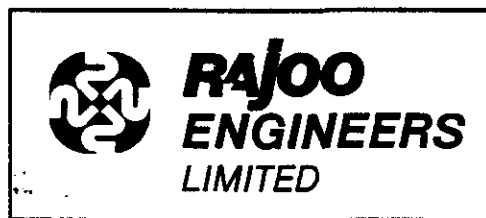




RAJOO
ENGINEERS
LIMITED

**THESE PEOPLE HAVE
SOMETHING TO SAY TO YOU**

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**TWELVETH ANNUAL REPORT
1998-99**

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Admn. & Mktg. Office :

Plot No. 1, Survey No. 210,
Shapar-Veraval, Taluka : Kotda Sangani,
Dist. : Rajkot. (Gujarat)
Phone : (02827) 52701-2-3-4-5-6-7.
Fax : (02827) 52700.

Regd. Office :

Junagadh Road, Manavadar - 362 630.
Dist. : Junagadh (Gujarat)
Phone : (02874) 21175, 21176.
Fax : (02874) 21325.



TWELVETH ANNUAL REPORT : 1998-99

BOARD OF DIRECTORS

: **MR. CHANDRKANT N. DOSHI**
Chairman & Managing Director

MR. RAJESH N. DOSHI
Joint Managing Director

MR. JAYANTILAL P. AGHERA
Wholetime Director

MR. GOPALIAH HARISH
Director

MR. RAJAN N. SHAH
Director

MR. KHIMJIBHAI P. AGHERA
Director

MR. V. V. DAVE
Director (Nominee GLIC)

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BANKERS

: STATE BANK OF SAURASHTRA.
Manavadar - 362 630. (Gujarat)

AUDITORS

: M. N. MANVAR & CO.
C-26 Ushakiran Apartments,
Dr. Yagnik Road,
Rajkot - 360 001. (Gujarat)

REGD. OFFICE

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

WORKS

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

Certified Copy
FOR MS. RAJOO ENGINEERS LTD.,

Authorised Signatory

(2) Plot No. 1, Survey No. 210,
Shapar-Veraval, Taluka : Kotda Sangani,
Dist. : Rajkot. (Gujarat)

TWELVETH ANNUAL REPORT : 1998-99**FINANCIAL HIGHLIGHTS**

Rs. in Lacs

	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93
OPERATING RESULTS							
Sales & Other Income	846.00	744.76	847.35	1077.50	658.69	171.69	174.19
Profit before depreciation but after interest	30.64	35.97	51.75	116.58	101.54	22.00	26.58
Profit before Tax (PBT)	1.32	6.27	1.19	92.43	90.63	20.59	25.17
Profit after Tax (PAT)	1.08	5.65	0.06	92.43	86.38	16.59	15.39
Retained earnings	1.08	5.65	0.06	92.43	49.11	2.32	7.05
Earning per share (EPS) (Rs.)	0.03	0.18	0.00	3.00	2.80	1.74	3.90
Dividend % p.a.	NIL	NIL	NIL	NIL	18 %	15 %	15 %

FINANCIAL SUMMARY

Assets Employed :							
Fixed Assets (Net)	485.90	513.91	557.09	595.33	448.84	85.52	38.35
Working Capital (Net)	503.40	464.16	625.80	314.96	147.81	55.62	38.76
Capital Employed	1036.06	1048.13	1217.26	929.62	629.91	181.62	181.09

FINANCED BY

Share Capital	308.10	308.10	308.10	308.10	308.10	116.00	95.00
Reserves	195.94	194.87	164.22	164.16	71.72	22.60	20.28
Total Shareholders Funds	504.04	502.97	472.32	472.16	379.82	138.60	115.28
Borrowings	532.01	545.17	744.94	457.36	250.09	43.02	65.81
Debt : Equity	1.06 : 1	1.08 : 1	1.58 : 1	0.97 : 1	0.66 : 1	0.31 : 1	0.57 : 1

OTHER

Book Value Per Share (Rs.)	16.36	16.32	15.33	15.33	12.33	14.59	12.13
Gross Fixed Assets	629.34	629.19	648.29	635.96	465.52	91.28	42.71



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that TWELVETH ANNUAL GENERAL MEETING of the Members of **RAJOO ENGINEERS LIMITED** will be held on Wednesday 15th September, 1999 at 11-00 A.M. at the Registered office, situated Junagadh Road, Manavadar - 362 630; Dist. : Junagadh, to transact the following business.

