

Years of
Excellence in
Extrusion

29th Annual report
2015-16

Global Player In Plastic Extrusion Machinery

Product Range:

- FOI**EX** : Mono layer blown film lines
- MULTI**FOIL** : Multilayer blown film lines
- AQUA**FLEX** : Downward extrusion blown film lines
- FOM**EX** : Foam extrusion system (chemical and physical)
- LAM**INA** : Mono & multilayer sheet lines
- DISPO**CON** : Thermoforming & vacuum forming machines
- FLOW**EX** : Twin screw uPVC & CPVC pipe plants
- WOODPLE**EX** : Wood plastic composite sheet and profile extrusion
- DRIP**EX** : Drip irrigation pipe plant for round and flat dripper
- LAB**EX** : Lab equipments

Rajoo Engineers Limited

ANNUAL REPORT
2015-2016

29th ANNUAL GENERAL MEETING

Date : 26th September, 2016

Day : Monday

Time : 11.00 a.m.

Venue : Registered Office, Junagadh Road,
Manavadar - 362 630

District : Junagadh (Gujarat)

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Contents

1. Our leadership team	01
2. A letter to share holders	02
3. The year 2015-16, at a glance	04
4. Vision	07
5. Board of Directors	12
6. Financial highlights	13
7. Notice of AGM	14
8. Directors' Report	31
9. Auditor's Report	56
10. Management Discussion and Analysis	59
11. Report on Corporate Governance	63
12. Balance Sheet	83
13. Independent Auditor's Report	114
14. Consolidated Balance Sheet	120
15. CSR Activities	147
16. Proxy Form	151

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,
303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, B/h Shoppers Plaza II, Off. C. G. Road, Ahmedabad - 380009. Phone: 079-26465179. Email: ahmedabad@linkintime.co.in (Postage for sending the feedback form will be borne by the Company).

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 more than 25 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

Overall marketing, business development, diversification and growth strategies at the corporate level are the responsibilities of Mr. Jain. He has more than 30 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 Executive Director

Khushboo Chandrakant Doshi, a second generation entrepreneur, joined Rajoo Engineers in 2007 as Head of Marketing and Communications. She 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..

Khushboo has cross functional expertise in marketing, corporate branding, PR and Communications strategy. As Product Manager of Rajoo's foam business, she was responsible for introducing this concept for the Company and co-ordinating with the collaborators - Commodore of US. At Rajoo, she is also responsible for human capital management, financial management and most important - after-sales-service. As Director of the Company, Khushboo is an integral part of the senior management that is leading the company in the next phase of expansion in the global market.

Utsav Doshi Technical Director

Utsav Doshi, a second generation entrepreneur, joined Rajoo Engineers in 2011 as an Engineer – Vender Development. He holds a Bachelor's Degree in Mechanical Engineering with a Masters in Polymer technology from HTW Aalen University, Germany. Utsav Doshi 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 Doshi has technical experience to convert market requirements into technical layout, and having thorough knowledge in manufacturing and Plastic Processing.



A LETTER TO THE SHAREHOLDER

“Your Company believes people are the lifeblood of any business. Effective management of this valuable asset is essential for unlocking an organization's growth.”



R N Doshi
Chairman & Managing Director
Rajoo Engineers Limited

Dear REL Shareholders,

Fiscal 2015-16 was a period of stabilization and consolidation. Many strategic initiatives initiated were successfully implemented focusing primarily on customer delight. Overall, the Company's operations, competitive posture and foundation for profitable growth continue to be on the path of progress and profitability.

Your Company is pleased to have paid an interim dividend of 25% (Rs. 0.25 per share) on the paid-up share capital of the Company in the month of March 2016. Banning of plastic products, especially disposable plastic containers in various states posed a challenge since machines for producing these products forms a substantial part of the Company's business. However, it was successful compensated by expanding the footprint geographically and reaching out wider and deeper in uncharted territories.

