



## Adopting *the new normal*

# Rajoo Engineers Limited

ANNUAL REPORT - 2019 - 2020

## 33<sup>rd</sup> ANNUAL GENERAL MEETING

Date : 30<sup>th</sup> September, 2020, Day : Wednesday 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

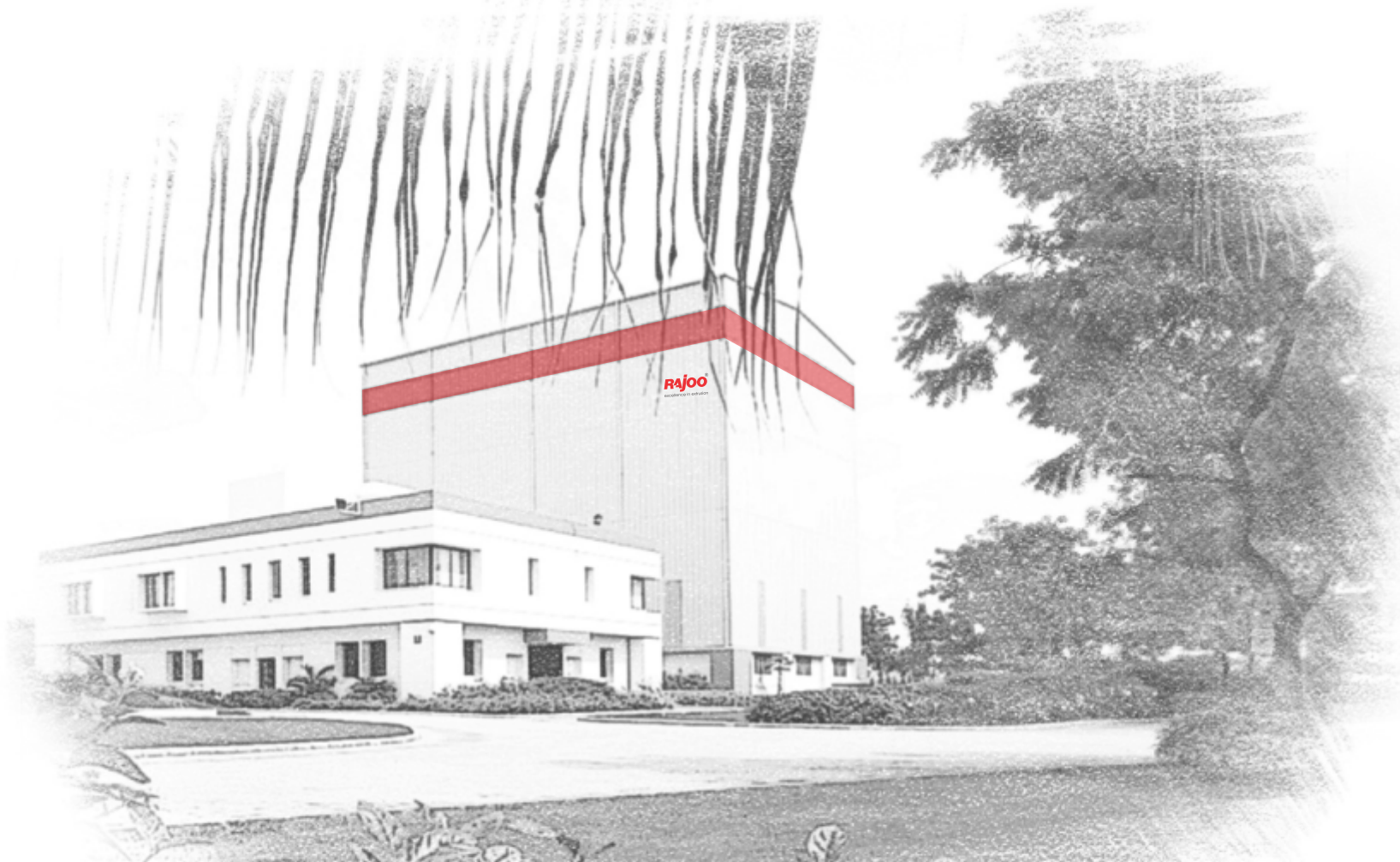
Fax : +91 02827 252700 E-mail : rel@rajoo.com