ORDINARY BUSINESS :

- ITEM NO : 1** To consider and adopt the Profit & Loss Account for the year ended on 31st MARCH, 1999 and the Balance Sheet as on that date, the Director's Report and the Auditor's Report thereon.
- ITEM NO : 2** To elect a Director in place of Mr. Chandrakant N. Doshi, Who retires by rotation and being eligible, offers himself for reappointment.
- ITEM NO : 3** To elect a Director in place of Mr. Khimjibhai P. Aghera, Who retires by rotation and being eligible, offers himself for reappointment.
- ITEM NO : 4** To appoint Auditors and to fix their remuneration.

On behalf of the Board of Directors

Date : 28th May, 1999
Regd. Office : Manavadar

(C. N. Doshi)
Managing Director

NOTES :

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER, PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING.
- (2) The documents referred to in the Explanatory Statements are open for inspection at the Registered Office of the company during office hours on all working days on working days upto the date of the Annual General Meeting.
- (3) The Register of Members shall remain closed from 15th September'1999 to 25th September, 1999 both days inclusive.
- (4) Shareholders seeking any information with regard to accounts are requested to write to the Company latest by 10-9-99 to enable the management to keep the same ready.
- (5) Members are requested to notify any change in their address to the company quoting their folio No. at earliest to avoid inconvenience at a later stage.

TWELVETH ANNUAL REPORT : 1998-99**DIRECTOR'S REPORT**

To,
The Members of,
RAJOO ENGINEERS LIMITED
MANAVADAR - 362 630.

Your Directors have pleasure in presenting before you, Company's Twelveth Annual Report with Audited Statement of Accounts of the Company for the year ended on 31st March 1999.

FINANCIAL HIGHLIGHTS AND APPROPRIATIONS

	For the year ended 31st March, 1999 (Rs. in lacs)	For the year ended 31st March, 1998 (Rs. in lacs)
Sales and Other Income	846.00	744.76
Profit before depreciation but after interest	30.64	35.97
Less : Depreciation	29.32	29.71
Net Profit before Tax	1.32	6.26
Provision for Taxation	0.24	0.61
Net Profit after Tax	1.08	5.65
Balance brought forward	113.58	107.93
Amount available for appropriation	114.66	113.58
APPROPRIATIONS		
Balance carried to Balance Sheet	114.66	113.58

01. OPERATION & OUTLOOK :

The total sales during the year amounted to Rs. 819.41 lakhs as against Rs. 728.12 Lakhs in the previous year. The operation for the year resulted in a profit of Rs. 1.32 lakhs after providing for depreciation of Rs. 29.32 lakhs as against Rs. 6.27 lakhs after providing for depreciation of Rs. 29.71 lakhs in the previous year. The performance of the company during the year has been considerably affected by the continued recession that prevailed in the Capital Goods Industries. All the major industries has reduced operations during the year and that has also affected the operations of the Company to a greater extent. Industrial recovery process seems to be very slow and it is expected that it will take some more time for Industrial growth and economy to settle at normal levels. The decline in the net profit for the year is mainly due to fall in value realization the increase in input cost, labour expenses, personnel expenses and other fixed overheads. It is expected the with the steps taken by the Government to boost the Industrial growth, the economic and Industrial revival will be accelerated and that the performance of the industry will change for better in the current year and for the years to come. The Directors are optimistic that the performance of the Plastic Industries will pick up in the current year which in turn will ensure a better performance by your company in the current financial year.

02. DIVIDEND :

In view of lower profits and to conserve the resources for long term working capital requirements of the company, the directors do not think it prudent to declare any dividend.

**03. FINANCE :**

The company has been repaying the interest and installments of G. I. I. C. loan regularly. The company has not accepted any public deposits during the year.

04. DIRECTORS :

Mr. Chandrakant N. Doshi and Shri.K. P. Aghera, the Managing Directors and Executive Directors respectively retires by rotation, and being eligible offers themselves for reappointment.

05. AUDITORS :

M. N. MANVAR & CO., Chartered Accountants, Statutory Auditors, retires at the ensuing Annual General Meeting and being eligible for reappointment. The board request's you to reappoint them as Auditors of the company.

06. INDUSTRIAL RELATIONS :

The employer-employee relations were cordial throughout the year under review. The Company's performance owes much to their efforts.

07. INSURANCE :

The asset and the stock of the company are adequately covered under insurance.

08. PARTICULARS REGARDING EMPLOYEES :

Information pursuant to sub-section 2-A of section 217 of the Company's Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 is not required to be furnished, as there are no employee who are employed throughout the year at a remuneration aggregating to Rs. 3,00,000/- or more p.a. or who is employed for a part of the year entitled to the remuneration at a rate exceeding Rs. 25,000/- or more p.m., during the year.

