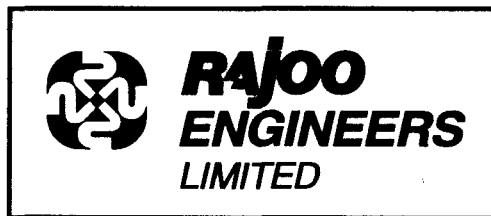


Rajoo

16th ANNUAL REPORT 2002-2003





**SIXTEENTH ANNUAL REPORT
2002-2003**

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Admn. & Mktg. Office :

Plot No. 1, Survey No.210,
Shapar-Veraval, Taluka : Kotda Sangani,
Dist. : Rajkot (Gujarat)
Phone : (02827) 252701-2-3-4-5-6-7
Fax : (02827) 252700
E-mail : rel@rajoo.com

Regd. Office :

Junagadh Road, Manavadar-362 630.
Dist. : Junagadh (Gujarat)
Phone : (02874) 221175-221176
Fax : (02874) 221326
E-mail : relmvr@rajoo.com

SIXTEENTH ANNUAL REPORT : 2002-2003

BOARD OF DIRECTORS

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

MR. RAJESH N. DOSHI
Joint Managing Director

MR. JAYANTILAL P. AGHERA
Director

MR. KHIMJIBHAI P. AGHERA
Director

MR. SUNIL B. JAIN
Director-International Operations

MR. GOPALIAH HARISH
Director

MR. RAMESH A. SHAH
Director

MR. MAHASUKH S. MEHTA
Director

MR. KISHOR R. DOSHI
Director

MR. MANHARLAL V. KAMDAR
Director

BANKERS

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

AUDITORS

: M.N. MANVAR & Co.
Chartered Accountants,
504-Star Plaza, Nr. Circuit House,
Phulchhab Chowk, Rajkot-360 001.

REGD. OFFICE

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

WORKS

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

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

SIXTEENTH ANNUAL REPORT : 2002-2003**FINANCIAL HIGHLIGHTS**

Rs. in Lacs

	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
OPERATING RESULTS					
Sales & Other Income	1871.12	1417.21	1199.82	949.27	846.00
Profit before depreciation but after interest	85.09	89.20	85.54	77.05	30.64
Profit before Tax (PBT)	76.49	53.40	49.03	47.01	1.32
Profit after Tax (PAT)	50.27	42.03	43.48	47.01	1.08
Retained earnings	16.38	11.22	43.48	47.01	1.08
Earning per share (EPS) (Rs.)	1.63	1.36	1.41	1.53	0.03
Dividend % p.a.	11%	10%	NIL	NIL	NIL

FINANCIAL SUMMARY

Assets Employed :

Fixed Assets (Net)	493.62	480.61	505.34	469.97	485.90
Working Capital (Net)	766.74	607.89	405.72	643.08	503.40
Capital Employed	1302.58	1131.78	965.00	1178.30	1036.06

FINANCED BY

Share Capital	308.10	308.10	308.10	308.10	308.10
Reserves	227.78	211.40	286.44	242.96	195.94
Total Shareholders Funds	535.88	519.50	594.54	551.06	504.04
Borrowings	766.70	612.28	370.47	627.25	532.01
Debt : Equity	1.43:1	1.18:1	0.62:1	1.14:1	1.06:1

OTHER

Book Value Per Share (Rs.)	17.39	16.86	19.30	17.89	16.36
Gross Fixed Assets	761.25	718.81	711.41	640.64	629.34

NOTICE

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Members of **RAJOO ENGINEERS LIMITED** will be held on Monday 15th day of September, 2003 at 11:00 a.m. at the Registered Office situated at Junagadh Road, MANAVADAR - 362 630, Dist. : Junagadh to transact the following business.

ORDINARY BUSINESS :

1. To consider and adopt the Profit & Loss Account for the year ended 31st MARCH, 2003 and the Balance Sheet as on that date, the Director's Report and the Auditors' Report thereon.
2. To declare dividend on Equity Shares.
3. To elect a Director in place of Mr. Gopaliah Harish, who retires by rotation and being eligible, offers himself for reappointment.
4. To elect a Director in place of Mr. Khimji P. Aghera, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint the auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri Ramesh A. Shah, who was appointed as an additional director of the Company by the Board of Directors and who holds office as per Section 260 of the Companies Act, 1956, upto the date of forthcoming Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri Mahasukh S. Mehta, who was appointed as an additional director of the company by the Board of Directors and who holds office as per Section 260 of the companies Act, 1956, upto the date of forthcoming Annual General meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri Kishor R. Doshi, who was appointed as an additional director of the company by the Board of Directors and who holds office as per Section 260 of the companies Act, 1956, upto the date of forthcoming Annual General meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri Manharlal V. Kamdar, who was appointed as an additional director of the company by the Board of Directors and who holds office as per Section 260 of the companies Act, 1956, upto the date of forthcoming Annual General meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

