Rajoo Engineers Limited

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RAJOO®
excellence in extrusion

23rd May, 2019

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

BSE CODE : 522257

Sub:- Media Release

Dear Sirs,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosed herewith is Media Release of the Company for your record and further dissemination.

This is for the information of the exchange and the members.

Kindly take the same on your records and oblige.

Thanking you,

Yours faithfully,

For, RAJOO ENGINEERS LIMITED,

Jadejavijay

(CS. Vijay Jadeja)
Compliance Officer

Rajoo Engineers Limited * Shapar-Veraval *

Media Release

- **FY19 Revenue from operations at Rs. 122.46 crore**
- **FY19 EBIDTA (excluding Other Income) at Rs. 14.22 crore**
- **FY19 EBIDTA Margin (excluding Other Income) at 11.61%**
- **FY19 Net Profit at Rs. 7.62 crore**
- **FY19 Net Profit Margin at 6.22%**
- **FY19 Basic EPS at Rs. 1.28**
- **Board Recommends Final Dividend at Rs. 0.10 per Equity Share subject to shareholders' approval**

Rajkot, May 19th, 2019: Rajoo Engineers Limited (BSE: 522257), among leading plastic extrusion machine manufacturers in India, with over 30 years of "excellence in extrusion" in the industry, announced its audited financial results for the fourth quarter and full year ended 31st March 2019. These financials are as per the IND AS accounting guidelines.

Key Financials (Rs. In Crore):

Particulars	Q4 FY19	Q4 FY18	YoY%	Q3 FY19	FY19	FY18	YoY%
Revenue from operations	37.48	60.13	(37.67%)	30.36	122.46	146.51	(16.41%)
EBIDTA (excluding Other Income)	3.26	6.20	(47.42%)	6.22	14.22	21.11	(32.66%)
Net Profit	2.51	2.22	12.99 %	3.44	7.62	11.89	(35.91%)
Basic EPS (in Rs.)	0.45	0.36	25.00%	0.56	1.28	2.03	(36.95%)

Performance Highlights - For the fourth quarter ended 31st March 2019

- **Revenue from operations** for the quarter was **Rs. 37.48 crore** in Q4 FY19, as against Rs. 60.13 crore in Q4 FY18, a YoY decline of 37.67%. The sales have been affected as the delivery of machines continued to be put on hold by clients on account of the plastic ban in certain parts of India

- **EBITDA** (excluding Other Income) was at **Rs. 3.26 crore** in Q4 FY19 as against Rs. 6.20 crore in Q4 FY18, decline of 47.42% YoY. This is because of the overall drop in total revenues. Also, one Extrusion coating line machine and one Tarpaulin machine were developed which resulted in higher developing costs

- **Net Profit** was **Rs. 2.51 crore** in Q4 FY19 compared to Rs. 2.22 crore in Q4 FY18, **YoY increase of 12.99%,** mainly on account of increase in Other Income and MAT credits

- Basic EPS **Rs. 0.45 in Q4 FY19 as compare** to Rs. 0.36 in Q4 FY18

Performance Highlights - For the year ended 31st March 2019

- **Revenue from operations** for the year ended FY19 was **Rs. 122.46 crore**, as against Rs. 146.51 crore in FY18, a YoY decline of 16.41%. The sales have been 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

- **EBITDA** (excluding Other Income) was at **Rs. 14.22 crore** in FY19 as against Rs.21.11 crore in FY18, decline of 32.66% YoY, in line with revenue drop and increase in percentage in low value machines which increased material cost. One Extrusion coating line machine and one Tarpaulin machine were developed which resulted in higher cost of material consumption

- **Net Profit** was **Rs. 7.62 crore** in FY19 compared to Rs. 11.89 crore in FY18, **YoY decline 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

- Basic EPS **Rs. 1.28 in FY19 as compare** to Rs.2.03 in FY18

The Board of Directors has recommended, subject to shareholders' approval, a final dividend Rs. 0.10 per equity share of face value of Re. 1/- each, for the financial year ended March 31st, 2019.

Key developments during the year:

- The **high impact alliance with Kohli Industries** (leaders in rotogravure printing and laminating machines) for the flexible packaging industry, is expected to create a formidable alliance to build and maintain one of the most advanced and versatile Extrusion Coating and Lamination machines

- **Participated at Indiaplast,** where the Company demonstrated four technologically advanced machines live at Indiaplast event. These machines are expected to have deep and positive impact on the extrusion and thermoforming market

- Setting up of **Rajoo Innovation Centre (RIC)** has provided access to newer technologies incubated inside the center. This offers customers an opportunity to conduct trials and develop newer products, as well asresources to those who may have exhausted their existing capacities

Management Comment:

Commenting on the financial and business performance, **R. N. Doshi, Chairman and Managing Director, Rajoo Engineers Limited said**:

"The financial year 2018-19 has been an extremely challenging one as the entire plastic machinery manufacturing industry was deeply impacted by the ban on single use plastic in some states of India. Many players witnessed not only decrease in their sales but orders being cancelled as well, affecting their future growth and strategy.

We also faced the onslaught of this ban, however due to our long term relationships with our customers and their faith in us, we saw orders being put on hold but not cancelled, ensuring that our order book continued to remain robust. As a result, we were able to deliver a revenue of Rs. 122.46 cr along with EBITDA (excluding Other Income) of Rs. 14.22 cr and Net Profit of Rs. 7.62 cr. We have already started to see a positive change on ground, a slow pick up in the pent up demand and expect that growth will start to show in the current financial year.

Our Company while continuing its focus on sustainable packaging solutions in collaboration with producers of flexible packaging and brand owners, has also enhanced its portfolio by adding extrusion lines to produce plastic materials catering to other growing sectors of agriculture, infra-structure, bulk-packaging and transportation. We have also entered into an alliance with Kohli Industries to develop Extrusion Coating and Lamination Machines for the flexible packaging industry. We aim to focus on being innovative and the best in the industry, as the result being a wide range of solutions to suit varied applications.

I would like to thank the entire team of 'Rajoo' for their untiring efforts, hard work, sincerity and dedication. Also, I would like to thank our valued Shareholders, whose support and faith in our Company has given us the determination and ambition to set and achieve higher benchmarks."

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, sheet extrusion lines and thermoformers, the Company enjoys a 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. (www.rajoo.com)

For further information, please contact:

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Caution Concerning Forward- Looking Statements: