineer – Vendor Development. He holds a Bachelor's Degree in Mechanical Engineering with a Masters in Polymer technology from HTW Aalen University, Germany. Utsav has cross functional expertise in Design and Operations. Utsav Doshi is an integral part of the senior management and responsible for entire manufacturing activity at REL.

Utsav has technical experience to convert market requirements into technical layout, and having thorough knowledge in manufacturing and Plastic Processing.



“With a continued emphasis on timely delivery, quality control, innovation, empathic customer care and value enhancement of the entire ecosystem, the future looks promising for our Company”



**R N Doshi**

Chairman & Managing Director

## A letter to the shareholder

I start this message with a sincere gratitude to my fellow stakeholders who stood with us in difficult times like these where poor industry sentiment arose from the ban on single use plastic in certain states in India. These environmental issues resulted in pressure, on our Company where the growth in this particular year has taken a hit. However, our order book continues to be robust as our clients did not cancel the orders, only put them on hold until a better clarity emerged and now revival has taken place. Internally, we used this slowdown as an opportunity to go back to the drawing table and framed policies and products that will ensure transformational growth in the coming years.

While ups and downs are part of everyone's life and journey, at Rajoo Engineers Limited, every external challenge has only pushed us to strive harder and set stronger goals. I feel proud today to inform you Rajoo Engineers has collaborated with Kohli Industries, to create a formidable alliance to build and maintain one of the most advanced and versatile Extrusion Coating and Lamination machines, a fast emerging alternate to solvent-less and solvent based for the producers of flexible packaging materials.

Having made a modest start in 1986 our Company has come a long way to become a competitive player globally. Today at Rajoo Engineers, we manufacture and sell variety of plastic production and processing machinery, which are highly regarded by users across the world, for a wide range of application and purpose. Our product lineup in the field includes Monolayer Blown Film Lines, Downward Extrusion Blown Film Lines, Five - Seven-layer Co-Extruded Blown Film Lines and Thermoforming & PS Foam Vacuum Forming Machines and various extruding machines are world class in nature.

Today we also supply a diverse range of blown films which caters into lamination grade films, liquid packaging films, high dart FFS resin sacks films, meat and cereal packaging films, short shelf-life oil packaging films, pharma and medical grade films, and geomembrane chemical/ soap packaging films.

Sensing the changing environment, our Company has also focused on enhancing and further strengthening our Research and Development team by improving our capabilities, offerings, performance and reliability of core products. We continue to contribute to nurture offerings in new business fields based on core and differentiated technologies. We have also engaged in various technology tie ups with renowned global brands in European Countries. Through these efforts, we aim to focus on expanding and upgrading the core technologies while cultivating and growing our business. The effect of these actions will be visible in the coming years and will help our Company to achieve the vision and goals that we have set for ourselves. We are moving towards big ticket size customized extrusion machinery which will improve the efficiency and meet the more specific requirement of our customers.

Moving to FY19 financials, I would like to share that our Company recorded decline in sales of 16.41 % from Rs. 146.51 cr in FY18 to Rs. 122.46 cr in FY19. The sales were affected as in the second half of the year resulting in some of the orders been put on hold by clients on account of plastic ban by the government resulting into poor market sentiments, that reduced the order flow as compared to previous year. The EBITDA also declined by 32.66% to Rs 14.22 cr, due to decrease in revenue and also higher cost of material consumption as we developed one Extrusion coating line machine and one Tarpaulin machine. The Company registered 35.91% decline in net profit from Rs. 11.89 cr in FY18 to Rs. 7.62 cr in FY19. The plastic ban has impacted our numbers in current financial year, but we are continuously working in order to satisfy the demand personalization in automated machines along with optimized flexibility in terms of precision and design for our machineries.

Our success so far has been driven by our most important asset – our team! I would like to take this opportunity to thank each member of the Rajoo family. I would also like to thank our Clients, Creditors, Banks, Financial Institutions and other Stakeholders, without whose patronage we could not have been where we are.

On my part, I will continue to maintain our focus on increasing our operational efficiencies, enhance the product portfolio, utilizing positive operating cash flows to drive volumes and strengthen our Balance Sheet. Our new journey would be here on to focus transformational growth, thereby taking serious efforts in maximizing returns for all our stakeholders.

R. N. Doshi  
Chairman & Managing Director



“To become one of the most trusted and passionate solution providers for the plastic extrusion machinery world-wide in the best interests of all the stake holders pursuing ethical business practices

”



**C. N. Doshi**

Founder & Mentor, Rajoo Engineers Ltd.

## Vision

The above vision is intrinsic to each facet of our operations. And we strive to realize this objective with passion and fervor.

We will continue to achieve through constant innovation in technology and machines, cordial and inspiring work environment for our employees who endeavor to convert ideas into solutions for our customers with ethical business practices.

Our co-operation with the polymer industry and with internationally acclaimed rheologists and machine designers enables us to provide technology of the developed nations too at developing countries.

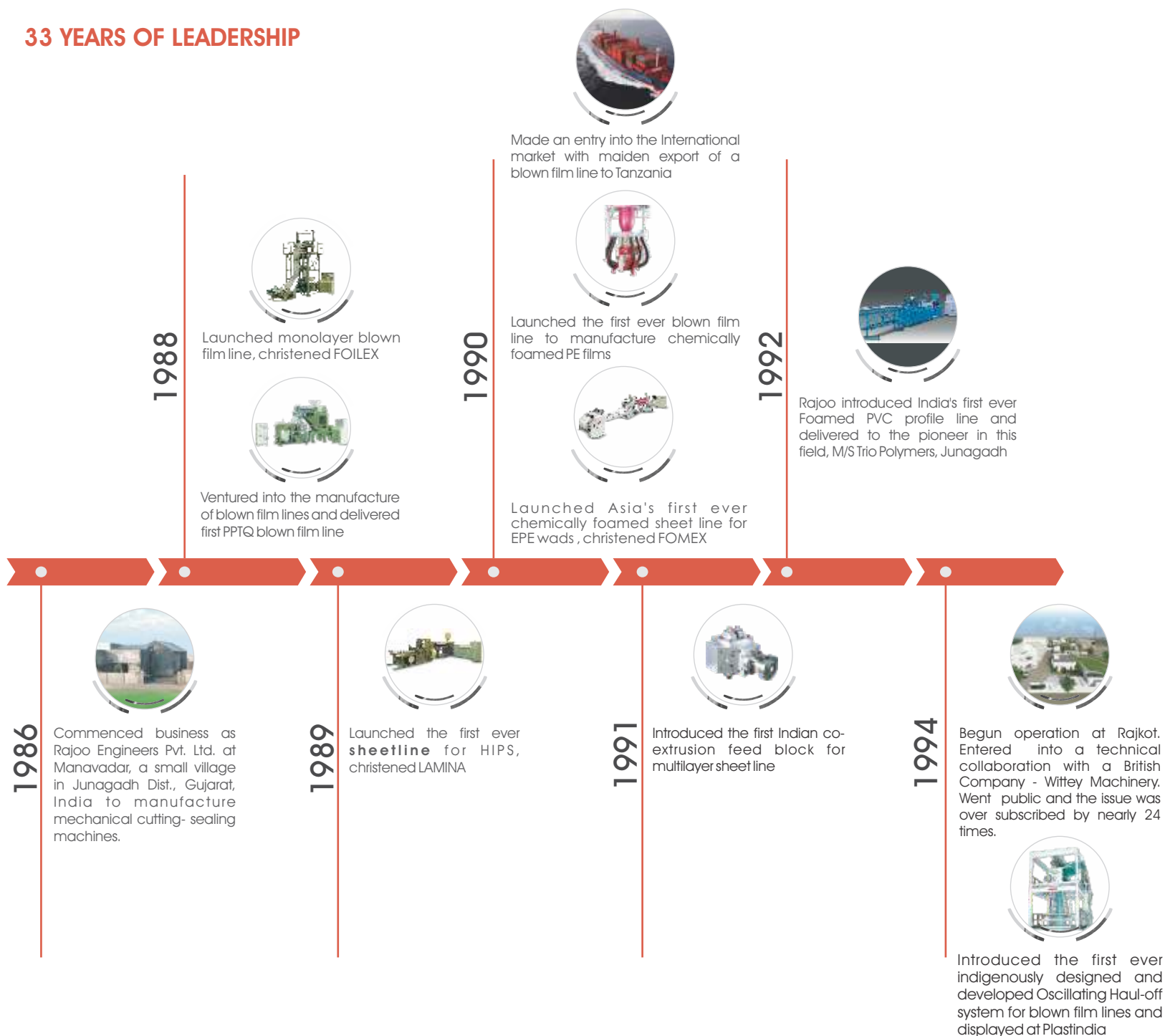
Plastics, a material of choice for over centuries has made deep inroads into all walks of human life, be it food packaging, housing, clothing, automobiles, agriculture, building and construction and a variety of other domains. We strive to contribute to the development of plastics through extrusion. We also strive to contribute to the sustainable use of natural resources as well as energy savings and waste reduction. We aim at providing excellence in sheet and blown film extrusion incorporating world class technology at affordable price levels.

Our obsession for innovation and enthusiasm for understanding of polymers are significant elements which encourage us to achieve our goals and put us above the rest.

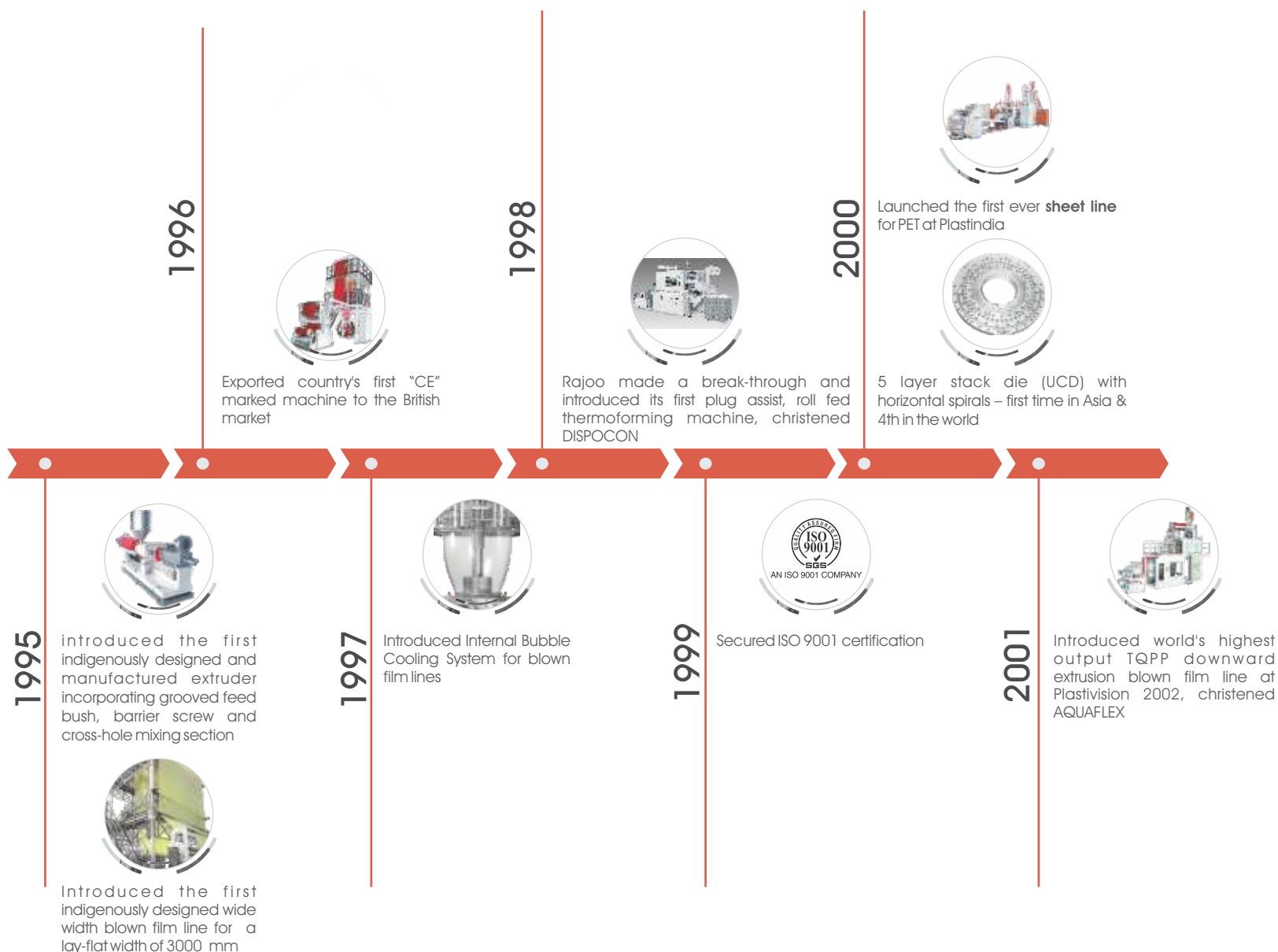
"Excellence in Extrusion" is our Company's maxim and is an expression of our corporate vision and culture which guides us in all that we do.



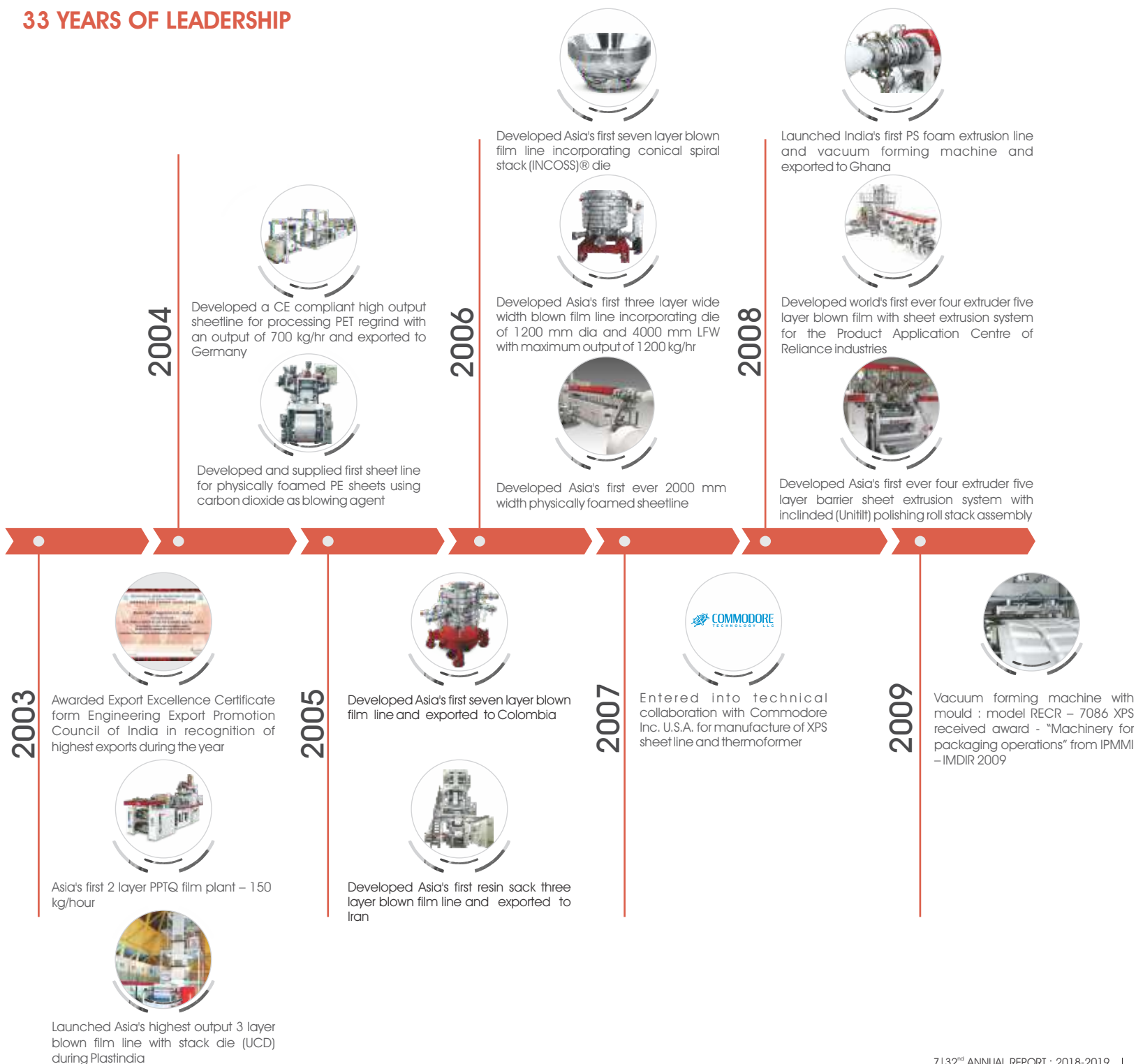
## 33 YEARS OF LEADERSHIP



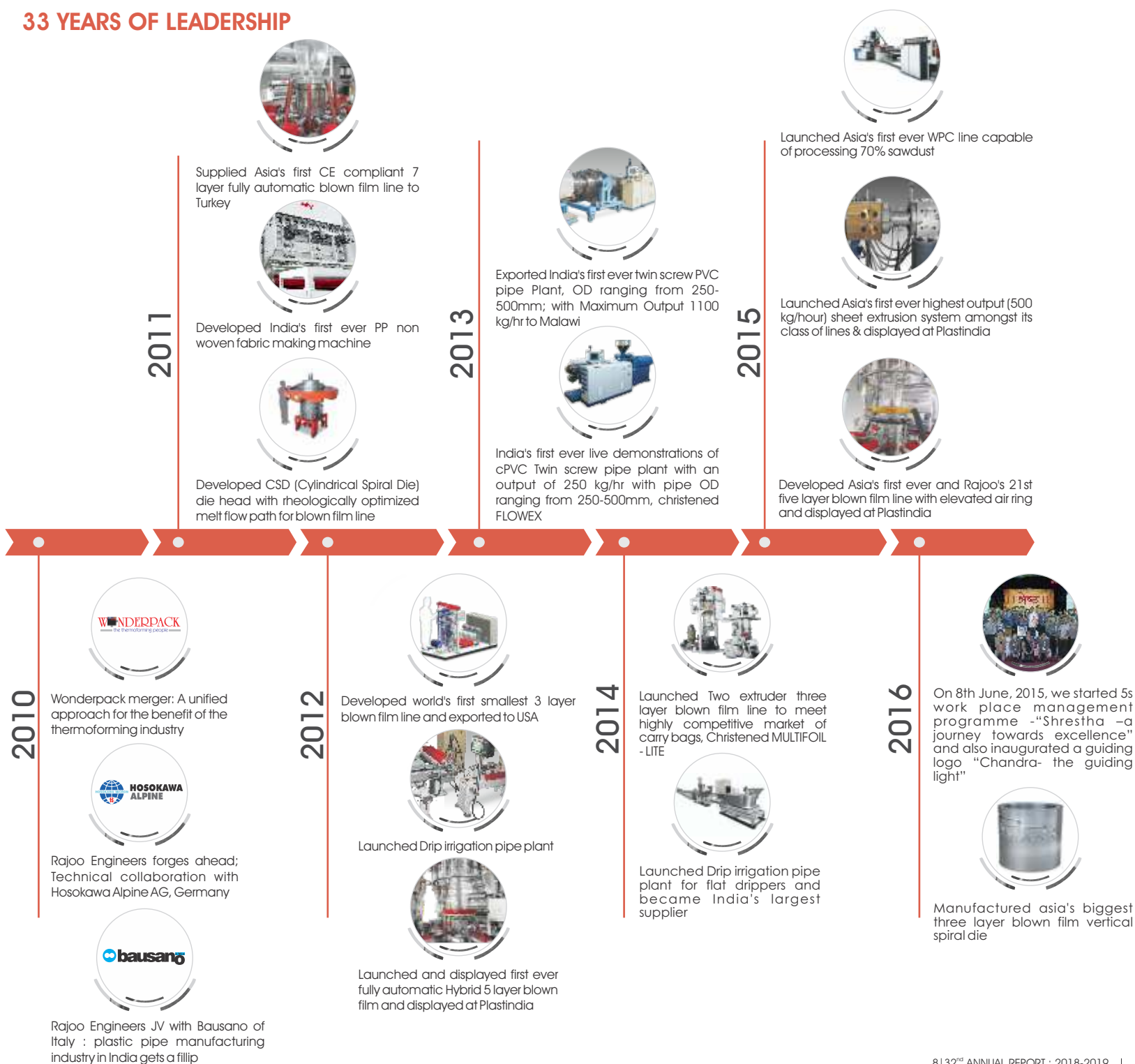
## 33 YEARS OF LEADERSHIP



## 33 YEARS OF LEADERSHIP



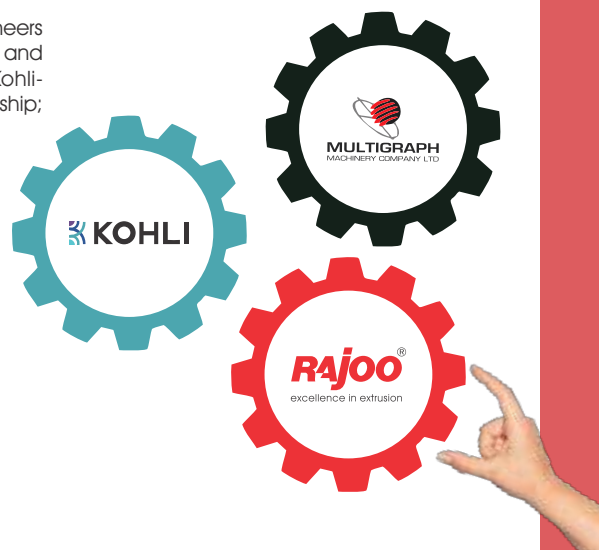
## 33 YEARS OF LEADERSHIP



## The year 2018-19 at a glance

### High Impact Alliance

The year started with a bang - High Impact Alliance between Rajoo Engineers and Kohli Industries changed the market dynamics of Extrusion Coating and Lamination Machines. The symphony of three corporate Rajoo-Kohli-Multigraph demonstrated to the industry the thought-provoking leadership; product leadership followed, an industry first.



### Exposition

#### Indiaplast-2019

Rajoo Engineers participation at India Plast 2019 was a resounding success with introduction of new technology. Rajoo set a new standard at the exhibition by introducing NEXTRUSION 4.0 to make industry's tomorrow better, which was indeed the prime puller at the standard. The booth was inaugurated by Mr. Rupen N. Navinchandra of IMBB, Ahmedabad.



## The year 2018-19 at a glance

### Rajoo's Endowment Lecture

On 17th August, 2018, Rajoo sponsored the Endowment programme of IPI, Indore Chapter on "New Trends and Applications in Blown Film Extrusion" presented by Mr. Manish Vasavada – Executive Vice President, Rajoo Engineers Ltd and Mr. Pavan Thakor - Manager Technical Service-Packaging Development, Borouge Pte Ltd.

### Sanrakshan – Conserve our Today for better Tomorrow

On 28th August, 2018 -the Birth Anniversary of Shri C. N. Doshi, Founder, a new journey began "Sanrakshan" with an aim to "Conserve our Today for better Tomorrow". It is a journey of planning, allocating, deploying, directing, using, coordinating and controlling the organization's financial, human ability, information technology, machinery, physical, natural etc resources to attain the established goals of the organization effectively and efficiently & responsibly.

With the increase of industrialization and urbanization of the modern human society, the use of resources is increasing day by day. Hence it is a need of an hour. If these resources are not properly managed, over exploited or overused, there will be a serious scarcity of these resources. To avoid the situation of scarcity we have started a new journey - Sanrakshan Journey to conserve & manage the use of resources to prevent its exploitation, depletion, destruction or degradation So can be benefited in the future.





**EXECUTIVE DIRECTORS:**

Rajesh N. Doshi  
Chairman & Managing Director

Sunil B. Jain  
Executive Director (Professional)

Khushboo C. Doshi  
Whole Time Director

Utsav K. Doshi  
Whole Time Director

**NON EXECUTIVE DIRECTORS:**

Ramesh A. Shah  
Independent Director

Kirit R. Vachhani  
Independent Director

Rajendra G. Vaja  
Independent Director

Laxman R. Ajagiya  
Independent Director

**KEY MANAGERIAL PERSONNEL:**

J. T. Jhalawadia  
Chief Financial Officer

Vijay Jadeja  
Company Secretary

**BANKERS:**

Axis Bank Ltd.  
Yes Bank Ltd.

**STATUTORY AUDITORS:**

Pankaj K. Shah, Associates  
Chartered Accountants

**REGISTERED OFFICE:**

Junagadh Road,  
Manavadar-362 630.  
Dist. Junagadh. (Gujarat)

**WORKS:**

Rajoo Avenue,  
Survey No. 210, Plot No. 1,  
Industrial Area, Veraval (Shapar),  
Dist. Rajkot – 360 024. Gujarat



## Summary of Operating and Financial Position for past 6 years

(Rs. In Lakhs)

| Particular                             | 2018-19         | 2017-18         | 2016-17         | 2015-16        | 2014-15        | 2013-14        |
|--|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| <b>OPERATING RESULTS</b>               |                 |                 |                 |                |                |                |
| Revenue From Operations & Other Income | 12352.25        | 14732.93        | 12115.34        | 10701.79       | 11719.27       | 10145.83       |
| Profit before depreciation & Interest  | 1527.84         | 2193.62         | 1320.49         | 1000.87        | 1079.46        | 783.22         |
| Profit before tax (PBT)                | 925.69          | 1816.68         | 980.90          | 700.75         | 774.04         | 515.30         |
| Profit after tax (PAT)                 | 788.81          | 1205.94         | 626.64          | 457.61         | 523.96         | 345.64         |
| PAT as % of Sales                      | 6.39%           | 8.19%           | 5.17%           | 4.28%          | 4.48%          | 3.42%          |
| Retained earnings                      | 788.81          | 1028.32         | 626.64          | 283.00         | 329.35         | 209.85         |
| Earning per share (EPS) Rs.            | 1.28            | 2.03            | 1.10            | 0.79           | 0.90           | 0.63           |
| Dividend % p.a.                        | 10%             | 25%             | 25%             | 25%            | 25%            | 20%            |
| <b>FINANCIAL SUMMARY</b>               |                 |                 |                 |                |                |                |
| <b>Assets</b>                          |                 |                 |                 |                |                |                |
| Non- Current Assets                    |                 |                 |                 |                |                |                |
| (a) Fixed Assets (Net)                 | 4831.17         | 4917.80         | 2995.43         | 2462.98        | 2168.10        | 2023.22        |
| (b) Non- Current Investment            | 197.70          | 200.25          | 198.14          | 198.14         | 198.14         | 198.14         |
| (c) Long Term Loans & Advances         | 51.78           | 37.02           | 34.05           | 111.44         | 21.60          | 18.52          |
| (d) Other Non - Current Assets         | 6.65            | 66.03           | 6.52            | 13.03          | 19.55          | 26.06          |
| <b>Current Assets</b>                  | 7641.08         | 9655.88         | 7240.53         | 4993.94        | 4957.34        | 5168.74        |
| <b>Total</b>                           | <b>12728.38</b> | <b>14876.98</b> | <b>10474.67</b> | <b>7779.54</b> | <b>7364.73</b> | <b>7434.69</b> |
| <b>Equity and Liabilities</b>          |                 |                 |                 |                |                |                |
| Shareholders Fund                      |                 |                 |                 |                |                |                |
| (a) Share Capital                      | 615.31          | 615.31          | 580.31          | 580.31         | 580.31         | 580.31         |
| (b) Reserves & Surplus                 | 5989.64         | 5399.96         | 3565.58         | 3099.18        | 2816.18        | 2486.83        |
| Total Shareholders Funds               | 6604.95         | 6015.27         | 4145.88         | 3679.49        | 3396.49        | 3067.14        |
| Non Current Liabilities                | 1100.55         | 785.59          | 293.79          | 289.20         | 278.20         | 287.59         |
| Current Liabilities                    | 5022.89         | 8076.13         | 6034.99         | 3810.86        | 3690.04        | 4079.95        |
| <b>Total</b>                           | <b>12728.38</b> | <b>14876.98</b> | <b>10474.67</b> | <b>7779.54</b> | <b>7364.73</b> | <b>7434.69</b> |
| Current Ratio                          | 1.52            | 1.20            | 1.20            | 1.31           | 1.34           | 1.27           |
| Debts Equity                           | 0.93            | 1.47            | 1.53            | 1.11           | 1.17           | 1.42           |
| <b>OTHERS</b>                          |                 |                 |                 |                |                |                |
| Book Value per Share (Rs.)             | 10.73           | 9.78            | 1.74            | 6.34           | 5.85           | 5.29           |
| Gross Fixed Assets                     | 7471.93         | 7188.44         | 5053.43         | 4280.14        | 3783.41        | 3359.08        |

## AGM NOTICE

Notice is hereby given that thirty second Annual General Meeting (AGM) of the Members of the Company will be held on Friday, 20th September, 2019 at 11:00 a.m. at the Registered Office of the Company situated at Junagadh Road, Manavadar-362 630, Dist. Junagadh, Gujarat, India to transact the following business:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors ("the Board") and auditors thereon;
2. To declare a final dividend of ₹0.10 per equity share, for the year ended March 31, 2019.
3. To appoint Director in place of Utsav K. Doshi (DIN: 00174486) who is liable to be retired by rotation and, being eligible, offers himself for reappointment.
4. Re-appointment of Rajendra Gokaldas Vaja as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Rajendra Gokaldas Vaja (DIN 05264701), who was appointed as an Independent Director at the Twenty Seventh Annual General Meeting of the Company and who holds office up to September 4, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September 20, 2019 up to September 19, 2024."

5. Re-appointment of Ramesh Amrutlal Shah as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Ramesh Amrutlal Shah (DIN 00031928), who was appointed as an Independent Director at the Twenty Seventh Annual General Meeting of the Company and who holds office up to September 4, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September 20, 2019 up to September 19, 2024."

6. Re-appointment of Kirit Ratanashi Vachhani as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

## AGM NOTICE

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Kirit Ratanashi Vachhani (DIN: 07113088), who was appointed as an Independent Director at the Twenty Eighth Annual General Meeting of the Company and who holds office up to September 4, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September 20, 2019 up to September 19, 2024."

7. To ratify the appointment of Cost Auditor for the Financial Year 2019-2020 by passing the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Shailesh Thaker & Associates, Cost Accountants (Firm Registration No. 101454), appointed by the Board of Directors as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending March, 2020, amounting Rs. 40,000/- (Rupees Forty Thousand Only) plus Goods and Service tax and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved."

Date: 19/05/2019  
Place: Veraval (Shapar)

For and on behalf of the Board of Directors of  
**Rajoo Engineers Limited**

**(R. N. DOSHI)**  
Chairman & Managing Director



## AGM NOTICE

### Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 6 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty Members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / letter of authority, as applicable. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.
3. **Book Closure and Dividend:**
  - (a) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 11th September, 2019 to Friday, 20th September, 2019 (both days inclusive).
  - (b) If dividend on Equity Shares, as recommended by the Board, is approved at the Annual General Meeting ('AGM'), it will be paid on or after 24th September, 2019 as under:
    - (i) To all Beneficial Owners in respect of shares held in electronic form, as per details furnished by the Depositories for this purpose as at the end of the business hours on 10th September, 2019.
    - (ii) To all Members in respect of shares held in physical form, whose names are on the Company's Register of Members after giving effect to valid transmission and transposition requests lodged with the Company before the end of business hours on 10th September, 2019.
4. Members holding shares in the physical mode are requested to notify the immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository participants.
5. The Securities and Exchange Board of India ('SEBI') has mandated the transfer of securities to be carried out only in dematerialized form (except in case of transmission or transposition of securities) effective from 1st April, 2019. Accordingly, requests for physical transfer of securities of listed entities shall not be processed from 1st April, 2019 onwards. In view of such amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialize their holdings.
6. The route map giving directions to reach the venue of the 32nd AGM is given at the end of the Notice.
7. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders, who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.

8. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

#### **9. Nomination Facility:**

As per the provisions of Section 72 of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. Members holding shares in electronic form may obtain nomination forms from their respective Depository Participant.

#### **10. Transfer to Investor Education and Protection Fund:**

##### **(a) Transfer of unclaimed dividend**

Members are hereby informed that under the Act, the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven consecutive years or more, to the credit of the Investor Education and Protection Fund ('the IEPF'). Accordingly, Dividend of ₹ 3,75,545 (Final Dividend 2010-11) which remained unpaid or unclaimed was transferred to the IEPF Authority in the financial year 2018-19.

The balance lying in the unpaid dividend account of the Company in respect of dividend declared on for the financial year 2011-12 will be transferred to the Investor Education and protection Fund of the Central Government by 15th September, 2019. Members who have not encased their dividend warrants pertaining to the said year may approach the Company or its share transfer agent for obtaining payments thereof by 15th September, 2019.

##### **(b) Transfer of Shares to IEPF**

Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid or unclaimed for a period of seven Consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, Company has sent individual notice to all the members whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement in this regard. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company, [www.rajoo.com](http://www.rajoo.com).

#### **11. Voting through Electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies Management and Administration) Rules, 2015, and Regulation 44 of Listing Regulations, the Company is pleased to provide Members with a facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through Electronic Voting (e-Voting) Services. The facility for casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Service Limited (CDSL):

#### **INSTRUCTIONS FOR E-VOTING**

##### **The instructions for shareholders voting electronically are as under:**

(i) The remote e-voting period begins on 17th September, 2019, 10.00 a.m and ends on 19th September, 2019, 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 13th September, 2019 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iii) Click on "Shareholders" tab.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.



(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user then follow the steps given below:

|                       |  |
|-----------------------|--|
|                       | For Members holding shares in Demat Form and Physical Form   |
| PAN                   | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.                         |
| DOB                   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Rajoo Engineers Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Paras Savjani, Partner of Dodiya Mehta & Co., Practising Chartered Accountant (Membership No. 126601) Rajkot, has been appointed as the Scrutinizer to scrutinize the e – Voting Process as well as the voting by way of poll, to be conducted at the AGM, in fair and transparent manner.