On Behalf of the Board of Directors

Date : 30-06-2003

Place : Rajkot

(C. N. Doshi)
Managing Director

SIXTEENTH ANNUAL REPORT : 2002-2003

NOTES :

- a) 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.
- b) The document referred in the Explanatory Statements are open for inspection at the Registered office of the Company during office hours on all working days upto the date of the Annual General Meeting.
- c) The Register of Members shall remain closed from 16.9.2003 to 30-09-2003 both days inclusive.
- d) The members are requested to notify any change in their address to the company quoting their folio number at earliest to avoid inconvenience at a later stage.
- e) Shareholders seeking any information with regards to accounts are requested to write to the company latest by 01-09-2003 to enable the management to keep the information ready.

EXPLANATORY STATEMENTS AS REQUIRED PURSUANT TO THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT. 1956

ITEM NO. 6

In its effort to broad-base the Board of Directors of the Company, pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the company appointed Shri Ramesh A. Shah as an Additional Director of the Company at the Board Meeting held on 31st January, 2003. Pursuant to Section 260 of the companies Act. 1956, he holds office upto the date of this annual General Meeting of the Company. Details like age, qualifications experience of Shri Ramesh A. Shah is given below.

A notice in writing along with a deposit of Rs. 500/- under section 257 of the Companies Act. 1956 has been received from a Shareholder of the company signifying his intention to propose Shri Ramesh A. Shah as a candidate for the office of Director. The Directors recommend that he be appointed as Director of the Company.

Except Shri Ramesh A. Shah, no director is interested in the Resolution.

ITEM NO. 7

In its effort to broad-base the Board of Directors of the Company, pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the company appointed Shri Mahasukh S. Mehta as an Additional Director of the Company at the Board Meeting held on 31st January, 2003. Pursuant to Section 260 of the companies Act. 1956, he holds office upto the date of this annual General Meeting of the Company. Details like age, qualification experience of Shri Mahasukh S. Mehta is given below.

A notice in writing along with a deposit of Rs. 500/- under section 257 of the Companies Act. 1956 has been received from a Shareholder of the company signifying his intention to propose Shri Mahasukh S. Mehta as a candidate for the office of Director. The Directors recommend that he be appointed as Director of the Company.

Except Shri Mahasukh S. Mehta, no director is interested in the Resolution.

ITEM NO. 8

In its effort to broad-base the Board of Directors of the Company, pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the company appointed Shri Kishor R. Doshi as an Additional Director of the Company at the Board Meeting held on 31st January, 2003. Pursuant to Section 260 of the companies Act. 1956, he holds office upto the date of this annual General Meeting of the Company. Details like age, qualification experience of Shri Kishor R. Doshi is given below.

A notice in writing along with a deposit of Rs. 500/- under section 257 of the Companies Act. 1956 has been received from a Shareholder of the company signifying his intention to propose Shri Kishor R. Doshi as a candidate for the office of Director. The Directors recommend that he be appointed as Director of the Company.

Except Shri Kishor R. Doshi, no director is interested in the Resolution.

ITEM NO. 9

In its effort to broad-base the Board of Directors of the Company, pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the company appointed Shri Manharlal V. Kamdar as an Additional Director of the Company at the Board Meeting held on 31st January, 2003. Pursuant to Section 260 of the companies Act. 1956, he holds office upto the date of this annual General Meeting of the Company. Details like age, qualification experience of Shri Manharlal V. Kamdar is given below.

A notice in writing along with a deposit of Rs. 500/- under section 257 of the Companies Act. 1956 has been received from a Shareholder of the company signifying his intention to propose Shri Manharlal V. Kamdar as a candidate for the office of Director. The Directors recommend that he be appointed as Director of the Company.

Except Shri Manharlal V. Kamdar, no director is interested in the Resolution.