Blown film segment, which once again contributes substantially to Company's product mix witnessed successful execution of prestigious projects. High-width high- output blown film was installed and commissioned, Rajoo being the only Indian Company with this home-grown technology. Another high output three layer fully automated blown film line for liquid packaging was also successfully commissioned, firmly establishing Rajoo's leadership in the industry.

Volatility in crude prices affected the traditional markets in Africa. Foreseeing this trend, Company expanded its footprint at an appropriate juncture and successfully penetrated in Thailand, Vietnam, Sri Lanka, Pakistan and Iran in the last fiscal year.

Economic growth in India accelerated in FY2015-16 despite a double-digit decline in exports. It is projected to dip marginally in FY2016-17 due to a slowdown in public investment, stressed corporate balance sheets, and declining exports, then expected to pick up in FY2017-18 as newly strengthened bank and corporate finances allow a revival in investment. Notwithstanding unexpected delays in enacting some economic reforms, the prospects for continued rapid growth are undiminished.

Flexible packaging, an industry to which the Company caters to has been the fastest growing sectors in the packaging industry over the past 10 years, largely attributed to burgeoning middle class, increasing number of working couples, focus on convenience and sustainability. This segment is expected to exponentially grow. Flexible packaging is the most economical format to package, preserve and distribute goods, beverages, pharmaceuticals and products demanding extended shelf life.

The total global market for flexible packaging is forecast to grow at an annual average rate of 3.4% during the 2015-2020 period reaching USD 248 million. Food packaging occupies over 70% of the world consumer flexible packaging market and is growing by 4.0% on average in volume terms. Currently, while North America dominates the global flexible packaging market, Asia Pacific is expected to grow at the fastest growth rate owing to increasing disposable incomes and rising demand and changing packaging trends in the end user segment which are expected to have a positive impact. Currently, rising population and the significant demand for beverages, packaged foods, pharmaceuticals and personal care products are the growth drivers in India and neighboring countries where the Company already operates.

Experiencing a gap in development of barrier packaging in the country, the Company embarked to set-up a packaging development centre, a first of its kind in Asia. Christened- Rajoo Centre of Innovation, the facility will be equipped with sophisticated and automated multilayer blown film lines, sheet extrusion lines and laboratory. Processors, convertors and raw materials will be able to test and develop barrier packaging concepts. Skill development and training is yet another objective in addition to capacity and technology support to the plastic packaging industry. The centre is planned to be fully operational in next fiscal year.

Your Company believes people are the lifeblood of any business. Effective management of this valuable asset is essential for unlocking an organization's growth. During 2015-16, your Company arranged 13 different training programs with participation of more than 150 employees from various categories to enable them contribute more effectively.

I want to thank our employees whose creativity, hard work and customer dedication have made this year's achievements possible laying a strong foundation for future. Our strong connection with customers continues to be a key asset in an increasingly competitive marketplace. While the economy remains challenging, we are well prepared to meet customers' changing needs, pursue continued growth and maximize shareholder value.



R. N. Doshi
Chairman & Managing Director

Date: 30/05/2016

THE YEAR 2015-16, AT A GLANCE

Over 3 decades Rajoo has aligned its industrial footprint with market conditions & customer needs. The Company continues to upgrade its plants with the aim of improving asset performance, cost competitiveness & customer satisfaction.

Some of the significant initiatives underway or completed include new Infrastructure, implementation of 5s - Japanese work place management system and in-house manufacturing of control panels to name a few.

Here are some treasured moments that captured 2015-16

1. Transcendent Moments – One step closer to dreams



Yet another step to achieve business excellence

8th June, 2015 - a day when one more step to the journey towards business excellence was initiated, in conviction to the dream of our visionary and Founder Late Shri Chandrakant N Doshi.

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.

Celebration of this event holds the promise of another such moments to come...