**Contact Details:**

|                              |   |
|------------------------------|---|
| <b>Company :</b>             | <b>Rajoo Engineers Limited</b>  |
| Registrar & Transfer Agent : | Link Intime India Pvt. Ltd  |
| Ahmedabad Office :           | 5th Floor, 506 to 508, Amarnath Business,<br>Centre – 1 (ABC-1), Beside Gala Business,<br>Centre, Nr. St. Xavier's College Corner,<br>Off C G Road, Navrangpura,<br>Ahmedabad-380009 Tel: +91-79-26465179 |
| E- Voting Agency :           | Central Depository Services (India) Limited<br>Email: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a><br>Phone: 022-22723333/8588                                      |
| Scrutinizer :                | Mr. Paras Savjani Partner of Dodiya Mehta & Co.,<br>Practicing Chartered Accountants, Rajkot.<br>Email: <a href="mailto:paras.savjani@gmail.com">paras.savjani@gmail.com</a>                              |

The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would Count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rajoo.com](http://www.rajoo.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") where the shares of the Company are listed.

- (12) At the Thirty First AGM held on September 25, 2018 the Members approved appointment of M/s. Pankaj K. Shah Associates, Chartered Accountants (Firm Registration No. 107352W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM for a single tenure of 5 years, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.
- (13) Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2018-19 will also be available on the Company's website <https://www.rajoo.com>.
- (14) To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with Company's R & T Agent / Depository Participants, in respect of shares held in physical / electronic mode respectively.

Date: 19/05/2019  
Place: Veraval (Shapar)

For and on behalf of the Board of Directors of  
Rajoo Engineers Limited

**(R. N. DOSHI)**  
Chairman & Managing Director



**EXPLANATORY STATEMENT AS PER SECTION 102 OF THE COMPANIES ACT, 2013 AND /OR REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****Item No.4**

Rajendra Gokaldas Vaja is currently an Independent Director of the Company was appointed as an Independent Director of the Company by the Members at the 27th AGM of the Company held on 5th September, 2014 to hold office up to 4th September, 2019 and is eligible for re-appointment for a second term on the Board of the Company as an Independent Director. Based on the recommendations of the Nomination and Remuneration Committee (NRC) of the Board of Directors propose the re-appointment of Rajendra Gokaldas Vaja as an Independent Director of the Company, not liable to retire by rotation, for period commencing September 20, 2019 up to September 19, 2024, subject to the approval of the Members by a Special Resolution. The Company has in terms of Section 160(1) of the Act received a notice from a Member proposing his candidature for the office of Director.

Based on the performance evaluation of the Independent Directors and as per the recommendations of the NRC, given his background, experience and contribution, the Board is of the opinion that Rajendra Gokaldas Vaja's continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail his services as an Independent Director.

The Company has received a declaration from Rajendra Gokaldas Vaja confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In terms of Regulation 25(8) of the Listing Regulations, Rajendra Gokaldas Vaja has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Rajendra Gokaldas Vaja has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Rajendra Vaja is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Rajendra Vaja is bachelor in Arts and has wide experience of more than 35 years in Nationalised Bank and has experience in financial and banking aspects.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the Listing Regulations and other applicable provisions of the Act and Listing Regulations, the re-appointment of Rajendra Gokaldas Vaja as Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board recommends the Special Resolution set out in Item No. 4 of the accompanying Notice for approval of the Members.

Except Rajendra Gokaldas Vaja, none of the Directors or KMP of the Company and their respective relatives is concerned or interested in the resolution set out at Item No. 4 of the accompanying Notice. Rajendra Gokaldas Vaja is not related to any other Director or KMP of the Company.

**Item No.5**

Ramesh Amrutlal Shah is currently an Independent Director of the Company was appointed as an Independent Director of the Company by the Members at the 27th AGM of the Company held on 5th September, 2014 to hold office up to 4th September, 2019 and is eligible for re-appointment for a second term on the Board of the Company as an Independent Director. Based on the recommendations of the Nomination and Remuneration Committee (NRC) of the Board of Directors propose the re-appointment of Ramesh Amrutlal Shah as an Independent Director of the Company, not liable to retire by rotation, for period commencing from September 20, 2019 up to September 19, 2024, subject to the approval of the Members by a Special Resolution. The Company has in terms of Section 160(1) of the Act received a notice from a Member proposing his candidature for the office of Director.

Based on the performance evaluation of the Independent Directors and as per the recommendations of the NRC, given his background, experience and contribution, the Board is of the opinion that Ramesh Amrutlal Shah's continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail his services as an Independent Director.

The Company has received a declaration from Ramesh Amrutlal Shah confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In terms of Regulation 25(8) of the Listing Regulations, Ramesh Amrutlal Shah has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Ramesh Amrutlal Shah has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Ramesh Amrutlal Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Ramesh Amrutlal Shah is bachelor in Commerce and has wide experience of more than 35 years in Nationalised Bank and has experience in financial and banking aspects.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the Listing Regulations and other applicable provisions of the Act and Listing Regulations, the re-appointment of Ramesh Amrutlal Shah as Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board recommends the Special Resolution set out in Item No. 5 of the accompanying Notice for approval of the Members.

Except Ramesh Amrutlal Shah, none of the Directors or KMP of the Company and their respective relatives is concerned or interested in the resolution set out at Item No. 5 of the accompanying Notice. Ramesh Amrutlal Shah is not related to any other Director or KMP of the Company.

#### **Item No. 6**

Kirit Ratanashi Vachhani is currently an Independent Director of the Company was appointed as an Independent Director of the Company by the Members at the 28th AGM of the Company held on 22nd September, 2015 to hold office up to 4th September, 2019 and is eligible for re-appointment for a second term on the Board of the Company as an Independent Director. Based on the recommendations of the Nomination and Remuneration Committee (NRC) of the Board of Directors propose the re-appointment of Kirit Ratanashi Vachhani as an Independent Director of the Company, not liable to retire by rotation, for period commencing from September 20, 2019 up to September 19, 2024, subject to the approval of the Members by a Special Resolution. The Company has in terms of Section 160(1) of the Act received a notice from a Member proposing his candidature for the office of Director.

Based on the performance evaluation of the Independent Directors and as per the recommendations of the NRC, given his background, experience and contribution, the Board is of the opinion that Kirit Ratanashi Vachhani's continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail his services as an Independent Director.

The Company has received a declaration from Kirit Ratanashi Vachhani confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In terms of Regulation 25(8) of the Listing Regulations, Kirit Ratanashi Vachhani has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Kirit Ratanashi Vachhani has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Kirit Ratanashi Vachhani is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Kirit Ratanashi Vachhani is bachelor in Commerce and has wide experience of more than 35 years in Nationalised Bank and has experience in financial and banking aspects.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the Listing Regulations and other applicable provisions of the Act and Listing Regulations, the re-appointment of Kirit Ratanashi Vachhani as Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board recommends the Special Resolution set out in Item No. 6 of the accompanying Notice for approval of the Members.

Except Kirit Ratanashi Vachhani, none of the Directors or KMP of the Company and their respective relatives is concerned or interested in the resolution set out at Item No.6 of the accompanying Notice. Ramesh Amrutlal Shah is not related to any other Director or KMP of the Company.

**Item No.7**

The Board, on recommendation of the Audit Committee has approved the appointment and remuneration of M/s. Shailesh Thaker & Associates, Cost Accountant, Ahmedabad as Cost Auditors of the Company to conduct the audit of the cost records of the company for the Financial Year 2019- 20 at a fee of Rs. 40,000/- plus applicable taxes and reimbursement of out of pocket expenses, as remuneration for cost audit services for the F.Y. 2019-20.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel or relatives of them are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

Date: 19/05/2019  
Place: Veraval (Shapar)

For and on behalf of the Board of Directors of  
Rajoo Engineers Limited

**(R. N. DOSHI)**  
Chairman & Managing Director





# Annexure 1

## Details of Directors seeking appointment/reappointment at the AGM

[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings]

| Director's Name  | Utsav Doshi   |
|--|---|
| DIN No.  | 00174486  |
| Date of Birth  | 25.12.1985  |
| Date of Appointment  | 13. 05. 2016  |
| Qualification  | B.E. in Mechanical  |
| Experience in specific functional area   | Utsav Doshi has technical experience to convert market requirements into technical layout, and having thorough knowledge in manufacturing and Plastic Processing. |
| Number of Shares held in the Company.  | 2919372   |
| Directorship held in other Indian Companies (excluding Directorship in Rajoo Engineers Ltd.  | Rajoo Bausano Extrusion Pvt.Ltd.<br>Wonderpack Formers Private Limited  |
| Chairperson/ Member of the Committees of the Board of other Companies in which he/she is a Director as on 31st March, 2019 (excluding Rajoo Engineers Limited) | NIL   |
| Director's Name  | Rajendra vaja   |
| DIN No.  | 05264701  |
| Date of Birth  | 03.12.1952  |
| Date of Appointment  | 01.12.2011  |
| Qualification  | B.A   |
| Experience in specific functional area   | Mr. Rendra G Vaja, has wide experience of more than 35 years in a nationalized bank and has experience in financial and banking aspects.                          |
| Number of Shares held in the Company.  | Nil   |
| Directorship held in other Indian Companies (excluding Directorship in Rajoo Engineers Ltd.  | Nil   |
| Chairperson/ Member of the Committees of the Board of other Companies in which he/she is a Director as on 31st March, 2019 (excluding Rajoo Engineers Limited) | Nil   |

## Annexure 1

### Details of Directors seeking appointment/reappointment at the AGM

[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings]

| Director's Name  | Ramesh Shah   |
|--|---|
| DIN No.  | 00031928  |
| Date of Birth  | 30.01.1951  |
| Date of Appointment  | 15.09.2003  |
| Qualification  | B.Com, C.A.I.I.B.   |
| Experience in specific functional area   | Mr. Ramesh A Shah, has experience of more than 35 years in a nationalized bank and has experience in financial and banking aspects, which is an asset to the company. |
| Number of Shares held in the Company.  | Nil   |
| Directorship held in other Indian Companies (excluding Directorship in Rajoo Engineers Ltd.  | Nil   |
| Chairperson/ Member of the Committees of the Board of other Companies in which he/she is a Director as on 31st March, 2019 (excluding Rajoo Engineers Limited) | Nil   |
| Director's Name  | Kirit Vachhani  |
| DIN No.  | 07113088  |
| Date of Birth  | 23.02.1956  |
| Date of Appointment  | 19.03.2015  |
| Qualification  | B.Com   |
| Experience in specific functional area   | Mr. Kirit Vachhani is having a vast experience in the field of finance, taxation and auditing   |
| Number of Shares held in the Company.  | 6500  |
| Directorship held in other Indian Companies (excluding Directorship in Rajoo Engineers Ltd.  | Nil   |
| Chairperson/ Member of the Committees of the Board of other Companies in which he/she is a Director as on 31st March, 2019 (excluding Rajoo Engineers Limited) | Nil   |

For other details such as the number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Corporate Governance Report which is a part of this Annual Report.

## DIRECTORS REPORT

To,

Dear Shareholders,

Your Directors are pleased to present the 32nd Annual Report along with the audited financial statements of your Company for the financial year ended on 31st March, 2019.

### FINANCIAL SUMMARY AND HIGHLIGHTS:

The summarized financial highlights are depicted below:

| Particulars   | Standalone     |                | Consolidated   |                | (₹ In Lakhs) |
|---|----------------|----------------|----------------|----------------|--------------|
|   | 2018-19        | 2017-18        | 2018-19        | 2017-18        |              |
| <b>OPERATING RESULTS</b>                                  |                |                |                |                |              |
| Sales & other income                                      | 12352.25       | 14732.93       | 13293.86       | 16394.26       |              |
| Profit before interest & depreciation Less :              | 1527.84        | 2193.62        | 1552.35        | 2418.53        |              |
| - Depreciation  | 375.04         | 278.09         | 377.81         | 280.54         |              |
| - Interest  | 227.11         | 98.85          | 228.62         | 99.72          |              |
| <b>Net profit before taxation Less :</b>                  | <b>925.68</b>  | <b>1816.68</b> | <b>945.92</b>  | <b>2038.27</b> |              |
| - Taxation  | 190.99         | 410.77         | 194.53         | 468.36         |              |
| - Mat Credit Entitlement                                  | (43.42)        | -              | (43.42)        |                |              |
| - Deferred tax  | (10.69)        | 199.98         | (9.24)         | 200.80         |              |
| <b>Net profit after taxation</b>                          | <b>788.81</b>  | <b>1205.94</b> | <b>804.05</b>  | <b>1369.11</b> |              |
| Profit for the year attributable to :                     |                |                |                |                |              |
| Owners of the Company                                     | 788.81         | 1205.94        | 804.05         | 1369.11        |              |
| Non Controlling Interest                                  | -              | -              |                | -              |              |
| Other Comprehensive Income                                | (27.07)        | (17.35)        | (26.09)        | (17.35)        |              |
| Total Comprehensive Income                                | <b>761.74</b>  | <b>1188.59</b> | <b>777.96</b>  | <b>1351.76</b> |              |
| <b>Profit for the Year</b>                                | <b>788.81</b>  | <b>1205.94</b> | <b>804.05</b>  | <b>1369.11</b> |              |
| Add: Balance of Profit brought forward from previous year | 3816.23        | 2787.91        | <b>4158.99</b> | 3026.47        |              |
| Add: Prior Year's adjustment (Dividend Paid of Last Year) | -              | (177.62)       | -              | (236.59)       |              |
| <b>Amount available for appropriation</b>                 | <b>4605.04</b> | <b>3816.23</b> | <b>4963.04</b> | <b>4158.99</b> |              |
| Dividend on Equity Shares                                 | 153.83         | 0.00           | 212.80         | 0.00           |              |
| Dividend tax  | 31.62          | 0.00           | 31.61          | 0.00           |              |
| Transfer to General Reserve                               | 0.00           | 0.00           | 0.00           | 0.00           |              |
| Depreciation Adjustment                                   | 0.00           | 0.00           | 0.00           | 0.00           |              |
| Ind As Effect of Leave Encash                             | (4.05)         | 0.00           | (2.23)         | <b>4158.99</b> |              |
| Income Tax Refund   | (9.33)         | 0.00           | (9.33)         | 0.00           |              |
| <b>Balance Profit carried forwarded to Balance sheet</b>  | <b>4432.97</b> | <b>3816.23</b> | <b>4730.18</b> | <b>4158.99</b> |              |

There are no material changes and commitments affecting the financial position of the company between the end of the financial year and the date of this report.

## PERFORMANCE OF YOUR COMPANY

Revenue from operations was Rs. 122.46 crore in FY 2019 as against Rs. 146.50 crore in FY 2018. Profit after Tax was at Rs. 7.88 crore in FY 2019 as against Rs. 12.05 crore in FY 2018.

## DIVIDEND

The Board of Directors is pleased to recommend a dividend of Re. 0.10 per share (i.e. 10%) on the paid up share capital of the Company, subject to approval of members in the ensuing Annual General Meeting. The dividend on equity shares, if approved by the members would involve a cash outflow of Rs. 74.02 lakhs including dividend distribution tax.

## SHARE CAPITAL

Paid-up Equity Share Capital as on 31st March, 2019 was Rs. 6,15,30,750/-. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

## LISTING

The Equity Shares of the Company continue to remain listed on the Bombay Stock Exchange Limited.

## PUBLIC DEPOSIT

The Company has not accepted any deposit within the meaning of Chapter V of the Companies Act, 2013 and the Rules framed there under.

## PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

The Particulars of loans, guarantees and Investments have been disclosed in the Financial Statements.

## SUBSIDIARY & ASSOCIATE COMPANY

Your Company has a 49:51 joint venture with Bausano Holdings SRL, Italy under the name of Rajoo Bausano Extrusion Private Limited to manufacture and market pipe and profile extrusion machinery lines including for wood composite profiles in India, with a special emphasis on Africa, Gulf and SAARC markets.

Rajoo Bausano Extrusion Private Limited is a combination of Rajoo's best in class infrastructure and Bausano's sublime pioneering technology, availability of indigenous raw material and access to the latest technology. Through this unique Joint Venture, customers are offered world class technological products at affordable price levels.

The Consolidated Financial Statement of the Company along with its Associates (Rajoo Bausano Extrusion Private Limited) prepared for the year 2018-19 forms part of this Annual Report.

A Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per Companies act, 2013 is provided in Form AOC-1 as Annexure I.

The Company does not have any subsidiary as on reporting date. During the year under review, company does not have become or ceased to be Company's subsidiaries, joint ventures or associate companies.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 Mr. Utsav Doshi retires by rotation and being eligible has offered himself for re-appointment. Brief particulars of Mr. Utsav Doshi and his expertise in various functional areas is given in the Notice conveying the Annual General Meeting.

NRC considered the Professional qualification [B.E. (Hons.) Mechanical Engineering from Birla Institute of Technology and Science, Pilani] awarded to Mr. Sunil Jain, Director and his practical experience in the fields of his specialization (Especially in Devising and Implementing strategies for developing markets for the Plastic Processing Machines on Global basis) for over thirty three years and that in the opinion of the NRC, Mr. Sunil Jain possess the requisite qualification for practicing as Professional in the Company. Accordingly, on 01.04.2018 Mr. Sunil Jain was designated as Professional Director for the period of three years.

Rajendra Gokaldas Vaja, Ramesh Amrutlal Shah and Kirit Ratanshi Vachhani are eligible for re-appointment as an Independent Directors for a second term. Based on the recommendation of the NRC, their re-appointment for a second term commencing from 20th September, 2019 up to 19th September, 2024 is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

In compliance with Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of all the Directors proposed to be appointed/re-appointed are attached along with the Notice to the ensuing Annual General Meeting.

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

Following are the Key Managerial Personnel of the Company:

1. R. N. Doshi : Chairman & Managing Director
2. Khushboo Chandrakant Doshi: Whole Time Director
3. Utsav K. Doshi: Whole Time Director
4. J. T. Jhalavadia: Chief Financial Officer
5. Vijay Jadeja: Company Secretary

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Act:

(i) that in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors had 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 as at March 31, 2019 and of the profit of the Company for the year ended on that date;

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis;

(v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **NUMBER OF MEETINGS OF THE BOARD**

Fifteen meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

#### **INDEPENDENT DIRECTORS' MEETING AND FAMILIARISATION PROGRAMME**

The Independent Director met on 11th March, 2019 without attendance of Non-Independent Directors and members of the Management. The independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking in to account the views of the Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The details of the program for familiarization of the Independent Directors of the Company are available on the Company's website [www.rajoo.com](http://www.rajoo.com)

## **BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178 (3) of the Companies Act, 2013 is made available on the Company's website [www.rajoo.com](http://www.rajoo.com)

## **BOARD COMMITTEES**

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, CSR Committee, Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

There have been no situations where the Board has not accepted any recommendation of the Audit Committee.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted a CSR Committee and has framed a CSR Policy. The brief details of CSR Committee are provided in Corporate Governance Report. The Annual Report on CSR Activities in prescribed format is enclosed in Annexure II of this report. The policy is available on the website of the Company at <http://www.rajoo.com/csr.html>.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT**

The Management Discussion and Analysis Report, the Business Responsibility Report and the Report on Corporate Governance, as required under the Listing Regulations, forms part of the Annual Report.

## **RISK MANAGEMENT**

Your Company recognizes that Risk as an integral part of business and is committed to minimizing the risk in a pro-active and efficient manner. More details on risk management are covered in the Management Discussion and Analysis forming part of this Annual Report.

## **INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.



#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. An Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year:

No. of complaints received: Nil

No. of complaints disposed off: NA

#### **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013 the extract of Annual return is given in Annexure IV in the prescribed Form MGT-9, which forms part of this report.

#### **RELATED PARTY TRANSACTIONS:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <http://www.rajoo.com/investorszone.html>. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

All contracts/arrangements/transactions entered by the Company during the financial year with the related parties were in ordinary course of business and on an arm's length basis. Your Company had not entered in to any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

#### **SIGNIFICANT AND MATERIAL ORDER**

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future for the year under review.

#### **INSURANCE**

Your Company has taken appropriate insurance for all the assets against foreseeable perils.

#### **AUDITORS & AUDITORS REPORT**

At the Thirty First AGM held on September 25, 2018 the Members approved appointment of M/s. Pankaj K. Shah Associates, Chartered Accountants (Firm Registration No. 107352W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM for a single tenure of 5 years, subject to ratification of their appointment by Members at every AGM, if so required under the Act.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

The statutory Auditor's Report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

## Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has M/s. Maulik Sheth & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2019. The Secretarial Audit Report is annexed as Annexure – V. there were no qualifications, reservations or adverse remarks given by Secretarial Auditor of the Company.

## Cost Audit Report

Your Company has appointed M/s. Shailesh Thaker & Associates, Practicing Cost Accountants to conduct audit of the cost records of the Company for the year ended 31st March, 2020. The Cost Audit Report for the year 2017-18 was filed before the due date with the Ministry of Corporate Affairs.

## Particulars Of Employees

The Disclosure as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure III and forms a part of this report.

## Human Resources And Industrial Relations

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of manager. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

Company believes in the potential of people to go beyond and be the game-changing force for business transformation and success. The Company's Human Resources policies and practices are built on Rajoo Group's core values of Integrity, Passion, Speed, Commitment and Seamlessness. The Company's focus is on recruitment of good talent and retention of the talent pool. The Company is hopeful and confident of achieving the same to be able to deliver results and value for our stakeholders.

## Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

### 1. Conservation of energy

#### (a) Energy conservation measures taken:

The Company has continued its efforts to improve energy efficiency with more vigor and depth. Your Company continually took necessary steps to absorb and adopt the latest technologies and innovations in the Plastic Manufacturing Machines Industry. All machinery and equipment are continuously serviced, updated and overhauled in order to maintain them in good condition. This resulted in consumption of lesser energy consumption. Energy audits and Inter unit studies are carried out on a regular basis for taking steps for reduction of the energy consumption.

#### (b) Steps taken by the Company for utilizing alternate sources of Energy:

As part of its long term sustainability plan, the Company has initiated various steps towards utilizing alternate source/renewable source of energy:

- The company has installed and commissioned 304.64 KW (DC) capacity Solar Power Plant in the state of Gujarat at Village HADAMTALA, Taluka Kotda-Sangani, District Rajkot.
- All efforts are made to use more natural lights in offices/Factory/stores premises to optimize the consumption of energy.

#### (c) The capital investment on energy conservation equipment:

During the year, the Company has invested Rs. 1.54 Cores as capital investment on energy conservation equipment by installing Solar Power Plant.

## 2. Technology absorption

(a) Efforts made towards Technology Absorption:

- The Company continues to adopt and use the latest technologies to improve the productivity and quality of its products.
- The Company has technical collaboration with Commodore LLC., USA, Bausano & Figli, Italy and MEAF Machines B.V. of Netherlands are strategic partners.

(a) Benefits derived like product improvement, cost reduction, product development or import substitution:

Due to integrated facility and infusion of new technology, the Company is in position to offer most energy efficient products to consumers.

## 3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

No Technology was imported for conservation of energy.

## 4. Expenditure on R & D:

(₹ In Lakhs)

| Particulars         | F.Y. 2018-19  | F.Y. 2017-18 |
|---------------------|---------------|--------------|
| Capital Expenditure | 0.00          | 3.51         |
| Revenue Expenditure | 127.02        | 38.73        |
| <b>Total:</b>       | <b>127.02</b> | <b>42.24</b> |

## 5. Foreign Exchange Earnings and Outgo:

(₹ In Lakhs)

| Particulars             | F.Y. 2018-19 | F.Y. 2017-18 |
|-------------------------|--------------|--------------|
| Foreign Exchange earned | 2875.51      | 5809.28      |
| Foreign Exchange used   | 617.12       | 2772.56      |

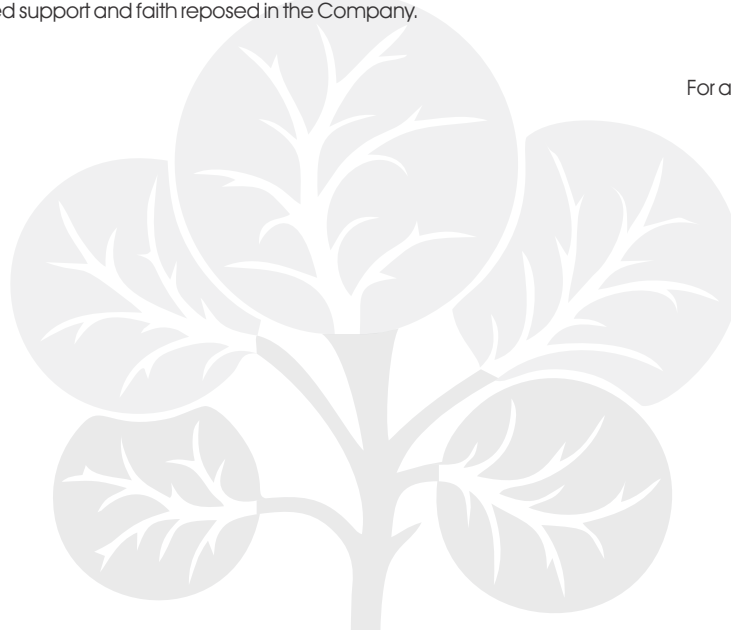
## APPRECIATION:

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, vendors, suppliers, investors and bankers for their continued support and faith reposed in the Company.

Date: 19/05/2019  
Place: Veraval (Shapar)

For and on behalf of the Board of Directors  
**Rajoo Engineers Limited**

**(R. N. DOSHI)**  
Chairman & Managing Director  
(DIN: 00026140)



**ANNEXURE - I**

**Form AOC-1**

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(Amount in Rs.)

| Sr. No. | Name of associates/Joint Ventures  | Rajoo Bausano Extrusion Pvt.Ltd. |
|---------|--|----------------------------------|
| 1       | Latest audited Balance Sheet Date  | 31 March, 2019                   |
| 2       | Shares of Associate/Joint Ventures held by the company on the year end     |                                  |
|         | i. No.   | 1960000                          |
|         | ii. Amount of investment in Associate/Joint Venture                        | 19600000                         |
|         | iii. Extend of holding %   | 49%                              |
| 3       | Description of how there is significant influence                          | Joint Venture Agreement          |
| 4       | Reason why the associate/joint venture is not consolidated                 | Not- applicable                  |
| 5       | Net worth attributable to shareholding as per latest audited Balance Sheet | 100854699                        |
| 6       | Profit/Loss for the year   | 3110613                          |
|         | i. Considered in Consolidation   | 3110613                          |
|         | ii. Not Considered in Consolidated   | Nil                              |

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

Note: Part A of the Annexure is not applicable as the Company does not have any Subsidiary as on 31st March, 2019.

For and on behalf of the Board of Directors

**(R. N. DOSHI)**  
Chairman & Managing Director  
(DIN: 00026140)

**(U. K. DOSHI)**  
Whole Time Director  
(DIN: 00174486)

**(J. T. JHALAVADIA)**  
Chief Financial Officer

**(VIJAY JADEJA)**  
Company Secretary



**ANNEXURE - II**

**ANNUAL REPORT ON CSR ACTIVITIES**

|   |   |   |
|---|---|---|
| 1 | Brief outline of the Company's CSR policy, projects and programs Proposed to be undertaken with web-link to CSR policy and Projects or programs | <p>For us in the Rajoo, reaching out to the underserved communities is part of our HERITAGE.</p> <p>The Company has framed CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare &amp; sustainable development of the society.</p> <p>The Company carried has identified Education, Community health and environmental sustainability as the core sector for CSR Activities.</p> <p>Projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. Details of CSR activities under taken in the current year is available on <a href="http://www.rajoo.com/csr.html">http://www.rajoo.com/csr.html</a></p> |
| 2 | Composition of CSR Committee  | The Company has CSR Committee of Directors comprising of Ms. Khushboo Chandrakant Doshi, Chairman of the Committee, Mr. R. N. Doshi and Mr. Ramesh A. Shah.   |
| 3 | Average Net profits of the company for the last three financial year  | Average Net profits: Rs. 11,66,11,099/-   |
| 4 | Prescribed CSR expenditure (Two Percent of the amount in item no. 3 above)  | Rs. 23,32,221/-   |
| 5 | Details of CSR Spent during the financial year:   | <p>Amount budgeted for the year 2018-19 : Rs. 23,32,221/-</p> <p>Amount spent upto 31.03.2019: Rs. 55,88,796/-</p> <p>Amount Unspent if any : NIL</p>   |



**Manner in which the amount was spent during the Financial Year ended on 31.03.2019**

| Sr. No.       | CSR Project or Activity identified  | Sector in which the project is covered                               | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount Outlay (budget) project or programs wise | Amount spent on the projects or programs subheads : (1) Direct expenditure on projects or programs (2) over heads | Cumulative expenditure up to the reporting period | Amount spent Direct or through implementing agency |
|---------------|---|--|---|---|---|---|--|
| 1             | Donations in form of payment of College fees and School fees of economically backward students.             | Promoting Education  | Veraval Shapar Rajkot Manavadar   | 343690  | 343690  | 343690  | Direct   |
| 2             | Providing health support facilities to the under privileged people by paying their medical expenses.        | Health care and Medical Facilities and Eradicating Malnutritions     | Veraval Shapar Rajkot Manavadar   | 2818955   | 2818955   | 2818955   | Direct   |
| 3             | Donation to Shrutina Foundation   | Old Age Home   | Manavadar   | 2233700   | 2233700   | 2233700   | Direct   |
| 4             | Donation to Jalkranti Trust to build dams and Donation to Sujlam Suflam Jal Abhiyan - Sujlam Yojana 2018-19 | Ensuring environment sustainability and Conserving Natural Resources | Rajkot  | 110000  | 110000  | 110000  | Direct   |
| 5             | Distribution of Food and Nutrient rich milk in the Civil Hospital Rajkot and slum area near Veraval Shapar. | Eradicating Malnutrition and hunger                                  | Rajkot  | 82451   | 82451   | 82451   | Direct   |
| <b>Total:</b> |   |  |   | <b>5588796</b>                                  | <b>5588796</b>  | <b>5588796</b>                                    |  |

**CSR Committee Responsibility Statement**

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

**(R. N. DOSHI)**  
Chairman & Managing Director  
(DIN: 00026140)

**(KHUSHBOO CHANDRAKANT DOSHI)**  
Chairman of CSR Committee  
(DIN: 00025581)

**ANNEXURE - IV**
**Details pertaining to Remuneration as required under Section 197 of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

|  |   |   |   |
|--|---|---|---|
| 1  | The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:   | Mr. R. N. Doshi<br>Mr. Sunil Jain<br>Ms. Khushboo C. Doshi<br>Ms. Utsav K. Doshi  | 31.09<br>20.73<br>16.32<br>13.84                        |
| 2  | The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:  | Mr. R. N. Doshi<br>Mr. Sunil Jain<br>Ms. Khushboo C. Doshi<br>Mr. Utsav K. Doshi<br>Mr. J. T. Jhalavadia, Chief Financial Officer<br>Mr. Vijay Jadeja, Company Secretary  | 4.35%<br>(20.00%)<br>5.00%<br>11.25%<br>7.01%<br>26.71% |
| Note: The Non-executive Directors are not paid any remuneration except sitting fees. |   |   |   |
| 3  | The percentage increase in the median remuneration of employees in the financial year:  | (11.97%)  |   |
| 4  | The number of permanent employees on the rolls of Company as on 31st March, 2019:   | 321   |   |
| 5  | The explanation on the relationship between average increase in remuneration and company performance:   | The reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and drives performance culture. Salary increases during the year were in line with Company's performance as well as per Company's market competitiveness. The increments were also decided based on salaries prevailing in the industry in which company operates.  |   |
| 6  | Comparison of the remuneration of the key managerial personnel against the performance of the Company:  | Average increase in remuneration of Key Managerial Personnel was based partly on the results of the Company for the year ended March 31, 2019 and partly on the individual employee's performance.  |   |
| 7  | Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:       | <b>31.03.2019</b>   | <b>31.03.2018</b>                                       |
|  |   | Market Capitalization: (Rs. in Lacks)   | 18428.46<br>28796.39                                    |
|  |   | PE ratio  | 23.40<br>23.10  |
|  |   | No public offer has been made since   |   |
| 8  | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: | Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 3.14 % whereas the decrease in the managerial remuneration was 2.04%. The average change every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and benchmarking results, the change this year reflects the market practice. |   |



|    |  |   |
|----|--|---|
| 9  | The key parameters for any variable component of remuneration availed by the directors:  | None  |
| 10 | The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: | None  |
| 11 | Affirmation that the remuneration is as per the remuneration policy of the Company:  | Remuneration paid during the year ended March 31, 2019 is as per the Remuneration Policy of the Company.            |
| 12 | Particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:             | There are no employees in the Company drawing remuneration more than Rs. 5 lacs per month or Rs. 60 lacs per annum. |



## DIRECTORS REPORT

### ANNEXURE II

#### EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

#### I) REGISTRATION & OTHER DETAILS:

|   |  |   |   |
|---|--|---|---|
| 1 | CIN  | : | L27100GJ1986PLC009212   |
| 2 | Registration Date  | : | 8/12/1986   |
| 3 | Name of the Company  | : | Rajoo Engineers Limited   |
| 4 | Category/Sub-category of the Company                                       | : | Manufacturer - Extrusion Machinery  |
| 5 | Address of the Registered office & contact details                         | : | Junagadh Road, Manavadar - 362630 Dist : Junagadh. (Gujarat).<br>Phone: +91-97129-62704/52701/32706<br>Email: rel@rajoo.com Web: www.rajoo.com  |
| 6 | Whether listed company   | : | Yes   |
| 7 | Name , Address & contact details of the Registrar & Transfer Agent, if any | : | <b>M/s. Link Intime India Private Limited,</b><br>C-101 , 247 Park, L.B.S. Marg, Vikhroli (West),<br>Mumbai - 400 083<br>Tel No : +91 22 49186270 Fax : +91 22 49186060<br>E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in |

#### II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

| Sr. No. | Name & Description of main Products / services | NIC code of the Products / services | % to total turnover of the company |
|---------|--|-------------------------------------|------------------------------------|
| 1       | Thermoplastic Extrusion Plants                 | 2829                                | 19.83%                             |
| 2       | Post Extrusion Equipments                      | 2829                                | 67.77%                             |
| 3       | Miscellaneous Parts and Equipments             | 2829                                | 12.40%                             |

#### III) PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| Sr. No. | Name & Address of the Company           | CIN/GLN               | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1       | Rajoo Bausano Extrusion Private Limited | U29100GJ2011PTC064143 | Associate                      | 49%              | 2(6)               |

#### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders                          | No. of Shares held at the beginning of the year (01.04.2018) |          |          |                   | No. of Shares held at the end of the year (31.03.2019) |          |          |                   | % change during the year |
|---|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
|   | Demat  | Physical | Total    | % of Total Shares | Demat  | Physical | Total    | % of Total Shares |                          |
| A. Promoters                                      |  |          |          |                   |  |          |          |                   |                          |
| 1. Indian   |  |          |          |                   |  |          |          |                   |                          |
| a) Individual / HUF                               | 40487440   | 0        | 40487440 | 65.80             | 40487440   | 0        | 40487440 | 65.80             | 0.00                     |
| b) Central Govt. or State Govt.                   | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| c) Bodies Corporates                              | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| d) Bank / FI                                      | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| e) Any other                                      | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| Sub Total : (A) (1)                               | 40487440   | 0        | 40487440 | 65.80             | 40487440   | 0        | 40487440 | 65.80             | 0.00                     |
| 2. Foreign  |  |          |          |                   |  |          |          |                   |                          |
| a) NRI-Individuals                                | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| b) Other Individuals                              | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| c) Bodies Corp                                    | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| d) Banks / FI                                     | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| e) Any other                                      | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| Sub Total : (A) (2)                               | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| Total Shareholding of promoter (A)= (A)(1)+(A)(2) | 40487440   | 0        | 40487440 | 65.80             | 40487440   | 0        | 40487440 | 65.80             | 0.00                     |
| B. Public Shareholding                            |  |          |          |                   |  |          |          |                   |                          |
| 1. Institutions                                   |  |          |          |                   |  |          |          |                   |                          |
| a) Mutual Funds                                   | 0  | 3000     | 3000     | 0.01              | 0  | 3000     | 3000     | 0.01              | 0.00                     |
| b) Banks / FI                                     | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| c) Central govt.                                  | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| d) State govt.                                    | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| e) Venture Capital Fund                           | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| f) Insurance Companies                            | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| g) FIIS   | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| h) Foreign Venture Capital funds                  | 0  | 0        | 0        | 0.00              | 0  | 0        | 0        | 0.00              | 0.00                     |
| i) Foreign Portfolio investors                    | 50769  | 0        | 50769    | 0.08              | 200000   | 0        | 200000   | 0.32              | 0.24                     |
| Sub Total : (B) (1)                               | 50769  | 3000     | 53769    | 0.09              | 200000   | 3000     | 203000   | 0.33              | 0.24                     |

Continue...

