

Rajoo Engineers Limited

TWENTIETH ANNUAL REPORT 2006-2007

Admn. & Mktg. Office :
Survey No.210, Plot No. 1,
Industrial Area, Veraval-Shapar,
Dist. : Rajkot - 360 002.(Gujarat)
Phone : (02827) 252701-2-3-4-5-6-7
Fax : (02827) 252700
E-mail : rel@rajoo.com

Regd. Office :
Junagadh Road, Manavadar-362 630.
Dist. : Junagadh (Gujarat)
Phone : (02874) 221175-221176
Fax : (02874) 221326
E-mail : relmvr@rajoo.com

CONTENTS	PAGE NO.
Notice of Annual General Meeting	03
Directors' Report	14
Report on Corporate Governance	20
Auditors' Report	29
Balance Sheet	32
Profit & Loss Account	33
Cash Flow Statement	34
Schedules	35
Balance Sheet Abstract	53

20th ANNUAL GENERAL MEETING

Date : 28th September 2007
Day : Friday
Time : 11:00 A.M.
Venue : Registered Office
Junagadh Road,
Manavadar - 362 630
Dist. : Junagadh.

BOARD OF DIRECTORS

- : MR. CHANDRAKANT N. DOSHI
Chairman & Managing Director
- MR. RAJESH N. DOSHI
Joint Managing Director
- MR. JAYANTILAL P. AGHERA
Wholetime Director
- MR. KHIMJIBHAI P. AGHERA
Wholetime Director
- MR. SUNIL B. JAIN
Director-International Operations
- MR. GOPALIAH HARISH
Director
- MR. RAMESH A. SHAH
Director
- MR. MAHASUKH S. MEHTA
Director
- MR. KISHOR R. DOSHI
Director
- MR. MANHARLAL V. KAMDAR
Director

BANKERS

- : STATE BANK OF SAURASHTRA
Manavadar-362 630. (Gujarat)

STATUTORY AUDITORS

- : M. N. MANVAR & Co.
Chartered Accountants,
504-Star Plaza, Nr. Circuit House,
Phulchhab Chowk, Rajkot-360 001.

SECRETARIAL CONSULTANTS

- : M/s. MJP Associates
Company Seretaries,
707-Star Plaza, Phulchhab Chowk,
Rajkot

REGD. OFFICE

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

WORKS

- : (1) Junagadh Road,
Manavadar-362 630.
Dist. : Junagadh (Gujarat)
- (2) Survey No. 210, Plot No.1,
Industrial Area, Veraval-Shapar
Dist. : Rajkot-360 002. (Gujarat)

FINANCIAL HIGHLIGHTS

Rs. in Lacs

	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
OPERATING RESULTS					
Sales & Other Income	4045.71	3298.04	3143.26	2958.04	1858.88
Profit before depreciation and Financial Cost	387.12	332.32	286.50	225.77	149.94
Profit before Tax (PBT)	300.24	256.25	205.90	148.59	76.49
Profit after Tax (PAT)	155.58	150.30	117.78	93.77	50.27
Retained earnings	93.70	94.84	68.49	50.63	16.38
Earning per share (EPS) (Rs.)	5.05	4.88	3.82	3.04	1.63
Dividend % p.a.	20%	18%	16%	14%	11%
FINANCIAL SUMMARY					
Assets Employed :					
Fixed Assets (Net)	676.37	582.84	494.64	525.96	493.62
Working Capital (Net)	1071.41	757.62	646.67	568.05	766.74
Capital Employed	1788.94	1381.61	1182.46	1135.16	1302.58
FINANCED BY					
Share Capital	308.10	308.10	308.10	308.10	308.10
Reserves	535.44	441.74	346.90	278.41	227.78
Total Shareholders Funds	843.54	749.84	655.00	586.51	535.88
Borrowings	945.40	631.77	527.46	548.65	766.70
Debts Equity	1.12:1	0.84:1	0.80:1	0.94:1	1.43:1
OTHER					
Book Value Per Share (Rs.)	27.38	24.34	21.26	19.04	17.39
Gross Fixed Assets	1155.61	996.74	849.59	843.18	761.25

NOTICE

NOTICE is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the Members of RAJOO ENGINEERS LIMITED will be held on Friday, 28th September, 2007 at 11.00 a.m. at the Registered Office situated at Junagadh Road, MANAVADAR-362 630, Dist. Junagadh to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as on 31st March 2007 and Profit & Loss Account for the year ended on that day along with the Directors' and Auditors Report thereon.
2. To declare final dividend.
3. To appoint Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
4. To appoint Director in place of Shri C. N. Doshi, who is liable to retire by rotation and being eligible, offers himself for reappointment.
5. To appoint Director in place of Shri R. N. Doshi, who is liable to retire by rotation and being eligible, offers himself for reappointment.
6. To appoint Director in place of Shri K. P. Aghera, who is liable to retire by rotation and being eligible, offers himself for reappointment.
7. To appoint Director in place of Shri Gopaliah Harish, who is liable to retire by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

8. To pass, with or without modification, the following Resolution, as an Ordinary Resolution:

"RESOLVED THAT in accordance with provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956, as well as in accordance with provisions as contained in the Memorandum and Articles of Association of the Company, and in pursuance of recommendations of the Remuneration Committee of the Board of Directors of the Company, approval of the Company be and is hereby given for reappointment of Shri Chandrakant N. Doshi, as the Chairman & Managing Director of the Company, for the period of five years with effect from 26th March, 2007, to 25th March, 2012, on such terms and conditions as given in the Agreement entered into between the Company and Shri Chandrakant N. Doshi".

