

RAJOO[®]
excellence in extrusion

Taking ahead - a 25 years legacy



26th Annual report 2012 - 2013

Global Player In Plastic Extrusion Machinery



Product Range

- FOILEX™** : Mono layer blown film lines
- MULTIFOIL™** : Multilayer blown film lines
- AQUAFLEX™** : Downward extrusion blown film lines
- FOMEX™** : Foam extrusion system (chemical and physical)
- LAMINA™** : Mono & multilayer sheet lines
- DISPOCON™** : Thermoforming & vacuum forming machines
- FABREX™** : PP non woven fabric making machines
- TWINEX™** : Twin screw PVC pipe plants
- DRIPEX™** : Drip irrigation pipe plant for round and flat dripper
- LABEX™** : Lab equipments

Rajoo Engineers Limited

ANNUAL REPORT
2012-2013

26th ANNUAL GENERAL MEETING

Date : 10th September, 2013

Day : Tuesday

Time : 11.00 a.m.

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

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

Regd. Office :

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

Contents

1. Our Homage	02
2. Our Pledge	03
3. 26 Years of Leadership	04
4. A letter to share holders	06
5. The year 2012-13, at a glance	08
6. Our Leadership Team	09
7. Vision	10
8. Board of Directors	11
9. Financial highlights	12
10. Notice of AGM	13
11. Directors' Report	20
11.1 Financial Results	20
11.2 Corporate Governance	22
12. Auditor's report	36
13. Consolidated Balance sheet	40
13.1 Balance Sheet	40
13.2 Profit and Loss Account	41
13.3 Cash Flow statement	42
14. Corporate Social Responsibility	62
15. Environment policy, health and safety and social duties	63
16. Proxy Form	64

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, 211, Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380009. Phone:079-26465179. Email: ahmedabad@linkintime.co.in** (Postage for sending the feedback form will be borne by the Company).



“A strong believer of the ethos of Indian manufacturing, he came with a dream, converted it into a conviction, fulfilled it and left us with his vision.”



Shri Chandrakant N. Doshi
Chairman, Rajoo Engineers Limited
28.08.1953 - 5.01.2013

Shri Chandrakant N. Doshi - A Doyen Of The Indian Plastics Industry Returns To His Heavenly Abode

It was a moment of deep grief for the entire plastics fraternity when it came to know of the untimely demise of Shri Chandrakant N. Doshi on 5th January, 2013.

It is the vision that mattered! Shri Chandrakant N. Doshi is considered an undisputed visionary and one of the foremost entrepreneurs of independent India. Among the first to recognize the potential of the plastics industry; his approach, fascination to make technology work and passion positioned Rajoo on the global plastic industry map as a quality supplier of plastic extrusion machinery.

He started his career from State Bank of Saurashtra in a remote village of Gujarat- Manavadar, but was convinced that the ethos of Indian manufacturing along with the capabilities harboured by Rajoo would give rise to products that would be world-class, that too at aggressive and affordable prices. His fascination for exports was evident, as he initiated exports just within four years of commencement of business, that too aiming at highly regulated European oriented markets. With the success that he met, the world started taking cognizance of Rajoo Engineers, as a company on a mission.

Shri Doshi masterminded the all around growth witnessed by Rajoo by way of a number of amalgamations, alliances and collaborations that Rajoo Engineers entered into - technical collaboration with Commodore Inc., USA for manufacture of XPS sheet line and thermoformer; amalgamating Wonderpack with Rajoo to align a unified approach to benefit the thermoforming industry; technical collaboration with Hosokawa Alpine, Germany; joint venture (Rajoo Bausano Extrusion Pvt. Ltd.) with Bausano & Figli, Italy to cater to the plastic pipe manufacturing industry. An IPO which was over-subscribed by nearly 24 times, was another pioneering initiative for this industry, way back in 1994!

Under his dynamic leadership, brand Rajoo was built from zero in just a quarter of the century through the following product milestones:

- Introduced world's highest output TQPP downward extrusion blown film line.
- Developed and exported Asia's first resin sack blown film line.
- Manufactured Asia's first three layer wide width blown film line.
- Displayed Asia's first seven layer blown film line on the PlastIndia platform.
- Launched India's first XPS foam extrusion line and vacuum forming machine.
- Launched India's first ever extrusion line for PP spun bond nonwoven fabrics.

His efforts and success was understood and acknowledged by one and all. He was the recipient of 'Machinery for Packing Operations Award' from IPMMI - IMDIR. He won many accolades for Rajoo on his way to success. Engineering Export Promotion Council of India, Gujarat Gaurav Award, Star Export House recognised by Government of India for excellent exports, to name a few.