## 2.Non Institutions

|   |                 |               |                 |               |                 |                |                 |               |               |
|---|-----------------|---------------|-----------------|---------------|-----------------|----------------|-----------------|---------------|---------------|
| a) Bodies Corporate   |                 |               |                 |               |                 |                |                 |               |               |
| - Indian  | 884905          | 11010         | 895915          | 1.46          | 1705637         | 11010          | 1716647         | 2.79          | 1.33          |
| - Overseas  | 0               | 0             | 0               | 0.00          | 0               | 0              | 0               | 0.00          | 0.00          |
| b) Individuals  |                 |               |                 |               |                 |                |                 |               | 0.00          |
| i) Individual shareholders holding nominal share capital up to Rs. 1 lac          | 13871943        | 659866        | 14531809        | 23.62         | 14112893        | 2579160        | 16692053        | 27.13         | 3.51          |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lac | 3537279         | 0             | 3537279         | 5.75          | 510000          | 0              | 510000          | 0.83          | (4.92)        |
| c) Others (HUF)   | 1117964         | 0             | 1117964         | 1.82          | 1122506         | 0              | 1122506         | 1.82          | 0.00          |
| i Clearing members  | 505694          | 0             | 505694          | 0.81          | 245043          | 0              | 245043          | 0.40          | (0.41)        |
| ii Foreign National NRI (REPAT)   | 217639          | 0             | 217639          | 0.35          | 361061          | 0              | 361061          | 0.59          | 0.24          |
| iii Foreign National NRI (NON REPAT)  | 183241          | 0             | 183241          | 0.30          | 193000          | 0              | 193000          | 0.31          | 0.01          |
| <b>Sub Total : (B) (2)</b>  | <b>20318665</b> | <b>670876</b> | <b>20989541</b> | <b>34.11</b>  | <b>18250140</b> | <b>2590170</b> | <b>20840310</b> | <b>33.87</b>  | <b>(0.24)</b> |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                               | <b>20369434</b> | <b>673876</b> | <b>21043310</b> | <b>34.20</b>  | <b>18450140</b> | <b>2593170</b> | <b>21043310</b> | <b>34.20</b>  | <b>(0.00)</b> |
| <b>C. Share held by Custodian for GDRs &amp; ADRs</b>                             | <b>0</b>        | <b>0</b>      | <b>0</b>        | <b>0.00</b>   | <b>0</b>        | <b>0</b>       | <b>0</b>        | <b>0.00</b>   | <b>0.00</b>   |
| <b>Grand Total (A+B+C)</b>  | <b>60856874</b> | <b>673876</b> | <b>61530750</b> | <b>100.00</b> | <b>58937580</b> | <b>2593170</b> | <b>61530750</b> | <b>100.00</b> | <b>0.00</b>   |



## (ii) Share Holding Of Promoters

| Sr. No.      | Particulars                | Shareholding at the beginning of the year (01.04.2018) |                                  |  | Shareholding at the end of the year (31.03.2019) |                                  |  | % change in share holding during the year |
|--------------|----------------------------|--|----------------------------------|--|--|----------------------------------|--|---|
|              |                            | No. of shares  | % of total shares of the company | % of shares pledged encumbered to total shares | No. of shares                                    | % of total shares of the company | % of shares pledged encumbered to total shares |   |
| 1            | RAJESH NANALAL DOSHI       | 2940200  | 4.78                             | 0.00   | 2940200  | 4.78                             | 0.00   | 0.00                                      |
| 2            | NITA KISHOR DOSHI          | 3884600  | 6.31                             | 0.00   | 3884600  | 6.31                             | 0.00   | 0.00                                      |
| 3            | KHUSHBOO C. DOSHI          | 4867042  | 7.91                             | 0.00   | 4867042  | 7.91                             | 0.00   | 0.00                                      |
| 4            | KISHOR NANALAL DOSHI       | 1443000  | 2.35                             | 0.00   | 1443000  | 2.35                             | 0.00   | 0.00                                      |
| 5            | RITA RAJESH DOSHI          | 4513440  | 7.34                             | 0.00   | 4513440  | 7.34                             | 0.00   | 0.00                                      |
| 6            | DEVYANI C. DOSHI           | 5862560  | 9.53                             | 0.00   | 5862560  | 9.53                             | 0.00   | 0.00                                      |
| 7            | UTSAV KISHORKUMAR DOSHI    | 2919372  | 4.74                             | 0.00   | 2919372  | 4.74                             | 0.00   | 0.00                                      |
| 8            | RAJESH NANALAL DOSHI - HUF | 660000   | 1.07                             | 0.00   | 660000   | 1.07                             | 0.00   | 0.00                                      |
| 9            | KRUTI RAJESHBHAI DOSHI     | 3144132  | 5.11                             | 0.00   | 3144132  | 5.11                             | 0.00   | 0.00                                      |
| 10           | PALLAV KISHORBHAI DOSHI    | 4826609  | 7.84                             | 0.00   | 4826609  | 7.84                             | 0.00   | 0.00                                      |
| 11           | CHANDRAKANT N DOSHI - HUF  | 460000   | 0.75                             | 0.00   | 460000   | 0.75                             | 0.00   | 0.00                                      |
| 12           | KISHOR N. DOSHI - HUF      | 324000   | 0.53                             | 0.00   | 324000   | 0.53                             | 0.00   | 0.00                                      |
| 13           | KARISHMA R. DOSHI          | 2933395  | 4.77                             | 0.00   | 2933395  | 4.77                             | 0.00   | 0.00                                      |
| 14           | UTKARSH R. DOSHI           | 1709090  | 2.78                             | 0.00   | 1709090  | 2.78                             | 0.00   | 0.00                                      |
| <b>Total</b> |                            | <b>40487440</b>  | <b>65.81</b>                     | <b>0.00</b>                                    | <b>40487440</b>                                  | <b>65.81</b>                     | <b>0.00</b>                                    | <b>0.00</b>                               |

### CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

There is no change in the Promoters' Shareholding during the Financial Year 2018-19.

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| Sr. No. | For Each of the Directors & KMP | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---------------------------------|---|----------------------------------|---|----------------------------------|
|         |                                 | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |

#### 1 CHAVDA JAWAHARBHAI PETHALJIBHAI

|                            |        |      |        |      |
|----------------------------|--------|------|--------|------|
| At the begning of the Year | 510000 | 0.83 | 510000 | 0.83 |
| Bought during the Year     |        |      |        |      |
| Sold during the Year       |        |      |        |      |
| At the end of the Year     | 510000 | 0.83 | 510000 | 0.83 |

|   |   |        |      |        |      |
|---|---|--------|------|--------|------|
| 2 | <b>SANGEETA PAREEKH</b>                     |        |      |        |      |
|   | At the begning of the Year                  | 200000 | 0.32 | 200000 | 0.32 |
|   | Bought during the Year                      | 0.00   | 0.00 | 0.00   | 0.00 |
|   | Sold during the Year                        | 0.00   | 0.00 | 0.00   | 0.00 |
|   | At the end of the Year                      | 200000 | 0.32 | 200000 | 0.32 |
| 3 | <b>PASSAGE TO INDIA MASTER FUND LIMITED</b> |        |      |        |      |
|   | At the begning of the Year                  | 200000 | 0.32 | 200000 | 0.32 |
|   | Bought during the Year                      | 0.00   | 0.00 | 0.00   | 0.00 |
|   | Sold during the Year                        | 0.00   | 0.00 | 0.00   | 0.00 |
|   | At the end of the Year                      | 200000 | 0.32 | 200000 | 0.32 |
| 4 | <b>BHASKAR N OZA</b>                        |        |      |        |      |
|   | At the begning of the Year                  | 164390 | 0.28 | 164390 | 0.28 |
|   | Bought during the Year                      | 1199   | 0.00 | 0.00   | 0.00 |
|   | Sold during the Year                        | 0.00   | 0.00 | 0.00   | 0.00 |
|   | At the end of the Year                      | 165589 | 0.28 | 165589 | 0.28 |
| 5 | <b>HARSHIDABEN JAWAHARBHAI PANDYA</b>       |        |      |        |      |
|   | At the begning of the Year                  | 160000 | 0.26 | 160000 | 0.26 |
|   | Bought during the Year                      | 0.00   | 0.00 | 0.00   | 0.00 |
|   | Sold during the Year                        | 0.00   | 0.00 | 0.00   | 0.00 |
|   | At the end of the Year                      | 160000 | 0.26 | 160000 | 0.26 |
| 6 | <b>JAWAHAR CHUNILAL PANDYA</b>              |        |      |        |      |
|   | At the begning of the Year                  | 150000 | 0.24 | 150000 | 0.24 |
|   | Bought during the Year                      | 0.00   | 0.00 | 0.00   | 0.00 |
|   | Sold during the Year                        | 0.00   | 0.00 | 0.00   | 0.00 |
|   | At the end of the Year                      | 150000 | 0.24 | 150000 | 0.24 |
| 7 | <b>S RAVINDRA KAMATH</b>                    |        |      |        |      |
|   | At the begning of the Year                  | 131000 | 0.21 | 131000 | 0.21 |
|   | Bought during the Year                      | 0.00   | 0.00 | 0.00   | 0.00 |
|   | Sold during the Year                        | 0.00   | 0.00 | 0.00   | 0.00 |
|   | At the end of the Year                      | 131000 | 0.21 | 131000 | 0.21 |

|    |                                |        |      |        |      |
|----|--------------------------------|--------|------|--------|------|
| 8  | <b>PIYUSH CHHAGANLAL DOSHI</b> |        |      |        |      |
|    | At the begning of the Year     | 128500 | 0.21 | 128500 | 0.21 |
|    | Bought during the Year         | 0.00   | 0.00 | 0.00   | 0.00 |
|    | Sold during the Year           | 0.00   | 0.00 | 0.00   | 0.00 |
|    | At the end of the Year         | 128500 | 0.21 | 128500 | 0.21 |
| 9  | <b>PARESH CHHAGANLAL DOSHI</b> |        |      |        |      |
|    | At the begning of the Year     | 128000 | 0.21 | 128000 | 0.21 |
|    | Bought during the Year         | 0.00   | 0.00 | 0.00   | 0.00 |
|    | Sold during the Year           | 0.00   | 0.00 | 0.00   | 0.00 |
|    | At the end of the Year         | 128000 | 0.21 | 128000 | 0.21 |
| 10 | <b>SMRUTI RAJESH SHAH</b>      |        |      |        |      |
|    | At the begning of the Year     | 124410 | 0.20 | 124410 | 0.20 |
|    | Bought during the Year         | 0.00   | 0.00 | 0.00   | 0.00 |
|    | Sold during the Year           | 0.00   | 0.00 | 0.00   | 0.00 |
|    | At the end of the Year         | 124410 | 0.20 | 124410 | 0.20 |

**(v) Shareholding of Directors and Key Managerial Personnel**

| Sr. No. | For Each of the Directors & KMP                  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No.of shares                              | % of total shares of the company | No.of shares                            | % of total shares of the company |
| 1       | RAJESH N. DOSHI (Chairman and Managing Director) | 2940200                                   | 4.78                             | 2940200                                 | 4.78                             |
| 2       | SUNIL B. JAIN (Whole Time Director)              | 17150                                     | 0.03                             | 17150                                   | 0.03                             |
| 3       | KHUSHBOO C. DOSHI (Whole Time Director)          | 4867042                                   | 7.91                             | 4867042                                 | 7.91                             |
| 4       | UTSAV K. DOSHI (Whole Time Director)             | 2919372                                   | 4.74                             | 2919372                                 | 4.74                             |
| 5       | RAMESH A SHAH (Independent Director)             |   |                                  |   |                                  |
|         | Opening Balance                                  | 1000                                      | 0.00                             | 0.00                                    | 0.00                             |
|         | Transactions during the year                     | 1000                                      | 0.00                             | 0.00                                    | 0.00                             |
|         | Closing Balance                                  | 0.00                                      | 0.00                             | 0.00                                    | 0.00                             |



|    |   |       |      |       |      |
|----|---|-------|------|-------|------|
| 6  | KIRIT R. VACHHANI (Independent Director)  |       |      |       |      |
|    | Opening Balance                           | 7000  | 0.01 | 0.00  | 0.00 |
|    | Transactions during the year              | 500   | 0.00 | 6500  | 0.01 |
|    | Closing Balance                           | 6500  | 0.01 | 6500  | 0.01 |
| 7  | RAJENDRA VAJA (Independent Director)      | 0.00  | 0.00 | 0.00  | 0.00 |
| 8  | LAXMAN R. AJAGIYA (Independent Director)  |       |      |       |      |
|    | Opening Balance                           | 11000 | 0.02 | 0.00  | 0.00 |
|    | Transactions during the year              | 3000  | 0.00 | 8000  | 0.01 |
|    | Closing Balance                           | 8000  | 0.01 | 8000  | 0.01 |
| 9  | J.T. JHALAVADIA (Chief Financial officer) | 22500 | 0.04 | 22500 | 0.04 |
| 10 | VIJAY JADEJA (Company Secretary)          | 0.00  | 0.00 | 0.00  | 0.00 |



## (v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

|  | Secured<br>Loans excluding<br>Deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|--|--------------------|----------|-----------------------|
| <b>Indebtness at the beginning of the financial year</b> |  |                    |          |                       |
| i) Principal Amount                                      | 148822728                              | 2037874            | 0        | 150860602             |
| ii) Interest due but not paid                            | 0                                      | 0                  | 0        | 0                     |
| iii) Interest accrued but not due                        | 0                                      | 0                  | 0        | 0                     |
| <b>Total (i+ii+iii)</b>                                  | <b>148822728</b>                       | <b>2037874</b>     | <b>0</b> | <b>150860602</b>      |
| <b>Change in Indebtedness during the financial year</b>  |  |                    |          |                       |
| Additions  | 2097079796                             | 3948760            | 0        | 2101028556            |
| Reduction  | 2057619570                             | 3854191            | 0        | 2061473761            |
| <b>Net Change</b>  | <b>39460226</b>                        | <b>94569</b>       | <b>0</b> | <b>39554795</b>       |
| <b>Indebtedness at the end of the financial year</b>     |  |                    |          |                       |
| i) Principal Amount                                      | 188282954                              | 2132443            | 0        | 190415397             |
| ii) Interest due but not paid                            | 0                                      | 0                  | 0        | 0                     |
| iii) Interest accrued but not due                        | 0                                      | 0                  | 0        | 0                     |
| <b>Total (i+ii+iii)</b>                                  | <b>188282954</b>                       | <b>2132443</b>     | <b>0</b> | <b>190415397</b>      |

## (vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

| Sr.No | Particulars of Remuneration  | Name of the MD/WTD/Manager |                       |                           |                        | Total Amount    |
|-------|--|----------------------------|-----------------------|---------------------------|------------------------|-----------------|
| 1     | <b>Gross salary</b>  | <b>Mr. R. N. Doshi</b>     | <b>Mr. Sunil Jain</b> | <b>Ms. Khushboo Doshi</b> | <b>Mr. Utsav Doshi</b> |                 |
|       | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 6981624                    | 4800000               | 3659829                   | 3060153                | 18501606        |
|       | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                   | 249561                     | 0                     |                           | 0                      | 249561          |
|       | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961    | 0                          | 0                     | 0                         | 0                      | 0               |
| 2     | Stock option   | 0                          | 0                     | 0                         | 0                      | 0               |
| 3     | Sweat Equity   | 0                          | 0                     | 0                         | 0                      | 0               |
| 4     | Commission as % of profit  | 0                          | 0                     | 0                         | 0                      | 0               |
| 5     | Others, please specify   | 0                          | 0                     | 0                         | 0                      | 0               |
|       | <b>Total (A)</b>   | <b>7231185</b>             | <b>4800000</b>        | <b>3659829</b>            | <b>2706389</b>         | <b>18751167</b> |
|       | <b>Ceiling as per the Act</b>  |                            |                       |                           |                        |                 |

## B. Remuneration to other directors:

| Sl.No | Particulars of Remuneration                    | Name of the Directors |                      |                       |                       | Total Amount    |
|-------|--|-----------------------|----------------------|-----------------------|-----------------------|-----------------|
| 1     | <b>Independent Directors</b>                   | <b>Ramesh Shah</b>    | <b>Rajendra Vaja</b> | <b>Kirit Vachhani</b> | <b>Laxman Ajagiya</b> |                 |
|       | (a) Fee for attending board committee meetings | 0.00                  | 0.00                 | 0.00                  | 0.00                  | 0.00            |
|       | (b) Commission                                 | 0.00                  | 0.00                 | 0.00                  | 0.00                  | 0.00            |
|       | (c) Others, please specify                     | 0.00                  | 0.00                 | 0.00                  | 0.00                  | 0.00            |
|       | <b>Total (1)</b>                               | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>     |
| 2     | <b>Other Non Executive Directors</b>           |                       |                      |                       |                       |                 |
|       | (a) Fee for attending board committee meetings | 0.00                  | 0.00                 | 0.00                  | 0.00                  | 0.00            |
|       | (b) Commission                                 | 0.00                  | 0.00                 | 0.00                  | 0.00                  | 0.00            |
|       | (c) Others, please specify                     | 0.00                  | 0.00                 | 0.00                  | 0.00                  | 0.00            |
|       | <b>Total (2)</b>                               | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>     |
|       | <b>Total (B) (1 + 2)</b>                       | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>     |
|       | <b>Total Managerial Remuneration</b>           |                       |                      |                       |                       | <b>18751167</b> |
|       | <b>Overall Ceiling as per the Act</b>          |                       |                      |                       |                       | <b>0.00</b>     |

## C. Remuneration To Key Managerial Personnel Other Than Md/manager/wtd

| Sl.No | Particulars of Remuneration  | Key Managerial Personnel                      |   |                |
|-------|--|---|---|----------------|
| 1     | <b>Gross Salary</b>  | <b>Company Secretary<br/>Mr. Vijay jadeja</b> | <b>Chief Financial Officer<br/>Mr. J. T. Jhalavadia</b> | <b>Total</b>   |
|       | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 477102  | 836598  | 1313700        |
|       | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | 0   | 0   | 0              |
|       | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       | 0   | 0   | 0              |
| 2     | Stock Option   | 0   | 0   | 0              |
| 3     | Sweat Equity   | 0   | 0   | 0              |
| 4     | Commission as % of profit  | 0   | 0   | 0              |
| 5     | Others, please specify   | 0   | 0   | 0              |
|       | <b>Total</b>   | <b>477102</b>                                 | <b>836598</b>   | <b>1313700</b> |

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2019**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
RAJOO ENGINEERS LTD.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RAJOO ENGINEERS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the RAJOO ENGINEERS LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period).
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period).

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(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

**(vi) As informed to me the following other Laws specifically applicable to the Company as under:**

1. The Air (Prevention and Control of Pollution) Act, 1981
2. The Environment (Protection) Act, 1986
3. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
4. Employees' State Insurance Act, 1948
5. Equal Remuneration Act, 1976
6. The Factories Act, 1948
7. The Industrial Employment (Standing Orders) Act, 1946
8. The Minimum Wages Act, 1948
9. The Payment of Wages Act, 1936
10. The Negotiable Instruments Act, 1881

**I have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from 1st October 2017 and
- (ii) The Listing Agreements entered into by the Company with BSE Limited, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- **Company Yet to Comply with MCA Notification G.S.R. 144(E), dated 21st February, 2019 Regarding e-form ACTIVEINC-22A up to the Date of Report.**
- **It was noted that the Company has complied with the Secretarial Standards to some extent, however the stricter applicability of the Secretarial Standards is to be observed by the Company.**
- **Company being late on some Occasions to Update website as per time limit mentioned in SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The minutes of the Annual General Meeting, Board Meeting, Committee Meetings of the Board were duly signed by the Chairman. All the decisions of the Board were unanimously passed and no dissenting views have been recorded in the Minutes of the Board.

As per Annual Report of the Company, the Company has generally made all the disclosures as required by the Act and Listing Agreement with the Stock Exchange.

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As per records the Company generally filed all the forms, returns documents and resolutions as were required to file with the Registrar of Companies (ROC) with in stipulated time. Further the Company is recommended to take utmost care while filling and filing the forms with MCA.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that based on review of compliance mechanism established by the Company we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

PLACE: RAJKOT  
DATE : 19/05/2019

FOR, MAULIKSHETH & ASSOCIATES

**MAULIK SHETH**  
PROPRITER  
CP NO. 11441  
FCS 10095



## **Annexure To Secretarial Auditors' Report**

To,  
The Members,  
Rajoo Engineers Limited  
Rajoo Avenue,  
Survey No.210, Plot No.1,  
Industrial Area,  
Veraval (Shapar)-360024

Our Secretarial Audit Report for the financial year 31st March 2019 is to be read along with this letter.

### **Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.

### **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### **Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

PLACE: RAJKOT  
DATE : 19/05/2019

FOR, MAULIKSHETH & ASSOCIATES

**MAULIK SHETH**  
PROPRITER  
CP NO. 11441  
FCS 10095



## Management Discussion And Analysis

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company undertaken responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Indian accounting standards [IND AS notified under the Companies (Indian Accounting Standards) rules 2015. The management of Rajoo Engineers Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Rajoo" are to Rajoo Engineers Ltd.

### ECONOMIC OVERVIEW

#### Global Industry

Global plastics volume was estimated at 281,047.96 kilotons in 2016. Over the past years, there has been considerable demand for plastics as replacement for metals and alloys across various industries such as automotive, industrial machinery, packaging and consumer goods. The industry's criticality lies on technology, since ever-increasing requirement of end-user in terms of product specification and versatility gradually tend to overshadow consumption dynamics. Other factors such as feedstock availability, its volatility in prices, production process and social - political events have a significant impact on industry trends.

Packaging, automotive, electrical & electronics, medical devices, agriculture, infrastructure are prime growth application segments for plastics market. On the automotive front, regulations regarding vehicular weight reduction and fuel efficiency have been instrumental in driving plastics demand.

The packaging sector, which is booming at a tremendous rate, is also expected to provide scope for plastics, particularly PE, PP and PET. Advancements in packaging technologies and subsequent development in specifications for plastics in packaging applications shall be a crucial determinant over the future.

The overall industry's growth rate depends upon high potential region such as Asia Pacific, where industrial output is above global average. Due to considerable rise in consumerism that is driven by economic growth, favorable credit landscape, and increased disposable income, countries in Asia particularly India and China have witnessed exponential rise in manufacturing activities. Plastics, which are consumed in the manufacturing of almost every tangible good, are scheduled to gain traction in terms of demand over the future, thus affecting plastics industry

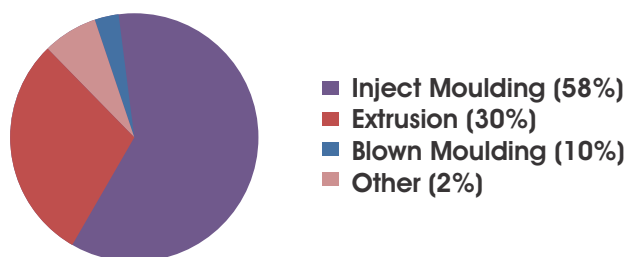
Source : <https://www.grandviewresearch.com/industry-analysis/leather-goods-market>

#### Indian Industry

The global plastic processing machinery market size will grow by USD 2.92 billion during 2018-2022. The increasing adoption of automated machines is driving the plastic processing machinery market. By automating a part of the production process, industrial plants can enhance their performance by reducing the scope of human error and minimizing human resource requirement. Several end-user industries are using automated machines in their production line to enhance plastic processing.

End-user industries are increasingly demanding personalization in automated machines along with optimized flexibility in terms of precision and design. To cater to this growing demand, several companies are offering automated plastic processing machines which can be easily integrated into the production line. These automated machines are equipped with controllers and PLCs which allow easy control through communication protocols in the human-machine interface. Thus, the increasing adoption of automated machines is driving the plastic processing machinery market growth at a CAGR of more than 3% during the forecast period.

### Main Plastics Processing Technologies in India



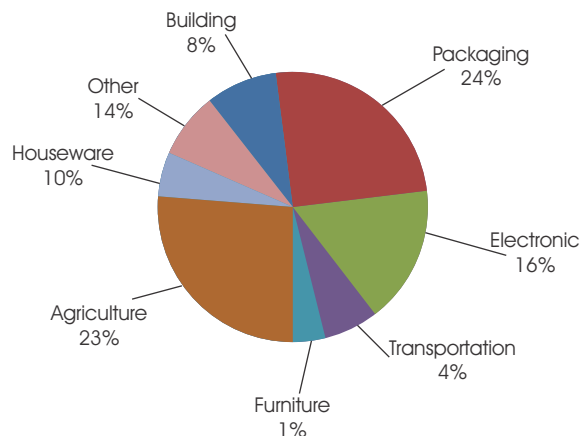
Today Indian Plastic processing sector comprises of over 30,000 units involved in producing a variety of items through injection moulding, blow moulding, extrusion and calendaring. The industry has taken great strides and in the past few decades, the industry has grown to the status of a leading sector in the country with a sizable base.

Despite the fact that India has one of the highest plastics recycling rates in the world (an estimated 47% of all plastics is recycled) the demand for recycled plastics is huge, especially for commodity plastics such as PP, PET, PS, LDPE and HDPE.

The polymers are processed through various types of techniques namely extrusion, injection moulding and blow moulding in order to manufacture the finished products of which extrusion is the most commonly used process. Extrusion process is the most commonly used process in India and accounts for ~65% of total processed output by downstream plastic processing companies. This process is followed mainly to produce Films & Sheets, Fibers & Filaments Pipe and other miscellaneous applications.

Injection molding is the second most popular process accounting for ~30% of the processed output and is used for Industrial Injection Moulding, Household Injection Moulding and Thermoware / Mould edluggage. Blow molding process, used for manufacturing Bottles, containers, Toys and Housewares, and Rotomoulding, used for manufacturing large circular tanks such as water tanks, both accounts for the remaining ~5% of the processed output. The industry produces and exports a wide range of plastic products and raw materials like, plastic moulded extruded goods, polyester films, moulded / soft luggage items, writing instruments, plastic woven sacks and bags, polyvinyl chloride (PVC), packaging, consumer goods, sanitary fittings, electrical accessories, laboratory/medical surgical ware, tarpaulins, laminates, fishnets, travel ware, and others.

### Plastics Consumption By Application (India)



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The Indian plastics industry made a promising beginning in 1957 with the production of polystyrene. Thereafter, significant progress has been made, and the industry has grown and diversified rapidly. The industry spans the country and hosts more than 2,000 exporters. It employs about 4 million people and comprises more than 30,000 processing units, 85-90 percent of which are small and medium-sized enterprises

- During April-October 2018, plastics export from India stood at US\$ 3.47 billion out of which exports of raw plastic material stood at US\$ 2.62 billion.
- During April-October 2018, top five importers of Indian plastic products were China (US\$ 553.42 million), US (US\$ 234.76 million), Italy (US\$ 188.31 million), Bangladesh PR (US\$ 168.33 million) and UAE (US\$ 159.02 million).
- The Indian plastics industry produces and exports a wide range of raw materials, plastic-moulded extruded goods, polyester films, moulded / soft luggage items, writing instruments, plastic woven sacks and bags, polyvinyl chloride (PVC), leather cloth and sheeting, packaging, consumer goods, sanitary fittings, electrical accessories, laboratory / medical surgical ware, tarpaulins, laminates, fishnets, travel ware, and others.
- The Indian plastics industry offers excellent potential in terms of capacity, infrastructure and skilled manpower. It is supported by a large number of polymer producers, and plastic process machinery and mould manufacturers in the country.

During the year, certain states in India implemented a ban on single use plastic products that affected the entire plastic industry at large. This ban resulted in an overall negative sentiment across the industry that caused a significant decline across entire value chain.

Source: <http://ficci.in/spdocument/20872/report-Plastic-Infrastructure-2017-ficci.pdf>, <http://www.bpf.co.uk/article/the-plastics-industry-in-india-an-overview-446.aspx>  
<https://www.ibef.org/exports/plastic-industry-india.aspx>, <https://www.technavio.com/report/global-plastic-processing-machinery-market-analysis-share-2018>, <https://toxicslink.org/docs/Full-Report-Plastic-and-the-Environment.pdf>

### About Rajoo Engineers Limited

Based in Rajkot, Rajoo Engineers Limited, having made a modest beginning in 1986, has today emerged as an undisputed global player in blown film and sheet extrusion lines. Owing to its focused efforts in blown film and sheet extrusion lines, the Company enjoys premium market position in this segment. Being a technology driven Company, product innovations, world-class quality, state-of-the-art workmanship, increased energy efficiency and high levels of sophistication and automation have become the hallmark of Rajoo products during all these years, positioning the Company's products on a global platform, competing with the established world leaders. With representations in many countries of the world and customers in over 60 countries, the Company's exports have multiplied after its debut in the international market in 1990.

### Strong & Diverse Product Portfolio

- FOILEX – Monolayer Blown Film Lines
- AQUAFLEX - Downward Extrusion Blown Film Lines
- LABEX - Lab Equipment
- MULTIFOIL- Multilayer Blown Film Lines
- LAMINA - Mono & multilayer sheet lines
- HEPTAFOIL - Seven-layer Co-Extruded Blown Film Line
- LAMEX - Extrusion Coating & Lamination Line
- DISPOCON - Thermoforming, Foam Vacuum Forming
- MULTIFOIL –X - Cross lamination machines

### Strategic Partnerships

- **Kohli Industries** – Alliance between Rajoo Engineers and Kohli Industries has changed the market dynamics for Extrusion Coating and Lamination Machines
- **MEAF** - Technical collaboration with MEAF Machines B.V. of Netherlands, globally acclaimed Company in business of sheet extrusion with inline offline thermoforming equipment and thermoforming machinery since 1947
- **Tekni-Plex, Inc.** (Commodore LLC., USA) - Technical collaboration with leading world player Tekni-Plex, Inc formally known as Commodore LLC., USA since 2007 and is the first Indian Company to introduce XPS foamed sheet lines and Thermoformers in India

- Bausano&Figli, Italy - Joint Venture with Bausano&Figli, Italy for plastic pipe manufacturing machines, granulation machines and WPC extrusion machines in India since 2011
- Wonderpack, India – Merger of Wonderpack with Rajoo. A unified approach for benefit of thermoforming industry since 2010

## FINANCIAL OVERVIEW

The financial performance of the Company for the year ended March 31st, 2019, is as follows:

Total revenue from operations at Rs. 122.46crore for the year ended March 31, 2019, as against Rs.146.51 crore for the corresponding previous period, a decline of 16.41%.A decline in sales was witnessed in the second half of the year due to some of the orders being put on hold by clients on account of ban on single use plastics by some state governments, which resulted in poor market sentiments. This reduced the order flow also as compared to previous year.

The EBITDA (earnings before interest, depreciation and tax, excluding other income) was Rs. 14.22crore for the year ended March 31, 2019, as against

Rs. 21.11 crore for the corresponding previous period, a decrease of 32.66%.This was mainly due to revenue drop and increase in percentage of low value machines which increased material cost.

EBITDA margin decreased to 11.61% in FY19 from 14.41% in FY18.