"RESOLVED FURTHER THAT the main terms and conditions of the reappointment of Shri Chandrakant N. Doshi, shall be as under:

SALARY:

Present Salary of Rs. 1,50,000/- per month with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.

ADDITIONAL BENEFITS & PERQUISITES:

In addition to above, Shri C. N. Doshi, shall also be entitled to following perquisites/ benefits:

- (i) Medical reimbursement for self and family members for the actual amount incurred.
- (ii) Contribution towards provident fund up to 12 % of basic salary or such other percentage as may be prescribed under the Rules of the respective Funds.
- (iii) Contribution towards gratuity Fund and benefits payable as per Rules.
- (iv) Use of Company's Car along with facility of Driver and reimbursement of maintenance expenses of car.
- (v) Encashment of unavailed leave as per Rules of the Company.
- (vi) Reimbursement of electricity expenses at residence .

"RESOLVED FURTHER THAT where in any financial year, the Company is not having profits or its profits are inadequate, the Company shall pay to Shri C. N. Doshi, the remuneration as said in above paragraphs, subject to provisions of Schedule XIII to the Companies Act, 1956".

9. To pass, with or without modification, the following Resolution, as an Ordinary Resolution:

"RESOLVED THAT in accordance with provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956, as well as in accordance with provisions as contained in the Memorandum and Articles of Association of the Company, and in pursuance of recommendations of the Remuneration Committee of the Board of Directors of the Company, approval of the Company be and is hereby given for reappointment of Shri Rajesh N. Doshi, as the Joint Managing Director of the Company, for the period of five years with effect from 26th March, 2007, to 25th March, 2012, on such terms and conditions as given in the Agreement entered into between the Company and Shri Rajesh N. Doshi".

"RESOLVED FURTHER THAT the main terms and conditions of the reappointment of Shri Rajesh N. Doshi, shall be as under:

SALARY:

Present Salary of Rs. 1,00,000/- per month with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.

In addition to above, Shri R. N. Doshi, shall also be entitled to following perquisites/ benefits:

- (i) Medical reimbursement for self and family members for the actual amount incurred.
- (ii) Contribution towards provident fund up to 12 % of basic salary or such other percentage as may be prescribed under the Rules of the respective Funds.
- (iii) Contribution towards gratuity Fund and benefits payable as per Rules.
- (iv) Use of Company's Car along with facility of Driver and reimbursement of maintenance expenses of car.
- (v) Encashment of unavailed leave as per Rules of the Company.
- (vi) Reimbursement of electricity expenses at residence .

"RESOLVED FURTHER THAT where in any financial year, the Company is not having profits or its profits are inadequate, the Company shall pay to Shri Rajesh N. Doshi, the remuneration as said in above paragraphs, subject to provisions of Schedule XIII to the Companies Act, 1956".

10. To pass, with or without modification, the following Resolution, as an Ordinary Resolution:

"RESOLVED THAT in accordance with provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII to the

Companies Act, 1956, as well as in accordance with provisions as contained in the Memorandum and Articles of Association of the Company, and in pursuance of recommendations of the Remuneration Committee of the Board of Directors of the Company, approval of the Company be and is hereby given for reappointment of Shri Khimjibhai P. Aghera, as the Wholetime Director of the Company, for the period of five years with effect from 26th March, 2007 to 25th March, 2012, on such terms and conditions as given in the Agreement entered into between the Company and Shri Khimjibhai P. Aghera”.

“RESOLVED FURTHER THAT the main terms and conditions of the reappointment of Shri Khimjibhai P. Aghera, shall be as under:

SALARY:

Present Salary Rs. 65,000/- per month with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.

In addition to above, Shri K. P. Aghera, shall also be entitled to following perquisites/ benefits:

- (i) Medical reimbursement for self and family members for the actual amount incurred.
- (ii) Contribution towards provident fund up to 12 % of basic salary or such other percentage as may be prescribed under the Rules of the respective Funds.
- (iii) Contribution towards gratuity Fund and benefits payable as per Rules.
- (iv) Use of Company's Car along with facility of driver and reimbursement of maintenance expenses of car.
- (v) Encashment of unavailed leave as per Rules of the Company.
- (vi) Reimbursement of electricity expenses at residence .

“RESOLVED FURTHER THAT where in any financial year, the Company is not having profits or its profits are inadequate, the Company shall pay to Shri Khimjibhai P. Aghera, the remuneration as said in above paragraphs, subject to provisions of Schedule XIII to the Companies Act, 1956”.