### Regd. Office :

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

E-mail : relmvr@rajoo.com CIN : L27100GJ1986PLC009212





#### 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,**  
**506-508, Amarnath Business Centre-1 (ABC-1),**  
**Besides Gala Business Centre**  
**Near XT Xavier's College Corner,**  
**Off C G Road , Ellisebridge**  
**Ahmedabad 380006 Tel No : +91 79 26465179 /86 / 87**  
**E-mail id : ahmedabad@linkintime.co.in**  
**Website : www.linkintime.co.in**

#### Contents

1. Our leadership team	01
2. A letter to share holders	02
3. Vision	04
4. Board of Directors	12
5. Financial Summary	13
6. Notice of AGM	14
7. Directors' Report	22
8. Secretarial Auditor's Report	34
9. Management Discussion and Analysis	37
10. Report on Corporate Governance	45
11. Standalone Financial Statement	62
12. Consolidated Financial Statement	99
14. Tributex	125
15. Proxy Form & Attendance Slip	127

## 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 35 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**

Director

Overall marketing, business development, diversification and growth strategies at the corporate level are the responsibilities of Mr. Jain. He has more than 35 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**

Whole Time Director

Over 11 years of experience in the area of HR, Business Development, Customer Care and Finance. Khushboo 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. Sales and Marketing is her passion and has been responsible for establishing brand "Rajoo" in the industry- both in the country and globally. A firm believer in Woman Empowerment, Rajoo Engineers is one of the first companies in Saurashtra Region of Gujarat to employ women in the engineering functions



**Utsav Doshi**

Whole Time Director

Utsav Doshi, a second generation entrepreneur, joined Rajoo Engineers in 2011 as an Engineer – Vendor Development. He holds a Bachelor's Degree in Mechanical Engineering with a Masters in Polymer technology from HTW Aalen University, Germany. Utsav 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.

“ I would like to sincerely thank all my stakeholders who have stood with us in these difficult and challenging times ”

## A letter to the shareholder

At the onset of this letter, I would like to sincerely thank all my stakeholders who have stood with us in these difficult and challenging times. The ban on single use plastic in certain states in India, the sudden unforeseen COVID-19 calamity combined with the already precarious state of global economy resulted in pressure on our Company due to which the growth in this particular year has been impacted adversely. But we have used this lockdown and the slowdown as an opportunity to step back and frame new policies and develop new products that will ensure sustainable growth in the coming years. Our collaborations with various companies worldwide have helped us to maintain a strong foothold in these cautious and challenging times.

Having made a modest start in 1986, our Company has come a long way and is now a global player. Today at Rajoo Engineers, we manufacture and sell variety of plastic processing machineries, which are highly regarded by users across the world, for a wide range of application and purpose. Our product lineup in the field includes Monolayer Blown Film Lines, Downward Extrusion Blown Film Lines, Seven-layer Co-Extruded Blown Film Line and Thermoforming & PS Foam Vacuum Forming Machines and various extruding machines. Today we also supply a diverse range of blown films and sheet extrusion which caters into lamination grade films, liquid packaging films, high dart FFS resin sacks films, meat and cereal packaging films, short shelf-life oil packaging films, pharmacy and medical grade films, and geo-membrane chemical/soap packaging films. After COVID-19 calamity, we have developed new product namely “MasCon N95” Machine capable of producing high output N95 Mask and “Melt Blown” capable of producing melt blown fabrics used in N95 mask manufacturing. We have got excellent response with substantial orders. We have already dispatched 4 MasCon N95 machines as well as 5 Melt Blown machines

Our economy has weathered many diseases and viruses earlier and bounced back. But this virus - COVID-19 is different. The shock waves sent by this virus, the subsequent lockdown and uncertainty of the future has made us all take a step back in our lives. The scourge i.e the COVID 19 has confronted all of humanity, impacting lifestyles, businesses and economies. The assumption of common well-being which was largely taken for granted does not hold true anymore. The COVID 19 pandemic poses unprecedented health, economic and financial stability challenges. The ultimate impact of this on the global and Indian economy as well as timing of recovery is uncertain. This outbreak has dealt an unprecedented blow to the manufacturing sector leading to a full stop to operations.



**R N Doshi**  
Chairman & Managing Director

But we at Rajoo believe that every adversity provides opportunity to grow and succeed. The Government of India has partially lifted the plastic ban and included some products in the list of essential items which are permitted to be manufactured during the lockdown period. By virtue of this, we have started manufacturing of certain machinery. We strongly believe in giving back to the nation who has provided us this great opportunity of helping in these difficult and challenging times. Despite the opportunity to earn a quick buck, we have not changed our pricing strategy. We are providing our machines at the same rates which were prevalent before. Our products assume special significance for India in the wake of the severe disruptions caused by this pandemic in the Indian and the global economy. It is our expectation at this time that the course of economic recovery in India will be smoother and faster than that of advanced countries. Indeed, the UNCTAD (United Nations Conference on Trade and Development) in its latest report 'The COVID-19 shock to developing countries' has predicted that one of the major economies least exposed to recession will be India.

