



Creating value
for stakeholders

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Annual Report
2021-22

Rajoo Engineers Limited

ANNUAL REPORT - 2021-2022

35th ANNUAL GENERAL MEETING

Date : September 24, 2022, Day : Saturday Time : 11.00 a.m.

Venue : Registered Office, Rajoo Avenue, Survey No.210, Plot No. 1,
Industrial Area, Veraval (Shapar), Dist. : Rajkot - 360 024. Gujarat, India.

Admin. & Mktg. Office :

Rajoo Avenue, Survey No.210, Plot No. 1, Industrial Area, Veraval (Shapar),
Dist. : Rajkot - 360 024. Gujarat, India. Phone : +91-97129 62704/52701/32706
E-mail : rel@rajoo.com

Regd. Office :

Rajoo Avenue, Survey No.210, Plot No. 1, Industrial Area, Veraval (Shapar),
Dist. : Rajkot - 360 024. Gujarat, India. Phone : + 91 97129 62704 / 52701/ 32706
E-mail : compliances@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 | Web.: www.linkintime.co.in

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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, Marketing and After-sales support 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 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 operations at REL.

Utsav Doshi has technical experience to convert market requirements into technical layout with having thorough knowledge in manufacturing and Plastics Processing .

Utsav Doshi - Jt. Managing Director

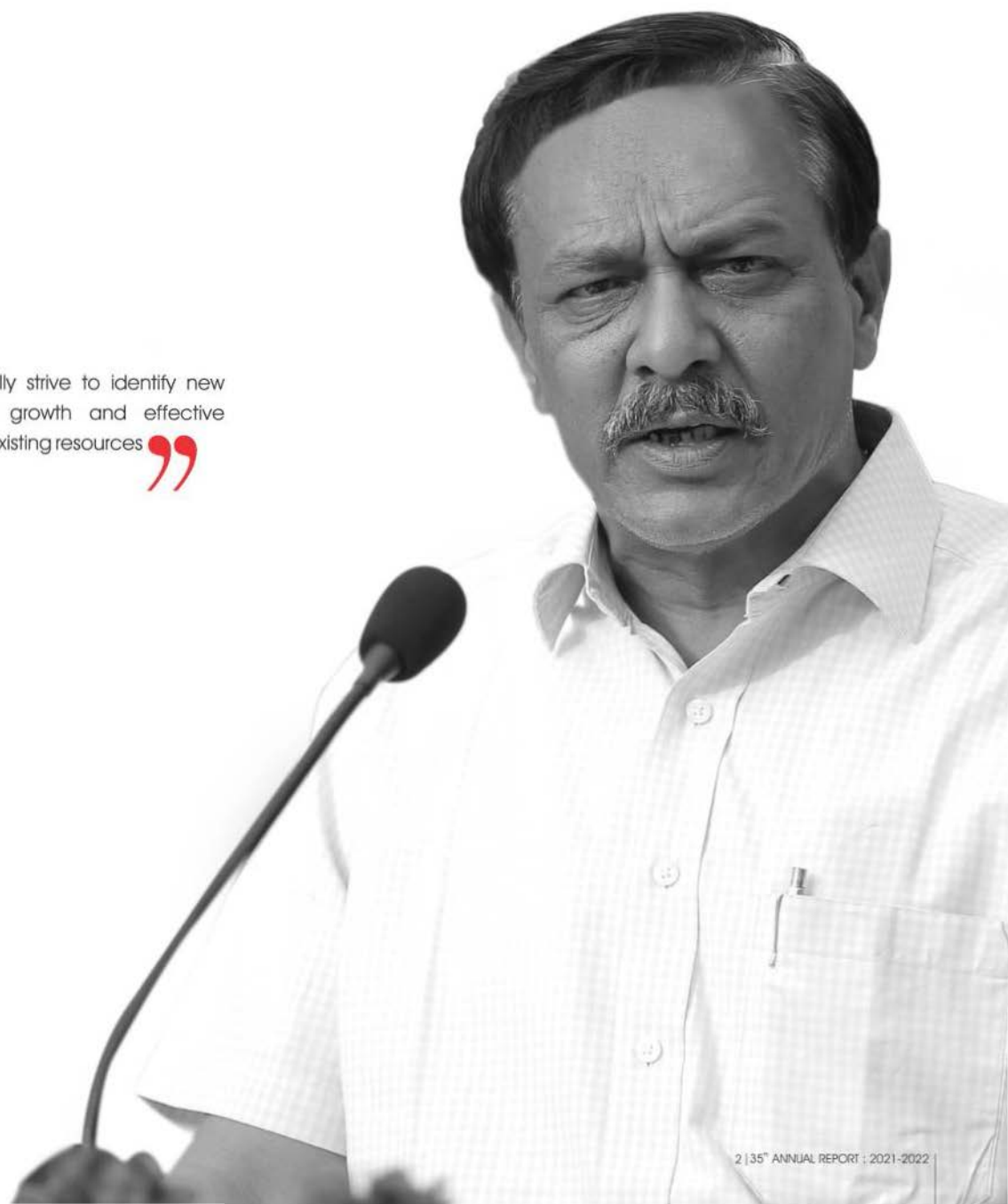


Overall marketing, business development, diversification and growth strategies at the corporate level are the responsibilities of Mr. Jain. He has more than 35 years of experience in the flexible packaging industry and plastic extrusion machinery industry. He has successfully developed key relationships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

A year ago, we hoped we had seen the worst of the pandemic, but the second wave sadly proved much more difficult than the first. Communities, families, and individuals have suffered a great deal and I know some of you endured personal losses.

The peak of the second wave was a very difficult period, but I am so proud of how our group responded. We rose to the challenge and showed courage and selflessness with the 'RajooSpirit'. Changes in consumer behavior considering health and hygiene resulted into high demand of flexible packaging for packaged food, take away, e-commerce and Pharma. Good order booking of blown film lines not only from domestic market but also from export market, resulted in a win-win situation for all our stakeholders. It was an incredible effort and I want to thank each one of you for this.

At Rajoo, we have always been pioneers of change and innovation. We focus on identifying just the right technologies and its mix, to add value to our client's business. In July 2021, we hosted an open house event along with Kohli Industries to showcase the new Lamex 360 – Extrusion Coating and Laminating line for flexible packaging at our customer's - Balaji's facility in Rajkot. We are being appreciated by stalwarts in this business for the 'appropriate technologies' approach to help customer's business rather than offering standard solutions. This reinforces the stamp of 'excellence in extrusion'.