11. To pass, with or without modification, the following Resolution, as an Ordinary Resolution:

“RESOLVED THAT in accordance with provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956, as well as in accordance with provisions as contained in the Memorandum and Articles of Association of the Company, and in pursuance of recommendations of the Remuneration Committee of the Board of Directors of the Company, approval of the Company be and is hereby given for reappointment of Shri Jayantilal P. Aghera, as the Wholetime Director of the Company, for the period of five years with effect from 26th March, 2007 to 25th March, 2012, on such terms and conditions as given in the Agreement entered into between the Company and Shri Jayantilal P. Aghera”.

“RESOLVED FURTHER THAT the main terms and conditions of the reappointment of Shri Jayantilal P. Aghera, shall be as under:

SALARY:

Present Salary Rs. 65,000/- per month with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.

In addition to above, Shri J. P. Aghera, shall also be entitled to following perquisites/ benefits:

- (i) Medical reimbursement for self and family members for the actual amount incurred.

- | | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|
-
- (ii) Contribution towards provident fund up to 12 % of basic salary or such other percentage as may be prescribed under the Rules of the respective Funds.
 - (iii) Contribution towards gratuity Fund and benefits payable as per Rules.
 - (iv) Use of Company's Car along with facility of Driver and reimbursement of maintenance expenses of car.
 - (v) Encashment of unavailed leave as per Rules of the Company.
 - (vi) Reimbursement of electricity expenses at residence .

"RESOLVED FURTHER THAT where in any financial year, the Company is not having profits or its profits are inadequate, the Company shall pay to Shri Jayantilal P. Aghera, the remuneration as said in above paragraphs, subject to provisions of Schedule XIII to the Companies Act, 1956".

12.. To pass, with or without modification, the following Resolution, as an Ordinary Resolution:

"RESOLVED THAT in accordance with provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956, as well as in accordance with provisions as contained in the Memorandum and Articles of Association of the Company, and in pursuance of recommendations of the Remuneration Committee of the Board of Directors of the Company, approval of the Company be and is hereby given for appointment of Shri Sunil B. Jain, as the Executive Director of Company, for the period of Five years with effect from 26th March, 2007, to 25th March, 2012.

"RESOLVED FURTHER THAT the main terms and conditions of the reappointment of Shri Sunil B. Jain, shall be as under:

SALARY:

Present Salary Rs. 23,750/- per month with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.

In addition to above, Shri Sunil B. Jain, shall also be entitled to following perquisites/ benefits:

- (i) Contribution towards provident fund up to 12 % of basic salary or such other percentage as may be prescribed under the Rules of the respective Funds.
- (ii) Contribution towards gratuity Fund and benefits payable as per Rules.
- (iii) Encashment of unavailed leave as per Rules of the Company.

"RESOLVED FURTHER THAT where in any financial year, the Company is not having profits or its profits are inadequate, the Company shall pay to Shri Sunil B. Jain, the remuneration as said in above paragraphs, subject to provisions of Schedule XIII to the Companies Act, 1956".

For and on Behalf of the Company

Date : 30th June, 2007

Place : Rajkot

(C. N. Doshi)

Chairman & Managing Director

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of the Articles of Association of the Company, Shri C. N. Doshi, Shri R. N. Doshi, Shri K. P. Aghera, Shri Gopaliah Harish and Shri Sunil B. Jain, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Further, Shri C. N. Doshi & Shri R. N. Doshi are proposed to be reappointed as Chairman & Managing Director and Joint Managing Director respectively. Further Shri K. P. Aghera and Shri J. P. Aghera are proposed to be reappointed as the Wholetime Directors. Further, Shri Sunil B. Jain is proposed to be appointed as the Executive Director. Brief resume of these Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company recommends their respective re-appointments.
4. The relative explanatory statements pursuant to section 173 of the Companies Act, 1956, in respect of the business under item no 8 to 12 mentioned above are annexed hereto. The relevant details as required by clause 49 of the listing agreements entered into with stock exchanges of persons seeking appointment/re-appointment as director under item 4,5,6 and 7 above are also annexed.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Sunday, between 11.00 a. m. and 1.00 p. m. up to the date of the Meeting.
9. (a) The Company has already notified closure of Register of Members and Transfer Books from September 13, 2007 to September 27, 2007 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
(b) The dividend on Equity Shares, if declared at the Meeting, will be paid on or after September 28th, 2007 to (a) Beneficial Owners as at the close of 12th September, 2007, as per the list to be furnished by the Depositories in respect of shares held in the Electronic Form, and (b) Members in the Register of Members of the Company as on 13th September, 2007, after giving effect to all valid share transfers in physical form which are lodged with the Company on or before 12th September, 2007.

-
10. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Intime Spectrum Registry Limited, under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants:
- (i) Name of the Sole/First joint holder and the Folio Number.
 - (ii) Particulars of Bank Account, viz.:
 - (1) Name of Bank
 - (2) Name of Branch
 - (3) Complete address of the Bank with Pin Code Number
 - (4) Account type, whether Savings Account (SA) or Current Account (CA)
 - (5) Bank Account Number
- (b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
11. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Intime Spectrum Registry Limited for consolidation into a single folio.
12. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. Intime Spectrum Registry Limited immediately of:-
- (i) the change in the Residential status on return to India for permanent settlement.
 - (ii) the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin Code Number, if not furnished earlier.
13. Members are advised to refer to the information provided in the Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.8

Shri C. N. Doshi, has been reappointed as the Chairman & Managing Director by the Board w.e.f. 26th March, 2007 for the period of five years subject to approval by Members at the Annual General Meeting. Shri C. N. Doshi is associated with the Company since incorporation. Shri C. N. Doshi is looking after the substantial management of affairs of the Company and looking into the growth of the Company, Board recommends his reappointment along with revision of remuneration subject to provisions of the Companies Act, 1956. It is proposed to reappoint Shri C. N. Doshi with authority to Board of Directors for increase in his remuneration subject to provisions of the Companies Act, 1956.