For and on Behalf of the Company

Date : 30-06-2003

Place : Rajkot

(C. N. Doshi)
Chairman

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SIXTEENTH ANNUAL REPORT : 2002-2003**DETAILS OF DIRECTORS BEING APPOINTED AT THE ANNUAL GENERAL MEETING
(IN PURSUANCE OF CLAUSE 40 (VI) A OF THE LISTING AGREEMENTS)**

Name of Director	Shri Ramesh A. Shah
Age	52 Years
Qualification	B.Com., C.A.I.I.B.
Experience	Worked in a nationalized Bank for 30 years and having hands-on experience of financial and banking aspects, which will be an asset to the company
Other Directorships	Nil
Chairman/Member of the Committees	Nil

Name of Director	Shri Mahasukh S. Mehta
Age	61 Years
Qualification	B. A.
Experience	35 years of experience in textile trade
Other Directorships	Nil
Chairman/Member of the Committees	Nil

Name of Director	Shri Kishor R. Doshi
Age	38 Years
Qualification	Chartered Accountant
Experience	Practicing Chartered Accountant since last 12 years
Other Directorships	Nil
Chairman/Member of the Committees	Nil

Name of Director	Shri Manharlal V. Kamdar
Age	68 Years
Qualification	Matriculate
Experience	Vast experience in trade and business. Now retired
Other Directorships	Nil
Chairman/Member of the Committees	Nil

DIRECTORS' REPORT

To,
The Members,
Rajoo Engineers Limited
Manavadar - 362 630

Your Directors have pleasure in presenting before you, the Sixteenth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2003.

FINANCIAL HIGHLIGHTS AND APPROPRIATIONS :

	(Rs. in lacs)	(Rs. in lacs)
	For the year ended 31-03-2003	For the year ended 31-03-2002
Sales and other Income	1871.12	1417.20
Profit before depreciation but after Interest	85.09	49.99
Less : Depreciation	41.03	35.79
Add : Interest	32.42	39.20
Net Profit before tax	76.49	53.40
Provision for Taxation	22.61	10.74
Provision for Dividend Tax	4.23	-
Deferred Tax	(0.63)	0.63
Net Profit after Tax	50.27	42.03
Balance brought forward	125.31	205.15
Amount available for appropriation	175.58	247.18
Less : Proposed Dividend	33.89	30.81
Transfer to General Reserve	5.10	4.80
Adj. for Deferred Tax	-	86.26
Balance carried to Balance Sheet	136.99	125.31

OPERATIONS AND FUTURE OUTLOOK :

The total sales during the year rose to Rs. 1871.12 lacs from Rs. 1417.20 lacs in the previous year.

The operation for the year resulted in a profit of Rs. 50.27 lacs after providing for depreciation of Rs. 41.03 lacs as against Rs. 42.03 lacs after providing for depreciation of Rs. 35.79 lacs in the previous year.

The performance of the Company during last five years have remained satisfactory and in tune with this, the current year sales and other income grew by about 32% despite the continued recession prevailed in the capital goods market and overall economy.

This has been achieved with the concentrated efforts of all employees of the company who had put in their best efforts in cutting costs and achieving targeted sales in a planned manner.

DIVIDEND :

The Directors recommend a Dividend of 11% (Rs. 1.10 per Equity Share) for the year as against 10% paid during previous year. If approved by the shareholders at the Annual General Meeting, the Dividend will cost Rs. 33,89,100/- plus Rs. 4,23,638/- towards dividend tax to the company.

FINANCE :

The company has not accepted any public deposits during the year.

SIXTEENTH ANNUAL REPORT : 2002-2003

DIRECTORS :

Shri Gopaliah Harish and Shri Khimji P. Aghera retire by rotation and being eligible for reappointment.

During the year Mr. Ramesh A. Shah, Mr. Mahasukh S. Mehta, Mr. Kishor R. Doshi, Mr. Manharlal V. Kamdar were appointed as Additional Directors and hold office till the conclusion of the ensuing Annual General Meeting.

A notice u/s 257 of the Companies Act, 1956 proposing their names for reappointment as Director liable to retire by rotation has been received from a Member. Accordingly, their appointments are being placed before the ensuing Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed and forms part of this report.

AUDITORS :

M. N. Manvar & Co. Chartered Accountants & Statutory Auditors, retires at the Annual General Meeting and being eligible for reappointment, the Board requests you to reappoint them as Auditors of the company.

AUDITORS' REPORT :

Notes on accounts are self-explanatory and do not require any further explanations on the Auditors' qualification.

INDUSTRIAL RELATIONS :

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

INSURANCE :

The assets and Stocks of the Company are adequately covered under insurance.

PARTICULARS REGARDING EMPLOYEES :

The company does not have any employee in the category as specified under section 217(2A) of the Companies Act, 1956.

REGULATORY STATEMENTS :

The Equity shares of your company are listed on Rajkot, Ahmedabad and Mumbai Stock Exchanges Limited and the listing fees for the year 2003-2004 is paid to all the Stock Exchanges.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to section 217 (2AA) of the Companies Act, 1956, the directors confirm that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) Appropriate accounting policies have been selected and applied consistently and have 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 31st March, 2003 and of the profit of the company for that year.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 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.

CORPORATE GOVERNANCE :

A separate report on Corporate Governance is furnished as a part of the Director's Report and the certificate from the