Net Profit was at Rs. 7.62 crore in FY19 as against Rs. 11.89 crore in FY 18, YoY drop of 35.91%. The interest cost increased due to higher working capital utilization on account of some high value-added machines were manufactured but delayed in lifting due to lack of readiness from the customer's side.

Net Profit margin decreased to 6.22% in FY19 from 8.11% in FY18

EPS declined by 36.95% to Rs. 1.28 in FY19 from Rs. 2.03 in FY18

The Board of Directors has recommended, subject to the shareholders' approval, a final dividend at 10% i.e. Rs. 0.10 per equity share for the financial year ended March 31, 2019

## RESOURCES AND LIQUIDITY

As on March 31, 2019, the standalone Networth stood at Rs. 66.05 crore and the total debt was at Rs. 17.46 crore.

The cash and cash equivalents at the end of March 31, 2019 were Rs. 1.57 crore.

The net debt to equity ratio of the Company stood at 0.24 as on March 31, 2019.

## Segment wise Business Performance

The Company is operating in one segment only i.e. Plastic extrusion machines specifically film and sheet extrusion. As compared to other players in this segment, your Company continues to be among the top performers in terms of growth in sales and profits and market share.

## ACHIEVEMENTS IN BUSINESSES DURING THE YEAR:

- The alliance created between Rajoo Engineer and Kohli Industries (leaders in rotogravure printing and laminating machines) for the flexible packaging industry, has comprehended the industry need and both companies joined hands to create a formidable alliance to build and maintain one of the most advanced and versatile Extrusion Coating and Lamination machines.
- The Company unveiled Extrusion Coating and Lamination machine as post extrusion process to substitute conventional adhesive lamination process for producing laminate for various packaging applications.
- Participated at Indiaplast: Rajoo demonstrated four technologically advanced machines live at Indiaplast event. These machines are expected to have deep ramifications in the extrusion and thermoforming market.

- Rajoo Innovation Centre (RIC) provides access to newer technologies incubated inside the center, it offers additional resource to those who may have exhausted their existing capacities and offers customers an opportunity to conduct trials and develop newer products.
- Rajoo raises the bar of workmanship performance and quality with adding four new 5 axis machines which are technologically advanced machine tools that employ precise machining technology to produce extremely high-quality components with precision and repeatability. The digitally designed complex components are seamlessly transposed to these machine tools directly, eliminating the need for human intervention and related errors.
- The Company launched Twin-screw sheet extrusion system with focus on using PET bottle flakes for producing PET sheet for a host of established and proven packaging applications. The concept of using Pet bottle flex for semi rigid packaging is also in line with the objective of Swatchh Bharat Abhiyan and sustainability.

## **RISKS AND CONCERNS**

Like every business, the company faces risks, both internal and external, in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives. A detailed policy drawn up and dedicated risk workshops are conducted for each business vertical and key support functions wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the organization. The risk registers are also reviewed from time to time.

The Company faces the following Risks and Concerns:

### **Credit Risk**

To manage its credit exposure, Rajoo has determined a credit policy with credit limit requests and approval procedures. Company does its own research of client's financial health and project prospects before bidding for a project. Timely and rigorous process is followed up with clients for payments as per schedule. The company has suitably streamlined the process to develop a focused and aggressive receivables management system to ensure timely collections.

### **Interest Rate Risk**

The Company has judiciously managed the debt-equity ratio. It has been using a mix of loans and internal cash accruals. The Company has well managed the working capital to control overall interest cost.

### **Competition Risk**

This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational companies. The Company has created strong differentiators in project execution, quality and delivery which make it resilient to competition. Furthermore, the Company continues to invest in technology and its people to remain ahead of the curve. A strong, stable client base consisting of large and mid-sized corporations further helps to insulate the Company from this risk. We counter this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. Thus, we do not expect to be significantly affected by this risk.

### **Input Cost Risk**

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. Some of the risks that are potentially significant in nature and need careful monitoring are Raw Materials prices, availability of Power etc.

### **Liability Risk**

This risk refers to our liability arising from any damage to cargo, equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

## OPPORTUNITIES

### Technology Trends

- Innovation in raw materials such as Nano-composite reinforcing agents and bio-degradable polymers
- Plastics are replacing wood, metals, natural rubber and other expensive engineered plastics

### Regulatory Trends

- Increasing emphasis on safe, odour-free, sustainable and green materials
- Stringent CO2 emissions regulations and guidelines especially in automotive industry

### Raw Material Trends

- The fluctuation in the price of crude oil or natural gas has an impact on plastic industry
- Plastic additives market to register highest growth in packaging and automotive applications

### Application Trends

- Increasing demand for lightweight materials replacing glass, rubber and wood in numerous applications is driving plastics market
- Replacement of heavy metals in dyes and pigments applications by plastics

### Supplier Power

- Factors such as presence of few supplier and large number of buyers are leading to greater supplier power
- Multiple plastics applications have spurred higher product variety demand

## THREATS

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Credit squeeze on lending by NBFCs
- Input Cost risk
- Attraction and retention of human capital
- Technological Advancements

The most critical, challenges that Indian plastic industry is facing today is the "image of plastics" and unmindful ban on some plastic products in some states in India. Some of the myths perpetuated about plastics are:

- Feared as being toxic
- Could be health hazards
- Maybe harmful to the soil
- Could cause acid rain
- Is not environment friendly
- Has high carbon foot print

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The Company also implemented effective systems for achieving highest level of efficiency in operations, to achieve optimum and effective utilization of resources, monitoring thereof and the compliance with provisions all laws including the Companies Act, 2013, Listing Agreement, directions issued by the Securities and Exchange Board of India, labour laws, tax laws etc. It also aimed at improvement in financial management, and investment policy. The System ensures appropriate information flow to facilitate effective monitoring. The internal audit system also ensures formation and implementation of corporate policies for financial reporting, accounting, information security, project appraisal, and corporate governance. A qualified and independent Audit Committee of the Board of Directors also reviews the internal control system and its impacts on improvement of overall performance of the Company.

## HUMAN RESOURCES

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity; to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. Industrial relations are cordial and satisfactory.

## OUTLOOK

The International Monetary Fund (IMF) in its latest World Economic Outlook update retained its GDP growth forecast for India at 7.4% in 2018 and further projected it to grow by 7.8% in 2019. India once again is estimated to win the tag of the world fastest growing economy in 2018 and 2019 which it lost temporarily to China in 2017. The global economic growth estimate was revised to 3.8% in 2017, which is 0.2 percentage points higher than its October estimates and to 3.9% each in 2018 and 2019, 0.2% percentage point higher. GDP growth gaining momentum in India, US, Middle East region, and Brazil, amongst others, supported the upwards revision GDP growth estimate in 2018.

Plastic have significantly penetrated in all aspects of our life owing mainly to its ability to sustain itself in the nature for long period of time as compared to other commercial materials. By, virtue of their superior characteristics, plastics are replacing various metals and traditional materials almost in all applications. It is necessary to understand the positive role of plastics are playing and could continue to play in improving the quality of life of citizen. Automotive has the highest penetration among all segments of plastics. Increasing incorporation of plastics as opposed to metals & alloys in automotive components has been a major factor for the application's growth. Over the recent past, there has been a considerable rise in automotive production, which is largely driven by growth of the industry and manufacturing landscape of emerging markets.

India has established a strong position in global flexible packaging trade, rising to become a leading exporter. This ascension of Indian flexible packaging industry in global market can be attributed to the ability to produce at lower cost while maintaining quality standard. Value of flexible packaging products exported from India have increased from less than INR 3 Bn in FY 2000 to over INR 30 Bn in FY 2018. This growth in exports has been aided by a weak rupee, which has been depreciating steadily in the past few months. Thus, high potential application segment with moderate penetration is packaging. Plastics have been an integral part of packaging industry.

The overall industry's growth rate depends upon high potential region such as Asia Pacific, where industrial output is above global average. Due to considerable rise in consumerism that is driven by economic growth, favorable credit landscape, and increased disposable income, countries in Asia particularly India and China have witnessed exponential rise in manufacturing activities. Plastics, which are consumed in the manufacturing of almost every tangible good, are scheduled to gain traction in terms of demand over the future, thus affecting plastics industry.





## Report on Corporate Governance

### I COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of all stakeholders. It is not a mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion. At Rajoo, we feel proud to belong to a Company whose visionary founder Mr. Chandrakant Doshi, laid the foundation stone for good governance long back and made it an integral principle of the business.

Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. As a good corporate citizen, the Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

### ii BOARD OF DIRECTORS:

#### Governance Structure

The Corporate Governance structure at Rajoo is as follows:

**Board of Directors:** The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

**Committee of the Board:** The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee Each of the said Committee has been mandated to operate within a given framework.

#### Composition and category of Directors

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial and Marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

i. As on 31st March, 2019 the Company's Board consists of Eight Directors. There are Four Executive Directors and Four Non-Executive Independent Director on the Board of the Company. The Chairman and Managing Director of the Board is an Executive Director. The profiles of the Directors can be found on <https://www.rajoo.com/thecorporate.html#left-tab4>. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

ii. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors.

iii Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

iv Fifteen Board Meetings were held during the year under review. The dates and notices along with detailed agenda were fixed / issued well in advance in compliance with the Secretarial Standards. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

The said meetings were held on:

1st April, 2018, 21st April, 2018, 30th April, 2018, 18th May, 2018, 27th May, 2018, 13th June, 2018, 1st July, 2018, 10th August, 2018, 13th September, 2018, 25th September, 2018, 2nd November, 2018, 19th December, 2018, 1st February, 2019, 15th February, 2019 and 5th March, 2019.

v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

| Name of the Director                            | Category             | Number of Board Meeting held during the year 2018-19 |          | Whether attended last AGM held on September 25, 2018 | Number of Directorship in other Public Limited Companies | Number of Committee position held in other public Limited Companies |        |
|---|----------------------|--|----------|--|--|---|--------|
|   |                      | Held   | Attended |  |  | Chairman  | Member |
| Mr. R. N. Doshi<br>Chairman & Managing Director | Executive Director   | 15   | 15       | Yes  | 01   | -   | -      |
| Ms. Khushboo Doshi                              | Executive Director   | 15   | 15       | Yes  | -  | -   | -      |
| Mr. Sunil Jain                                  | Executive Director   | 15   | 04       | Yes  | -  | -   | -      |
| Mr. Utsav K. Doshi                              | Executive Director   | 15   | 15       | Yes  | -  | -   | -      |
| Mr. Ramesh Shah                                 | Independent Director | 15   | 04       | Yes  | -  | -   | -      |
| Mr. Rajendra Vaja                               | Independent Director | 15   | 06       | Yes  | -  | -   | -      |
| Mr. Kirit Vachhani                              | Independent Director | 15   | 14       | Yes  | -  | -   | -      |
| Mr. Laxman Rudabhai Ajagiya                     | Independent Director | 15   | 04       | Yes  | -  | -   | -      |

The Companies Act, 2013 read with relevant Rules made thereunder, facilitates the participation of Director in the Board/Committee meeting through video conferencing or other audio mode. However none of the Directors have availed such a facility.

During FY 2019, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Terms and Conditions of Independent directors' appointment are available in Company's website at <http://www.rajoo.com/investorszone.html>

vi During the year under review, separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 11th March, 2019 to review the performance of Non-Independent Directors and the Board as a whole; to review the performance of the Chairman of the Company and Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties as required under Schedule IV of the Companies Act, 2013 and Listing Regulations. The meeting was attended by all the Independent Directors.

vii. The Board has identified the following skill set with reference to its Business and Industry which are currently available with the Board:

| <b>Name of the Director</b> | <b>Expertise in specific functional area</b>   |
|-----------------------------|--|
| Mr. R. N. Doshi             | Entrepreneur, Business and Corporate Planning and Strategy. Experience in managing companies and associations including general management   |
| Ms. Khushboo Doshi          | Marketing, Advertising and Media. Experience in human resources and communication.   |
| Mr. Sunil Jain              | Mr. Sunil Jain has vast experience in the field of flexible packaging and international marketing.   |
| Mr. Utsav K. Doshi          | Expertise in the field of science and technology given the Company's focus on research and innovation as well as knowledge in the field of Information Technology and digitalisation.                                |
| Mr. Ramesh Shah             | Relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including environment, sustainability, community and values. Having multiple geography and cross-cultural experience. |
| Mr. Rajendra Vaja           | has expertise in Finance, Banking, monitoring of control systems and corporate restructuring.  |
| Mr. Kirit Vachhani          | Has expertise in Capital Markets, Investment Banking and Corporate Banking.  |
| Mr. Laxman Rudabhai Ajagiya | has expertise in fund mobilization, investments, evaluation of mergers and acquisitions, strategic planning and capital structuring.   |

### III. COMMITTEES OF THE BOARD:

There are five Board Committees as on 31st March, 2019 are as follows:

| Name of the Committee  | Extract of Terms of Reference  | Category and Composition  |                            | Other Details  |
|------------------------|--|---|----------------------------|--|
|                        |  | Name  | Category                   |  |
| <b>Audit Committee</b> | Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.                   | Kirit Vachhani (Chairman)                                       | Independent, Non-Executive | -Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and internal auditors to be present at its meetings. |
|                        | -Oversight of financial reporting process.   | Rajendra Vaja   | Independent, Non-Executive |  |
|                        | -Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.              | Ramesh Shah   | Independent, Non-Executive |  |
|                        | -Evaluation of internal financial controls and risk management systems.  | Laxman Ajagiya  | Independent, Non-Executive | -The meetings of Audit Committee are also invites as special invitees, Chief Financial Officer and Internal Auditor. The Company Secretary acts as the Secretary to the audit committee.                               |
|                        | -Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.   | Company Secretary acts as the Secretary to the Audit Committee. |                            | -Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.   |
|                        | -Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.                           |   |                            | -The minutes of each Audit Committee meeting are placed in the next meeting of the Board.  |
|                        | -Reviewing, with the management, the quarterly financial statements before submission to the board for approval;                                       |   |                            | -The previous AGM of the Company was held on 25th September, 2018 and was attended by Mr. Kirit Vachhani, Chairman of the Audit Committee.   |
|                        | -Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company; |   |                            |  |
|                        | -Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;   |   |                            |  |
|                        |  |   |                            |  |

#### Number of Meetings Held and Attendance:

Four audit committee meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. All the members have attended all the meetings of Audit Committee.

Continue...

| Name of the Committee                            | Extract of Terms of Reference   | Category and Composition  |                                     | Other Details  |
|--|---|---------------------------|-------------------------------------|--|
|  |   | Name                      | Category                            |  |
| <b>Stakeholders' Relationship Committee</b>      | Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.   | Ramesh Shah<br>(Chairman) | Independent, Non-Executive          | -The Committee specifically redressed the shareholders grievances pertaining to share transfers, non-receipts of annual reports, non- receipt of declared dividend and other allied complaints.  |
|  |   | Kirit Vachhani            | Independent, Non-Executive          |  |
|  | -Consider and resolve the grievances of security holders.   | Rajendra Vaja             | Independent, Non-Executive          | -A total of 19 correspondences were received from investors during 2018-19, of which 6 cases were reported as complaints, same have been subsequently replied to the satisfaction of shareholders but 2 are pending as on 31st March, 2019 due to incomplete documents submission by shareholders. |
|  | -Consider and approve issue of share certificates, transfer and transmission of securities, etc.  | Laxman Ajagiya            | Independent, Non-Executive          |  |
|  | -Evaluating performance and service standards of Registrar and Share Transfer Agent of the Company.   |                           |                                     |  |
| <b>Corporate Social Responsibility Committee</b> | -Recommend methods to upgrade the standard of services to investor.   |                           |                                     | <b>Number of Meetings Held and Attendance:</b>   |
|  | Name, designation and address of Compliance Officer:  |                           |                                     |  |
|  | Mr. Vijay Jadeja<br>Compliance Officer<br>Rajoo Avenue, Survey No. 210, Plot No. 1, Industrial Area,<br>Veraval (Shapar) Rajkot Ph. No.: +91 97129 52701/97129 62704/97129 32706<br>The Company's dedicated e-mail address for Investors' Complaints and other communications is <a href="mailto:compliances@rajoo.com">compliances@rajoo.com</a> |                           |                                     | Four Stakeholders Relationship Committee Meetings were held during the year. All the members have attended all the meetings of Stakeholders' Relationship Committee.   |
|  | Committee is constituted in line with the provisions of Section 135 of the Act.   | Khushboo Chandrakant      | Whole Time Director                 | -The CSR Charter and the CSR Policy of the Company is available on our website, <a href="http://www.rajoo.com/csr.html">http://www.rajoo.com/csr.html</a> .  |
|  | -Formulate and recommend to the board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.  | Doshi<br>(Chairman)       |                                     |  |
|  | -Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.  | Rajesh Nanalal Doshi      | Chairman & Managing Director        | -The CSR report for the year ended March 31, 2019 is attached as Annexure I to the Directors' Report.  |
|  | -Monitor the CSR Policy.  | Ramesh Amrutlal Shah      | Independent, Non-executive Director |  |
|  |   |                           |                                     | <b>Number of Meetings Held and Attendance:</b>   |
|  |   |                           |                                     | Four CSR Committee meetings were held during the year. All the members have attended all the meetings of Audit Committee.  |

Continue...

| Name of the Committee                        | Extract of Terms of Reference  | Category and Composition |                            | Other Details   |
|--|--|--------------------------|----------------------------|---|
|  |  | Name                     | Category                   |   |
| <b>Nomination and Remuneration Committee</b> | Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.<br>-Recommend to the Board the setup and composition of the Board and its committees. | Ramesh Shah (Chairman)   | Independent, Non-Executive | -The company does not have any Employee Stock Option Scheme.<br><br>-Committee has conducted the Performance Evaluation of the Directors for the financial year 2018-19.  |
|  |  | Kirit Vachhani           | Independent, Non-Executive |   |
|  |  | Rajendra Vaja            | Independent, Non-Executive |   |
|  | -Recommend to the Board the Appointment/Re-appointment of Directors and Key Managerial Personnel.  |                          |                            | <b>Number of Meetings Held and Attendance:</b><br><br>Four Nomination and Remuneration Committee Meetings were held during the year. All the members have attended all the meetings of Nomination and Remuneration Committee. |
|  | -Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.                              |                          |                            |   |
|  | -Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of employees   |                          |                            |   |
|  | -Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning.    |                          |                            |   |

#### Remuneration Policy:

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The remuneration policy supports such mobility through pay models that are compliant to local regulations. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective July 1, each year. The Remuneration policy is available on the website of the Company. [https://www.rajoo.com/pdf/Codes\\_and\\_Policies/NOMINATION-AND-REMUNERATION-POLICY.pdf](https://www.rajoo.com/pdf/Codes_and_Policies/NOMINATION-AND-REMUNERATION-POLICY.pdf)

#### Remuneration of Executive and Non-Executive Directors:

Non-Executive Directors are paid sitting fees for attending the meetings of the Board/ Committee within the limits as prescribed under the Companies Act, 2013. The sitting fees are fixed from time to time by the Board on the recommendations of the Nomination and Remuneration Committee.

**Remuneration paid to Executive Directors during 2018-19:**

| Name of Director                                   | Category             | Salary<br>(Rs. per annum)<br>(Incl. PF) | Benefits<br>Perquisites and<br>allowances | Sitting Fees | Shareholding<br>at the end of<br>the year<br>(31.03.2019) |
|--|----------------------|---|---|--------------|---|
| Mr. R. N. Doshi<br>Chairman &<br>Managing Director | Executive Director   | 6981624                                 | 249561                                    | Nil          | 2940200   |
| Mr. Sunil B. Jain                                  | Executive Director   | 4800000                                 | Nil                                       | Nil          | 17150   |
| Ms. Khushboo C. Doshi                              | Executive Director   | 3659829                                 | Nil                                       | Nil          | 4867042   |
| Mr. Utsav K. Doshi                                 | Executive Director   | 3060153                                 | Nil                                       | Nil          | 2919372   |
| Mr. Ramesh A. Shah                                 | Independent Director | Nil                                     | Nil                                       | Nil          | -   |
| Mr. Rajendra vaja                                  | Independent Director | Nil                                     | Nil                                       | Nil          | -   |
| Mr. Kirit Vachhani                                 | Independent Director | Nil                                     | Nil                                       | Nil          | 6500  |
| Mr. Laxman Ajagiya                                 | Independent Director | Nil                                     | Nil                                       | Nil          | 8000  |
| <b>Total</b>                                       |                      | <b>18501606</b>                         | <b>249561</b>                             |              |   |

**Board and Director evaluation and criteria for evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared.

The report of performance evaluation was then discussed and noted by the Board. The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**IV. GENERAL BODY MEETINGS:**

- i. The details of the last three Annual General Meetings are as follows:

| Financial Year | Date                 | Time       | Venue  |
|----------------|----------------------|------------|--|
| 2017-2018      | 25th September, 2018 | 11:00 a.m. | Junagadh Road, Manavadar, District Junagadh. |
| 2016-2017      | 18th September, 2017 | 11:00 a.m. | Junagadh Road, Manavadar, District Junagadh. |
| 2015-2016      | 26th September, 2016 | 11:00 a.m. | Junagadh Road, Manavadar, District Junagadh. |

- ii. One Extra-ordinary General Meeting of the Members was held during the year 2018-19 on 29th July, 2018 at 11.00 a.m. to appoint M/s. Pankaj K. Shah Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 107352W), as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. N. R. Dhaduk & Co., Chartered Accountants, Rajkot.

iii. During the year under review, no special resolution has been passed through the exercise of postal ballot.

iv. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

Details of Special Resolutions passed in the immediately preceding three AGMs:

| AGM  | Particulars of Special Resolutions passed thereat   |
|------|---|
| 31st | <ul style="list-style-type: none"> <li>- Increase in the remuneration payable to Mr. R. N. Doshi, Chairman and Managing Director of the Company.</li> <li>- Increase in the remuneration payable to Ms. Khushboo Chandrakant Doshi, Whole Time Director of the Company.</li> <li>- Increase in the remuneration payable to Mr. Utsav Kishorbhai Doshi as Whole Time Director of the Company.</li> </ul>   |
| 30th | <ul style="list-style-type: none"> <li>- Increase in the remuneration payable to Mr. R. N. Doshi, Chairman and Managing Director of the Company.</li> <li>- Increase in the remuneration payable to Mr. Sunil Jain, Whole Time Director of the Company.</li> <li>- Re-appointment of Mr. Sunil Jain, as Whole-time Director of the Company.</li> <li>- Increase in the remuneration payable to Ms. Khushboo Chandrakant Doshi, Whole Time Director of the Company.</li> <li>- Appointment of Utsav Kishorbhai Doshi as Whole Time Director of the Company.</li> <li>- Amendment of incidental object clause of the MOA.</li> <li>- Deletion of the Other Object clause of the MOA.</li> </ul> |
| 29th | <ul style="list-style-type: none"> <li>- Appointment of Utsav Doshi as Executive Director of the Company.</li> <li>- Re-appointment of Mr. R. N. Doshi, as Chairman and Managing Director of the Company Executive Director of the Company.</li> <li>- Re-appointment of Mr. Sunil Jain, as Whole-time Director of the Company.</li> <li>- Re-appointment of Ms. Khushboo Chandrakant Doshi, as Whole-time Director of the Company.</li> <li>- Approval to keep Register and Returns at Head Office of the Company.</li> </ul>  |

VI. A total of ₹1.50 lakhs was paid for all the services to M/s. Pankaj K. Shah Associates, Chartered Accountants (Firm Registration No. 107352W), Statutory Auditors of the Company.

## VII. OTHER DISCLOSURE:

| Particulars  | Regulations                                   | Details  | Website link for details/policy   |
|--|---|--|---|
| Related Party Transaction Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years. | Regulation 24 of the SEBI Listing Regulations | There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company. | <a href="https://www.rajoo.com/pdf/Codes_and_Policies/RAJOO_RELATED_PARTY_TRANSACTION_POLICY.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/RAJOO_RELATED_PARTY_TRANSACTION_POLICY.pdf</a> |

Continue...



| Particulars   | Regulations  | Details   | Website link for details/policy   |
|---|--|---|---|
| Vigil Mechanism / Whistle Blower Policy                             | Schedule V (C) 10(b) to the SEBI Listing Regulations | Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee.   | <a href="https://www.rajoo.com/pdf/Whistle_Blower_Policy.pdf">https://www.rajoo.com/pdf/Whistle_Blower_Policy.pdf</a>   |
| Details of Adoption on Non - Mandatory (Discretionary) Requirements | Schedule II Part E of the SEBI Listing Regulations   | <ul style="list-style-type: none"> <li>- The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.</li> <li>- The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.</li> <li>- There are no modified opinions in audit report.</li> </ul> <p>In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.</p> |   |
| Policy for determining Material Subsidiaries                        | Regulation 24 of the SEBI Listing Regulations.       | The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company.   | <a href="https://www.rajoo.com/pdf/Codes_and_Policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARY.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARY.pdf</a>                         |
| Policy on Determination of Materiality for Disclosures              | Regulation 30 of SEBI Listing Regulations            | The Company has adopted a Policy on Determination of Materiality for Disclosures.   | <a href="https://www.rajoo.com/pdf/Codes_and_Policies/Determination_of_Materiality_of_Events_and_Information.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/Determination_of_Materiality_of_Events_and_Information.pdf</a> |
| Policy on Archival and Preservation of Documents                    | Regulation 9 of SEBI Listing Regulations             | The Company has adopted a Policy on Archival and Preservation of Documents.   | <a href="https://www.rajoo.com/pdf/Codes_and_Policies/Policy_on_Preservation_of_Documents.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/Policy_on_Preservation_of_Documents.pdf</a>                                       |
| Code of Conduct   | Regulation 17 of the SEBI Listing Regulations        | The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declaration received from Independent Directors, Non-Executive Directors and Senior Management.   | <a href="https://www.rajoo.com/pdf/Codes_and_Policies/RAJOO_CODE_OF_CONDUCT_FOR_DIRECTORS.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/RAJOO_CODE_OF_CONDUCT_FOR_DIRECTORS.pdf</a>                                       |

Continue...

| Particulars                                   | Regulations  | Details   | Website link for details/policy   |
|---|--|---|---|
| Terms of Appointment of Independent Directors | Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act | Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website. | <a href="https://www.rajoo.com/pdf/Codes_and_Policies/TERMS_AND_CONDITION_FOR_APPOINTMENT_OF_INDEPENDENT_DIRECTOR.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/TERMS_AND_CONDITION_FOR_APPOINTMENT_OF_INDEPENDENT_DIRECTOR.pdf</a> |
| Familiarization Program                       | Regulations 25(7) and 46 of SEBI Listing Regulations                                       | Details of familiarization program imparted to Independent Directors are available on the Company's website.        | <a href="https://www.rajoo.com/pdf/Codes_and_Policies/FAMILIARIZATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/FAMILIARIZATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS.pdf</a>                 |

#### Prevention of Insider Trading

Your company had adopted a Code of conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, in order to preserve the confidentiality and prevent misuse of unpublished price sensitive information. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. The main object of the Code is to intimate all insiders a guideline, which they should follow in letter and spirit, while trading in target company's securities. During the year under review, the Company had made due compliance with SEBI (Prohibition of Insider trading) Regulations, 2015.

#### Certificate from CEO/CFO

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2019. (Annexure VI)

#### Means of Communication

The Un-audited Quarterly Results are announced within 45 days from the end of the quarter and the Annual Audited Results are announced within 60 days from the end of the financial year as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Company provides the information to the stock exchange where shares of the Company are listed. The results are also published in one English newspaper having national circulation and one Gujarati Newspaper. (The Financial Express).

The Financial Results of the Company are displayed on the Company's website <http://www.rajoo.com/investorszone.html#left-tab1>

#### GENERAL SHAREHOLDER INFORMATION:

**Registered Office:** Junagadh Road, Manavadar, District Junagadh - 362630

**Plant Location:** Rajoo Avenue, Survey No 210, Plot No 1, Industrial Area, Shapar - Veraval, Dist. Rajkot-360 002

#### Annual General Meeting:

The 32nd Annual General Meeting (AGM) of the Company will be held on Friday, 20th September, 2019, at 11-00 a.m. at registered office of the Company, Junagadh Road, Manavadar District Junagadh – 362630.

#### Financial Year:

The Company follows April 1 to March 31 as the financial year.

Date of book closure: 11th September, 2019 to 20th September, 2019 (both days inclusive)

Dividend Payment date: on or after 24th September, 2019

#### Details of Stock Exchanges where Listed

| Stock Exchange  | ISIN         | Stock Code |
|---|--------------|------------|
| BSE Ltd, Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai-400001 | INE535F01024 | 522257     |

The annual listing fees for the financial year 2019-20 to BSE has been paid.

#### Market Information:

Market price data: High/low, value of shares traded and number of trades during each month of F.Y. 2018-19:

| 2018-19 |           |          |                                      |
|---------|-----------|----------|--------------------------------------|
| Month   | High (Rs) | Low (Rs) | Total number of equity shares traded |
| Apr 18  | 58.85     | 46.50    | 14,30,497                            |
| May 18  | 61.75     | 50.90    | 15,69,261                            |
| Jun 18  | 52.55     | 37.15    | 11,07,232                            |
| Jul 18  | 44.90     | 34.25    | 7,35,018                             |
| Aug 18  | 43.00     | 35.00    | 6,51,078                             |
| Sep 18  | 46.25     | 33.00    | 24,47,814                            |
| Oct 18  | 34.90     | 28.50    | 33,56,505                            |
| Nov 18  | 38.55     | 26.45    | 71,04,099                            |
| Dec 18  | 36.20     | 29.40    | 29,79,498                            |
| Jan 19  | 30.45     | 26.80    | 4,22,365                             |
| Feb 19  | 31.95     | 22.55    | 12,14,904                            |
| Mar 19  | 43.95     | 28.00    | 66,46,396                            |

A performance chart showing share price of the company in comparison with BSE Sensex during the year 2018-19 is as below:

| Year 2018-19 | Rajoo Engineers Limited | Sensex    |
|--------------|-------------------------|-----------|
| Apr 18       | 58.85                   | 34,145.68 |
| May 18       | 51.25                   | 35,079.56 |
| Jun 18       | 39.80                   | 35,405.14 |
| Jul 18       | 40.10                   | 36,406.38 |
| Aug 18       | 36.85                   | 38,061.53 |
| Sep 18       | 34.75                   | 37,397.50 |
| Oct 18       | 29.95                   | 34,518.84 |
| Nov 18       | 35.05                   | 35,298.95 |
| Dec 17       | 30.10                   | 35,868.71 |
| Jan 19       | 27.35                   | 36,053.00 |
| Feb 19       | 30.80                   | 36,138.34 |
| Mar 19       | 29.95                   | 37,634.96 |

#### Share Transfer System:

During the year, the share transfers which were received in physical form and for which documents were valid and complete in all respects, were processed and the share certificates were returned within the prescribed time from the date of receipt.

### Distribution Of Shareholding:

i. The Shareholding Pattern as on 31st March, 2019:

| Category                          | No. of Shares      | % of Share holding |
|-----------------------------------|--------------------|--------------------|
| Promoters                         | 4,04,87,440        | 65.80              |
| Institutional Investors:          |                    |                    |
| Mutual Funds:                     | 3,000              | 0.01               |
| Foreign Portfolio Investor:       | 2,00,000           | 0.33               |
| Non Institutional Investors:      |                    |                    |
| Body Corporates:                  | 17,16,647          | 2.79               |
| Individual Shareholders:          | 1,72,02,053        | 27.95              |
| NRI's / OCBs / Foreign Nationals: | 5,54,061           | 0.90               |
| Hindu Undivided Family:           | 11,22,506          | 1.82               |
| Clearing Members:                 | 2,45,043           | 0.40               |
| <b>Grand Total</b>                | <b>6,15,30,750</b> | <b>100.00</b>      |

ii. Distribution of Shareholding as on 31st March, 2019:

| No. of Equity Share Held (Range) | No. of Share holders | Percentage to total Shareholders | No. of Shares held | Percentage to total Shares held |
|----------------------------------|----------------------|----------------------------------|--------------------|---------------------------------|
| 0001-0500                        | 7164                 | 58.47                            | 1297544            | 2.11                            |
| 0501-1000                        | 2770                 | 22.61                            | 2569095            | 4.18                            |
| 1001-2000                        | 1048                 | 8.55                             | 1811288            | 2.94                            |
| 2001-3000                        | 345                  | 2.82                             | 913058             | 1.48                            |
| 3001-4000                        | 174                  | 1.42                             | 646718             | 1.05                            |
| 4001-5000                        | 175                  | 1.43                             | 849924             | 1.38                            |
| 5001-10000                       | 280                  | 2.28                             | 2164383            | 3.52                            |
| Above 10000                      | 296                  | 2.42                             | 51278740           | 83.34                           |
| <b>Total</b>                     | <b>12252</b>         | <b>100.00</b>                    | <b>61530750</b>    | <b>100.00</b>                   |

### Bifurcation of shares held in physical and demat form as on 31st March, 2019:

| Particulars      | No. of Share       | % of Total Issued Cap. |
|------------------|--------------------|------------------------|
| Physical Segment | 25,93,170          | 4.21%                  |
| Demat Segment    |                    |                        |
| NSDL             | 4,92,33,848        | 80.02%                 |
| CDSL             | 97,03,732          | 15.77%                 |
| <b>Total:</b>    | <b>6,15,30,750</b> | <b>100.00%</b>         |

### Share Transfer System:

The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects. The Company Secretary has been empowered to approve the transfer of shares.

Effective 1st April, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

### R&T Address:

**Link Intime India Private Limited**  
(formerly Intime Spectrum Registry Limited)

1. C-13, Pannalal Silk Mill Compound,  
L.B.S. Marg Bhandup (W)  
Mumbai - 400078

2. 506-508, Amarnath Business Centre-1  
(ABC-1), Besides Gala Business Centre  
Near XT Xavier's College Corner  
Off C G Road, Ellisebridge  
Ahmedabad 380006  
Tel No : +91 79 26465179 / 86 / 87  
E-mail id : ahmedabad@linkintime.co.in  
Website : www.linkintime.co.in

### Secretarial Audit and other certificates:

-Maulik Sheth & Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for FY 2018-19. Their Audit Report confirms that the Company has complied with its Memorandum and Articles of Association, the applicable provisions of the Act and the Rules made thereunder, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

Pursuant to Regulation 40 (9) of the Listing Regulations, certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

- A Chartered Accountant in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

-In accordance with the SEBI Circular dated 8th February, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Maulik Sheth of M/s. Maulik Sheth & Associates, Practicing Company Secretary confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March, 2019.