Coming to the ban on single use plastic, the consumers and the Government do realize that there is no substitute to these plastic products. Proactively, as a positive sign, the Central Government has constituted a committee of leading experts to study the steps being taken world over and to advice the Government to define the products to be termed as single use plastics so that a uniform country-wide policy can be framed.

In line with our strategy, we continue to expand our global footprint with high focus on market penetration and enhance customer delight and sustain investments in technology to support growth and further strengthen engagement programs across platforms. We continually strive to identify new avenues of growth and effective utilization of existing resources.

Looking to FY20 financials, I would like to share that our Company recorded decline in revenue by 24.15% from Rs. 123.52 Cr in FY19 to Rs. 93.69 Cr in FY20. The sales were affected as in the last quarter specifically in march because of the lock down resulting in non dispatch of ready machines worth Rs. 13.00 Cr. Continuity in poor market sentiments, has also resulted in reduction in the order flow as compared to previous years. The EBITDA also declined by 51.17% to Rs 7.46 Cr, due to decrease in revenue and also stagnant employee and other expenses despite reduction in sales. The Company registered 81.40% decline in net profit from Rs. 7.89 Cr in FY19 to Rs. 1.47 Cr in FY20.

Our success so far has been driven by our most important asset – our team, I would like to take this opportunity to thank each member of the Rajoo family. I would also like to thank our Customers, Creditors, Banks, Financial Institutions and other Stakeholders. Their faith in us and support extended makes it easier for us to strive and excel.

On my part, I will continue to maintain our focus on increasing our operational efficiencies, utilizing positive operating cash flows to drive volumes and strengthen our Balance Sheet. This new journey post COVID 19 times will require extra perseverance, efforts and your ever -increasing support to sail our company through tough waters.

*R. N. Doshi*

R. N. Doshi  
Chairman & Managing Director





“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”

## Vision

The above vision is intrinsic to each facet of our operations. And we strive to realize this objective with passion and fervor.

We will continue to achieve through constant innovation in technology and machines, cordial and inspiring work environment for our employees who endeavor to convert ideas into solutions for our customers with ethical business practices.

Our co-operation with the polymer industry and with internationally acclaimed rheologists and machine designers enables us to provide technology of the developed nations too at developing countries.

Plastics, a material of choice for over centuries has made deep inroads into all walks of human life, be it food packaging, housing, clothing, automobiles, agriculture, building and construction and a variety of other domains. We strive to contribute to the development of plastics through extrusion. We also strive to contribute to the sustainable use of natural resources as well as energy savings and waste reduction. We aim at providing excellence in sheet and blown film extrusion incorporating world class technology at affordable price levels.

Our obsession for innovation and enthusiasm for understanding of polymers are significant elements which encourage us to achieve our goals and put us above the rest.

"Excellence in Extrusion" is our Company's maxim and is an expression of our corporate vision and culture which guides us in all that we do.



**C. N. Doshi**  
Founder & Mentor, Rajoo Engineers Ltd.

## 34 YEARS OF LEADERSHIP



1986

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



1988

Launched monolayer blown film line, christened FOILEX

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



1989

Launched the first ever **sheetline** for HIPS, christened LAMINA



1990

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

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

Launched Asia's first ever chemically foamed sheet line for EPE was christened FOMEX



1991

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



1992

Rajoo introduced India's first ever Foamed PVC profile line and delivered to the pioneer in this field, M/S Trio Polymers, Junagadh