Further, the remuneration which is proposed in the Resolution is in consonance with the remuneration being paid by Companies of similar size in the Industry.

This may be treated as an abstract of the terms and conditions for increase in remuneration of Shri C. N. Doshi as Managing Director and this is to be treated as an abstract under Sector 302 of the Companies Act, 1956.

Resolution is proposed to be passed as an Ordinary Resolution.

Shri C. N. Doshi, being the proposed appointee, is interested in this Resolution. Shri R. N. Doshi, being relative of Shri C. N. Doshi, is also interested in this Resolution.

Members are requested to pass the Resolution and appoint Shri C. N. Doshi as the Chairman & Managing Director.

ITEM NO.9

Shri R. N. Doshi, has been reappointed as the Joint Managing Director by the Board w.e.f. 26th March, 2007 for the period of five years subject to approval by Members at the Annual General Meeting. Shri R. N. Doshi is associated with the Company since incorporation. Shri R. N. Doshi is looking after the Production of the Company and looking into the growth of the Company, Board recommends his reappointment along with revision of remuneration subject to provisions of the Companies Act, 1956. It is proposed to reappoint Shri R. N. Doshi with authority to Board of Directors for increase in his remuneration subject to provisions of the Companies Act, 1956.

Further, the remuneration which is proposed in the Resolution is in consonance with the remuneration being paid by Companies of similar size in the Industry.

This may be treated as an abstract of the terms and conditions for increase in remuneration of Shri R. N. Doshi as Joint Managing Director and this is to be treated as an abstract under Sector 302 of the Companies Act, 1956.

Resolution is proposed to be passed as an Ordinary Resolution.

Shri R. N. Doshi, being the proposed appointee, is interested in this Resolution. Shri C. N. Doshi, being relative of Shri R. N. Doshi, is also interested in this Resolution.

Members are requested to pass the Resolution and appoint Shri R. N. Doshi as the Joint Managing Director.

ITEM NO.10

Shri Khimjibhai P. Aghera, has been reappointed as the Wholetime Director by the Board w.e.f. 26th March, 2007 for the period of five years subject to approval by Members at the Annual General Meeting. Shri K. P. Aghera is also associated with the Company since incorporation. Shri K. P. Aghera has wide experience designing and manufacturing. The Board recommends his reappointment along with revision of remuneration subject to provisions of the Companies Act, 1956. It is proposed to reappoint Shri K. P. Aghera with authority to Board of Directors for increase in his remuneration subject to

provisions of the Companies Act, 1956.

Further, the remuneration which is proposed in the Resolution is in consonance with the remuneration being paid by Companies of similar size in the Industry.

This may be treated as an abstract of the terms and conditions for increase in remuneration of K. P. Aghera as Wholetime Director and this is to be treated as an abstract under Sector 302 of the Companies Act, 1956.

Resolution is proposed to be passed as an Ordinary Resolution.

Shri K. P. Aghera, being the proposed appointee, is interested in this Resolution. Shri J. P. Aghera, being relative of Shri K. P. Aghera, is also interested in this Resolution.

Members are requested to pass the Resolution and appoint Shri K. P. Aghera as the Wholetime Director.

Item No. 11 :

Shri Jayantilal P. Aghera, has been reappointed as the Wholetime Director by the Board w.e.f. 26th March, 2007 for the period of five years subject to approval by Members at the Annual General Meeting. Shri J. P. Aghera is also associated with the Company since incorporation. Shri J. P. Aghera has vide experience designing and manufacturing The Board recommends his reappointment alongwith revision of remuneration subject to provisions of the Companies Act, 1956. It is proposed to reappoint Shri J. P. Aghera with authority to Board of Directors for increase in his remuneration subject to provisions of the Companies Act, 1956.

Further, the remuneration which is proposed in the Resolution is in consonance with the remuneration being paid by Companies of similar size in the Industry.

This may be treated as an abstract of the terms and conditions for increase in remuneration of J. P. Aghera as Wholetime Director and this is to be treated as an abstract under Sector 302 of the Companies Act, 1956.

Resolution is proposed to be passed as an Ordinary Resolution.

Shri J. P. Aghera, being the proposed appointee, is interested in this Resolution. Shri K. P. Aghera, being relative of Shri J. P. Aghera, is also interested in this Resolution.

Members are requested to pass the Resolution and appoint Shri J. P. Aghera as the Wholetime Director.

Item No. 12 :

Shri Sunil B. Jain, has been reappointed as the Executive Director by the Board w.e.f. 26th March, 2007 for the period of five years subject to approval by Members at the Annual General Meeting. Shri Sunil B. Jain has vide experience in international marketing. The Board recommends his reappointment alongwith revision of remuneration subject to provisions of the Companies Act, 1956. It is proposed to reappoint Shri Sunil B. Jain with authority to Board of Directors for increase in his remuneration subject to provisions of the Companies Act, 1956.