-Mr. Maulik Sheth of M/s. Maulik Sheth & Associates, Practicing Company Secretary has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

**Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2019, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**Unclaimed Dividend/ Shares:**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Act.

During the year under review, the Company has transferred Unclaimed Dividend of Rs. 3,75,545/- to Investor Education and Protection Fund which was declared in FY 2010-11.

**Commodity price risk or foreign exchange risk and hedging activities:**

Commodity price risk and hedging activities: The Company purchases a variety of commodities related to raw materials and finished products and the associated commodity price risks is managed through commercial negotiation with customers and suppliers. The Company does not have any exposure hedged through Commodity derivatives.

During the year, the Company has managed foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts and Packing Credits in Foreign Currency. The details of foreign currency exposure are disclosed in Note No. 36(revised as per balance sheet note) to the Standalone Financial Statements.

**Credit Rating:**

ICRA has reaffirmed the long-term rating of [ICRA]BBB+ (pronounced ICRA triple B plus) for the Rs. 13.90-crore term loans and Rs. 18.00-crore cash credit facility of Rajoo Engineers Limited (the company). ICRA has also reaffirmed the short-term rating of [ICRA]A2 (pronounced ICRA A two) for the Rs. 18.00-crore fund-based export packing credit of the company. The outlook on the long-term rating is Stable.



**ANNEXURE V**

To,  
The Members of **Rajoo Engineers Limited**

**DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT**

I, Rajesh N. Doshi, Chairman and Managing Director of Rajoo Engineers Limited, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2019.

Date: 19/05/2019  
Place: Veraval (Shapar)

For and on behalf of the Board of Directors  
**Rajoo Engineers Limited**

**(R. N. DOSHI)**  
Chairman & Managing Director  
(DIN: 00026140)



**ANNEXURE VI**

**CEO AND CFO CERTIFICATION**

To,  
The Board of Directors  
**Rajoo Engineers Limited**

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Rajoo Engineers Limited ("the Company"), to the best of our knowledge and belief certify that:

1. We have reviewed financial statements and the cash flow statement of the Company for the year ended 31st March, 2019 and to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement 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.
2. We further state that, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violating the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We further certify that we have indicated to the Auditors and the Audit Committee:
  - (i) There have been no significant changes in internal control system during the year;
  - (ii) There are changes in accounting policies during the year on account of Ind-AS adoption and the same have been disclosed in notes to the financial statement; and
  - (iii) There have been no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Date: 19/05/2019  
Place: Veraval (Shapar)

**(R. N. DOSHI)**  
Chairman & Managing Director  
(DIN: 00026140)

**(J.T. JHALAVADIA)**  
Chief Financial Officer



## ANNEXURE VII

### Certificate On Corporate Governance

To,

The Members of **Rajoo Engineers Limited**

1. We have examined the compliance of conditions of Corporate Governance by Rajoo Engineers Limited, for the year ended on 31st March 2019, as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For, Maulik Sheth & Associates**  
Company Secretaries

Date : 19/05/2019

Place : **Rajkot**

**(Maulik Sheth)**  
Proprietor  
CP NO. 11441  
FCS 10095



## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of,  
**RAJOO ENGINEERS LIMITED**

### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of **M/s, RAJOO ENGINEERS LIMITED**, [ "the Company"] which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and Notes to the financial statement including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its profits (including other comprehensive income) changes in equity and its cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit matter to be communicated in our Report.

| Key Audit Matter  | How the matter was addressed in our audit  |
|---|--|
| Impairment of Investment in Joint Venture In terms of option of Deemed Cost as per Ind-AS 101 'First Time Adoption of Indian Accounting Standards' the Company has valued its investments in joint Venture amounting to Rs. 196000000 as on 31st March, 2019 at cost. | <p>We have performed the following processes in relation to Management's judgement in identification of impairment of value of investment in Joint Venture;</p> <ol style="list-style-type: none"> <li>1. We have obtained representation from the Management regarding indication of likely impairment loss in respect of Investments made in Joint Venture and process of estimation of recoverable amount.</li> <li>2. In case of a joint Venture having material value under investment, in respect of which no observable inputs were available we have referred to the valuation obtained by the Management regarding its Value in Use and tested and discussed the assumptions used in the process of valuation with the management to ensure that no impairment provision against the same is required.</li> <li>3. our Audit process did not identify any requirement of provisioning of impairment in the value of investment in Subsidiaries</li> </ol> |

**Warranty obligation involves critical estimates.**

This estimate has a high inherent uncertainty as it involves management judgement by making assumption based on past experience.  
Company is estimating provision for warranty Rs. 10281926 at 1% of total revenue from Machine sold.

**Principal Audit Procedures.**

1. We have obtained representation from the management regarding assumption and estimation of Warranty obligation.
2. Performed analytical procedures and test of details for reasonableness of management estimation.
3. Reviewed the management's assumption and estimated efforts on these uncertainty.
4. Our audit process did not identify any change required to management's position on these uncertainty.

**Information Other than the Standalone Financial Statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report including Annexures to the Board report, Business responsibility report corporate governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we not express any from of assurance conclusion thereon.

In connection with our audit of the standalone financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is materials misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters started in section 134(5) of the Act with respect to the preparation of these standalone financial statements that gives a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in india, including the accounting Standards specified under section 133 of the Act.

The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities section and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from materials misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objective are to obtain reasonable assurance about whether the standalone financial statements are free from materials misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Sas will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered materials if, individually or in the aggregate, they could reasonable be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

**We also:**

- Identify and assess the risks of materials misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international missions, mis representation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of account policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a materia uncertainty exists related to events of conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a materials uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transaction cause the entity to crease to continue as a going concern.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of and identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding among other matters the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's rare circumstances, we determine that a matter should not be commentated in our report because the adverse consequences of doing so would reasonably be expected to out weight the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by section 143(3) of the Act, we report That;

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet the Statement of Profit and Loss(Including other comprehensive income) the Cash Flow Statement and the statement of changes in equity dealt with by this report are in agreement with books of account
- (d) In our opinion, the afore said Standalone financial statements comply with the Indian Accounting Standard specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- a) The Company has disclosed the impact of pending litigations on its financial position in its Ind As financial statements;
- b) The Company does not have any long term contracts including derivative contracts for which there were any material for seeable losses
- c) The company has transferred the amounts, required to be transferred to the Investor Education and Protection Fund after 50 days from the due date as against requirement of transfer within 7 days of the due date.

Place: Veraval (Shapar)

Date: 19/05/2019

**FOR PANKAJ K. SHAH ASSOCIATES**

**Firm Registration No. 107352W**

**CHARTERED ACCOUNTANTS**

**(PANKAJ K. SHAH)**

**PROPRIETOR**

**M. No. 34603**

**"Annexure A" to the independent Auditors' Report"**

**Referred to in paragraph 1 under the heading "Report on Other Legal & Regulatory Requirement" of our report of even date to the Standalone financial statements of the Company for the year ended March 31, 2019; we report that**

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 

(b) As explained to us, the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) According to the information and explanations given to us and on the basis of our examination of the record of the company, the title deeds of immovable properties are held in the name of the company.
- 2) The Inventory of finished goods, raw materials, components, stores and spare parts has been physically verified at reasonable intervals by the management. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories as compared to books records.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended by the Central Government of India, maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Companies Act and is 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 cost records with a view to determine whether they are accurate or complete.
- 7) (a) According to the records of the company and the in and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, income-Tax, Custom Duty, Goods and Service Tax Act, Cess and other material statutory dues, as applicable to it to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 

b) According to the information and explanations given to us and record of the Company disputed amount payable in respect of Income tax, sales tax & Custom and Excise Duty and that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below:

| Name of Statute      | Nature of Dues    | Disputed Amount Rs. | Period to which the amount Relates | Forum where dispute is pending |
|----------------------|-------------------|---------------------|------------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax        | 291220              | A.Y. 2012-13                       | CIT (A) – III, Rajkot          |
| Income Tax Act, 1961 | Protective Demand | 86422130            | A.Y. 2014-15                       | CIT (A) – III, Rajkot          |

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institutions and banks.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid in accordance with the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) According to the information and explanations given to us and on the basis of our examination of the record of the company, in our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made any preferential allotment or private placement of shares during the year under review.
- 15) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with the company. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the order are not applicable to the Company and hence not commented upon.

Place: Veraval (Shapar)

Date: 19/05/2019

**FOR PANKAJ K. SHAH ASSOCIATES**  
**Firm Registration No. 107352W**  
**CHARTERED ACCOUNTANTS**

**(PANKAJ K. SHAH)**  
**PROPRIETOR**  
**M. No. 34603**

#### **"Annexure B" to the independent Auditors' Report"**

**Referred to in paragraph 1 under the heading "Report on Other Legal & Regulatory Requirement" of our report of even date to the Standalone financial statements of the Company for the year ended March 31, 2019; we report that**

We have audited the internal financial controls over financial reporting of M/S. Rajoo Engineers Limited ("the company" ) as of March 31, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accounts of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and both issued by the Institute of Chartered Accounts of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls, evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting. Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evolution of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal Financial control over Financial Reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Veraval (Shapar)

Date: 19/05/2019

**FOR PANKAJ K. SHAH ASSOCIATES**

**Firm Registration No. 107352W**

**CHARTERED ACCOUNTANTS**

**(PANKAJ K. SHAH)**

**PROPRIETOR**

**M. No. 34603**

## BALANCE SHEET AS ON 31st MARCH, 2019

| Particulars                          | Notes | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|--------------------------------------|-------|---------------------------|---------------------------|
| <b>ASSETS</b>                        |       |                           |                           |
| <b>Non-current assets</b>            |       |                           |                           |
| Property, plant and equipment        | 1     | 447128297                 | 445635944                 |
| Capital Work-in-Progress             |       | 14752101                  | 22411814                  |
| Intangible assets                    |       | 21236999                  | 23731891                  |
| Intangible assets under development  |       | 0                         | 0                         |
| <b>Financial Assets</b>              |       |                           |                           |
| Investments                          | 2     | 19770114                  | 20025045                  |
| Loans                                | 3     | 5178361                   | 3702245                   |
| Other Non-Current Financial Assets   |       | 0                         | 0                         |
| Other Non-current assets             | 4     | 664374                    | 6603219                   |
| <b>Total Non-Current assets</b>      |       | <b>508730246</b>          | <b>522110158</b>          |
| <b>Current assets</b>                |       |                           |                           |
| <b>Inventories</b>                   | 5     | 408863342                 | 551873444                 |
| Financial Assets                     |       |                           |                           |
| Investments                          |       | 0                         | 0                         |
| Trade receivables                    | 6     | 157001288                 | 34494492                  |
| Cash and cash equivalents            | 7     | 15734905                  | 45783675                  |
| Other Bank Balances                  | 8     | 498923                    | 91026763                  |
| Loans                                | 9     | 247107                    | 488542                    |
| Other Financial Assets               | 10    | 135356                    | 150373                    |
| Other Current Assets                 | 11    | 181627315                 | 241770820                 |
| <b>Total Current assets</b>          |       | <b>764108237</b>          | <b>965588109</b>          |
| <b>Total Assets</b>                  |       | <b>1272838483</b>         | <b>1487698267</b>         |
| <b>EQUITY AND LIABILITIES</b>        |       |                           |                           |
| <b>Equity</b>                        |       |                           |                           |
| Equity Share capital                 | 12    | 61530750                  | 61530750                  |
| Other Equity                         | 13    | 598963887                 | 539996086                 |
| <b>Total Equity</b>                  |       | <b>660494637</b>          | <b>601526836</b>          |
| <b>Liabilities</b>                   |       |                           |                           |
| <b>Non-current liabilities</b>       |       |                           |                           |
| Financial Liabilities                |       |                           |                           |
| Borrowings                           | 14    | 69974581                  | 37408610                  |
| Deposits                             |       | 0                         | 0                         |
| Provisions                           |       | 0                         | 0                         |
| Deferred tax liabilities (Net)       | 15    | 40080890                  | 41150283                  |
| Other Non Current Liability          |       | 0                         | 0                         |
| <b>Total non-current liabilities</b> |       | <b>110055471</b>          | <b>78558893</b>           |

## BALANCE SHEET AS ON 31st MARCH, 2019

| Particulars                         | Notes | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|-------------------------------------|-------|---------------------------|---------------------------|
| <b>Current liabilities</b>          |       |                           |                           |
| <b>Financial Liabilities</b>        |       |                           |                           |
| Borrowings                          | 16    | 104628373                 | 102264126                 |
| Trade payables                      | 17    | 195683295                 | 265275432                 |
| Other Financial Liabilities         | 18    | 19201754                  | 74846630                  |
| Other Current Liabilities           | 19    | 140976901                 | 284021185                 |
| Provisions                          | 20    | 22698930                  | 40128298                  |
| Income Tax Liability (Net)          |       | 19099121                  | 41076866                  |
| <b>Total current liabilities</b>    |       | <b>502288374</b>          | <b>807612538</b>          |
| <b>Total Liabilities</b>            |       | <b>612343846</b>          | <b>886171431</b>          |
| <b>Total Equity and Liabilities</b> |       | <b>1272838483</b>         | <b>1487698267</b>         |

Significant Accounting Policies and The accompanying Notes 1 to 37 are an integral Part of the Standalone Financial Statements

As per our report of even date

For and on behalf of the Board

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(U. K. Doshi)  
Executive Director  
DIN :00174486

( Pankaj K Shah )  
Proprietor  
Membership No.:- 034603

(J.T. Jhalavadia)  
C.F.O.  
Date : 19th May, 2019  
Place : Veraval (Shapar)

(Vijay Jadeja)  
Company Secretary  
Mem. No. A31035

Date : 19th May, 2019  
Place : Veraval (Shapar)

**Statement of profit and loss for the year ended 31st March, 2019**

| Particulars  | Notes | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|--|-------|---------------------------|---------------------------|
| <b>Income</b>  |       |                           |                           |
| Revenue from operations  | 21    | 1224617239                | 1453853444                |
| Other Income   | 22    | 10607976                  | 8221438                   |
| <b>Total Income</b>  |       | <b>1235225214</b>         | <b>1462074882</b>         |
| <b>EXPENSES</b>  |       |                           |                           |
| Cost of Material Consumed  |       | 585743513                 | 967059166                 |
| Changes in Inventories   | 23    | 135653741                 | -127556346                |
| Employee Benefits Expense  | 24    | 123074612                 | 140639856                 |
| Finance Costs  | 25    | 22710834                  | 9884697                   |
| Depreciation / Amortisation of Expense                                 | 1     | 37503875                  | 27809324                  |
| Other Expenses   | 26    | 237969843                 | 262569873                 |
| <b>Total Expenses</b>  |       | <b>1142656418</b>         | <b>1280406569</b>         |
| <b>Profit Before Tax</b>   |       | <b>92568796</b>           | <b>181668314</b>          |
| <b>Tax Expenses</b>  |       |                           |                           |
| Current Tax  |       | 19099121                  | 41076866                  |
| Mat Credit Entitlement   |       | -4341968                  | 0                         |
| Deferred Tax   |       | -1069393                  | 19997560                  |
| <b>Profit after tax</b>  |       | <b>78881036</b>           | <b>120593888</b>          |
| <b>Other comprehensive income:</b>                                     |       |                           |                           |
| i. Items that will not be reclassified to Statement of Profit and Loss |       | -2706964                  | -1735085                  |
| ii. Items that will be reclassified to Statement of Profit and Loss    |       |                           |                           |
| <b>Total comprehensive income for the year</b>                         |       | <b>76174072</b>           | <b>118858803</b>          |
| <b>Earnings per equity share of face value of Rs. 1 each</b>           |       |                           |                           |
| Basic (in Rs.)   |       | 1.28                      | 2.03                      |
| Diluted (in Rs.)   |       | 1.28                      | 2.03                      |

Significant Accounting Policies and The accompanying Notes 1 to 37 are an integral Part of the Standalone Financial Statements

As per our report of even date

For and on behalf of the Board

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(U. K. Doshi)  
Executive Director  
DIN : 00174486

( Pankaj K Shah )  
Proprietor  
Membership No.:- 034603

(J.T. Jhalavadia)  
C.F.O.  
Date : 19th May, 2019  
Place : Veraval (Shapar)

(Vijay Jadeja)  
Company Secretary  
Mem. No. A31035

Date : 19th May, 2019  
Place : Veraval (Shapar)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

| Particulars   | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|---|---------------------------|---------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>             |                           |                           |
| Net Profit Before Tax as per Statement of Profit and Loss | 92568796                  | 181668314                 |
| Adjusted for:   |                           |                           |
| (Profit) / Loss on Sale / Discard of Assets (Net)         | 259252                    | 1266774                   |
| Depreciation / Amortisation and Depletion Expense         | 37503875                  | 27809324                  |
| Unrealised Loss / (Gain) on Exchange Difference           | -21875                    | 4204552                   |
| Unrealised (Gain) / Loss of Fair Value of Investment      | 254931                    | -39601                    |
| Dividend Income   | -4903670                  | -5371428                  |
| Interest Income   | -38792119                 | -3248947                  |
| Income Tax Refund   | 933241                    | 0                         |
| Finance costs   | 22710834                  | 9884697                   |
| <b>Operating Profit before Working Capital Changes</b>    | <b>145426165</b>          | <b>216173685</b>          |
| Adjusted for:   |                           |                           |
| Inventories   | 143010102                 | -308079444                |
| Trade receivables   | -122484921                | 200606045                 |
| Other Current Assets / Receivables                        | 66902778                  | -99479655                 |
| Trade payables  | -69592137                 | 26929597                  |
| Other Current Liability / Payables                        | -216118529                | 139765971                 |
| <b>Cash Generated from Operations</b>                     | <b>-52856542</b>          | <b>175916200</b>          |
| Taxes Paid (Net)  | -41076866                 | -33073015                 |
| <b>Net Cash flow from Operating Activities</b>            | <b>-93933408</b>          | <b>142843185</b>          |
| <b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>             |                           |                           |
| Purchase of tangible and intangible assets                | -29287675                 | -225831666                |
| Proceeds from disposal of tangible and intangible assets  | 186800                    | 5022000                   |
| Net cash flow for other financial assets                  | 90527840                  | -85606987                 |
| Interest Income   | 3879219                   | 3248947                   |
| Dividend Income from Joint Venture                        | 4900000                   | 4900000                   |
| Sale proceeds from Investment                             | 0                         | 0                         |
| Dividend Income from Others                               | 3670                      | 471428                    |
| <b>Net Cash flow (Used in) Investing Activities</b>       | <b>70209854</b>           | <b>-297796278</b>         |
| <b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>             |                           |                           |
| Proceeds from issue of Enquiry Share Capital              | 0                         | 66890000                  |
| Proceeds from Long Term Borrowings                        | 32565971                  | 37408610                  |
| Short Term Borrowings (Net)                               | 2364247                   | 35829560                  |
| Dividends Paid (Including Dividend Distribution Tax)      | -18544600                 | -17762003                 |
| Interest Paid   | -22710834                 | -9884697                  |
| <b>Net Cash flow (Used in) Financing Activities</b>       | <b>-6325216</b>           | <b>112481470</b>          |
| <b>Net (Decrease) in Cash and Cash Equivalents</b>        | <b>-30048770</b>          | <b>-42471623</b>          |
| <b>Opening balance of Cash and Cash Equivalents</b>       | <b>45783675</b>           | <b>88255297</b>           |
| <b>Closing balance of Cash and Cash Equivalents</b>       | <b>15734905</b>           | <b>45783675</b>           |

Significant Accounting Policies and The accompanying Notes 1 to 37 are an integral Part of the Standalone Financial Statements

**As per our report of even date**

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

(Pankaj K Shah)  
Proprietor  
Membership No.:- 034603  
Date : 19th May, 2019  
Place : Veraval (Shapar)

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(J.T. Jhalavadia)  
C.F.O.  
Date : 19th May, 2019  
Place : Veraval (Shapar)

**For and on behalf of the Board**

(U. K. Doshi)  
Executive Director  
DIN : 00174486

(Vijay Jadeja)  
Company Secretary  
Mem. No. A31035

# STATEMENT OF CHANGES IN EQUITY

| AS AT 31ST MARCH,<br>2019                        | EQUITY SHARE CAPITAL                    |                    |                       | OTHER EQUITY       |                      |  | TOTAL     |
|--|---|--------------------|-----------------------|--------------------|----------------------|--|-----------|
|  | Issued, Subscribed<br>& Paid up Capital | Capital<br>Reserve | Securities<br>Premium | General<br>Reserve | Retained<br>Earnings | Other<br>comprehensive<br>income (OCI) |           |
| Balance at the beginning of the reporting period | 61530750                                | 2625456            | 118879163             | 38537443           | 381622731            | -1668707                               | 601526836 |
| Equity Shares issued during the year             | 0                                       | 0                  | 0                     | 0                  | 0                    | 0                                      | 0         |
| Total Comprehensive income for the year          | 0                                       | 0                  | 0                     | 0                  | 78881036             | -2706964                               | 76174072  |
| Dividends  | 0                                       | 0                  | 0                     | 0                  | -18544600            | 0                                      | -18544600 |
| Earlier year income Tax Refund                   | 0                                       | 0                  | 0                     | 0                  | 933241               | 0                                      | 933241    |
| IND As effect of Leave Encashment                | 0                                       | 0                  | 0                     | 0                  | 405088               | 0                                      | 405088    |
| Transfer to Retained Earning                     | 0                                       | 0                  | 0                     | 0                  | 0                    | 0                                      | 0         |
| Balance at the end of the reporting period       | 61530750                                | 2625456            | 118879163             | 38537443           | 443297496            | -4375671                               | 660494637 |

| AS AT 31ST MARCH,<br>2018                        | EQUITY SHARE CAPITAL                    |                    |                       | OTHER EQUITY       |                      |  | TOTAL     |
|--|---|--------------------|-----------------------|--------------------|----------------------|--|-----------|
|  | Issued, Subscribed<br>& Paid up Capital | Capital<br>Reserve | Securities<br>Premium | General<br>Reserve | Retained<br>Earnings | Other<br>comprehensive<br>income (OCI) |           |
| Balance at the beginning of the reporting period | 58030750                                | 2625456            | 55489163              | 38537443           | 278790846            | 66378                                  | 433540036 |
| Equity Shares issued during the year             | 3500000                                 | 0                  | 63390000              | 0                  | 0                    | 0                                      | 66890000  |
| Total Comprehensive income for the year          | 0                                       | 0                  | 0                     | 0                  | 120593888            | -1735085                               | 118858803 |
| Dividends  | 0                                       | 0                  | 0                     | 0                  | -17762003            | 0                                      | -17762003 |
| Transfer to Retained Earning                     | 0                                       | 0                  | 0                     | 0                  | 0                    | 0                                      | 0         |
| Balance at the end of the reporting period       | 61530750                                | 2625456            | 118879163             | 38537443           | 381622731            | -1668707                               | 601526836 |

As per our report of even date

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

( Pankaj K Shah )  
Proprietor  
Membership No.:- 034603

Date : 19th May, 2019  
Place : Veraval (Shapar)

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(J.T. Jhalavadia)  
C.F.O.  
Date : 19th May, 2019  
Place : Veraval (Shapar)

For and on behalf of the Board

(U. K. Doshi)  
Executive Director  
DIN :00174486

(Vijay Jadeja)  
Company Secretary  
Mem. No. A31035

## Significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2019

### A Corporate Information

Rajoo Engineers Ltd. (The Company) is a public limited Company incorporated in India. The Company's shares are listed on Bombay stock exchange in India. The company is mainly engaged in the manufacturing and selling a reputed brand of Plastic Processing Machineries and Post Extrusion Equipment. The company caters to both domestic and international markets.

### B Significant Accounting Policies

#### B.1 Basis of Preparation of Financial Statements

**Statement of Compliance with Indian Accounting Standards (IND AS):** The financial statements have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

#### B.2 Summary of Significant Accounting Policies

##### B.2.1 Property, Plant and Equipment

Property, Plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on Property, plant and equipment is provided on Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history or replacement, anticipated technological changes, manufacturer's warranties and maintenance support.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II.

| Assets description  | Useful life as per management<br>(as technically assessed) | Useful life under schedule II |
|---------------------|--|-------------------------------|
| Office buildings    | 30 years   | 60 years                      |
| Plant and machinery | 10 – 15 Years  | 15 years                      |

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

##### B.2.2 Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

## Significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2019

### B.2.3 Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss.

The company has recognized the research & development expenditure incurred for the development, modification, upgradation of plastic processing machinery and spares manufacturing. The capital expenditure is recognized and included in the cost of Plant & Machinery and Computer in the Balance sheet and Revenue expenditure is charged to Statement of Profit and Loss Account as detailed here;

(Rs. In lakhs)

| Sr. No. | Particulars         | 2018-19       | 2017-18      |
|---------|---------------------|---------------|--------------|
| 1       | Capital Expenditure | 0.00          | 3.51         |
| 2       | Revenue Expenditure | 127.02        | 38.73        |
|         | <b>Total</b>        | <b>127.02</b> | <b>42.24</b> |

### B.2.4 Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, consumable and other products are determined on weighted average basis.

### B.2.5 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### B.2.6 Employee Benefits Expense

#### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

#### Post-Employment Benefits

##### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.



## **Significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2019**

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### **Other Long-term Employee Benefits:**

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulations of leave. The Company determines the liability for such accumulated leaves using the projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.

The Leave Encashment liability amount is contributed to the fund managed by LIC exclusively for Leave Encashment payment to the employees.

### **B.2.7 Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

#### **- Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### **- Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

### **B.2.8 Foreign currencies transactions**

The functional currency of the company is the Indian Rupee. These financial statements are presented in Indian Rupees.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Gain or losses upon settlement of foreign currency transactions are recognized in the statement of profit and loss for the period in which the transaction is settled.

### **B.2.9 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

#### **- Sale of goods**

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

#### **- Income from services**

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

## significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2019

### - Other Income

#### - Interest income

Interest income from a financial asset is recognized using effective interest rate method.

#### - Dividend Income

Dividend income on investments is recognized when the right to receive dividend is established.

## B.2.10 Financial instruments

### B.2.10.1 Financial Assets

#### - Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

#### - Subsequent measurement

##### - Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### - Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### - Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### - Investment in subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in joint venture at cost.

#### - Other Equity Investments

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

### B.2.10.2 Financial Liabilities

#### - Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

#### - Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## B.2.11 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## **significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2019**

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 as explained above.

## **C Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

### **C.1 Useful lives and residual values of property, plant and equipment**

Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

### **C.2 Income taxes**

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

### **C.3 Defined benefit obligations**

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

### **C.4 Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 1. PROPERTY, PLANT & EQUIPMENT

| Particulars               | <----- GROSS BLOCK -----> |                          |                                  |                  |
|---------------------------|---------------------------|--------------------------|----------------------------------|------------------|
|                           | As at 01.04.2018          | Addition during the Year | Deduction / Sold during the year | As at 31.03.2019 |
| <b>TANGIBLE ASSETS</b>    |                           |                          |                                  |                  |
| LAND                      | 35100997                  | 1057936                  | 0                                | 36158933         |
| BUILDING                  | 159030170                 | 1411993                  | 0                                | 160442163        |
| SITE DEVELOPMENT          | 457899                    | 0                        | 0                                | 457899           |
| PLANT & MACHINERY         | 322092053                 | 3639431                  | 0                                | 325731484        |
| SOLAR POWER PLANT         | 0                         | 15499360                 | 0                                | 15499360         |
| SOLAR EQUIPMENT           | 0                         | 11602                    | 0                                | 111602           |
| ELECTRIFICATION           | 9044301                   | 1966843                  | 0                                | 11011144         |
| OFFICE EQUIPMENT          | 22386006                  | 1421515                  | 0                                | 23807521         |
| FURNITURE AND FIXTURE     | 16954887                  | 108779                   | 0                                | 17063666         |
| FIRE FIGHTING EQUIPMENT   | 74934                     | 56925                    | 0                                | 131859           |
| COMPUTER                  | 44284246                  | 902152                   | 52760                            | 45133638         |
| VEHICLES                  | 33373715                  | 10401250                 | 885573                           | 42889392         |
| <b>TOTAL - A</b>          | <b>642799207</b>          | <b>36577786</b>          | <b>938333</b>                    | <b>678438660</b> |
| <b>INTANGIBLE ASSETS</b>  |                           |                          |                                  |                  |
| GOODWILL (MERGER)         | 5661285                   | 0                        | 0                                | 5661285          |
| SOFTWARE                  | 11828055                  | 369602                   | 0                                | 12197657         |
| TRADEMARK & PATENT        | 36143000                  | 0                        | 0                                | 36143000         |
| <b>TOTAL - B</b>          | <b>53632340</b>           | <b>369602</b>            | <b>0</b>                         | <b>54001942</b>  |
| <b>TOTAL - [A + B]</b>    | <b>696431547</b>          | <b>36947388</b>          | <b>938333</b>                    | <b>732440602</b> |
| CAPITAL - WORK IN PROCESS | 22411814                  | 8381202                  | 16040915                         | 14752101         |

| Particulars              | DEPRECIATION / AMORTIZATION / DEPLETION |                                       |                                  |                  |
|--------------------------|---|---------------------------------------|----------------------------------|------------------|
|                          | As at 01.04.2018                        | Addition / Adjustment during the Year | Deduction / Sold during the year | As at 31.03.2019 |
| <b>TANGIBLE ASSETS</b>   |   |                                       |                                  |                  |
| LAND                     | 0                                       |                                       | 0                                | 0                |
| BUILDING                 | 34134634                                | 4385405                               | 0                                | 38520039         |
| SITE DEVELOPMENT         | 265185                                  | 24269                                 | 0                                | 289454           |
| PLANT & MACHINERY        | 77905089                                | 19433968                              | 0                                | 97339057         |
| SOLAR POWER PLANT        | 0                                       | 584942                                | 0                                | 584942           |
| SOLAR EQUIPMENT          | 0                                       | 13013                                 | 0                                | 13013            |
| ELECTRIFICATION          | 6828908                                 | 334170                                | 0                                | 7163078          |
| OFFICE EQUIPMENT         | 16067028                                | 2459174                               | 0                                | 18526202         |
| FURNITURE AND FIXTURE    | 10164164                                | 858368                                | 0                                | 11022532         |
| FIRE FIGHTING EQUIPMENT  | 72661                                   | 2830                                  | 0                                | 75491            |
| COMPUTER                 | 36636274                                | 2801298                               | 8035                             | 39429537         |
| VEHICLES                 | 15089321                                | 3741944                               | 484246                           | 18347019         |
| <b>TOTAL - B</b>         | <b>197163263</b>                        | <b>34639381</b>                       | <b>492281</b>                    | <b>231310363</b> |
| <b>INTANGIBLE ASSETS</b> |   |                                       |                                  |                  |
| GOODWILL (MERGER)        | 2138707                                 | 0                                     | 0                                | 2138707          |
| SOFTWARE                 | 762721                                  | 1133398                               | 0                                | 1896119          |
| TRADEMARK & PATENT       | 26999021                                | 1731096                               | 0                                | 28730117         |
| <b>TOTAL - B</b>         | <b>29900449</b>                         | <b>2864494</b>                        | <b>0</b>                         | <b>32764943</b>  |
| <b>TOTAL - [A + B]</b>   | <b>227063712</b>                        | <b>37503875</b>                       | <b>492281</b>                    | <b>264075306</b> |

#### CAPITAL - WORK IN PROCESS

| Particulars             | NET BLOCK        |                  |
|-------------------------|------------------|------------------|
|                         | As at 31-03-2019 | As at 31-03-2018 |
| <b>TANGIBLE ASSETS</b>  |                  |                  |
| LAND                    | 36158933         | 35100997         |
| BUILDING                | 121922124        | 124895536        |
| SITE DEVELOPMENT        | 168445           | 192714           |
| PLANT & MACHINERY       | 228392427        | 244186964        |
| SOLAR POWER PLANT       | 14914418         | 0                |
| SOLAR EQUIPMENT         | 98589            | 0                |
| ELECTRIFICATION         | 3848066          | 2215393          |
| OFFICE EQUIPMENT        | 5281319          | 6318978          |
| FURNITURE AND FIXTURE   | 6041134          | 6790723          |
| FIRE FIGHTING EQUIPMENT | 56368            | 2273             |
| COMPUTER                | 5704101          | 7647972          |
| VEHICLES                | 24542373         | 18284394         |
| <b>TOTAL - A</b>        | <b>447128297</b> | <b>445635944</b> |

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| INTANGIBLE ASSETS                |                  |                  |
| GOODWILL (MERGER)                | 3522578          | 3522578          |
| SOFTWARE                         | 10301538         | 11065334         |
| TRADEMARK & PATENT               | 7412883          | 9143979          |
| <b>TOTAL - B</b>                 | 21236999         | 23731891         |
| <b>TOTAL - [A + B]</b>           | <u>468365296</u> | <u>469367835</u> |
| <b>CAPITAL - WORK IN PROCESS</b> | 14752101         | 22411814         |