1994

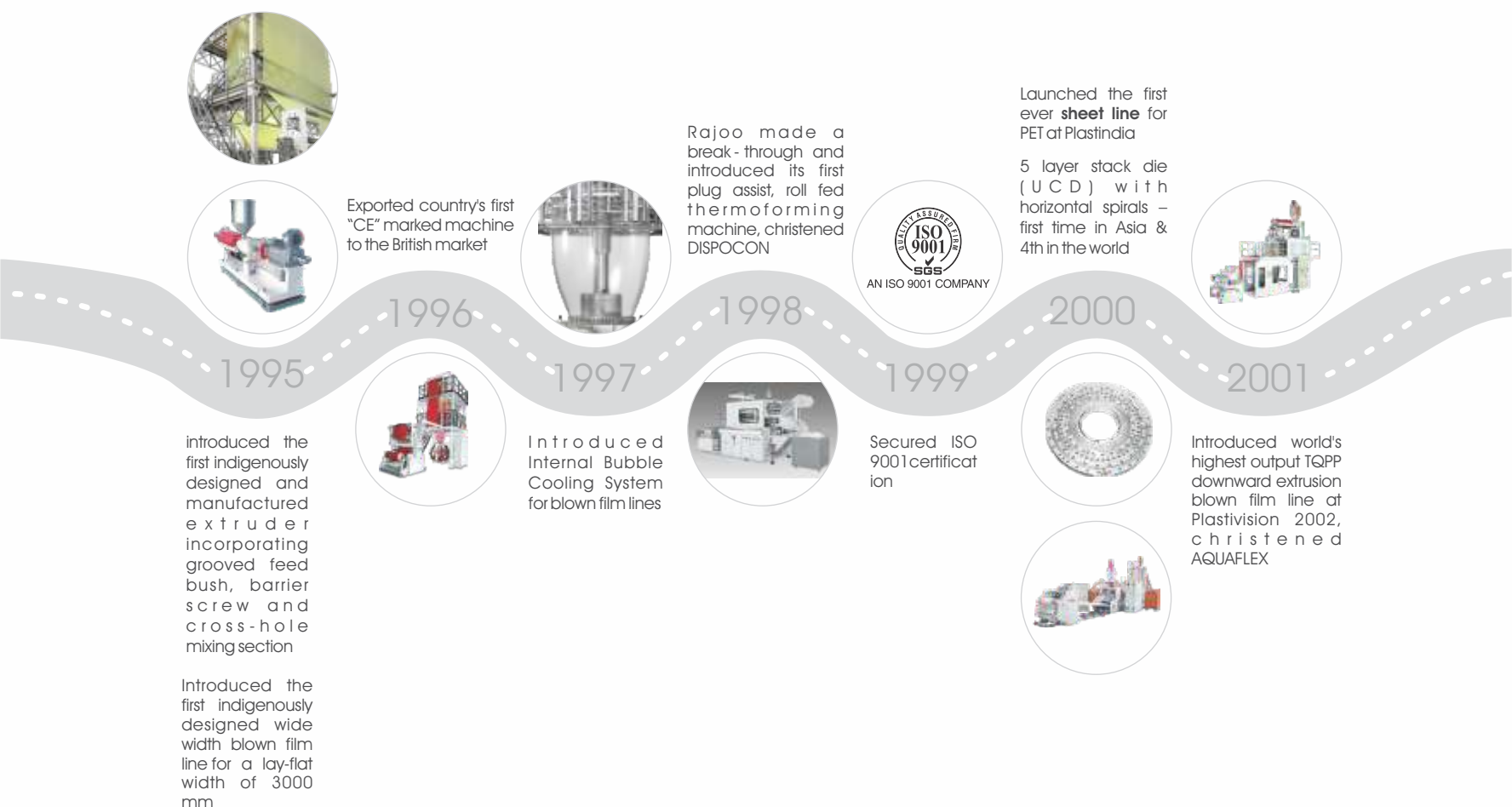
Begun operation at Rajkot. Entered into a technical collaboration with a British Company - Wittey Machinery. Went public and the issue was over subscribed by nearly 24 times.

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





## 34 YEARS OF LEADERSHIP



## 34 YEARS OF LEADERSHIP



Developed a CE compliant high output sheetline for processing PET regrind with an output of 700 kg/hr and exported to Germany



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



2003

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

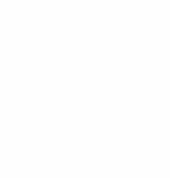
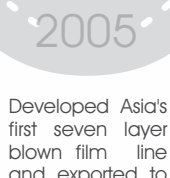
Asia's first 2 layer PPTQ film plant – 150 kg/hour

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



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

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

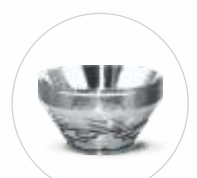


2005

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

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

Developed Asia's first ever 2000 mm width physically foamed sheetline



2006

COMMODORE TECHNOLOGY LLC

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



2007

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

Developed world's first ever four extruder five layer blown film with sheet extrusion system for the ProductApplication Centre of Reliance industries

Developed Asia's first ever four extruder five layer barrier sheet extrusion system with included (Unitilt) polishing roll stack assembly



2008



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

2009