Further, the remuneration which is proposed in the Resolution is in consonance with the remuneration being paid by Companies of similar size in the Industry.

This may be treated as an abstract of the terms and conditions for increase in remuneration of Sunil B. Jain as Executive Director and this is to be treated as an abstract under Sector 302 of the Companies Act, 1956.

Resolution is proposed to be passed as an Ordinary Resolution.

Shri Sunil B. Jain, being the proposed appointee, is interested in this Resolution.

Members are requested to pass the Resolution and appoint Shri Sunil B. Jain as the Executive Director.

On Behalf of the Board of Directors

Date : 30th June, 2007

Place : Rajkot

(C. N. Doshi)

Chairman & Managing Director

--	--	--	--	--	--

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of the Director	Mr. Chandrakant N. Doshi
Age	54 Years
Qualification	BA, B.Sc., D.Pharm., CAIIB
Experience in specific functional area	Eminent industrialist with wide business experience in plastic industry since decades.
Directorships held in other public limited Indian Companies	Rajoo Cotex Limited.
Membership/Chairmanship of Committees public limited Indian Companies	Nil

Name of the Director	Mr. Rajesh N. Doshi
Age	46 Years
Qualification	B.Sc.
Experience in specific functional area	26 years of technical experience to convert market requirement into technical layout, and having thorough knowledge in manufacturing Plastic Processing, which will be a great asset to the company.
Directorships held in other public limited Indian Companies	Rajoo Cotex Limited.
Membership/Chairmanship of Committees public limited Indian Companies	Nil

Name of the Director	Mr. Khimjibhai P. Aghera
Age	57 Years
Qualification	Matriculate
Experience in specific functional area	Vast experience in designing and manufacturing Plastic Processing Machineries.
Directorships held in other public limited Indian Companies	Rajoo Cotex Limited.
Membership/Chairmanship of Committees public limited Indian Companies	Nil

Name of the Director	Mr. Gopaliah Harish
Age	45 Years
Qualification	B.Tech (Mechanical)
Experience in specific functional area	Vast experience in promoting company's product in Domestic and International Market.
Directorships held in other public limited Indian Companies	Nil.
Membership/Chairmanship of Committees public limited Indian Companies	Nil

Name of the Director	Mr. J. P. Aghera
Age	53 Years
Qualification	Matriculate
Experience in specific functional area	Vast experience in designing and manufacturing Plastic Processing Machineries.
Directorships held in other public limited Indian Companies	Nil
Membership/Chairmanship of Committees public limited Indian Companies	Nil

Name of the Director	Mr. Sunil B. Jain
Age	50 Years
Qualification	B.E. (Mechanical)
Experience in specific functional area	Traveled extensively around the globe and has yet vast experience in promoting Company's products in the international market.
Directorships held in other public limited Indian Companies	Nil
Membership/Chairmanship of Committees public limited Indian Companies	Nil

REPORT OF BOARD OF DIRECTORS

Your Directors are pleased to present their Twentieth Annual Report for the year ended on 31st March, 2007

FINANCIAL RESULTS :

Your Company's performance for the year ended on 31st March 2007 is summarized as under :

Particulars	For the year ended 31-03-2007 (Rs. in lacs)	For the year ended 31-03-2006 (Rs. in lacs)
Sales and other Income	4045.71	3298.04
Profit before Interest and depreciation	387.12	332.32
Less : Depreciation	69.24	61.23
Interest	17.64	14.84
Net Profit before tax	300.24	256.25
Less : Taxation	130.17	94.01
Wealth Tax	1.76	0
Fringe Benefit Tax	5.02	6.98
Deferred Tax	(2.75)	(2.82)
Net Profit after Tax	166.05	158.08
Less : Prior period adjustment	0.26	0
Profit and loss account balance brought forward	165.80	158.0
Amount available for appropriation	484.34	396.80
Proposed Dividend	61.62	55.46
Provision for Dividend tax	10.47	7.78
Transfer to General Reserve	16.00	15.00
Balance carried to Balance Sheet	396.25	318.55

OPERATIONS

The total turnover of the Company is reached to Rs. 4045.71 lacs during the year under Report, as Compared to total turnover of Rs. 3298.04 lacs of previous year 2005-2006. Further, the net profit before tax arrived at Rs. 300.24 lacs as compared to Rs. 256.25 lacs in previous year. This shows increasing recognition of the Company in stiff competition in global era.

DIVIDEND

The Board of Directors are pleased to recommend a dividend of 20% on the paid up share capital, which is subject to approval of members in the ensuing Annual General Meeting. The total dividend payment amounts to Rs. 72.09 lacs (including Dividend Tax of Rs. 10.47 lacs). If approved as stated, the Final Dividend will be paid to the shareholders whose names appear:- (a) as Beneficial Owners as at the close of 12th September, 2007, as per the list to be furnished by the Depositories in respect of shares held in the Electronic Form, and (b) as Members in the Register of Members of the Company as on 13th September, 2007, after giving effect to all valid share transfers in physical form which are lodged with the Company on or before 12th September, 2007

BOARD'S RESPONSIBILITY STATEMENT

In pursuance of Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

a) That in the preparation of annual accounts, the applicable accounting standards have been followed and that

- no material departures have been made from the same ;
- b) That They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the accounting year and of the profit and loss account for that year;
 - c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
 - d) That they have prepared the annual accounts on a going concern basis.