## 2. Non-current Investments

| Particulars   | As At 31-03-2019 |                 | As At 31-03-2018 |                 |
|---|------------------|-----------------|------------------|-----------------|
|   | UNIT             | AMOUNT          | UNIT             | AMOUNT          |
| <b>Investment measured at Cost</b>  |                  |                 |                  |                 |
| In Equity shares of Joint Venture Company   |                  |                 |                  |                 |
| <b>Unquoted, Fully Paid up</b>  |                  |                 |                  |                 |
| Rajoo Bausano Extrusion Pvt. Ltd.   | 1960000          | 19600000        | 1960000          | 19600000        |
| of Rs. 10 each Fully paid-up  |                  |                 |                  |                 |
| <b>Total Investment measured at Cost</b>  |                  | <u>19600000</u> |                  | <u>19600000</u> |
| Investments measured at Fair Value through Profit and Loss Account In Equity shares |                  |                 |                  |                 |
| <b>Unquoted, Fully Paid up</b>  |                  |                 |                  |                 |
| BPL Engineering Limited   | 2500             | 0               | 2500             | 0               |
| of Rs. 10 each.   |                  |                 |                  |                 |
| <b>Quoted, Fully Paid up</b>  |                  |                 |                  |                 |
| Windsor Machines Limited of   | 470              | 32994           | 470              | 44885           |
| Rs. 2 each.   |                  |                 |                  |                 |
| Kabra Extrusion Technic Limited of  | 1600             | 137120          | 1600             | 380160          |
| Rs. 5 each.   |                  |                 |                  |                 |
| <b>Total Investments measured at Fair Value through Profit &amp; Loss Account</b>   |                  | <u>170114</u>   |                  | <u>425045</u>   |
| <b>TOTAL NON-CURRENT INVESTMENTS</b>  |                  | <b>19770114</b> |                  | <b>20025045</b> |
| <b>Category-wise Non-current investment</b>   |                  |                 |                  |                 |
|   | As At 31-03-2019 |                 | As At 31-03-2018 |                 |
|   | AMOUNT           |                 | AMOUNT           |                 |
| Investment measured at Cost   | 19600000         |                 | 19600000         |                 |
| Investments measured at Fair Value through Profit & Loss Account                    | 170114           |                 | 425045           |                 |
| <b>TOTAL NON-CURRENT INVESTMENTS</b>  | <b>19770114</b>  |                 | <b>20025045</b>  |                 |

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 3. LOANS

(Unsecured, Considered good unless otherwise stated)

| Particulars                            | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| <b>Security Deposits</b>               |                            |                            |
| Utility Service Deposit                | 4280523                    | 2605938                    |
| Gas Cylinder Deposit                   | 205756                     | 195675                     |
| Sales Tax Deposit                      | 0                          | 25000                      |
| Other Deposit                          | 597082                     | 709082                     |
| Ahmedabad Office Maintenance Deposit   | 9500                       | 95000                      |
| Ashray Home Owners Maintenance Deposit | 0                          | 71550                      |
| <b>Total</b>                           | <b>5178361</b>             | <b>3702245</b>             |

### 4. OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

| Particulars          | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|----------------------|----------------------------|----------------------------|
| Capital Advances     | 664374                     | 6603219                    |
| Unamortized Expenses | 0                          | 0                          |
| <b>Total</b>         | <b>664374</b>              | <b>6603219</b>             |

### 5. INVENTORIES

(Cost or net realizable value, whichever is lower)

| Particulars                | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|----------------------------|----------------------------|----------------------------|
| Raw Materials & Components |                            |                            |
| Indigenous                 | 252847877                  | 265892483                  |
| Imported                   | 32316737                   | 33821235                   |
| Testing Materials          | 3683859                    | 7109504                    |
| Consumable Stores          | 17269437                   | 7072332                    |
| Scrap                      | 0                          | 0                          |
| Stock in Process           | 93324149                   | 228977890                  |
| Stationery                 | 421284                     | 0                          |
| Finished Goods             | 9000000                    | 9000000                    |
| <b>Total</b>               | <b>408863342</b>           | <b>551873444</b>           |

### 6. TRADE RECEIVABLE

| Particulars                      | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|----------------------------------|----------------------------|----------------------------|
| Others                           | 141622584                  | 33520774                   |
| Outstanding exceeding Six Months | 15378704                   | 973718                     |
| <b>Total</b>                     | <b>157001288</b>           | <b>34494492</b>            |

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 7. Cash & Cash Equivalents

| Particulars       | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|-------------------|----------------------------|----------------------------|
| Cash on Hand      | 1075348                    | 1438622                    |
| Balance with Bank | 14659557                   | 44345053                   |
| <b>Total</b>      | <b><u>15734905</u></b>     | <b><u>45783675</u></b>     |

**7.10 Balance with Bank includes Rs. 3044714 (Previous Year Rs. 2091005) towards unclaimed dividend**

### 8. Other Bank Balances

| Particulars             | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|-------------------------|----------------------------|----------------------------|
| Deposits held with Bank | 498923                     | 91026763                   |
| <b>Total</b>            | <b><u>498923</u></b>       | <b><u>91026763</u></b>     |

**8.10 Deposits held with banks to the extent Rs. 498923 (Previous Year Rs. 3666890) held as margin money.**

**8.20 Deposits held with banks Rs. Nil (previous year Rs. 87359873) with maturity more than 3 Months but less than 12 Months**

### 9.00 Loans (Unsecured, Considered good unless otherwise stated)

| Particulars        | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--------------------|----------------------------|----------------------------|
| Loans to Employees | 247107                     | 488542                     |
| <b>Total</b>       | <b><u>247107</u></b>       | <b><u>488542</u></b>       |

### 10.00 Other Financial Assets (Unsecured, Considered good unless otherwise stated)

| Particulars      | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|------------------|----------------------------|----------------------------|
| Accrued Interest | 135356                     | 150373                     |
| <b>Total</b>     | <b><u>135356</u></b>       | <b><u>150373</u></b>       |

### 11.00 Other Current Assets

| Particulars                  | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|------------------------------|----------------------------|----------------------------|
| <b>Receivable from</b>       |                            |                            |
| Income Tax Authority         | 36337775                   | 56044697                   |
| Sales Tax Authority          | 7219108                    | 7219108                    |
| GST / Excise / Service Tax   | 64646843                   | 118873538                  |
| Export Incentives Receivable | 23515685                   | 20273457                   |
| Prepaid Custom Duty          | 3608502                    | 2571567                    |
| Prepaid Insurance / Expenses | 9972433                    | 8728787                    |
| Advance to Suppliers         | 31520656                   | 23428227                   |
| Advance to Employees         | 0                          | 0                          |
| Other Advances               | 4806312                    | 4631439                    |
| <b>Total</b>                 | <b><u>181627315</u></b>    | <b><u>241770820</u></b>    |

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 12. Equity Share Capital

| Particulars                          | UNIT     | As At 31-03-2019 | UNIT            | As At 31-03-2018 |
|--------------------------------------|----------|------------------|-----------------|------------------|
|                                      |          | AMOUNT           |                 | AMOUNT           |
| Equity Share of Rs. 1 Each           | 77000000 | 77000000         | 77000000        | 77000000         |
| Issued, Subscribed & Paid up Capital |          |                  |                 |                  |
| Equity Share of Rs. 1 Each           | 61530750 | 61530750         | 61530750        | 61530750         |
|                                      |          |                  | <b>61530750</b> | <b>61530750</b>  |

### 12.10 The reconciliation of the number of shares outstanding :

| Particulars                                | As At 31-03-2019 | As At 31-03-2018 |
|--|------------------|------------------|
|  | No of Share.     | No of Share.     |
| Equity Share at the beginning of the year  | 61530750         | 58030750         |
| Add : Issued during the year               | 0                | 3500000          |
| <b>Equity Share at the end of the year</b> | <b>61530750</b>  | <b>61530750</b>  |

### 12.20 Terms/rights attached to Equity Shares

**12.21** The Company has only one class of issued Equity Shares having a par value of Rs. 1 per share. Each shareholder is eligible or one vote per share held.

**12.22** In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the company after distribution of all preferential amounts, in proportion of their shareholding.

### 12.30 The details of shareholders holding more than 5% shares

| Particulars                | No. of Share | As at 31/03/2019<br>% of Holding | No. of Share | As at 31/03/2018<br>% of Holding |
|----------------------------|--------------|----------------------------------|--------------|----------------------------------|
| Devayani Chandrakant Doshi | 5862560      | 9.53%                            | 5862560      | 9.53%                            |
| Khushboo Chandrakant Doshi | 4867042      | 7.91%                            | 4867042      | 7.91%                            |
| Pallav Kishorbhai Doshi    | 4826609      | 7.84%                            | 4826609      | 7.84%                            |
| Rita Rajesh Doshi          | 4513440      | 7.34%                            | 4513440      | 7.34%                            |
| Nita Kishorbhai Doshi      | 3884600      | 6.31%                            | 3884600      | 6.31%                            |
| Kruti Rajeshbhai Doshi     | 3144132      | 5.11%                            | 3144132      | 5.11%                            |

### 12.40 In the Period of five years immediately preceding 31st March, 2019

The Company has not issued Bonus shares and bought back any equity shares during the period of five years immediately preceding the Balance sheet date. However the Company has allotted 21318000 equity shares for consideration other than cash pursuant to the scheme of amalgamation during F.Y. 2013-14.

### 12.50 Proposed Dividend

The Board of Director have recommended the payment of Dividend of Rs. 0.10 per fully paid up equity shares (31st March, 2018 Rs. 0.25 Per Share). The proposed Dividend is subject to the approval of shares holders in the ensuing Annual General Meeting.



## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 13 Other Equity

| Particulars                                 | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| <b>Capital Reserve</b>                      |                            |                            |
| Opening Balance                             | 2625456                    | 2625456                    |
| Add : Addition During the year              | 0                          | 0                          |
|   | <b>2625456</b>             | <b>2625456</b>             |
| <b>Securities Premium</b>                   |                            |                            |
| Opening Balance                             | 118879163                  | 55489163                   |
| Add : Addition During the year              | 0                          | 63390000                   |
|   | <b>118879163</b>           | <b>118879163</b>           |
| <b>General Reserve</b>                      |                            |                            |
| Opening Balance                             | 38537443                   | 38537443                   |
| Add : Addition During the year              | 0                          | 0                          |
|   | <b>38537443</b>            | <b>38537443</b>            |
| <b>Retained Earning</b>                     |                            |                            |
| Opening Balance                             | 381622731                  | 278790846                  |
| Add : Profit for the year                   | 78881036                   | 120593888                  |
|   | <b>460503767</b>           | <b>399384734</b>           |
| <b>Less: Appropriations</b>                 |                            |                            |
| Dividend on Equity Shares                   | 15382688                   | 14757688                   |
| Divided Distribution Tax                    | 3161912                    | 3004315                    |
| Ind As Effect of Leave Encasement           | -405088                    | 0                          |
| Income Tax Refund                           | -933241                    | 0                          |
|   | <b>443297496</b>           | <b>381622731</b>           |
| <b>Other Comprehensive Income(OCI)</b>      |                            |                            |
| Opening Balance                             | -1668707                   | 66378                      |
| Add : Movement in OCI (net) during the year | -2706964                   | -1735085                   |
|   | <b>-4375671</b>            | <b>-1668707</b>            |
|   | <b>598963887</b>           | <b>539996086</b>           |

### 14. Borrowing - Non Current

| Particulars                        | Non - Current<br>Amount Rs. | As At 31-03-2019<br>Current Amount Rs. | Non - Current<br>Amount Rs. | As At 31-03-2018<br>Current Amount Rs. |
|------------------------------------|-----------------------------|--|-----------------------------|--|
| <b>Secured - at Amortized Cost</b> |                             |  |                             |  |
| Term Loan from Bank                | 69974581                    | 13680000                               | 37408610                    | 9149992                                |
|                                    | <b>69974581</b>             | <b>13680000</b>                        | <b>37408610</b>             | <b>9149992</b>                         |

1. Above facility is secured against pari passu charged on entire current assets, both present and future and movable fixed assets of the company secured by way of hypothecation
2. It is further secured by equitable mortgage of immovable properties being industrial Land and Building situated at Manavadar and Veraval (Shapar), Further it is also secured by way of hypothecation of Plant and Machinery of the company both present and future
3. It is also secured by irrevocable personal gurantee of Mr. Rajesh Doshi

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 15 Deferred Tax Liability (Net)

| Particulars                                     | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| <b>Opening Balance</b>                          | 41150283                   | 21152723                   |
| Charge / (Credit) to Statement of Profit & Loss | -1069393                   | 19997560                   |
| At the end of year                              | <b>40080890</b>            | <b>41150283</b>            |

### 16 Borrowing - Current

| Particulars                        | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|------------------------------------|----------------------------|----------------------------|
| <b>Secured - at Amortized Cost</b> |                            |                            |
| Loan Repayable on Demands          | 104628373                  | 102264126                  |
| From Bank                          |                            |                            |
|                                    | <b>104628373</b>           | <b>102264126</b>           |

( Secured against pari pasu charge over entire Current Assets, both present and future, secured by way of hypothecation and equitable mortgage of Factory Land & Building at Manavadar and Veraval (Shapar), Rajkot. Further, Secured by way of hypothecation of plant & machinery of the Company both present and future.)

### 17 Trade Payable

| Particulars                         | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|-------------------------------------|----------------------------|----------------------------|
| Micro, Small and Medium Enterprises | 78272338                   | 109720901                  |
| Others                              | 117410958                  | 155554531                  |
|                                     | <b>195683295</b>           | <b>265275432</b>           |

### 18 Other Financial Liability

| Particulars   | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| Current maturities of Long Term Debt<br>(Refer Note no. 14) | 13680000                   | 9149992                    |
| Trade Payable for Capital Goods                             | 344597                     | 61567759                   |
| Unclaimed Dividend  | 3044714                    | 2091005                    |
| Security Deposit  | 2132443                    | 2037874                    |
|   | <b>19201754</b>            | <b>74846630</b>            |

### 19 Other Current Liability

| Particulars                     | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---------------------------------|----------------------------|----------------------------|
| Advance Received against Orders | 134439843                  | 271420434                  |
| T.C.S. Payable                  | 2889                       | 2535                       |
| T.D.S. Payable                  | 2216533                    | 2615668                    |
| Professional Tax Payable        | 42300                      | 182510                     |
| GST Payable                     | 4275336                    | 9800038                    |
|                                 | <b>140976901</b>           | <b>284021185</b>           |

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 20 Provisions - Current

| Particulars                             | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| <b>Provisions for Employee Benefits</b> |                            |                            |
| Salaries                                | 9876483                    | 18401287                   |
| Bonus to Staff                          | 1568188                    | 1494944                    |
| Provident Fund                          | 853055                     | 815679                     |
| Leave Encasement                        | 0                          | 1434363                    |
| <b>Other provisions</b>                 |                            |                            |
| Audit Fees                              | 135000                     | 135000                     |
| Royalty on Sales                        | 1725080                    | 623263                     |
| Selling Commission                      | 1037570                    | 2736838                    |
| Telephone Expenses                      | 0                          | 0                          |
| Other Expenses                          | 942690                     | 1373851                    |
| Warranty                                | 6332671                    | 12769000                   |
| Dividend Distribution Tax               | 30359                      | 0                          |
| Clearing & Forwarding Expenses          | 197834                     | 344073                     |
|   | <b>22698930</b>            | <b>40128298</b>            |

### 21.00 Revenue From Operations

| Particulars                         | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|-------------------------------------|----------------------------|----------------------------|
| <b>Sale of Products</b>             |                            |                            |
| Domestic                            | 764249019                  | 830531228                  |
| Exports                             | 410697414                  | 570406150                  |
|                                     | <b>1174946432</b>          | <b>1400937378</b>          |
| <b>Sale of Services</b>             |                            |                            |
| Domestic                            | 3991534                    | 3606938                    |
| Exports                             | 604672                     | 684089                     |
|                                     | <b>4596206</b>             | <b>4291027</b>             |
| <b>Other operating Revenue</b>      |                            |                            |
| Excess Provision of Warranty W/off  | 3811217                    | 0                          |
| Deposit Forefeited                  | 3481275                    | 10001120                   |
| Net Foreign Exchange Difference     | 1742596                    | -114435                    |
| Net gain from expenses recovered    | 7625818                    | 7901539                    |
| Export Incentives                   | 16203215                   | 30836815                   |
| Solar Power Income                  | 1520726                    | 0                          |
| Excise Refund                       | 10689753                   | 0                          |
|                                     | <b>45074601</b>            | <b>48625039</b>            |
| <b>Total Revenue from Operation</b> | <b>1224617239</b>          | <b>1453853444</b>          |

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 22 Other Income

| Particulars                                      | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Interest   |                            |                            |
| Bank Deposits                                    | 3879219                    | 3248947                    |
| Other Financial Assets carried at Amortized Cost | 38132                      | 17096                      |
| Others   | 1641138                    | 184895                     |
|  | <b>5558489</b>             | <b>3450938</b>             |
| <b>Dividend Income</b>                           | 4903670                    | 5371428                    |
| Gain on Financial Assets                         | -254931                    | 39601                      |
| Other Non - Operating Income                     |                            |                            |
| Net Gain / (Loss) on sale of Fixed Assets        | -259252                    | -1266774                   |
| Excess Provision of Income Tax W/off             | 0                          | 26246                      |
| Rent Income                                      | 660000                     | 600000                     |
|  | <b>10607976</b>            | <b>8221438</b>             |

### 23.00 Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade

| Particulars                                | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| <b>Inventories (at close)</b>              |                            |                            |
| Finished Goods                             | 9000000                    | 9000000                    |
| Work-in-Progress                           | 93324149                   | 228977890                  |
| <b>Total Inventories (at close)</b>        | <b>102324149</b>           | <b>237977890</b>           |
| <b>Inventories (at commencement)</b>       |                            |                            |
| Finished Goods                             | 9000000                    | 9000000                    |
| Work-in-Progress                           | 228977890                  | 101421544                  |
| <b>Total Inventories (at commencement)</b> | <b>237977890</b>           | <b>110421544</b>           |
| <b>Changes In Inventories</b>              | <b>135653741</b>           | <b>-127556346</b>          |

### 24.00 Employee Benefits Expense

| Particulars                                    | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Salaries and Wages                             | 109101758                  | 123353531                  |
| Contribution to Provident Fund and Other Funds | 8066837                    | 7039555                    |
| Staff Welfare Expenses                         | 5906017                    | 10246769                   |
|  | <b>123074612</b>           | <b>140639856</b>           |

### 25.00 Finance Cost

| Particulars                                   | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| <b>Interest Expenses Paid</b>                 |                            |                            |
| Bank  | 19776331                   | 6617517                    |
| Others  | 379248                     | 610216                     |
| Bank Commission / Charges                     | 2239916                    | 3466347                    |
| (Gain) / Loss on Foreign Currency Transaction | 315339                     | -809383                    |
|   | <b>22710834</b>            | <b>9884697</b>             |

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 26 Other Expenses

| Particulars                              | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Packing Materials Consumed               | 8324321                    | 13500624                   |
| Power & Fuel                             | 15535600                   | 17020082                   |
| Labour Charges                           | 17860701                   | 21806565                   |
| Machinery repairs & Maintenance          | 2613553                    | 2459570                    |
| Building repairs & Maintenance           | 1419832                    | 1537601                    |
| Others repairs & Maintenance             | 4621227                    | 6639452                    |
| Clearing & Forwarding Charges            | 5434259                    | 10044860                   |
| Freight and Cartage                      | 11139970                   | 18838202                   |
| Insurance                                | 3753802                    | 1887396                    |
| Rent, Rates & Taxes                      | 139194                     | 440213                     |
| Postage and Telephone                    | 953900                     | 1179736                    |
| Stationery & Printing                    | 643256                     | 864734                     |
| Advertisement & Sales Promotion Expense  | 34444531                   | 28976567                   |
| Commission - Domestic                    | 5251040                    | 4758008                    |
| Commission - Overseas                    | 11797830                   | 13821497                   |
| Legal & Professional Fees                | 4644353                    | 3903800                    |
| Donation                                 | 146802                     | 873100                     |
| CSR Expense                              | 5588797                    | 1627706                    |
| Travelling Expenses - Domestic           | 7624977                    | 2206530                    |
| Travelling Expenses - Foreign            | 13915023                   | 4355314                    |
| Travelling Expenses - Business Promotion | 1481589                    | 1284380                    |
| Sales Tax Paid                           | 0                          | 1011842                    |
| GST, Excise & Service Tax Expenses       | 473020                     | 4125488                    |
| Penalty Exp                              | 0                          | 400628                     |
| Computer Maintenance & Other Expenses    | 4440816                    | 5654798                    |
| Income Tax Expenses                      | 292965                     | 202624                     |
| Payment to Auditors                      | 150000                     | 178750                     |
| Bad debts Written off                    | 1806985                    | 298381                     |
| Royalty Expense                          | 2286243                    | 1377252                    |
| Warranty Expenses                        | 10281926                   | 12769000                   |
| Job Work Charges                         | 28456876                   | 48552190                   |
| Consultancy and contractors expenses     | 7103093                    | 6511701                    |
| Research & Development                   | 12702383                   | 3872844                    |
| Miscellaneous Expense                    | 12406238                   | 19588436                   |
| Prior year Expenditure                   | 234742                     | 0                          |
|  | <b>237969843</b>           | <b>262569873</b>           |

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 27 Taxation

| Particulars   | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| <b>A. Tax expense recognised in the statement of Profit and Loss:</b>                                 |                            |                            |
| Current Tax   | 19099121                   | 41076866                   |
| Mat Credit Entitlement  | -4341968                   | 0                          |
| Deferred Tax  | -1069393                   | 19997560                   |
| <b>Total Income Tax recognised in the current year</b>  | <b>13687760</b>            | <b>61074426</b>            |
| <b>B. The income tax expenses for the year can be reconciled to the accounting profit as follows:</b> |                            |                            |
| Profit before Tax   | 92568796                   | 181668314                  |
| Applicable Tax Rate   | 0.2782                     | 0.3461                     |
| Computed Tax Expenses   | 25752639                   | 62871770                   |
| <b>Tax Effect of</b>  |                            |                            |
| Expenses Disallowed   | 14382037                   | 1465653                    |
| Exempted Income   | -1364201                   | -1858944                   |
| Additional Allowances   | -23607525                  | -21378826                  |
| Other   | -405797                    | -22788                     |
| Mat Credit Entitlement  | 4341968                    | 0                          |
| <b>Current Tax Provisions</b>   | <b>19099121</b>            | <b>41076866</b>            |
| <b>Mat Credit Entitlement</b>   | <b>-4341968</b>            | <b>0</b>                   |
| Incremental Deferred Tax Liability / (Assets) on account of   |                            |                            |
| Tangible and Intangible Assets  | -699634                    | 16175263                   |
| Financial Assets and Other Items  | -369758                    | 3822297                    |
| <b>Deferred Tax Provisions</b>  | <b>-1069393</b>            | <b>19997560</b>            |
| <b>Tax Expenses recognised in Statement of Profit and Loss</b>  | <b>13687760</b>            | <b>61074426</b>            |
| <b>Effective Tax Rate</b>   | <b>14.79%</b>              | <b>33.62%</b>              |

### 28.00 Disclosure Pursuant To Ind As - 19 "Employee Benefits"

#### 28.10 Gratuity:

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by life Insurance Companies under their respective Group Gratuity Schemes

#### 28.20 Leave Encashment:

Liabilities with regard to the Leave Encashment are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by life Insurance Companies under their respective Leave Encashment Schemes

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 28.30 Reconciliation of opening and closing balances of Defined Benefit Obligation

| Particulars   | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| <b>Present value of obligations as at beginning of year</b> | <b>20299849</b>            | <b>16432924</b>            |
| Interest cost   | 1668489                    | 950755                     |
| Current Service Cost  | 2244951                    | 1551277                    |
| Benefits Paid   | -1605529                   | -1411699                   |
| Actuarial (gain)/ loss on obligations                       | 2706964                    | 2776592                    |
| <b>Present value of obligations as at end of year</b>       | <b>25314724</b>            | <b>20299849</b>            |

### 28.40 Reconciliation of opening and closing balances of fair value of Plan Assets

| Particulars   | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| <b>Fair value of plan assets at beginning of year</b> | <b>21298481</b>            | <b>13428480</b>            |
| Expected return on plan assets                        | 1716262                    | 1018099                    |
| Contributions   | 6455781                    | 8263601                    |
| Benefit Paid  | -1605529                   | -1411699                   |
| Actuarial (gain)/ loss on Plan Assets                 | 0                          | 0                          |
| <b>Fair value of plan assets at End of year</b>       | <b>27864995</b>            | <b>21298481</b>            |

### 28.50 Reconciliation of fair value of Assets and Obligations

| Particulars  | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Fair value of plan assets at End of year             | 27864995                   | 21298481                   |
| Present value of obligations as at end of year       | 25314724                   | 20299849                   |
| Amount recognized in Balance Sheet Surplus/(Deficit) | 2550271                    | 998632                     |

### 28.60 Expenses recognized during the year

| Particulars                                      | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| <b>In Income Statement</b>                       |                            |                            |
| Interest cost                                    | 1668489                    | 833373                     |
| Current Service Cost                             | 2244951                    | 1149476                    |
| Return on Plan Assets                            | -1716262                   | -953807                    |
| <b>Net Cost</b>                                  | <b>2197178</b>             | <b>1029042</b>             |
| <b>In Other Comprehensive Income</b>             |                            |                            |
| Actuarial (Gain) / Loss                          | 2706964                    | -66378                     |
| <b>Net (Income) / Expenses recognised in OCI</b> | <b>2706964</b>             | <b>-66378</b>              |

### 29.00 Payment to Auditors

| Particulars          | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|----------------------|----------------------------|----------------------------|
| Statutory Audit Fees | 150000                     | 178750                     |
|                      | <b>150000</b>              | <b>178750</b>              |

### 30.00 Corporate Social Responsibility (CSR)

30.10 CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 2332221 (Previous Year Rs. 1632614)

30.20 Expenditure related to Corporate Social Responsibility is Rs. 5588796 (Previous Year Rs. 1622706).

30.30 Details of Amount spent towards CSR given below:

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 30.30 Details of Amount spent towards CSR given below:

| Particulars  | As At 31-03-2019<br>AMOUNT |
|--|----------------------------|
| <b>Promoting Education</b>   | <b>343690</b>              |
| Health care and Medical Facilities and Eradicating Malnutrition      | 2818955                    |
| Old Age Home   | 2233700                    |
| Ensuring environment sustainability and Conserving Natural Resources | 110000                     |
| Eradicating Malnutrition and hunger                                  | 82451                      |
| <b>Total CSR Activity</b>  | <b>5588796</b>             |

### 31.00 Earnings Per Share (EPS)

| Particulars  | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Net Profit after Tax as per Statement of Profit and Loss                                 | 78881036                   | 120593888                  |
| Attributable to Equity Shareholders  |                            |                            |
| Weighted Average number of Equity Shares used as denominator for calculating Basic EPS   | 61530750                   | 59344449                   |
| <b>BASIC EPS</b>   | <b>1.28</b>                | <b>2.03</b>                |
| Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS | 61530750                   | 59344449                   |
| <b>Diluted EPS</b>   | <b>1.28</b>                | <b>2.03</b>                |

### 32.00 Related Party Disclosure

32.10 As per Ind AS 24, the disclosures of transactions with the related parties are given below:

#### 32.20 List of related parties where control exists and also related parties with whom transactions have taken place and relationships

| Name                                    | Relationship             |
|---|--------------------------|
| Shri Rajesh N. Doshi                    | Key Management Personnel |
| Shri Sunil Jain                         | Key Management Personnel |
| Ms. Khushboo C. Doshi                   | Key Management Personnel |
| Mr. Utsav K. Doshi                      | Key Management Personnel |
| Mr. J. T. Zalawadia                     | Key Management Personnel |
| Mr. Vijay Jadeja                        | Key Management Personnel |
| Rajoo Bausano Extrusion Pvt. Ltd.       | Joint Venture            |
| Rajoo Innovation Centre LLP             | Associate Concern        |
| Essen Speciality Films Pvt. Ltd.        | Associate Concern        |
| Rajoo Eng Ltd Employees Gratuity Fund   | Employees Benefit Plans  |
| Rajoo Eng Ltd Employees Leave Enachment | Employees Benefit Plans  |
| Ruby Jain                               | Relative of KMP          |
| Karishma Doshi                          | Relative of KMP          |



## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 32.30 Transactions during the year with related parties

| Nature of Transaction<br>(Excluding Reimbursements) | Key Management<br>Personnel | Joint Venture | Associates<br>Concern | Post Employee<br>Benefit Plans | Relatives of KMP |
|---|-----------------------------|---------------|-----------------------|--------------------------------|------------------|
| Purchase  | 0                           | 2125          | 1392507               | 0                              | 0                |
| Sale & Service                                      | 0                           | 55277287      | 20305650              | 0                              | 0                |
| Remuneration  | 19341399                    | 0             | 0                     | 0                              | 0                |
| Commission  | 0                           | 0             | 0                     | 0                              | 0                |
| Rent Paid   | 300000                      | 0             | 0                     | 0                              | 1200000          |
| Post Employee Benefit Paid                          | 0                           | 0             | 0                     | 3640359                        | 0                |
| Jobwork   | 0                           | 0             | 2328500               | 0                              | 0                |
| Net Payables / (Receivable)                         | 755368                      | 0             | 0                     | 0                              | 90000            |

### 32.40 Disclosure in Respect of Major Related Party Transactions during the year

| Nature of Transaction<br>(Excluding Reimbursements) | Relationship             | As at 31/03/2019<br>Amount Rs. | As at 31/03/2018<br>Amount Rs. |
|---|--------------------------|--------------------------------|--------------------------------|
| <b>Purchase of Goods</b>                            |                          |                                |                                |
| Rajoo Bausano Extrusion Pvt. Ltd.                   | Joint Venture            | 2125                           | 0                              |
| Rajoo Innovation Centre LLP                         | Associates Concern       | 1368062                        | 8456103                        |
| Essen Speciality Films Pvt. Ltd.                    | Associates Concern       | 24445                          | 91808                          |
| <b>Sale &amp; Service</b>                           |                          |                                |                                |
| Rajoo Bausano Extrusion Pvt. Ltd.                   | Joint Venture            | 55277287                       | 83120117                       |
| Rajoo Innovation Centre LLP                         | Associates Concern       | 33255                          | 583175                         |
| Essen Speciality Films Pvt. Ltd.                    | Associates Concern       | 20272395                       | 4547159                        |
| <b>Sales Return</b>                                 |                          |                                |                                |
| Essen Speciality Films Pvt. Ltd.                    | Associates Concern       | 0                              | 27377181                       |
| Jobwork Charges Paid                                |                          |                                |                                |
| Rajoo Innovation Centre LLP                         | Associates Concern       | 2328500                        | 5873017                        |
| <b>Rent Paid</b>                                    |                          |                                |                                |
| Mr. Utsav K. Doshi                                  | Key Management Personnel | 300000                         | 240000                         |
| Karishma Doshi                                      | Relatives of KMP         | 0                              | 12000                          |
| Ruby Jain   | Relatives of KMP         | 1200000                        | 1200000                        |
| <b>Remuneration paid</b>                            |                          |                                |                                |
| Shri Rajesh N. Doshi                                | Key Management Personnel | 6873489                        | 6079607                        |
| Shri Sunil Jain                                     | Key Management Personnel | 4800000                        | 5849520                        |
| Ms. Khushboo C. Doshi                               | Key Management Personnel | 3472320                        | 3003263                        |
| Mr. Utsav K. Doshi                                  | Key Management Personnel | 2903370                        | 2387533                        |
| Mr. J. T. Zalawadia                                 | Key Management Personnel | 836598                         | 785358                         |
| Mr. Vijay Jadeja                                    | Key Management Personnel | 455622                         | 342741                         |
| <b>Employee Benefit Paid</b>                        |                          |                                |                                |
| Rajoo Eng Ltd Employees Gratuity Fund               | Employee Benefit Plans   | 3640359                        | 3570500                        |
| <b>Net Payables / (Receivable)</b>                  |                          |                                |                                |
| Shri Rajesh N. Doshi                                | Key Management Personnel | 69413                          | 67553                          |
| Shri Sunil Jain                                     | Key Management Personnel | 360000                         | 433536                         |
| Ms. Khushboo C. Doshi                               | Key Management Personnel | 170095                         | 61854                          |
| Mr. Utsav K. Doshi                                  | Key Management Personnel | 155860                         | 116083                         |
| Rajoo Bausano Extrusion Pvt. Ltd.                   | Joint Venture            | 0                              | 20974                          |
| Rajoo Innovation Centre LLP                         | Associates Concern       | 0                              | 0                              |
| Ruby Jain   | Relatives of KMP         | 90000                          | 90000                          |

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### 33.00 Contingent Liability and Commitment

| Particulars  | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| <b>(i) Contingent Liability</b>  |                            |                            |
| A. Claim against the company / disputed liabilities not acknowledged as debt   | 86503386                   | 86713350                   |
| B. Guarantees  |                            |                            |
| I. Guarantees to Bank and Financial Institution against Credit Facilities extended to third parties and other Guarantees | 0                          | -0                         |
| II. Performance Guarantees   | 0                          | 0                          |
| III. Outstanding Guarantees furnished to Bank or financial institution including in respect of Letter of Credit          | 0                          | 0                          |
| C. Other Money for which the company is contingent liable  | 0                          | 0                          |
| I. Pending C-Form  | 2641110                    | 2888280                    |
| II. Liability in respect of bills discounted with Banks (Including third party bills discounting)                        | 1617561                    | 82419880                   |
| III. Customs Duty Obligations towards EPCG License   | 30402115                   | 30402115                   |
| <b>ii Commitment</b>   |                            |                            |
| A. Estimated amount of contract remaining to be executed on capital account and not provided for (Net of Advances)       | 0                          | 3888000                    |
| B. Other Commitment  | 0                          | 0                          |

### 34.00 FINANCIAL INSTRUMENTS

#### Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted Equity Shares is measured at quoted price or NAV.
  - All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
- Fair value measurement hierarchy:

| Particulars                 | As at 31/03/2019 |                        |         | As at 31/03/2018 |                        |         |
|-----------------------------|------------------|------------------------|---------|------------------|------------------------|---------|
|                             | Carrying Amount  | Level of input used in |         | Carrying Amount  | Level of input used in |         |
|                             |                  | Level 1                | Level 2 |                  | Level 1                | Level 2 |
| <b>Financial Assets</b>     |                  |                        |         |                  |                        |         |
| <u>At Amortized Cost</u>    |                  |                        |         |                  |                        |         |
| Loans                       | 5425468          | 0                      | 0       | 4190787          | 0                      | 0       |
| Trade receivables           | 157001288        | 0                      | 0       | 34494492         | 0                      | 0       |
| Cash and cash equivalents   | 15734905         | 0                      | 0       | 45783675         | 0                      | 0       |
| Other Bank Balances         | 498923           | 0                      | 0       | 91026763         | 0                      | 0       |
| Other Financial Assets      | 135356           | 0                      | 0       | 150373           | 0                      | 0       |
| <u>At FVTPL</u>             |                  |                        |         |                  |                        |         |
| Investments                 | 19600000         | 170114                 | 0       | 19600000         | 425045                 | 0       |
|                             |                  |                        |         |                  |                        |         |
| Particulars                 | As at 31/03/2019 |                        |         | As at 31/03/2018 |                        |         |
|                             | Carrying Amount  | Level of input used in |         | Carrying Amount  | Level of input used in |         |
|                             |                  | Level 1                | Level 2 |                  | Level 1                | Level 2 |
| <b>Financial Assets</b>     |                  |                        |         |                  |                        |         |
| Borrowings                  | 174602954        | 0                      | 0       | 139672737        | 0                      | 0       |
| Trade Payables              | 195683295        | 0                      | 0       | 265275432        | 0                      | 0       |
| Other Financial Liabilities | 19201754         | 0                      | 0       | 74846630         | 0                      | 0       |

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### Foreign Currency Risk

The following table shows foreign currency exposures in USD and EURO on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

| Particulars                | As At 31-03-2019 |               | As At 31-03-2018 |                |
|----------------------------|------------------|---------------|------------------|----------------|
|                            | USD              | EURO          | USD              | EURO           |
| Trade and other Payable    | 353964           | 134645        | 565101           | 1184762        |
| Trade and other Receivable | -625475          | -13299        | -243789          | -16917         |
| <b>Net Exposure</b>        | <b>-271511</b>   | <b>121347</b> | <b>321312</b>    | <b>1167845</b> |

Sensitivity analysis of 5% change in exchange rate at the end of reporting period net of hedges

| Particulars            | As At 31-03-2019 |                | As At 31-03-2018 |                 |
|------------------------|------------------|----------------|------------------|-----------------|
|                        | USD              | EURO           | USD              | EURO            |
| 5% Depreciation in INR |                  |                |                  |                 |
| Impact on Equity       | 0                | 0              | 0                | 0               |
| Impact on P&L          | 939038           | -471447        | -1044264         | -4519561        |
| <b>Total</b>           | <b>939038</b>    | <b>-471447</b> | <b>-1044264</b>  | <b>-4519561</b> |
| 5% Appreciation in INR |                  |                |                  |                 |
| Impact on Equity       | 0                | 0              | 0                | 0               |
| Impact on P&L          | -939038          | 471447         | 1044264          | 4519561         |
| <b>Total</b>           | <b>-939038</b>   | <b>471447</b>  | <b>1044264</b>   | <b>4519561</b>  |

### Interest Rate Risk

The exposure of the company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows:

| Particulars          | As At 31-03-2019 | As At 31-03-2018 |
|----------------------|------------------|------------------|
|                      | AMOUNT           | AMOUNT           |
| <b>Loans</b>         |                  |                  |
| Long Term Borrowing  | 83654581         | 46558602         |
| Short Term Borrowing | 104628373        | 102264126        |
| <b>Total</b>         | <b>188282954</b> | <b>148822729</b> |

Impact on Interest Expenses for the year on 1% change in Interest rate

#### UP MOVE

Impact on Profit & Loss -1882830 -1488227

#### DOWN MOVE

Impact on Profit & Loss 1882830 1488227

### Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally secured through Letters of Credit and advance payments.

