

CERTAINTY

in times of Uncertainty

Annual report – 2020-21

Rajoo Engineers Limited

ANNUAL REPORT - 2020-21

34th ANNUAL GENERAL MEETING

Date : 25th September, 2021, Day : Saturday Time : 11.00 a.m.
Venue : Registered Office, Junagadh Road, Manavadar - 362 630
District : Junagadh (Gujarat)

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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),

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Our competent team is responsible for corporate governance and is ultimately accountable for overall strategy, risk management and financial performance of the company.

The team is led by our Chairman Mr. R.N.Doshi and is ably assisted by the Executive Team.



Defines and evolves the company's strategic direction and spectrum of offerings, while cultivating a strong leadership team to drive its execution. He has more than three decades of experience in the plastics industry. He oversees the business enablement and a new product development. His extensive management experience includes several start-ups, enterprises, executing business turnarounds and managing successful acquisitions.

R. N. Doshi - Chairman



Over 15 years of experience in the area of Marketing, Business Development, HR, 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.

Khushboo Chandrakant Doshi - Managing Director



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. He is responsible for New Product Development, R & D, product management, IT, quality & procurement. 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 Plastics Processing .

Utsav Doshi - Jt. Managing Director

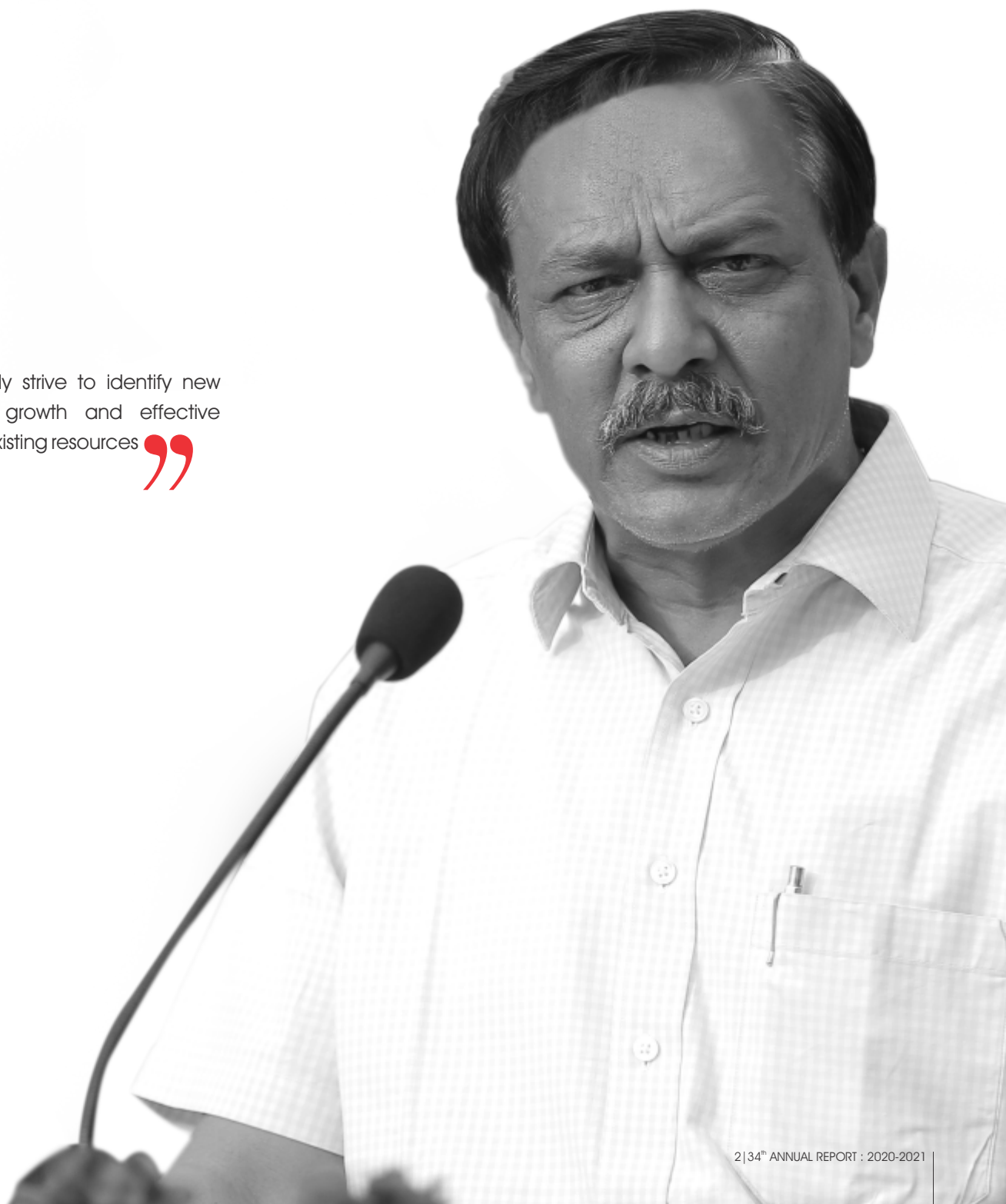


Overall marketing, business development, diversification and growth strategies at the corporate level are the responsibilities of Mr. Jain. He has more than 35 years of experience in the flexible packaging industry and plastic extrusion machinery industry. He has successfully developed key relationships 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 .

Sunil Jain - Director

“ We continually strive to identify new avenues of growth and effective utilization of existing resources ”

A LETTER TO SHAREHOLDERS



I would like to begin this by sincere thanks to all our stakeholders who have stood with us in these difficult and trying times. The still unchecked and uncontrollable COVID-19 calamity combined with the already recessive global economy resulted in minimum growth across the world in this particular year.

A crisis in the form of microscopic pathogen has rapidly spread around the world in a blink of an eye. In March last year, with Covid-19 contagion becoming a full-blown pandemic, governments across the world including India opted for lockdown which continued till first half of 2020. This Great Lockdown, as the IMF calls it, has tipped the global economy into recession in 2020 on a scale not witnessed before.