PERSONNEL

Your Company considers human resources as the primary drivers for the growth and development of the Company. During the period under review, your Company has continued its efforts for strengthening the relationships with all personnel and making the workplace a temple of joy, enthusiasm, progress, prosperity and self-building for all of employees. It can be said that the Company recognizes its employees as potential entrepreneurs. Your Company has made the workplace-environment free from any physical, psychological, verbal harassment. All employees of the Company are treated with highest dignity and respect. .

Your Board sincerely thanks all the employees who have put in their hard work and helped the Company to achieve the growth in tremendous speed as compared to the previous years.

PARTICULARS OF EMPLOYEES

The Company has no employee drawing remuneration exceeding limits as specified in the Companies (Particulars of Employees) Rules, 1975, as amended till date, and hence, particulars as mentioned in Section 217(2A) of the Companies Act, 1956, are not required to be given.

TRADE RELATIONS

The Board desires to place on record its appreciation of the support and co-operation received from suppliers / vendors and authorized dealers and all other associated with our Company. Company regards them as partners in its progress and shares with them the fruits of growth. The Management constantly endeavors to build strong and mutually respectable trade relations with them.

DIRECTORS

Shri C. N. Doshi, Shri R. N. Doshi, Shri K. P. Aghera and Shri Gopaliah Harish retire by rotation and being eligible offer themselves for reappointment. A brief Resume of all appointees is attached with Notice of the AGM. Further, the Board has reappointed Shri C. N. Doshi, as the Chairman & Managing Director, Shri R. N. Doshi as the Joint Managing Director, Shri J. P. Aghera as the Wholetime Director, Shri K. P. Aghera as the Wholetime Director and Shri Sunil B. Jain as executive director w.e.f. 26th March, 2007. However, their appointment is subject to final approval of Members in the ensuing Annual General Meeting. Members are requested to pass the resolutions and approve the reappointment and revision of remuneration of Directors.

CORPORATE GOVERNANCE

Our Company has adopted good Corporate Governance Practices since its inception. The Company is being managed in highly professional manner coupled with transparency and adherence to the legal framework. The Company believes that the Corporate Governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulatory and the society at large. The Company has strong belief that this relationship can only be built and strengthen through corporate fairness, transparency, and accountability. A detailed report on Corporate Governance is attached to this Report. The Securities and Exchange Board of India (SEBI) has made efforts to strengthen the Clause 49 of the Listing Agreement. Accordingly, a separate Report on Corporate Governance as well as the Certificate from M N Manvar & Co., Chartered Accountants, and the statutory Auditors of the Company are annexed to this Report of Board.

AUDITORS

M N Manvar & Co., Chartered Accountants, and statutory Auditors of the Company, retire at this Annual General Meeting, and being eligible, offer themselves to be reappointed as such. The Company has received certificate from M N Manvar & Co., Chartered Accountants, declaring that their appointment will fall within limits prescribed under Section 224(1B) of the Companies Act, 1956.

SECRETARIAL AUDIT

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by M N Manvar & Co, Chartered Accountants, & Statutory Auditors of the Company. The findings of the Secretarial Audit were satisfactory.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosures with regards to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed herewith and forms part of this Report..

ACKNOWLEDGEMENT

The board of directors wishes to place on record their whole hearted gratitude to bankers of the company, State Bank of Saurashtra, Manavadar, for their co-operation and assistance for working capital finance and their support. We are also thankful to the executives, staff and workers of the Company for their sincere efforts in development of the Company.

On Behalf of the Board of Directors

Date : 30th June, 2007

Place : Rajkot

(C. N. Doshi)

Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Disclosures pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

1. CONSUMPTION & CONSERVATION OF ENERGY:

- a) Energy conservation measures taken :

Continuous efforts are being made by the production team for conservation of energy. Heating time for trials, testing etc. is strictly monitored, certain savings are expected out of that, but total impact of this cannot be measured.

- b) Additional investments and proposals, if any being implemented for reduction of consumption of energy.

- c) Impact of measures (a) & (b) above for reduction of energy consumption is likely to go down which will result in reduced in cost of production.

2. TECHNOLOGY ABSORPTION :

1. Efforts made in the technology absorption:

- a) Developed sheet line for physically foamed PS/PE sheets using LPX as blowing agent.

- b) High Output Multilayer film line for gusseted liner bags at the rate exceeding 1000 kg/hr.

- c) Developed Thick-Thin sheet line with the universal stacker which is first time india

- d) Developed and supplied fully automatic, highly sophisticated and computer controlled multilayer blown film line.