2. Peak Moments – a moment of happiness and fulfillment



Yet again Rajoo's innovation recognized!

The industry continues to recognize Rajoo as an innovator, quality supplier and always on the forefront in empowering the plastic processing industry with advanced technologies.

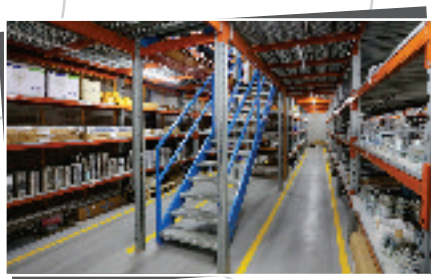
This recognition was further acknowledged when Rajoo Engineers was appreciated at the recent 6th National Award for Technology Innovation in Petrochemicals & Downstream Plastics Processing Industry (2015-16) for its contribution to technology innovation in the category of innovation of polymer processing machinery and equipment.

“Rajoo's Tilting Mould Thermoformer - Dispotilt” addressed the long-standing demand of the industry for stacking solutions for low weight disposable glasses, high productivity and comfort of use with minimal manpower. The disposable containers market now has an integrated solution for thermoforming, stacking, counting and packing; Rajoo fulfilled its market commitment.

3. Glorious Moments – infrastructure enhancement

a. Shree Bhandaralaya - Stores

With an intention to improve inventory management and control and adopt “Just in Time” resulting into better customer support without delay, we have set up a new store christened “Shri Bhandaralaya” with hi-tech facilities for proper storage and retrieval.



Shree Bhandaralaya - Centralized inventory system



Shree Bhandaralaya - Centralized inventory system

b. Shree Vidhyutalaya - Control Panel Division

“In-house control panel division” was a dream of our Founder & Mentor Late Shri C N Doshi carried forward by our Chairman Shri R N Doshi. In spite of many hurdles in 2013-14, as a result of untiring efforts with shared hardships by other team members, we were able to manufacture 6 panels in-house. Subsequently, in 2014-15 we manufactured 100 panels in house, a commendable achievement.

This accomplishment boosted our confidence and we decided to establish a separate division to manufacture all types of control panels.



Lamp lighting by Ms. Khushboo Chandrakant Doshi,
Executive Director-Rajoo Engineers Limited



Shree Vidhyutalaya Team at the inauguration ceremony

- c. **New Infrastructure** - Contemporary architecture is a central theme and is applied to a range of styles of recently built structures with an intention to optimize the space for current usage.



New administrative building



Front desk area



Training room

4. **Customer Delight** - living to expectations and beyond



FLOWEX - Twin screw uPVC & CPVC pipe plant

- a. A veteran in uPVC pipe manufacturing and a user of 12 pipe extrusion lines, the Gazi Group of Bangladesh has more than a reason to change.

In a short period of 6 months of using the Rajoo-Bausano line, the Gazi Group clearly realised the benefits that the line delivered; it not only lived up to its committed performance, but also was miles ahead of their existing lines in comparison. On account of power alone, the savings were a staggering 40% with comparatively reduced consumption of raw materials, the output of the thin-walled pipe possessed excellent mechanical properties complying with all quality tests.

The result was confidence...The Gazi Group reiterated this confidence in Rajoo Bausano by placing a repeat order of a staggering 6 machines in one go! Rajoo Bausano is now a strategic partner in the growth of the Gazi Group.



MULTIFOIL - 3 layer blown film line

- b. A repeat order is most gratifying a third machine, from a relatively new entrant, who is producing one of the best barrier and non-barrier films on our machines and effectively compete with machines imported from other parts of the world'

Devendran Plastic Private Limited, one of the youngest but fastest growing companies in the business of flexible packaging in South India, ordered its third blown film line from Rajoo.

Technological supremacy of Rajoo in blown film extrusion, coupled with a strong intent and astute comprehension of Devendran Plastic in understanding the market needs has helped create this winning combination.