Due to herculean efforts undertaken by doctors and researchers around the world, a vaccine with high levels of efficacy is available to us. However, implementation of this vaccine in a phased manner will further postpone our hopes of a rapid economic bounce-back which was expected due to this great scientific breakthrough. However due to lax behaviour and lack of awareness coupled with ignorance, this virus has shown its ugly head again in form of second wave. The distress faced by the entire world has forced all of us to take a step back and reevaluate our way of doing business. In fact, we have used this slowdown as an opportunity to step back and frame new policies and develop new products that will ensure sustainable progress in the coming years. Our collaborations with various companies worldwide have helped us to maintain a strong foothold in these unnerving times.

As you are all aware, the past financial year brought significant headwinds for all the industries in the form of the COVID-19 pandemic. Even now, the impact of the second wave has impaired across sectors, hampering logistics, supply chains as well as consumer sentiments, however despite that our Company has sustained through such times. During the first wave of lockdown, our Company immediately adopted the work from home policy for the senior Management team and sales team from very next day and followed by that for other white-collar employees.

Having years of experience in automation and with the adoption of Industry 4.0, we could start installation and commissioning of our giant machines through remote support and also continued the post – sales support. We came up with the strong strategies for international market, new product development, and standardization of existing products, which helped us to smoothly navigate during such uncertain times.

At Rajoo, we believe that every adversity provides an opportunity to grow and succeed. With strong vision backed by passion for research and development and commendable teamwork, we introduced two products, which were need of the hour during the pandemic - Melt Blown Fabric Making Machine and N95 Mask Making Machine, both import substitution products. The main uses of melt-blown non-woven fabric are filtration, sorbents, hygiene products, apparels and drug delivery. We are the first Company in India to make a die for making melt-blown fabric. Our design team successfully developed both the machines in a short span of a month. Their tireless efforts and determination to take our Company ahead are truly commendable and worth mentioning. This helped us to navigate through the tough economic conditions prevailing then. Our products assume special significance for India in the wake of severe disruptions caused by this pandemic in Indian and global economy. Good order booking of Blown-Film Lines not only from the domestic market, but also from the export market resulted in a win-win situation for all our stakeholders.