2. Further plan of action

We are making continuous efforts in developing energy efficient machine with updated technology.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	(Rs. in lacs)	
	2006-2007	2005-2006
a) Foreign Exchange earned	1646.88	1621.25
b) Foreign Exchange used	377.30	360.32

ANNEXURE 'B' TO THE DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO :

The Indian exports were able to achieve the set target of USD 125 billion for the fiscal 2006-07 growing at 21% for the year. The government has set a new target for the current fiscal, an ambitious US 160 billion with major thrust on exports from rural and semi-urban areas. Total foreign investments in 2006-07 stood at USD 24.7 billion, exceeding the inflows received in the previous year. Foreign direct investment has more than doubled during the year scaling up to 17.7 billion against 7.7 billion a year ago. Portfolio investments however remained much lower in 2006-07 compared to what was received in the previous year, with more than half of the portfolio investments coming through ADR / GDR route. Investments from the ADR/ GDR route saw an increase from USD 2.5 billion in 2005-06 to USD 3.7 billion in 2006-07. Country's foreign exchange reserves crossed USD 208 billion in May 2007. FCA (Foreign currency assets) crossed USD 200 billion on June 1st 2007, the increase was primarily due to the effect of appreciation in the non – US currencies held in reserves (Euro, Yen and Sterling)

INDUSTRY :

The Indian plastics industry is quite upbeat about the future potential of plastics in India, believing that the Plastics industry will grow between 10% to 12%, if not higher, in this decade. The present per capita consumption is 4 Kgs, likely to reach beyond 7 Kgs by 2010. Consumption level, which is expected to reach 8 million tons by 2010, could touch 10 million tons, if some of the constraints such as infrastructure etc are eliminated. The department of petrochemicals of the Government of India has projected a level of 12 million tons by 2011/2012.

PERFORMANCE :

SALES

Sr No	SALES BY CLASS OF GOODS		QTY NOS	31.03.07 RUPEES	QTY NOS	31.03.06 RUPEES
1.	Thermoplastic	Domestic	49	2014.66	36	1378.80
2.	Extrusion Plants	Export	15	1453.34	16	1610.61
3.	Post Extrusion	Domestic	20	169.38	24	170.50
4.	Equipments	Export	6	197.45	1	36.35
5.	Miscellaneous	Domestic	2466	134.31	270	64.79
6.	Parts & Equipments	Export	362	33.68	1323	44.54
7.	Iron & Plastic Waste/Scrap	Domestic		3.57	-	-
9.	Service Charges	Export		5.65	-	-
	Domestic		7.06	-	0.52	-
				4019.14		3306.11
	Less : Sales Returns			15.24		74.73
	Net Sales			4003.90		3231.38

Profitability :

The net profit before depreciation, interest and taxation arrived at Rs. 387.12 lacs as compared to Rs. 332.32 lacs in previous year. Further, the net profit after taxation increased from Rs. 158.08 lacs to Rs. 166.05 lacs a in current fiscal 2006-2007

INTERNAL AUDIT SYSTEM :

The Company has implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorised use or disposition and all transactions are authorised, recorded and reported correctly. The Company has also implemented effective systems for achieving highest level of efficiency in operations, to achieve optimum and effective utilization of resources, monitoring thereof and the compliance with provisions all laws including the Companies Act, 1956, Listing Agreement, directions issued by the Securities and Exchange Board of India, labour laws, tax laws etc. It also aimed at improvement in financial management, and investment policy. The System ensures appropriate information flow to facilitate effective monitoring. The internal audit system also ensures formation and implementation of corporate policies for financial reporting, accounting, information security, project appraisal, and corporate governance. A qualified and independent Audit Committee of the Board of Directors also reviews the internal control system and its impacts on improvement of overall performance of the Company.

OPPORTUNITIES, THREATS, RISKS :

Your Company has developed extremely good reputation in manufacturing of high quality plastic layer machines. The global market has accepted & recognized highest standards of quality of machines & engineering skills of the Company. There are ample opportunities for the Company in years to come. However, the government policy, export-import policy, foreign exchange rates, stiff competition by international players of similar industry, are the threats for the Company, which the Company is considering as a challenge and as a tool of further improvisation of engineering expertise and up-gradation of quality standards.

OUTLOOK FOR 2007-2008

Your Company foresees positive outlook in 2007-08. The opportunities in plastic industry are vast and the company has already created global footprints by fetching orders of machines at international levels. The Company will leave no efforts to grab each and every opportunity for growth. The Company also expects to derive a greater operating leverage but of its investments, maximizing shareholders' wealth.

CAUTIONARY STATEMENTS

All statements made in Management and Discussion Analysis have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Management envisages in terms of performance and outlook. Market data, industry information etc. contained in this Report have been based on information gathered from various published and unpublished reports and their accuracy, reliability, and completeness cannot be assured.

Factors such as economic conditions affecting demand/supply and priced conditions in domestic & international markets in which the Company operates, and changes in Government regulations, tax laws , other statues and other incidental factors, may affect the final results and performance of the Company.

On Behalf of the Board of Directors
For, RAJOO ENGINEERS LIMITED

(C. N. Doshi)
Chairman & Managing Director

Date : 30th June, 2007

Place : Rajkot

ANNEXURE 'C' TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE

The Board of directors present the Company's Report on Corporate Governance.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The Company believes in setting the highest standard of good and ethical corporate governance practices to enhance the long-term shareholder value and protect the interest of shareholders, customers and others.