During his life span of 59 years, his philanthropy and service to humanity was really commendable - amply demonstrated by the streams of people who turned up to pay homage to the departed soul during the prayer ceremony on January 7 in Rajkot. People narrated stories of how he had touched their lives.

Our Homage



"Enhancing our commitment for a sustainable future"

Our Pledge

Our more than 25 years of consistent financial performance and success are a testament to the vision of our founder Shri C. N. Doshi, **"To become one of the most trusted and passionate solution providers for plastic extrusion machinery worldwide in the best interest of all the stakeholders, while perusing ethical business practices."**

To carry forward this legacy and uphold our reputation to build a lasting, multigenerational enterprise rooted in technical innovation and customer delight, we are committed to continuously improve our business and practices in the areas of technical excellence, corporate governance, health & safety, development of our people, and environmental management.

- REL Team

26 Years of Leadership

Made an entry into the International market with maiden export of a blown film line to Tanzania



Begun operation at Rajkot. Entered into a technical collaboration with a British Company, went public and the issue was over subscribed by nearly 24 times.



RAJOO
excellence in extrusion



AN ISO 9001 COMPANY

Secured ISO 9001 certification 1999

1986



Commenced business as Rajoo Engineers Pvt. Ltd. at Manavadar, a small village in Junagadh Dist. to manufacture mechanical cutting-sealing machines.

Introduced the first ever indigenously designed and developed Oscillating Haul-off system for blown film lines and displayed at Plastindia 1994.



1994



Introduced the first indigenously designed wide width blown film line for a lay-flat width of 3000 mm

Introduced an Internal Bubble Cooling System for blown film lines.



5 layer stack die (UCD) with horizontal spirals – first time in Asia & 4th in the world

1986 1988 1990 1991 1994 1995 1996 1997 1999 2000 2001



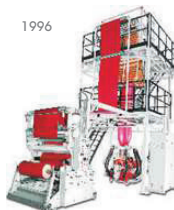
Ventured into the manufacture of blown film lines and delivered first PPTQ blown film line.

Introduced the first Indian co-extrusion feed block for multilayer sheet line



Introduced the first indigenously designed extruder incorporating grooved feed bush, barrier screw and cross-hole mixing section.

Exported country's first "CE" marked machine to the European market



Launched the first ever sheet line for PET at Plastindia 2000



Launched the first ever blown film line to manufacture chemically foamed PE films



Introduced world's highest output TQPP downward extrusion blown film line at Plastivision 2002, christened Aquaflex



Awarded Export Excellence Certificate from Engineering Export Promotion Council of India in recognition of highest exports during the year



2003
Launched Asia's highest output 3 layer blown film line with stack die (UCD) during PlastIndia

Awarded GUJARAT GAURAV AWARD for its outstanding contributions to the plastic industry.



2004
Developed a CE compliant high output sheet line for processing PET reground at the rate of 700 kg/hr and exported the same to Germany.



Developed Asia's first resin sack three layer blown film line and exported to Iran.



2005
Developed Asia's first seven layer blown film line and exported to Colombia.



Vacuum forming machine with mould : model RECR - 7086 XPS received and award "Machinery for packaging operations" from IPMMI - IMDIR 2009.



2008
Launched India's first PS foam extrusion line and vacuum forming machine and exported to Ghana.



WONDERPACK
the thermoforming people

Wonderpack merger : A unified approach for the benefit of the thermoforming industry

HOSOKAWA ALPINE

Rajoo Engineers forges ahead; Technical collaboration with Hosokawa Alpine AG, Germany

bausano

Rajoo Engineers JV with Bausano of Italy : plastic pipe manufacturing industry in India to get a fillip

2010

2002 2003

2004 2005

2006

2007

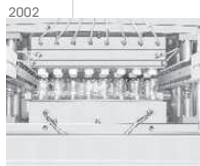
2008

2009

2010

2011

2012



2002
Introduced India's first Electro-hydro-pneumatic plug-assist thermoformer with in-mould cutting for Polypropylene & PS containers.

Became a STAR EXPORT HOUSE recognised by Government of India.



2006
Developed Asia's first seven layer blown film line incorporating conical spiral stack (INCOSS)® die.

2007
COMMODORE TECHNOLOGY LLC
Entered into technical collaboration with Commodore Inc. U.S.A. for manufacture of XPS sheet line and thermoformer.

2011
Supplied Asia's first CE compliance 7 layer fully automatic blown film line to Turkey



2012
Developed world's first smallest 3 layer blown film line

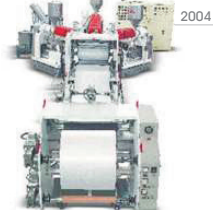


2012
Launched Drip irrigation pipe plant



2003
Asia's first 2 layer PPIQ film plant - 150 kg/hour.

Developed and supplied first sheet line for physically foamed PE sheets using carbon dioxide as blowing agent.