Having made a modest start in 1986, our Company has come a long a way and is now a global player. Being a technology-driven company, product innovation, world class quality, state-of-the-art workmanship, energy efficient and high level of sophistication and automation have become the hallmark of Rajoo products during all these years thereby positioning our product on a global platform competing with established world leaders. Today at Rajoo Engineers, we manufacture and sell variety of plastic processing machines, which are highly regarded by users across the world, for a wide range of applications.

With representation in many countries across the world and customers in over 70 countries, our exports have multiplied since our debut in the international market in 1990. Our product lineup in the field includes Monolayer Blown Film Lines, Downward Extrusion Blown Film Lines, Seven-layer Upward Co-Extruded Blown Film Lines, Extrusion Coating and Laminating Lines, 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, pharma and medical grade films, and geomembrane chemical/ soap packaging films.

Our brand reliability and position in the global market with a number of strong alliances in the industry such as Kohli Industries from India, MEAF Machines from Netherland, and Bausano & Figli, Italy that we have with us, we are confident that our Company is ready to reach higher and newer heights. It is an industry practice to build machines with client's specifications to garner competitive advantage, however, at Rajoo we have always been a pioneer of change and innovation by identifying just the right technology and its mix. As we add value to client's business, we are being appreciated by stalwarts in the business of offering "appropriate technology" consistently to help customer business rather than following the traditional approach. This reinforces stamp of 'Excellence in Extrusion'.

Coming to the ban on single use plastics, consumers and the Government do realize that there is no substitute to certain plastic products. Plastics, without doubt, is a miracle commodity that has uses ranging from increasing shelf life of eatables to medical equipment. . Proactively, as a positive sign, the Central Government thereafter constituted a committee of leading experts to study steps being taken world over and to advice Government to define products to be termed as single use plastics so that a uniform country-wide policy can be framed. In line with this, the Centre has proposed a ban on single use plastic in two phases beginning January 1, 2022 and issued a draft notification giving time lines of the staggered plan to make India single-use plastic-free by next year. The drafts are still in initial phases of public consideration.

Moving to FY21 financials, I would like to share that our Company achieved net revenue of Rs. 152.25 crore in FY21, as against Rs. 93.55 crore in FY20, representing a YoY increase of 62.75%. This increase in sales has been primarily on account of higher demand for plastic packaging products due to change in consumer sentiments towards packed products leading to increased demand for our machines. Demand drastically changed in the food business as the pandemic shut down all the restaurants and food services. Consumers moved to heavy grocery purchase due to which packaging demand increased, demand rose sharply for not only packaging of groceries but also for the healthcare products, e-commerce transportation. This resulted into higher production and sales volume of flexible packaging film followed by heavy expansion by existing players adding new production capacities.

Continued orders from the market gave us healthy order book, which has improved our cash flow. EBITDA (excluding Other Income) was at Rs. 18.74 crore in FY21 as against Rs. 7.32 crore in FY20, increase of 156.15 % YoY mainly on account of increase in sales and operational efficiencies kicking in, decrease in other expenses despite the effect of the pandemic across areas of increased ocean freight, increase in warranty provisions and contractual manpower costs. PAT was Rs. 10.41 crore in FY21 compared to Rs. 1.47 crore in FY20, YoY increase of 609.22% due to higher revenues and better utilization of working capital has offset rise in raw material and other expenses.

In line with our strategy, we continue to expand our global footprint with high focus on market penetration and sustain investments in research & development to support progress. We continually strive to identify new avenues of growth and effective utilization of existing resources.

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 Clients, 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 - Chairman

“ To become one of the most trusted and passionate solution providers for the plastic extrusion machinery world-wide in the best interest of all the stakeholders 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.



35 YEARS OF LEADERSHIP