## Notes to the Audited Financial Statements for the year ended on 31st March, 2019

### Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

### Financing arrangements

The Company had access to following Financing arrangement facilities at end of reporting period:

| Particulars                                  | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Undrawn Credit Facility Expire within 1 Year | 75371627                   | 77735873                   |
|  | <b>91106532</b>            | <b>123519548</b>           |

Contractual maturity patterns of borrowings

| Particulars  | As At 31-03-2019 |                 | As At 31-03-2018 |                 |
|--|------------------|-----------------|------------------|-----------------|
|  | 0.1 Year         | 1-5 Years       | 0.1 Year         | 1-5 Years       |
| Long term borrowings<br>(Including current maturity of long term debt) | 0                | 83654581        | 0                | 46558602        |
| Short Term Borrowing   | 104628373        | 0               | 102264126        | 0               |
| <b>Total</b>   | <b>104628373</b> | <b>83654581</b> | <b>102264126</b> | <b>46558602</b> |

### Commodity Price Risk

Since the company's product is tailor maid and capital goods industries, such risk is not anticipated.

**35. As per Ind AS 108- "Operating Segment", segment information has been provided under the Notes to Consolidated Financial Statements.**

### 36. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended dividend of 0.10 per fully paid up equity share of Re. 1/- each, aggregating to Rs. 7417840, including Rs. 1264765 dividend distribution tax for the financial year 2018-19, which is based on relevant share capital as on March 31, 2019. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

37. The Previous period figures have been re-grouped/ re-classified wherever required to confirm to current year classification.

| As per our report of even date  | For and on behalf of the Board                                  |  |
|---|---|--|
| For, Pankaj K Shah Associates<br>Chartered Accountants<br>FRN : 107352W | (R. N. Doshi)<br>Chairman / Managing Director<br>DIN : 00026140 | (K. C. Doshi)<br>Whole Time Director<br>DIN : 00025581 |
| ( Pankaj K Shah )<br>Proprietor<br>Membership No.:- 034603              | (J.T. Jhalavadia)<br>C.F.O.                                     | (Vijay Jadeja)<br>Company Secretary<br>Mem. No. A31035 |
| Date : 19th May, 2019<br>Place : Veraval (Shapar)                       | Date : 19th May, 2019<br>Place : Veraval (Shapar)               |  |

### **"Annexure A" to the Independent Auditor's Report**

**(Referred to in paragraph 1(0 under "Report on other Legal and Regulatory requirements Section of our Report to the members of the RAJOO ENGINEERS LIMITED of even date)**

Report on the Internal Financial control with reference to financial statements under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

We have audited the internal financial controls over financial reporting of M/S. RAJOO ENGINEERS LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Finance Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for Internal Financial control over Financial Reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

Place: Veraval (Shapar)

Date: 19/05/2019

**FOR PANKAJ K. SHAH ASSOCIATES**

**Firm Registration No. 107352W**

**CHARTERED ACCOUNTANTS**

**(PANKAJ K. SHAH)**

**PROPRIETOR**

**M. No. 34603**

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of,  
Rajoo Engineers Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated financial statements of M/s. RAJOO ENGINEERS LIMITED, ("the Company and its Jointly Controlled Entity (collectively referred as to the Group') which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated statement of Cash Flows for the year then ended, and Notes to the Consolidated financial statement including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS) and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March 2019, the Consolidated profits (including other comprehensive income), Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit of the Consolidated Financial statements in accordance with the Standards on Auditing (SAS) specified under section 143(10) of the Act Your responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial statements as a whole, and in Forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit matter to be communicated in our

##### Key Audit Matter

##### Impairment of investment in Joint Venture

In terms of option of Deemed Cost as per Ind-As 101 "First Time Adoption of Indian Accounting Standards" the Company has valued its investments in Joint Venture amounting to Rs. 19600000 as on 31st March, 2019 at cost.

##### How the matter was addressed in our audit

We have performed the following processes in relation to Management's Judgment in identification of impairment of value of Investment in Joint Venture;

1. We have obtained representation from the Management regarding indication of likely impairment loss in respect of investments made in Joint Venture and process of estimation of recoverable amount.
2. In case of a Joint Venture having materials value under investment, in respect of which no observable inputs were available, we have referred to the valuation obtained by and tested and discussed the assumptions used in the process of valuation with the management to ensure that no impairment provision against the same is required.
3. Our Audit process did not identify any requirement of provisioning for impairment in the value of investment in Subsidiaries

**Warranty Obligation involves critical estimates.**

This estimate has a high inherent uncertainty as it involves management judgement by making assumption based on past experience.

Company is estimating provision for warranty Rs.10281926 at 1% of total revenue from Machine sold.

**Principal Audit Procedures.**

1. We have obtained representation from the Management regarding assumption and estimation of Warranty obligation.
2. Performed analytical procedures and test of details for reasonableness of management estimation.
3. Reviewed the managements assumption and estimated efforts on these uncertainty.
4. Our audit process did not identify any change required to managements position on these uncertainty.

**Information Other than the Consolidated Financial Statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report Business responsibility Report, Corporate Governance report and Shareholders information, but does not include the Consolidated financial statement and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including other comprehensive income). Consolidated changes in equity in Consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective board of Directors of the Companies included in the Group are responsible maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Company as aforesaid

In preparing the Consolidated Financial statement, the respective board of directors of the company included in the group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of her intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists

Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit

#### **We also:**

Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(0) of the Act, we are also responsible for expressing your opinion on whether the Company has adequate Internal financial control system in place and the operating effectiveness of such controls

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain Sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for the audit opinion.

Materiality is the magnitude of misstatements in the Consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in Planning the scope of our audit work and in evaluating the results of our work and (11) To evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

### Other Matters

We did not audit the financial statements of Rajoo Bausano Extrusion Pvt. Ltd. a jointly controlled entity whose audited financial statements reflect total assets of Rs. 1916.02 lacs as at March, 31, 2019, total revenue of Rs. 1922.56 lacs for the year then ended on that date. These Audited financial statements have been furnished to us and our opinion is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statement and our report on other legal and regulatory requirements, below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

### Report on Other Legal and Regulatory Requirements:

1 As required by section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the aforesaid consolidated financial statements

b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income) the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies(Account) Rules, 2014

e) On the basis of written representations received from the directors of the company as on March 31, 2019 taken on record by the Board of Directors of the company and the Reports of statutory auditor of its Jointly controlled company, none of the directors of the group company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on Auditor Report of the company and its jointly controlled company

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended :

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The consolidated financial statements disclosed the impact of pending litigations on its Consolidated financial position of the Group:

b) The Group does not have any long term contracts including derivative contracts for which there were any material foreseeable losses

C) The company has transferred the amounts, required to be transferred to the Investor Education and Protection Fund after 50 days from the due date as against requirement of transfer within 7 days from the due date.

Place: Veraval (Shapar)  
Date: 19/05/2019

**FOR PANKAJ K. SHAH ASSOCIATES**  
**Firm Registration No. 107352W**  
**CHARTERED ACCOUNTANTS**

**(PANKAJ K. SHAH)**  
**PROPRIETOR**  
**M. No. 34603**

**Consolidated BALANCE SHEET as at 31st MARCH, 2019**

| Particulars                          | Notes | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|--------------------------------------|-------|---------------------------|---------------------------|
| <b>ASSETS</b>                        |       |                           |                           |
| <b>Non-current assets</b>            |       |                           |                           |
| Property, plant and equipment        | 1     | 449055800                 | 447468604                 |
| Capital Work-in-Progress             | 1     | 14752101                  | 22411814                  |
| Intangible assets                    | 1     | 21491192                  | 23954320                  |
| Intangible assets under development  |       | 0                         | 0                         |
| <b>Financial Assets</b>              |       |                           |                           |
| Investments                          | 2     | 170114                    | 425045                    |
| Deposits                             | 3     | 5183261                   | 4425252                   |
| Other Non-Current Financial Assets   |       | 0                         | 0                         |
| Other Non-current assets             | 4     | 664374                    | 6603219                   |
| <b>Total Non-Current assets</b>      |       | <b>491316841</b>          | <b>505288254</b>          |
| <b>Current assets</b>                |       |                           |                           |
| <b>Inventories</b>                   | 5     | 461232433                 | 588346644                 |
| Financial Assets                     |       |                           |                           |
| Investments                          | 6     | 15514252                  | 15051503                  |
| Trade receivables                    | 7     | 163585156                 | 46626605                  |
| Cash and cash equivalents            | 8     | 17295518                  | 56909364                  |
| Other Bank Balances                  | 9     | 498923                    | 91026763                  |
| Loans                                | 10    | 428335                    | 488542                    |
| Other Financial Assets               | 11    | 135356                    | 150373                    |
| Other Current Assets                 | 12    | 197182962                 | 262554548                 |
| <b>Total Current assets</b>          |       | <b>855872935</b>          | <b>1061154343</b>         |
| <b>Total Assets</b>                  |       | <b>1347189776</b>         | <b>1566442597</b>         |
| <b>EQUITY AND LIABILITIES</b>        |       |                           |                           |
| <b>Equity</b>                        |       |                           |                           |
| Equity Share capital                 | 13    | 61530750                  | 61530750                  |
| Other Equity                         | 14    | 628782689                 | 574272039                 |
| <b>Total Equity</b>                  |       | <b>690313439</b>          | <b>635802789</b>          |
| <b>Liabilities</b>                   |       |                           |                           |
| <b>Non-current liabilities</b>       |       |                           |                           |
| Financial Liabilities                |       |                           |                           |
| Borrowings                           | 15    | 69974581                  | 37408610                  |
| Deposits                             | 16    | 134334                    | 134334                    |
| Provisions                           |       | 0                         | 0                         |
| Deferred tax liabilities (Net)       | 17    | 40151590                  | 41075866                  |
| Other Non Current Liability          |       | 0                         | 0                         |
| <b>Total non-current liabilities</b> |       | <b>110260504</b>          | <b>78618810</b>           |

**Consolidated BALANCE SHEET as at 31st MARCH, 2019**

| Particulars                         | Notes | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|-------------------------------------|-------|---------------------------|---------------------------|
| <b>Current liabilities</b>          |       |                           |                           |
| <b>Financial Liabilities</b>        |       |                           |                           |
| Borrowings                          | 18    | 104628373                 | 102264126                 |
| Trade payables                      | 19    | 197244100                 | 272268926                 |
| Other Financial Liabilities         | 20    | 19279657                  | 75195681                  |
| Other Current Liabilities           | 21    | 181143562                 | 311003044                 |
| Provisions                          | 22    | 24867101                  | 44482438                  |
| Income Tax Liability (Net)          |       | 19453040                  | 46806783                  |
| <b>Total current liabilities</b>    |       | <b>546615832</b>          | <b>852020998</b>          |
| <b>Total Liabilities</b>            |       | <b>656876337</b>          | <b>930639808</b>          |
| <b>Total Equity and Liabilities</b> |       | <b>1347189776</b>         | <b>1566442597</b>         |

Significant Accounting Policies and The accompanying Notes 1 to 34 are an integral Part of the Consolidated Financial Statements

**As per our report of even date**

**For and on behalf of the Board**

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(U. K. Doshi)  
Executive Director  
DIN :00174486

( Pankaj K Shah )  
Proprietor  
Membership No.:- 034603

(J.T. Jhalavadia)  
C.F.O.  
Date : 19th May, 2019  
Place : Veraval (Shapar)

(Vijay Jadeja)  
Company Secretary  
Mem. No. A31035

Date : 19th May, 2019  
Place : Veraval (Shapar)

**Statement of Consolidated Profit and Loss for the year ended 31st March, 2019**

| Particulars  | Notes | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|--|-------|---------------------------|---------------------------|
| <b>Income</b>  |       |                           |                           |
| Revenue from operations  | 23    | 1317427015                | 1618649435                |
| Other Income   | 24    | 11958763                  | 9558136                   |
| <b>Total Income</b>  |       | <b>1329385778</b>         | <b>1628207571</b>         |
| <b>EXPENSES</b>  |       |                           |                           |
| Cost of Material Consumed  |       | 653433350                 | 1088326756                |
| Changes in Inventories   | 25    | 142032104                 | -130023950                |
| Employee Benefits Expense  | 26    | 129102165                 | 146070924                 |
| Finance Costs  | 27    | 22862034                  | 9972367                   |
| Depreciation / Amortisation of Expense                                 | 1     | 37781111                  | 2805433                   |
| Other Expenses   | 28    | 249582982                 | 281980015                 |
| <b>Total Expenses</b>  |       | <b>1234793746</b>         | <b>1424380445</b>         |
| <b>Profit Before Tax</b>   |       | <b>94592031</b>           | <b>203827126</b>          |
| <b>Tax Expenses</b>  |       |                           |                           |
| Current Tax  |       | 19453040                  | 46835823                  |
| Mat Credit Entitlement   |       | -4341968                  | 0                         |
| Deferred Tax   |       | -924277                   | 20080355                  |
| <b>Profit after tax</b>  |       | <b>80405236</b>           | <b>136910948</b>          |
| <b>Other comprehensive income:</b>                                     |       |                           |                           |
| i. Items that will not be reclassified to Statement of Profit and Loss |       | -2609118                  | -1735085                  |
| ii. Items that will be reclassified to Statement of Profit and Loss    |       |                           |                           |
| <b>Total comprehensive income for the year</b>                         |       | <b>77796118</b>           | <b>135175863</b>          |
| <b>Earnings per equity share of face value of Rs. 1 each</b>           |       |                           |                           |
| Basic (in Rs.)   |       | 1.31                      | 2.31                      |
| Diluted (in Rs.)   |       | 1.31                      | 2.31                      |

Significant Accounting Policies and The accompanying Notes 1 to 34 are an integral Part of the Consolidated Financial Statements

As per our report of even date

For and on behalf of the Board

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(U. K. Doshi)  
Executive Director  
DIN : 00174486

( Pankaj K Shah )  
Proprietor  
Membership No.:- 034603

(J.T. Jhalavadia)  
C.F.O.  
Date : 19th May, 2019  
Place : Veraval (Shapar)

(Vijay Jadeja)  
Company Secretary  
Mem. No. A31035

Date : 19th May, 2019  
Place : Veraval (Shapar)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

| Particulars  | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
|--|---------------------------|---------------------------|
| <b>A : CASH FLOW FROM OPERATING ACTIVITIES</b>                   |                           |                           |
| <b>Net Profit Before Tax as per Statement of Profit and Loss</b> | 94592031                  | 203827126                 |
| Adjusted for:  |                           |                           |
| (Profit) / Loss on Sale / Discard of Assets (Net)                | 259252                    | 1266774                   |
| Depreciation / Amortisation and Depletion Expense                | 37781111                  | 28054333                  |
| Unrealised Loss / (Gain) on Exchange Difference                  | -21875                    | 4204552                   |
| Unrealised (Gain) / Loss of Fair Value of Investment             | -321662                   | -185045                   |
| Dividend Income  | -5426825                  | -6465141                  |
| Interest Income  | -4130258                  | -3514082                  |
| Income Tax Refund  | 933241                    | 0                         |
| Finance costs  | 22862034                  | 9972367                   |
| <b>Operating Profit before Working Capital Changes</b>           | <b>146527049</b>          | <b>237160884</b>          |
| Adjusted for:  |                           |                           |
| Inventories  | 127114211                 | -304486776                |
| Trade receivables  | -116936676                | 192524376                 |
| Other Current Assets / Receivables                               | 72583911                  | -104575915                |
| Trade payables   | -75024826                 | 29440341                  |
| Other Current Liability / Payables                               | -205390844                | 146499382                 |
| <b>Cash Generated from Operations</b>                            | <b>-51127173</b>          | <b>196562292</b>          |
| Taxes Paid (Net)   | -46806783                 | -36865216                 |
| <b>Net Cash flow from Operating Activities</b>                   | <b>-97933956</b>          | <b>159697076</b>          |
| <b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>                    |                           |                           |
| Purchase of tangible and intangible assets                       | -29691517                 | -226341130                |
| Proceeds from disposal of tangible and intangible assets         | 186800                    | 5022000                   |
| Net cash flow for other financial assets                         | 90527840                  | -85606987                 |
| Interest Income  | 4130258                   | 3514082                   |
| Dividend Income from Joint Venture                               | 5423155                   | 4900000                   |
| Net Change in Investment   | 113845                    | -13244158                 |
| Dividend Income from Others                                      | 3670                      | 1565141                   |
| <b>Net Cash flow (Used in) Investing Activities</b>              | <b>70694051</b>           | <b>-310191052</b>         |
| <b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>                    |                           |                           |
| Proceeds from issue of Enquiry Share Capital                     | 0                         | 66890000                  |
| Proceeds from Long Term Borrowings                               | 32565971                  | 37408610                  |
| Short Term Borrowings (Net)                                      | 2364247                   | 35829560                  |
| Dividends Paid (Including Dividend Distribution Tax)             | -24442125                 | -23659528                 |
| Interest Paid  | -22862034                 | -9972367                  |
| <b>Net Cash flow (Used in) Financing Activities</b>              | <b>-12373941</b>          | <b>106496275</b>          |
| <b>Net (Decrease) in Cash and Cash Equivalents</b>               | <b>-39613847</b>          | <b>-43997701</b>          |
| <b>Opening balance of Cash and Cash Equivalents</b>              | 56909364                  | 100907065                 |
| <b>Closing balance of Cash and Cash Equivalents</b>              | 17295518                  | 56909364                  |

Significant Accounting Policies and The accompanying Notes 1 to 34 are an integral Part of the Consolidated Financial Statements

**As per our report of even date**

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

( Pankaj K Shah )  
Proprietor  
Membership No.:- 034603  
Date : 19th May, 2019  
Place : Veraval (Shapar)

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(J.T. Jhalavadia)  
C.F.O.  
Date : 19th May, 2019  
Place : Veraval (Shapar)

**For and on behalf of the Board**

(U. K. Doshi)  
Executive Director  
DIN : 00174486

(Vijay Jadeja)  
Company Secretary  
Mem. No. A31035

# STATEMENT OF CHANGES IN EQUITY

| AS AT 31ST MARCH,<br>2019                        | EQUITY SHARE CAPITAL                    |                    | OTHER EQUITY          |                    |                      |  | TOTAL     |
|--|---|--------------------|-----------------------|--------------------|----------------------|--|-----------|
|  | Issued, Subscribed<br>& Paid up Capital | Capital<br>Reserve | Securities<br>Premium | General<br>Reserve | Retained<br>Earnings | Other<br>comprehensive<br>income (OCI) |           |
| Balance at the beginning of the reporting period | 61530750                                | 2625456            | 118879163             | 38537443           | 415898684            | -1668707                               | 635802789 |
| Equity Shares issued during the year             | 0                                       | 0                  | 0                     | 0                  | 0                    | 0                                      | 0         |
| Total Comprehensive income for the year          | 0                                       | 0                  | 0                     | 0                  | 80405236             | -2609118                               | 77796118  |
| Dividends  | 0                                       | 0                  | 0                     | 0                  | -24442125            | 0                                      | -24442125 |
| Earlier year income Tax Refund                   | 0                                       | 0                  | 0                     | 0                  | 933241               | 0                                      | 933241    |
| IND As effect of Leave Encashment                | 0                                       | 0                  | 0                     | 0                  | 223416               | 0                                      | 223416    |
| Transfer to Retained Earning                     | 0                                       | 0                  | 0                     | 0                  | 0                    | 0                                      | 0         |
| Balance at the end of the reporting period       | 61530750                                | 2625456            | 118879163             | 38537443           | 473018452            | -4277825                               | 690313439 |

| AS AT 31ST MARCH,<br>2018                        | EQUITY SHARE CAPITAL                    |                    | OTHER EQUITY          |                    |                      |  | TOTAL     |
|--|---|--------------------|-----------------------|--------------------|----------------------|--|-----------|
|  | Issued, Subscribed<br>& Paid up Capital | Capital<br>Reserve | Securities<br>Premium | General<br>Reserve | Retained<br>Earnings | Other<br>comprehensive<br>income (OCI) |           |
| Balance at the beginning of the reporting period | 58030750                                | 2625456            | 55489163              | 38537443           | 302647265            | 66378                                  | 457396454 |
| Equity Shares issued during the year             | 3500000                                 | 0                  | 63390000              | 0                  | 0                    | 0                                      | 66890000  |
| Total Comprehensive income for the year          | 0                                       | 0                  | 0                     | 0                  | 136910948            | -1735085                               | 135175863 |
| Dividends  | 0                                       | 0                  | 0                     | 0                  | -23659528            | 0                                      | -23659528 |
| Transfer to Retained Earning                     | 0                                       | 0                  | 0                     | 0                  | 0                    | 0                                      | 0         |
| Balance at the end of the reporting period       | 61530750                                | 2625456            | 118879163             | 38537443           | 415898684            | -1668707                               | 635802789 |

As per our report of even date

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

( Pankaj K Shah )  
Proprietor  
Membership No.:- 034603

Date : 19th May, 2019  
Place : Veraval (Shapar)

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(J.T. Jhalavadia)  
C.F.O.  
Date : 19th May, 2019  
Place : Veraval (Shapar)

For and on behalf of the Board

(U. K. Doshi)  
Executive Director  
DIN :00174486

(Vijay Jadeja)  
Company Secretary  
Mem. No. A31035



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2019

### A Group Information

The consolidated financial statements comprise financial statement of Rajoo Engineers Limited and its Joint Venture Entity here in after referred as "The Group".

Group Structure:

| Name of The Company                                  | Country of Incorporation | Share Holding as at |            |
|--|--------------------------|---------------------|------------|
|  |                          | 31.03.2019          | 31.03.2018 |
| Jointly Controlled Entity<br>Rajoo Bausano Pvt. Ltd. | India                    | 49.00%              | 49.00%     |

### B Significant Accounting Policies

#### B.1 Basis of Preparation of Financial Statements

**Statement of Compliance with Indian Accounting Standards (IND AS):** The Consolidated financial statements have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

#### B.2 Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis.

Investments in joint operations are accounted using the Proportionate Consolidation Method as per Ind AS 111 – Joint Arrangements.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

All other significant accounting policies are set out under "Significant Accounting Policies" as given in the Company's Standalone financial statements.

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

### 1. PROPERTY, PLANT & EQUIPMENT

| Particulars               | <----- GROSS BLOCK -----> |                          |                                  |                  |
|---------------------------|---------------------------|--------------------------|----------------------------------|------------------|
|                           | As at 01.04.2018          | Addition during the Year | Deduction / Sold during the year | As at 31.03.2019 |
| <b>TANGIBLE ASSETS</b>    |                           |                          |                                  |                  |
| LAND                      | 35100997                  | 1057936                  | 0                                | 36158933         |
| BUILDING                  | 159030170                 | 1411993                  | 0                                | 160442163        |
| SITE DEVELOPMENT          | 457899                    | 0                        | 0                                | 457899           |
| PLANT & MACHINERY         | 322494369                 | 3975775                  | 0                                | 326470144        |
| SOLAR POWER PLANT         | 0                         | 15499360                 | 0                                | 15499360         |
| SOLAR EQUIPMENT           | 0                         | 111602                   | 0                                | 111602           |
| ELECTRIFICATION           | 9295826                   | 1966843                  | 0                                | 11262669         |
| OFFICE EQUIPMENT          | 22502418                  | 1421515                  | 0                                | 23923933         |
| FURNITURE AND FIXTURE     | 17806219                  | 108779                   | 0                                | 17914998         |
| FIRE FIGHTING EQUIPMENT   | 74934                     | 57220                    | 0                                | 132154           |
| COMPUTER                  | 44517550                  | 910899                   | 52760                            | 45375689         |
| VEHICLES                  | 34512747                  | 10401250                 | 885573                           | 44028424         |
| <b>TOTAL - A</b>          | <b>645793129</b>          | <b>36923172</b>          | <b>938333</b>                    | <b>681777968</b> |
| <b>INTANGIBLE ASSETS</b>  |                           |                          |                                  |                  |
| GOODWILL (MERGER)         | 5661285                   | 0                        | 0                                | 5661285          |
| SOFTWARE                  | 12149082                  | 428353                   | 2552                             | 12574883         |
| TRADEMARK & PATENT        | 36143000                  | 0                        | 0                                | 36143000         |
| <b>TOTAL - B</b>          | <b>53953367</b>           | <b>428353</b>            | <b>2552</b>                      | <b>54379168</b>  |
| <b>TOTAL - [A + B]</b>    | <b>699746496</b>          | <b>37351525</b>          | <b>940885</b>                    | <b>736157137</b> |
| CAPITAL - WORK IN PROCESS | 22411814                  | 8381202                  | 16040915                         | 14752101         |

| Particulars              | DEPRECIATION / AMORTIZATION / DEPLETION |                                       |                                  |                  |
|--------------------------|---|---------------------------------------|----------------------------------|------------------|
|                          | As at 01.04.2018                        | Addition / Adjustment during the Year | Deduction / Sold during the year | As at 31.03.2019 |
| <b>Tangible Assets</b>   |   |                                       |                                  |                  |
| LAND                     | 0                                       |                                       | 0                                | 0                |
| BUILDING                 | 34134634                                | 4385406                               | 0                                | 38520040         |
| SITE DEVELOPMENT         | 265185                                  | 24269                                 | 0                                | 289454           |
| PLANT & MACHINERY        | 78123800                                | 19458747                              | 0                                | 97582547         |
| SOLAR POWER PLANT        | 0                                       | 584942                                | 0                                | 584942           |
| SOLAR EQUIPMENT          | 0                                       | 13013                                 | 0                                | 13013            |
| ELECTRIFICATION          | 6908218                                 | 353884                                | 0                                | 7262102          |
| OFFICE EQUIPMENT         | 16144923                                | 2483439                               | 0                                | 18628362         |
| FURNITURE AND FIXTURE    | 10425450                                | 926546                                | -295                             | 11352291         |
| FIRE FIGHTING EQUIPMENT  | 72661                                   | 2830                                  | 0                                | 75491            |
| COMPUTER                 | 36779055                                | 2844467                               | 8035                             | 39615487         |
| VEHICLES                 | 15470599                                | 3812088                               | 484246                           | 18798441         |
| <b>TOTAL - B</b>         | <b>198324525</b>                        | <b>34889630</b>                       | <b>491986</b>                    | <b>232722169</b> |
| <b>INTANGIBLE ASSETS</b> |   |                                       |                                  |                  |
| GOODWILL (MERGER)        | 2138707                                 | 0                                     | 0                                | 2138707          |
| SOFTWARE                 | 861319                                  | 1160385                               | 2552                             | 2019152          |
| TRADEMARK & PATENT       | 26999021                                | 1731096                               | 0                                | 28730117         |
| <b>TOTAL - B</b>         | <b>29999047</b>                         | <b>2891481</b>                        | <b>2552</b>                      | <b>32887976</b>  |
| <b>TOTAL - [A + B]</b>   | <b>228323572</b>                        | <b>37781111</b>                       | <b>494538</b>                    | <b>265610145</b> |

#### CAPITAL - WORK IN PROCESS

| Particulars             | NET BLOCK        |                  |
|-------------------------|------------------|------------------|
|                         | As at 31-03-2019 | As at 31-03-2018 |
| <b>TANGIBLE ASSETS</b>  |                  |                  |
| LAND                    | 36158933         | 35100997         |
| BUILDING                | 121922123        | 124895536        |
| SITE DEVELOPMENT        | 168445           | 192714           |
| PLANT & MACHINERY       | 228887598        | 244370569        |
| SOLAR POWER PLANT       | 14914418         | 0                |
| SOLAR EQUIPMENT         | 98589            | 0                |
| ELECTRIFICATION         | 4000567          | 2387608          |
| OFFICE EQUIPMENT        | 5295571          | 6357495          |
| FURNITURE AND FIXTURE   | 6562707          | 7380769          |
| FIRE FIGHTING EQUIPMENT | 56663            | 2273             |
| COMPUTER                | 5760202          | 7738495          |
| VEHICLES                | 25229983         | 19042148         |
| <b>TOTAL - A</b>        | <b>449055800</b> | <b>447468604</b> |

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| INTANGIBLE ASSETS                |                  |                  |
| GOODWILL (MERGER)                | 3522578          | 3522578          |
| SOFTWARE                         | 10555731         | 11287763         |
| TRADEMARK & PATENT               | 7412883          | 9143979          |
| <b>TOTAL - B</b>                 | 21491192         | 23954320         |
| <b>TOTAL - [A + B]</b>           | <u>470546991</u> | <u>471422924</u> |
| <b>CAPITAL - WORK IN PROCESS</b> | <b>14752101</b>  | <b>22411814</b>  |

## 2. Non-current Investments

| Particulars   | As At 31-03-2019 |               | As At 31-03-2018 |               |
|---|------------------|---------------|------------------|---------------|
|   | UNIT             | AMOUNT RS.    | UNIT             | AMOUNT RS.    |
| <b>Investment measured at Fair Value through Profit and Loss Account</b>          |                  |               |                  |               |
| In Equity shares of   |                  |               |                  |               |
| <b>Unquoted, Fully Paid up</b>  |                  |               |                  |               |
| BPL Engineering Limited of Rs. 10 each.   | 2500             | 0             | 2500             | 0             |
| <b>Quoted, Fully Paid up</b>  |                  |               |                  |               |
| Windsor Machines Limited of Rs. 2 each.   | 470              | 32994         | 470              | 44885         |
| Kabra Extrusion Technic Limited of Rs. 5 each.                                    | 1600             | 137120        | 1600             | 380160        |
| <b>Total Investments measured at Fair Value through Profit &amp; Loss Account</b> |                  | <u>170114</u> |                  | <u>425045</u> |

## 2.10 Category wise Non current investment

| Category-wise Non-current investment                             | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Investment measured at Cost                                      | 0                          | 0                          |
| Investments measured at Fair Value through Profit & Loss Account | 170114                     | 425045                     |
| <b>TOTAL NON-CURRENT INVESTMENTS</b>                             | <b>170114</b>              | <b>425045</b>              |

## 3. LOANS

(Unsecured, Considered good unless otherwise stated)

| Particulars                            | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| <b>Security Deposits</b>               |                            |                            |
| Utility Service Deposit                | 4280523                    | 2605938                    |
| Gas Cylinder Deposit                   | 205756                     | 195675                     |
| Sales Tax Deposit                      | 0                          | 29900                      |
| Other Deposit                          | 601982                     | 1427189                    |
| Ahmedabad Office Maintenance Deposit   | 0                          | 71550                      |
| Ashray Home Owners Maintenance Deposit | 95000                      | 95000                      |
| <b>Total</b>                           | <u><b>5183261</b></u>      | <u><b>4425252</b></u>      |