We have come a long way, but we must press on with our transformation and growth. IMF predicts the Indian economy will grow by 8.5%, well above the global average of 4.9%. As a business, we can play our part in the evolution of India, with its ambitions to become a \$3 trillion economy by 2024. We must keep pushing ourselves to be simpler, more sustainable, and more technologically advanced. If we do that with a concerted effort, we can, not only take our Company but also our country forward. But all ambitions, desires, targets are contingent on a more immediate concern: learning to live with corona virus. Businesses and society are adapting to it by preparing as best we can for new outbreaks and variants. We can see this now with the spread of Omicron.

Thankfully, India's brilliant vaccine program has built a vast wall of protection. Infections, so far, seem to be mild. But we must be careful. This isn't time to let our guard down. Looking forward to 2022, I encourage everyone to follow the latest health protocols. Please take booster shots not just for yourselves, but for your families and your communities, too.

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 third 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 third wave, we started taking precautions for every worker and wherever needed, we immediately adopted the work from home policy for critical work roles from very next day. We have used this slowdown as an opportunity to frame new strategies and develop new products that will ensure sustainable progress in the coming years. We are cautiously optimistic based on the market scenario, rising demand and opening up of markets in the post-COVID environment.

We expect that 2022 will be an important & critical year for Rajoo Engineers to improve our performance in this complex, competitive and ever changing market. We will strive to overcome the impact of circumstances such as the COVID-19 pandemic, economic downturn, increase in raw material prices, and supply chain disruptions. While seeking opportunities and maintaining stability in business operations, the Company is set to explore its full potential to achieve the expected goals.

Moving to FY22 financials, I would like to share that our Company achieved net revenue of Rs. 172.30 crore in FY22, as against Rs. 152.25 crore in FY21, representing a YoY increase of 13.17%. 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. 20.97 crore in FY22 as against Rs. 18.74 crore in FY21, increase of 11.91% YoY mainly on account of increase in sales and operational efficiencies kicking in and decrease in other expenses despite the effect of the pandemic across areas of increased ocean freight, increase in Warranty provisions and Contractual Manpower costs. The PAT was Rs. 14.80 crore in FY22 compared to Rs. 10.41 crore in FY21, YoY increase of 42.21% 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.

I am optimistic about what we can do next in the years ahead. With God's grace, the recent success has given our group a strong platform to build on. I am excited by the heights I know we can reach, not just financially, but also in terms of the difference we can make to communities. We can set new standards in technology, sustainability, and skills development.

But before that, I hope you take the opportunity to enjoy some well-deserved quality time with your family.

We will continue to carry forward the corporate core culture of Rajoo Engineers and fully dedicated to growing and developing our business and bringing long term value to all stakeholders and society.

We firmly believe that Rajoo Engineers future goals will be achieved.



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.