09. Y2K COMPLIANCE :

The company has taken appropriate and effective steps to be Y2K compliant by the end September, 1999. The expenditure to ensure such compliance is not likely to have any significant financial impact. The company has also prepared a contingency plan to deal with uncertainties, if any, that might arise.

10. APPRECIATION :

The Board of Directors wish to place on record its appreciation for the services rendered by the Bankers of the company, State Bank of Saurashtra - Manavadar, for their co-operation and assistance for working capital finances, all employees of the Company, Shareholders, Financial Institution, Customers and Suppliers during the year.

On behalf of the Board of Directors

Date : 28th May, 1999
Regd. Office : Manavadar

(C. N. Doshi)
Managing Director

TWELVETH ANNUAL REPORT : 1998-99**ANNEXURE-1 TO THE DIRECTOR'S REPORT**

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. Conservation of Energy :

- a) Energy Conservation Measures Taken :
Continuous efforts are being made by the production team for conservation of energy. Heating time for trials, testing etc. is strictly monitored and certain savings are expected, but total impact of this cannot be measured.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.
- c) Impact of measures (a) and (b) above for reduction of energy consumption is likely to go down which will result in reduction in cost of production.
- d) Total energy consumption & energy consumption per unit of production as per Form A of the Annexure.

B. Technology Absorption :**Efforts made in technology absorption :**

1. Specific areas in which R & D carried out by the company None.
2. Benefits derived as a result of the above R & D : None.
3. Future plan of action : N.A.
4. Expenditure on R & D : N.A.
5. Technology Imported during the last 5 years.

	Technology for	Imported from	Year of Import	Status
i)	Manufacture of Stretchcling blown film plants	M/s. Wittey Machinery Ltd. U. K.	March 1994	In the process of absorption, More than 80 % components indigenised.

C. Foreign Exchange Earnings and Outgo :	(Rs. in lacs)
Foreign Exchange Earned	Rs. 86.23
Foreign Exchange Used	Rs. 7.52

On behalf of the Board of Directors

Date : 28th May, 1999
Place : Rajkot

(C. N. Doshi)
Managing Director



AUDITORS' REPORT

We have audited the attached Balance Sheet of **RAJOO ENGINEERS LIMITED** as at 31st MARCH 1999 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report that :

01. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
02. 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 the Books of Account.
03. The Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the Books of Account.
04. In our opinion and to the best of our information and according to the explanations given to us, the Accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - I) In the case of Balance Sheet of the State of affairs of the Company as at 31st March, 1999 and
 - II) In the case of Profit & Loss Account of the 'PROFIT' for the year ended on that date.

As required by the manufacturing and other Companies (Auditor's Report) Order 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate :-

We further report that :

01. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. We are informed that the Company has a programme of physical verification once in every three year which in our opinion is reasonable.
02. None of the Fixed Assets have been revalued during the year.
03. The stock of finished goods, stores and spares and raw-materials have been physically verified by the Management at reasonable intervals during the year.
04. In our opinion, the procedure of physical verification of the aforesaid stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
05. In our opinion, the discrepancies noticed on the physical verification of the aforesaid stocks as compared to Book Records were not material and the same have been properly dealt with in the Books of Accounts.
06. In our opinion, the valuation of stocks of finished goods, stock in process, stores and spares and raw-material is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the previous year.
07. The Company has not taken unsecured loans from Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
08. The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
09. The Company has not given any loan or advance in the nature of loan to any Party during the year.
10. In our opinion and as per information and explanations given to us, there are adequate internal control Procedure commensurate with the size of the Company and the nature of its business for the purchase of stores raw-materials, including components, Plant & Machinery, Equipment and other Assets and for the sale of goods.
11. The Company has not purchased any goods or materials well as the company has not sold any goods, material and services to any parties listed in the register maintained under section 301 of the companies Act, 1956 (1 of 1956).
12. As explained to us, the Company has a procedure for determining of unservicable or damaged raw-material and stores. The necessary adjustment for the loss in respect thereof have been made in Accounts.
13. In our opinion and according to information and explanations given to us, the Company has not accepted public Deposits in Contravention of Provisions of Section 58-A of the companies Act, 1956 and Rules made thereunder and therefore the compliance of Provisions of section 58-A of the Companies Act, 1956 is not required.

Further more, the Security deposits received for the purpose of the business of the company is also exempt under rule 2 (b) (VII) of the companies (acceptance of deposits) Rules, 1975.