2006
Developed Asia's first three layer wide width blown film line incorporating die dia 1200 mm and 4000 mm LFW. The maximum output is 1200 kg/hr.



2011
Developed India's first ever PP non woven fabric making machine

“A strong believer of the ethos of Indian manufacturing, he came with a dream, converted it into a conviction, fulfilled it and left us with his vision.”



R N Doshi
Chairman & Managing Director

A letter to the shareholder

Dear Share Holders,

With great pain I would like to inform you about the death of our Shri Chandrakant N. Doshi, Chairman of Rajoo Engineers Limited who passed away on 5th January, 2013 due to a heart attack. Shri Chandrakant N. Doshi was an undisputed visionary and one of the foremost entrepreneurs of independent India. Among the first to recognize the potential of the plastics industry; his approach, fascination to make technology work and passion positioned Rajoo on the global plastic industry map as a quality supplier of plastics extrusion machinery. Ultimately, it is the vision that matters! We at Rajoo, are set to carry forward his legacy with a team built, nurtured and trained by him.

However, it gives me great pleasure that, during the year, your Company has achieved domestic sales of Rs. 5662.16 lacs as against Rs. 3529.65 lacs during previous fiscal. Export sales have decreased to Rs. 3282.85 lacs from Rs. 4131.62 lacs in the previous year. The aggregate sales and other income have increased by 15.17% to Rs. 9093.23 lacs from Rs. 7895.58 lacs in the previous year 2011-12.

The Board of Directors is pleased to recommend a dividend of Re. 0.14 per share (i.e. 14%) on the paid up share capital of the Company, subject to approval of members in the ensuing Annual General Meeting.

During the year under review, your Company has received the order of the Hon'ble High Court of Gujarat dated 30th November, 2012 and 25th February, 2013 followed by a correction order dated 12th March, 2013, approving the merger of three different Private Limited entities, viz., Hitesh Engineers Pvt. Ltd., Shruti Engineers Pvt. Ltd. and Vishwakarma Fabricators Pvt. Ltd. (Transferor Companies) with Rajoo Engineers Limited (Transferee Company). The BSE has also granted the approval to the Scheme vide letter No. DSC dtd. DSC/AMAL/SR/24(f)/269/2010-11 dtd. 9th June, 2010. Subsequently, All the three companies stand merged with Rajoo Engineers Limited w.e.f. 13th April, 2013.

The three private limited Companies were manufacturing flat sheet dies, extruders, fabrication structures, multilayer dies, screen changers, take-off assembly, roll stack assembly, air rings, calibration baskets, and winder assembly used in plastic processing machines. Hence, as a result of merger, Rajoo is now able to produce all such parts & components in-house through manufacturing facilities present in these three private limited companies. Further, the post-merger synergy will help REL reduce manufacturing & administrative expenses by common utilization of resources of all the four Companies such as administration and production facilities, efficient workforce, management skills, liquidity etc.

Your company and its JV partner Bausano and Figli, Italy organized the India's first ever multi product open house for three different products - Twin screw cPVC pipe plant, Twin screw PVC pipe plant with 1000kg/hr output and Drip Irrigation pipe plant at its Headquarters in Rajkot. The success of this pioneering initiative emphasises the company's belief in innovation; be it innovation in product, innovation in technology or as in this case, innovation in approach. The untimely demise of our Chairman, Shri C. N. Doshi has stirred the group to further raise the bar of performance and to establish itself as a highly professionally managed organisation. With the success of this event, Rajoo paid a tribute to its mentor.

With the grand success of above event, your company has launched new product called Flat drip irrigation pipe plant to cater to the growing agriculture sector. This innovation will help to reduce the cost of production by 40% as compare to round drip irrigation pipe plant. Your Company has a positive outlook for F.Y. 2014-15. The Company will leave no efforts to grab each and every opportunity for growth - both organic and inorganic. The Company also expects to derive a greater operating leverage out of its investments, in maximizing shareholders' wealth. Rajoo has led the industry for more than 2 decades and continues to grow exponentially in coming years. I look back in gratitude and internalize the wisdom gained from the experience. It is our mission to set even higher standards for our performance and set new milestones. It is our vision "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"

I am confident that Rajoo will firmly establish itself according to the above vision statement.

I am grateful to the Board of Directors for their unwavering support and guidance. I take this opportunity to express my gratitude to all our stake holders, who have reposed trust in us and extended their constant support.

R N Doshi



Chairman & Managing Director

A letter to the shareholder