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019**

**4. OTHER NON-CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

| Particulars          | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|----------------------|----------------------------|----------------------------|
| Capital Advances     | 664374                     | 6603219                    |
| Unamortized Expenses | 0                          | 0                          |
| <b>Total</b>         | <b>664374</b>              | <b>6603219</b>             |

**5. INVENTORIES**

(Cost or net realizable value, whichever is lower)

| Particulars                | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|----------------------------|----------------------------|----------------------------|
| Raw Materials & Components |                            |                            |
| Indigenous                 | 266038176                  | 267554183                  |
| Imported                   | 52511366                   | 44315815                   |
| Testing Materials          | 4616701                    | 7109504                    |
| Consumable Stores          | 17382199                   | 7072332                    |
| Scrap                      | 0                          | 0                          |
| Stock in Process           | 108189286                  | 250221391                  |
| Stationery                 | 421284                     | 0                          |
| Finished Goods             | 12073420                   | 12073420                   |
| <b>Total</b>               | <b>461232433</b>           | <b>588346644</b>           |

**6. CURRENT INVESTMENT (Cost or net realizable value, whichever is lower)**

| Particulars  | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Investments measured at Fair Value through Profit and Loss Account |                            |                            |
| In Mutual Fund   |                            |                            |
| Quoted   |                            |                            |
| Axis Treasury Advantage Fund                                       | 7118224                    | 7232070                    |
| Axis Liquid Opportunity Fund                                       | 6638319                    | 6170928                    |
| Axis Fixed Income Opportunity Fund                                 | 1757709                    | 1648506                    |
| <b>Total</b>   | <b>15514252</b>            | <b>15051503</b>            |

**7. 00 TRADE RECEIVABLE**

(Unsecured, Considered good unless otherwise stated)

| Particulars                      | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|----------------------------------|----------------------------|----------------------------|
| Other                            | 144101942                  | 43378847                   |
| Outstanding exceeding Six Months | 19483214                   | 3247759                    |
| <b>Total</b>                     | <b>163585156</b>           | <b>46626605</b>            |

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

### 8. Cash & Cash Equivalents

| Particulars       | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|-------------------|----------------------------|----------------------------|
| Cash on Hand      | 1835412                    | 1472621                    |
| Balance with Bank | <u>15460106</u>            | <u>55436743</u>            |
|                   | <b><u>17295518</u></b>     | <b><u>56909364</u></b>     |

8.10 Balance with Bank includes Rs. 3044714 (Previous Year Rs. 2091005) towards unclaimed dividend

### 9.00 Other Bank Balance

| Particulars             | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|-------------------------|----------------------------|----------------------------|
| Deposits held with Bank | 498923                     | 91026763                   |
|                         | <b><u>498923</u></b>       | <b><u>91026763</u></b>     |

9.10 Deposits held with banks to the Rs.498923 (Previous Year Rs. 3666890) held as margin money.

9.20 Deposits held with banks Rs. Nil (Previous Year Rs.87359873) with maturity more than 3 months but less than 12 months

### 10.00 Loans (Unsecured, Considered good unless otherwise stated)

| Particulars       | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|-------------------|----------------------------|----------------------------|
| Loan to Employees | 428335                     | 488542                     |
|                   | <b><u>428335</u></b>       | <b><u>488542</u></b>       |

### 11.00 Other Financial Assets (Unsecured, Considered good unless otherwise stated)

| Particulars      | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|------------------|----------------------------|----------------------------|
| Accrued interest | 135356                     | 150373                     |
|                  | <b><u>135356</u></b>       | <b><u>150373</u></b>       |

### 12.00 Other Current Assets (Unsecured, Considered good unless otherwise stated)

| Particulars                  | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|------------------------------|----------------------------|----------------------------|
| Receivable from              |                            |                            |
| Income Tax Authority         | 37850896                   | 62836084                   |
| Sales Tax Authority          | 8030001                    | 8030001                    |
| GST/Excise / Service Tax     | 76219437                   | 131913179                  |
| Export Incentives Receivable | 23515685                   | 20376075                   |
| Prepaid Custom Duty          | 4334026                    | 2571567                    |
| Prepaid Insurance / Expense  | 10010271                   | 8728787                    |
| Advance to Suppliers         | 32420541                   | 23467416                   |
| Advance to Employees         | 0                          | 0                          |
| Other Advances               | 4802104                    | 4631439                    |
|                              | <b><u>197182962</u></b>    | <b><u>262554548</u></b>    |

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

### 13. Equity Share Capital

| Particulars                                     | UNIT     | As At 31-03-2019<br>AMOUNT | UNIT     | As At 31-03-2018<br>AMOUNT |
|---|----------|----------------------------|----------|----------------------------|
| <b>Authorised Share capital</b>                 |          |                            |          |                            |
| Equity Share of Rs. 1 Each                      | 77000000 | 77000000                   | 77000000 | 77000000                   |
| <b>Issued, Subscribed &amp; Paid up Capital</b> |          |                            |          |                            |
| Equity Share of Rs. 1 Each                      | 61530750 | 61530750                   | 61530750 | 61530750                   |
| <b>Total</b>                                    |          | <b>61530750</b>            |          | <b>61530750</b>            |

### 13.10 The reconciliation of the number of shares outstanding :

| Particulars                                | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Equity Share at the beginning of the year  | 61530750                   | 58030750                   |
| Add : Issued during the year               | 0                          | 3500000                    |
| <b>Equity Share at the end of the year</b> | <b>61530750</b>            | <b>61530750</b>            |

### 13.20 Terms/rights attached to Equity Shares

**13.21** The Company has only one class of issued Equity Shares having a par value of Rs. 1 per share. Each shareholder is eligible for one vote per share held.

**13.22** In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the company after distribution of all preferential amounts, in proportion of their shareholding.

### 13.30 The details of shareholders holding more than 5% shares

| Particulars                | No. of Share | As at 31/03/2019<br>% of Holding | No. of Share | As at 31/03/2018<br>% of Holding |
|----------------------------|--------------|----------------------------------|--------------|----------------------------------|
| Devyani Chandrakant Doshi  | 5862560      | 9.53%                            | 5862560      | 9.53%                            |
| Khushboo Chandrakant Doshi | 4867042      | 7.91%                            | 4867042      | 7.91%                            |
| Pallav Kishorbhai Doshi    | 4826609      | 7.84%                            | 4826609      | 7.84%                            |
| Rita Rajesh Doshi          | 4513440      | 7.34%                            | 4513440      | 7.34%                            |
| Nita Kishorbhai Doshi      | 3884600      | 6.31%                            | 3884600      | 6.31%                            |
| Kruti Rajeshbhai Doshi     | 3144132      | 5.11%                            | 3144132      | 5.11%                            |

### 13.40 In the Period of five years immediately preceding 31st March, 2019

The Company has not issued Bonus shares and bought back any equity shares during the period of five years immediately preceding the Balance sheet date. However the Company has allotted 21318000 equity shares for consideration other than cash pursuant to the scheme of amalgamation during F.Y. 2013-14.

### 13.50 Proposed Dividend

The Board of Director have recommended the payment of Dividend of Rs. 0.10 per fully paid up equity shares (31st March, 2018 Rs. 0.25 Per Share). The proposed Dividend is subject to the approval of shares holders in the ensuing Annual General Meeting.

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

### 14 Other Equity

| Particulars                                 | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| <b>Capital Reserve</b>                      |                            |                            |
| Opening Balance                             | 2625456                    | 2625456                    |
| Add : Addition During the year              | 0                          | 0                          |
|   | <b>2625456</b>             | <b>2625456</b>             |
| <b>Securities Premium</b>                   |                            |                            |
| Opening Balance                             | 118879163                  | 55489163                   |
| Add : Addition During the year              | 0                          | 63390000                   |
|   | <b>118879163</b>           | <b>118879163</b>           |
| <b>General Reserve</b>                      |                            |                            |
| Opening Balance                             | 38537443                   | 38537443                   |
| Add : Addition During the year              | 0                          | 0                          |
|   | <b>38537443</b>            | <b>38537443</b>            |
| <b>Retained Earnings</b>                    |                            |                            |
| Opening Balance                             | 415898684                  | 302647265                  |
| Add : Addition During the year              | 80405236                   | 136910948                  |
|   | <b>496303920</b>           | <b>439558212</b>           |
| <b>Less: Appropriations</b>                 |                            |                            |
| Dividend on Equity Shares                   | 21280213                   | 20655213                   |
| Divided Distribution Tax                    | 3161912                    | 3004315                    |
| Ind As Effect of Leave Encasement           | -223416                    | 0                          |
| Income Tax Refund                           | -933241                    | 0                          |
|   | <b>473018452</b>           | <b>415898684</b>           |
| <b>Other Comprehensive Income(OCI)</b>      |                            |                            |
| Opening Balance                             | -1668707                   | 66378                      |
| Add : Movement in OCI (net) during the year | -2609118                   | -1735085                   |
|   | <b>-4277825</b>            | <b>-1668707</b>            |
|   | <b>628782689</b>           | <b>574272039</b>           |

### 15. Borrowing - Non Current

| Particulars                        | Non-Current<br>AMOUNT RS. | As At 31-03-2019<br>CURRENT AMOUNT RS. | Non-Current<br>AMOUNT RS. | As At 31-03-2018<br>CURRENT AMOUNT RS. |
|------------------------------------|---------------------------|--|---------------------------|--|
| <b>Secured - at Amortized Cost</b> |                           |  |                           |  |
| Term Loan from Bank                | 69974581                  | 13680000                               | 37408610                  | 9149992                                |
|                                    | <b>69974581</b>           | <b>13680000</b>                        | <b>37408610</b>           | <b>9149992</b>                         |

1. Above facility is secured against pari passu charged on entire current assets, both present and future and movable fixed assets of the company secured by way of hypothecation
2. It is further secured by equitable mortgage of immovable properties being industrial Land and Building situated at Manavadar and Veraval (Shapar), Further it is also secured by way of hypothecation of Plant and Machinery of the company both present and future
3. It is also secured by irrevocable personal gurantee of Mr. Rajesh Doshi

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

### 16 Deposits

| Particulars             | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|-------------------------|----------------------------|----------------------------|
| Deposits from Corporate | 134334                     | 134334                     |
|                         | <b>134334</b>              | <b>134334</b>              |

### 17 Deferred Tax Liability (Net)

| Particulars                                     | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| <b>Opening Balance</b>                          | <b>41075866</b>            | <b>20995511</b>            |
| Charge / (Credit) to Statement of Profit & Loss | -924277                    | 20080355                   |
| At the end of year                              | <b>40151590</b>            | <b>41075866</b>            |

### 18 Borrowing - Current

| Particulars   | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| Secured - at Amortized Cost<br>Loan Repayable on Demands<br>From Bank | 104628373                  | 102264126                  |
|   | <b>104628373</b>           | <b>102264126</b>           |

(Secured against pari pasu charge over entire Current Assets, both present and future, secured by way of hypothecation and equitable mortgage of Factory Land & Building at Manavadar and Veraval (Shapar), Rajkot. Further, Secured by way of hypothecation of plant & machinery of the Company both present and future)

### 19 Trade Payble

| Particulars                         | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|-------------------------------------|----------------------------|----------------------------|
| Micro, Small and Medium Enterprises | 78272338                   | 110715764                  |
| Other                               | 118971763                  | 161553162                  |
|                                     | <b>197244100</b>           | <b>272268926</b>           |

### 20 Other Financial Liability

| Particulars  | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Current maturities of Long Term Debt<br>(Refer Note no.17) | 13680000                   | 9149992                    |
| Trade Payable for Capital Goods                            | 344597                     | 61567759                   |
| Unclaimed Dividend   | 3044714                    | 2091005                    |
| Security Deposits  | 2210346                    | 2386925                    |
|  | <b>19279657</b>            | <b>75195681</b>            |



## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

### 21.00 Other Current Liability

| Particulars                    | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--------------------------------|----------------------------|----------------------------|
| Advance Received against Order | 173727257                  | 296001929                  |
| T.C.S. Payable                 | 2889                       | 2535                       |
| T.D.S. Payable                 | 2706835                    | 3472916                    |
| Professional Tax Payable       | 44579                      | 184862                     |
| GST Payable                    | 4662002                    | 11340802                   |
|                                | <b>181143562</b>           | <b>311003044</b>           |

### 22.00 Provisions - Current

| Particulars                      | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|----------------------------------|----------------------------|----------------------------|
| Provisions for Employee Benefits |                            |                            |
| Salaries                         | 10283612                   | 18793434                   |
| Bonus to Staff                   | 1568188                    | 1494944                    |
| Provident Fund                   | 901302                     | 852025                     |
| Leave Encasement                 | 0                          | 1434363                    |
| Other provisions                 |                            |                            |
| Audit Fees                       | 165870                     | 147250                     |
| Royalty on Sales                 | 1725080                    | 623263                     |
| Selling Commission               | 1037570                    | 2736838                    |
| Telephone Expenses               | 0                          | 0                          |
| Other Expenses                   | 942690                     | 1395901                    |
| Warranty                         | 8014596                    | 16660346                   |
| Dividend Distribution Tax        | 30359                      | 0                          |
| Clearing & Forwarding Expenses   | 197834                     | 344073                     |
|                                  | <b>24867101</b>            | <b>44482438</b>            |

### 23.00 Revenue From Operations

| Particulars                         | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|-------------------------------------|----------------------------|----------------------------|
| <b>Sale of Products</b>             |                            |                            |
| Domestic                            | 853924247                  | 913979540                  |
| Exports                             | 410697414                  | 648333197                  |
|                                     | <b>1264621660</b>          | <b>1562312736</b>          |
| <b>Sale of Services</b>             |                            |                            |
| Domestic                            | 3991534                    | 4840758                    |
| Exports                             | 604672                     | 684089                     |
|                                     | <b>4596206</b>             | <b>5524847</b>             |
| <b>Other operating Revenue</b>      |                            |                            |
| Excess Provision of Warranty W/off  | 3811217                    | 0                          |
| Deposit Forefeited                  | 3481275                    | 10001120                   |
| Net Foreign Exchange Difference     | 3572089                    | 516926                     |
| Net gain from expenses recovered    | 7625989                    | 7943189                    |
| Export Incentives                   | 17508099                   | 32350616                   |
| Solar Power Income                  | 1520726                    | 0                          |
| Excise Refund                       | 10689753                   | 0                          |
|                                     | <b>48209148</b>            | <b>50811851</b>            |
| <b>Total Revenue from Operation</b> | <b>1317427015</b>          | <b>1618649435</b>          |

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

### 24 Other Income

| Particulars                                      | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Interest   |                            |                            |
| Bank Deposits                                    | 4130258                    | 3312091                    |
| Other Financial Assets carried at Amortized Cost | 38132                      | 17096                      |
| Others   | 1641138                    | 184895                     |
|  | <b>5809528</b>             | <b>3514082</b>             |
| <b>Dividend Income</b>                           | 5426825                    | 6465141                    |
| Gain on Financial Assets                         | 321662                     | 185045                     |
| Other Non - Operating Income                     |                            |                            |
| Net Gain / (Loss) on sale of Fixed Assets        | -259252                    | -1266774                   |
| Excess Provision of Income Tax W/off             | 0                          | 26246                      |
| Miscellaneous Credits                            | 0                          | 34396                      |
| Rent Income                                      | 660000                     | 600000                     |
|  | <b>11958763</b>            | <b>9558136</b>             |

### 25.00 Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade

| Particulars                                | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| <b>Inventories (at close)</b>              |                            |                            |
| Finished Goods                             | 12073420                   | 12073420                   |
| Work-in-Progress                           | 108189286                  | 250221391                  |
| <b>Total Inventories (at close)</b>        | <b>120262707</b>           | <b>262294811</b>           |
| <b>Inventories (at commencement)</b>       |                            |                            |
| Finished Goods                             | 12073420                   | 12073420                   |
| Work-in-Progress                           | 250221391                  | 250221391                  |
| <b>Total Inventories (at commencement)</b> | <b>262294811</b>           | <b>132270860</b>           |
| <b>Changes In Inventories</b>              | <b>142032104</b>           | <b>-130023950</b>          |

### 26.00 Employee Benefits Expense

| Particulars                                    | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Salaries and Wages                             | 114672420                  | 128410097                  |
| Contribution to Provident Fund and Other Funds | 8340524                    | 73041186                   |
| Staff Welfare Expenses                         | 6089221                    | 10356641                   |
|  | <b>129102165</b>           | <b>146070924</b>           |

### 27.00 Finance Cost

| Particulars                                   | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|---|----------------------------|----------------------------|
| <b>Interest Expenses Paid</b>                 |                            |                            |
| Bank  | 19776331                   | 6655078                    |
| Others  | 498990                     | 591869                     |
| Bank Commission / Charges                     | 2271374                    | 3534803                    |
| (Gain) / Loss on Foreign Currency Transaction | 315339                     | -809383                    |
|   | <b>22862034</b>            | <b>9972367</b>             |

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

### 28.00 Other Expenses

| Particulars                              | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Packing Materials Consumed               | 8325613                    | 13500624                   |
| Power & Fuel                             | 15854255                   | 17359094                   |
| Labour Charges                           | 17860701                   | 21806565                   |
| Machinery repairs & Maintenance          | 2811199                    | 3003712                    |
| Building repairs & Maintenance           | 1475479                    | 1537601                    |
| Others repairs & Maintenance             | 4729160                    | 6663726                    |
| Clearing & Forwarding Charges            | 5834388                    | 10906480                   |
| Freight and Cartage                      | 11610381                   | 19727926                   |
| Insurance                                | 3849911                    | 1963801                    |
| Rent, Rates & Taxes                      | 1092686                    | 4266693                    |
| Postage and Telephone                    | 991985                     | 1186197                    |
| Stationery & Printing                    | 736656                     | 917199                     |
| Advertisement & Sales Promotion Expense  | 35209058                   | 29828081                   |
| Commission - Domestic                    | 5251040                    | 6002724                    |
| Commission - Overseas                    | 11797830                   | 13821497                   |
| Legal & Professional Fees                | 4846878                    | 4013366                    |
| Donation                                 | 146802                     | 873100                     |
| CSR Expense                              | 5588797                    | 1627706                    |
| Travelling Expenses - Domestic           | 8071557                    | 2856031                    |
| Travelling Expenses - Foreign            | 14948505                   | 4355314                    |
| Travelling Expenses - Business Promotion | 1481589                    | 1284380                    |
| Sales Tax Paid                           | 0                          | 1188920                    |
| GST, Excise & Service Tax Expenses       | 473020                     | 4125488                    |
| Penalty Exp                              | 0                          | 400628                     |
| Computer Maintenance & Other Expenses    | 4447901                    | 5658828                    |
| Income Tax Expenses                      | 292965                     | 202624                     |
| Payment to Auditors                      | 184300                     | 191000                     |
| Bad debts Written off                    | 1806985                    | 471796                     |
| Royalty Expense                          | 4426943                    | 5268598                    |
| Warranty Expenses                        | 13464967                   | 16660346                   |
| Job Work Charges                         | 28986587                   | 49455914                   |
| Consultancy and contractors expenses     | 7103093                    | 6511701                    |
| Research & Development                   | 12702383                   | 3872844                    |
| Miscellaneous Expense                    | 12944626                   | 20469512                   |
| Prior year Expenditure                   | 234742                     | 0                          |
|  | <b>249582982</b>           | <b>281980015</b>           |

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

### 29.00 Earnings per Share (EPS)

| Particulars  | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| Net Profit after Tax as per Statement of Profit and Loss                                 |                            |                            |
| Attributable to Equity Shareholder   | 80405236                   | 136910948                  |
| Weighted Average number of Equity Shares used as denominator for Basic EPS               | 61530750                   | 59344449                   |
|  | 1.31                       | 2.31                       |
| Weighted Average number of Equity shares used as denominator for calculating Diluted EPS | 61530750                   | 59344449                   |
| <b>Diluted EPS</b>   | <b>1.31</b>                | <b>2.31</b>                |

### 30.00 Contingent Liability and Commitment

| Particulars  | As At 31-03-2019<br>AMOUNT | As At 31-03-2018<br>AMOUNT |
|--|----------------------------|----------------------------|
| <b>Contingent Liability</b>  |                            |                            |
| A. Claim against the company / disputed liabilities not acknowledge as debt  | 86503386                   | 86713350                   |
| B. Guarantees  |                            |                            |
| I. Guarantees to bank and Financial institution against Credit Facilities extended to third parties and other Guarantees | 0                          | 0                          |
| II. Performance Guarantees   | 0                          | 0                          |
| III. Outstanding Guarantees furnished to Bank or financial institution including in respect of Letter of Credit          | 0                          | 0                          |
| C. Other Money for which the company is contingent liable  | 0                          | 0                          |
| I. Pending C-Form  | 2641110                    | 2888280                    |
| II. Liability in respect of bills discounted with Banks (Including third party bills discounting)                        | 1617561                    | 82419880                   |
| III. Customs Duty Obligations towards EPCG License   | 30402115                   | 30402115                   |
| <b>Commitment</b>  |                            |                            |
| A. Estimated amount of contract remaining to be executed on capital account and not provided for (Net of Advances)       | 0                          | 3888000                    |
| B. Other Commitment  | 0                          | 0                          |

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019

### 31.00 FINANCIAL INSTRUMENTS

#### Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted Equity Shares is measured at quoted price or NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

| Particulars               | As at 31/03/2019 |                                |         | As at 31/03/2018 |                                |         |
|---------------------------|------------------|--------------------------------|---------|------------------|--------------------------------|---------|
|                           | Carrying Amount  | Level of input used in Level 1 | Level 2 | Carrying Amount  | Level of input used in Level 1 | Level 2 |
| <b>Financial Assets</b>   |                  |                                |         |                  |                                |         |
| <b>At Amortized Cost</b>  |                  |                                |         |                  |                                |         |
| Deposit                   | 5611596          | 0                              | 0       | 4913794          | 0                              | 0       |
| Trade receivables         | 163585156        | 0                              | 0       | 46626605         | 0                              | 0       |
| Cash and cash equivalents | 17295518         | 0                              | 0       | 56909364         | 0                              | 0       |
| Other Bank Balances       | 498923           | 0                              | 0       | 91026763         | 0                              | 0       |
| Other Financial Assets    | 135356           | 0                              | 0       | 150373           | 0                              | 0       |
| <b>At FVTPL</b>           |                  |                                |         |                  |                                |         |
| Investments               | 0                | 15514252                       | 0       | 0                | 15051503                       | 0       |

| Particulars                  | As at 31/03/2019 |                                |         | As at 31/03/2018 |                                |         |
|------------------------------|------------------|--------------------------------|---------|------------------|--------------------------------|---------|
|                              | Carrying Amount  | Level of input used in Level 1 | Level 2 | Carrying Amount  | Level of input used in Level 1 | Level 2 |
| <b>Financial Liabilities</b> |                  |                                |         |                  |                                |         |
| <b>At Amortized Cost</b>     |                  |                                |         |                  |                                |         |
| Borrowings                   | 174602954        | 0                              | 0       | 139672737        | 0                              | 0       |
| Deposits                     | 134334           | 0                              | 0       | 134334           | 0                              | 0       |
| Trade Payables               | 197244100        | 0                              | 0       | 272268926        | 0                              | 0       |
| Other Financial Liabilities  | 19279657         | 0                              | 0       | 75195681         | 0                              | 0       |

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

#### 32. SEGMENT REPORTING:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

1. Primary Segment Information:

2. Secondary Segment Information:

#### 1. Segment Revenue - External Turnover

|               |                   |                   |
|---------------|-------------------|-------------------|
| Within India  | 857915781         | 918820298         |
| Outside India | 411302085         | 649017286         |
| <b>Total</b>  | <b>1269217866</b> | <b>1567837584</b> |

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2019**

**33.00 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issue by the board of directors on May 19, 2019.

**34.00** Previous year's figures have been regrouped / reclassified wherever required to confirmed to current year classification.

| As per our report of even date  |   | For and on behalf of the Board                         |
|---|---|--|
| For, Pankaj K Shah Associates<br>Chartered Accountants<br>FRN : 107352W | (R. N. Doshi)<br>Chairman / Managing Director<br>DIN : 00026140 | (U. K. Doshi)<br>Executive Director<br>DIN : 000174486 |
| ( Pankaj K Shah )<br>Proprietor<br>Membership No.:- 034603              | (J.T. Jhalavadia)<br>C.F.O.                                     | (Vijay Jadeja)<br>Company Secretary<br>Mem. No. A31035 |
| Date : 19th May, 2019<br>Place : Veraval (Shapar)                       | Date : 19th May, 2019<br>Place : Veraval (Shapar)               |  |

## **Tributex**

### **Corporate Social Responsibility**

The Company has been undertaken various social responsibility initiatives over the three decades. In 2013, these activities were brought under the umbrella - Tributex with an idea to dedicate all activities conducted as Corporate Social Responsibility in memory of the founder Shri C N Doshi.

Through these initiatives, the Company engages with various activities to ensure employees' well-being, ecological conservation and extending its green efforts to reduce its carbon effects on environment by using Solar Energy.

This also includes a special initiative to support "Women Empowerment" by introducing them in traditionally male dominant industries by giving flexible working hours.

Tributex – on 5th January, although this day brings to mind the sorrow of the passing away our founder and mentor Shri C.N. Doshi, but it is also an opportunity to revisit some wonderful memories and follow his legacy of being philanthropist.

Rajoo family held 5 min of silence and individual narrated stories of their experiences with Shri C.N.Doshi

Rajoo family distributed blankets & food to the patients of Kidney, T.B, Burn , General , Janana, children wards of Civil Hospital, Rajkot.

REL Management distributed Oil Tins to all its employees.

### **International Yoga Day**

The Company's conscious efforts to uplift the society is not just limited to the privileged, but also transforms people's lives by promoting Health, with the International Day of Yoga round the corner, we also organised yoga training for our employees to train them on various Aasanas, breathing exercises and postures that would help them.



## Eye Care Program

Some anonymous wisely once said, "It's equally important to take good care of your employees. If you take care of your employees, they'll automatically do the best for your organization and your clients." Rajoo, most definitely associates with these principles and virtues.

As computers have become a significant part of work-lives, strain on eyes is a consequential issue and quite conveniently ignored by most employees. To not let any serious issue fester latently because of simple humane un-mindfulness, Rajoo organized an eye-camp for the benefit of their employees.

A specialized team of renowned ophthalmologists Vision Express checked employees for eye-related disorders and solved many frequent eye-problems.

The Company has goes beyond its business activities to create societal impact through its diverse initiatives which implies striving to achieve scale by judicious utilization of resources, to achieve greater impact. CSR is not just a statement but an integral part of our DNA.



## Sustainability

### FOUR PILLARS OF AN ORGANIZATION TO ACHIEVE EXCELLENCE

These pillars are to create a strong foundation that facilitates Quality, productivity, higher levels of performance and commitment For the sustainable future, we focus our expertise on customer delight through four areas that we call the "Four Pillars of Excellence":

#### 1. Shreshtha -

5s – a Japnese Work Place Management System which aims to achieve business excellence On 8th June, 2015 - a day when one more step was taken to the journey towards business excellence was initiated, in conviction to the dream of our Mentor and Founder Late Shri Chandrakant N Doshi.

It's been 4 years since we started 5s work place management programme "Shrestha –a journey towards excellence" under the guiding logo of "Chandra- the guiding light" – a symbol representing our feelings for our founder and mentor Late Shri Chandrakant N. Doshi seeking his blessings in all our deeds.



To ensure its successful implementation and conformity to the visual standard

we started monthly audit by appointing an external Agency to evaluate the performance & conformity, subsequently marks & audit observation is also shared to respective zone leaders for further improvement.

At the end of year, on the day of Megha Cleaning day highest achiever Zone is rewarded appropriately for sustaining 5s in their respective zone.



## 2. Quality – ISO 9001- 2015

The primary focus of quality management is to meet customer requirements and to strive to exceed customer expectations.

Sustained success is achieved when an organization attracts and retains the confidence of customers and other interested parties. Every aspect of customer interaction provides an opportunity to create more value for the customer. Understanding current and future needs of customers and other interested parties contributes to sustained success of the organization.

## 3. Sanrakshan – Conserve today for better tomorrow

Environment initiative 'Sanrakshan' promotes environmental consciousness among employees to conserve and manage the use of resource to prevent its exploitation, destruction or degradation, so it can be beneficial in the future.



## 1. Samvidha – SAP-S4 HANA

We continue to implement solutions using digital technologies and artificial intelligence to make quantum improvements in all key areas of our operations. Last year, a giant step in this direction was taken and we deployed the world's famous ERP solution – SAP HANA successfully.



This measure has greatly improve productivity, optimize logistics, reduced material consumption and increased efficiencies amongst other benefits. It has rationalised and automated the process of production planning with the objective of ensuring timely deliveries to the customers of products and services, thus increasing “customer delight”.

Customer Delight is the core value for Rajoo and is seen in below quote from a customer as a key performance indicator

“Mr. Rahul Shukla – Service Engineer has impressed the customer with his excellent product knowledge and skill and completed installation and commissioning of the machine ( which machines) within just 20 days ” - OK Plast - Camaroon

“Mr. Hafizuddin SK- Service Engineer is very clear and knowledgeable regarding the sheet line and thermoforming machine. Quote - We are thankful to you for such a good support from your machine and your employee. I hope we get to do more business in the future.” - Himalayan Polymers Industries Kathmandu, Neptal

## Employees Training & Development

Company provides training and development program to their employees for improvement in their skills and abilities. This program has been implemented for the employees to upgrade their skills with changing requirements and also ensured that program was adding value for the growth of the organization.



Essentials parts the training program are formulated around orientation, management skills, and operational skills of the employees.

Hence, learning programs support employees to enhance their performance instead of just increasing their work competencies

## Leadership Training

It is good to develop talent continuously to establish a pipeline of leaders at various stages of readiness who can take the lead in future.

With this aim Company engaged a Leadership Coach - Dr. ShitalBadshah, (Ph.D.) - Growth Catalyst to impart leadership training to its Executive & Managerial staff.

During the programme each participant was assigned different projects through which they gained valuable perspectives and exposure to navigate their own leadership maturity journey.

This leadership program imparted rich experiential learning elements on how to be more vulnerable and open with one another so they gain mutual respect and trust. After all, since these will be the people leading the company, it is important that they trust each other



### **Training on Code of Ethics**

Our Ethical Policy represents the values and core principles that guide the conduct of business. Our each and every employee is trained to epitomize the true spirits of Ethics in their interactions with all its stakeholders – be it the Customers, Suppliers, Employees, Shareholders, the Government or the Society at large. Training on Code of ethics is imparted by Mrs. Sonal P. Pithava - Asst. Manager Marcom.

Creation of unity of purpose, direction and engagement of people enable an organization to align its strategies, policies, processes and resources to achieve its goal.



**Form No. MGT 11**  
**RAJOO ENGINEERS LIMITED**

Regd. Office: Junagadh Road, Manavadar-362 630. Dist. Junagadh  
Plant location: Suvey No 210, Plot No 1, Industrial Area, Veraval (Shapar), Dist. Rajkot-360 024  
Phone: +91-97129-62704 / 52701/ 32706, Email: [rel@rajoo.com](mailto:rel@rajoo.com), Web: [www.rajoo.com](http://www.rajoo.com)  
**CIN: L27100GJ1986PLC009212**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :

Registered Address :

E.Mail Id :

Folio No./Client Id :

DP ID :

We being the member(s) holding of \_\_\_\_\_ shares of Rajoo Engineers Limited, hereby appoint:

|             |                 |                          |
|-------------|-----------------|--------------------------|
| Name: _____ | Email: _____    | Address _____            |
| _____       | Signature _____ | Or failing him/her _____ |
| Name: _____ | Email: _____    | Address _____            |
| _____       | Signature _____ | Or failing him/her _____ |
| Name: _____ | Email: _____    | Address _____            |
| _____       | Signature _____ |                          |

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on the Friday, 20th September, 2019 at 11.00 A.M at Junagadh Road, Manavadar - 362630 Dist: Junagadh and at any adjournment thereof in respect of the following resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

| ORDINARY BUSINESS |   | TICK APPROPRIATELY |
|-------------------|---|--------------------|
| 1                 | Adoption of Financial Statement for the year ended 31st March, 2019.  | For/Against        |
| 2                 | Declaration of dividend on Equity Shares for the F.Y. 2018-2019.  | For/Against        |
| 3                 | Appointment of Director in place of Utsav K. Doshi (DIN: 00174486) who is liable to be retired by rotation and, being eligible, offers himself for reappointment. | For/Against        |
| 4                 | Re-appointment of Rajendra Gokaldas Vaja as an Independent Director   | For/Against        |
| 5                 | Re-appointment of Ramesh Amrutlal Shah as an Independent Director   | For/Against        |
| 6                 | Re-appointment of Kirit Ratanshi Vachhanias an Independent Director   | For/Against        |
| 7                 | Ratification of the remuneration of M/s. Shailesh Thaker & Associates, Cost Auditors of the Company.  | For/Against        |

Signed this \_\_\_\_ day of \_\_\_\_ 2019

Signature of shareholder \_\_\_\_\_ Signature of Proxyholder \_\_\_\_\_

1 This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

\*\*2 This is only optional. Please put a 'v' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

3 Appointing proxy does not prevent a member from attending in person if he so wishes.

4 In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Signature of the  
proxy holder(s)  
Affix Re. 1  
Revenue Stamp



## RAJOO ENGINEERS LIMITED

(CIN:L27100GJ1986PLC009212)

Registered Office:Junagadh Road, Manavadar - 362630 Dist :Junagadh. (Gujarat).

Phone: +91-97129-62704/52701/32706 Email: rel@rajoo.com Web: www.rajoo.com

### ATTENDANCE SLIP

(To be presented at the entrance)

### **32nd ANNUAL GENERAL MEETING ON FRIDAY, SEPTEMBER20, 2019 AT 11.00 A.M.**

Junagadh Road, Manavadar - 362630 Dist :Junagadh. (Gujarat).

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

<sup>1</sup>  
<sup>2</sup>Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

- 3 Please fill this attendance slip and hand it over at the entrance of the Hall.  
Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting .  
Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

### **Venue of 32nd AGM**