The main objectives of Corporate Governance are:

1. Maximizing long-term shareholder value in a legal and ethical manner.
2. Ensuring fairness, courtesy and dignity in all transactions within and outside the Bank with customers, investors, employees, competitors, government and the general public.
3. Open, transparent and merit-based management.

The Company is committed to following high standards of transparency, accountability and propriety. The Company has formed various committees of the Board of Directors to monitor the various aspects of the business.

internal control systems and suggest improvements for strengthening them. The Company has strong Management Information System which is an integral part of control mechanism.

2. BOARD OF DIRECTORS:

a) COMPOSITION OF THE BOARD :

The Company's Board of Directors comprises of Ten Directors. There are five Executive Directors on the Board of the Company, namely, Shri C. N. Doshi (Chairman and Managing Director) Shri R. N. Doshi (Joint Managing Director) , Shri K. P. Aghera, (Wholetime Director) Shri J. P. Aghera (Wholetime Director) & Shri Sunil B. Jain(Executive Director). There are five non-executive Directors namely Shri Gopaliah Harish, Shri Ramesh A. Shah, Shri Kishor R. Doshi, Shri Mahasukh S. Mehta and Shri Manharlal V. Kamdar.

b) MEETINGS :

Since the beginning of the financial year 2006-2007, till the date of end of the financial year, a total of 4 Board Meetings were held on the following dates viz., 30th June, 2006, 31st, July, 2006, 30th October, 2006 and 31st January, 2007.

All Directors, except Shri Gopaliah Harish, Shri Sunil B. Jain, Shri Manharlal V. Kamdar have not attended the last Annual General Meeting held on 15th September, 2006.

Name of Directors	Designation	No. of Share Held in Company #	Directorship in all Public Companies #	Membership in Committee in all public limited Companies #	Chairmanship of Committee in all Public limited Companies #
Mr. C. N. Doshi	Chairman and Managing Director	249100	02	Nil	Nil
Mr. R. N. Doshi	Jt. Managing Director	266820	02	Nil	Nil
Mr. K. P. Aghera	Wholetime Director	46490	02	Nil	Nil
Mr. J. P. Aghera	Wholetime Director	41200	01	Nil	Nil
Mr. Sunil B. Jain	Executive Director	1700	01	Nil	Nil
Mr. Ramesh A. Shah	Non-Executive & Independent	Nil	01	03	01
Mr. Gopaliah Harish	Non-Executive & Independent	700	01	Nil	Nil
Mr. Kishor R. Doshi	Non-Executive & Independent	2200	01	02	01
Mr. Mahasukh S. Mehta	Non-Executive & Independent	700	01	03	01
Mr. Manharlal V. Kamdar	Non-Executive & Independent	Nil	01	01	Nil

Includes Directorship/Membership or Chairmanship of Committee in Rajoo Engineers Limited but excludes Directorship in or Membership or Chairmanship of any Committee in any Private Limited Companies/Foreign Companies.

3. Remuneration Committee of the Board:

The Company has paid remuneration to executive directors as per table given hereinunder.

Name of Directors	Category	Designation	Salary (Rs. per annum)	Perquisites (Rs. per annum)	Options under the Employee Stock Option Scheme
Mr. C. N. Doshi	Executive	Chairman & Managing Director	Rs. 18,00,000/-	Rs. 83,468/-	Nil
Mr. R. N. Doshi	Executive	Jt. Managing Director	Rs. 12,00,000/-	Rs. 32,935/-	Nil
Mr. K. P. Aghera	Executive	Wholetime Director	Rs. 7,20,000/-	Rs. 7,621/-	Nil
Mr. J. P. Aghera	Executive	Wholetime Director	Rs. 7,20,000/-	Rs. 11,820/-	Nil
Mr. Sunil B. Jain	Executive	Director	Rs. 2,85,000/-	Nil	Nil
TOTAL			47,25,000	1,35,844	

* The Company does not have any Employee Stock Option Scheme at present.

The Company has not paid any salary or perquisites to its non-executive Directors. However, the Company has paid sitting fees to its non-executive independent Directors as under:

Name of the Director	Category	Sitting Fees (Rs.)
Ramesh A. Shah	Non-Executive & Independent	3000/-
Kishor R. Doshi	Non-Executive & Independent	3000/-
Mahasukh S. Mehta	Non-Executive & Independent	3000/-

a) Information placed before the Board of Directors :

The Company circulates alongwith Notice of the Board Meeting, a detailed Agenda which, interalia, contain following items, as and when applicable:

- a) Review of annual business plans of the business, capital budgets and updates.
- b) Quarterly (including periodic) results of the Company.
- c) Minutes of meeting of audit committee, remuneration committee, share holders grievances committee etc.
- d) Information on recruitment and remuneration of senior officers just below the Board level.
- e) Materially important show cause, demand, prosecution and penalty notices, if any.
- f) Fatal or serious accidents or dangerous occurrences.
- g) Any material significant effluent or pollution problems.
- h) Any issue which involves possible public or product liability claims of a substantial nature.
- i) Details of any joint venture or collaboration.
- j) Transaction that involves the substantial payment of goodwill, brand equity or intellectual property.
- k) Significant labour problem and their proposed solutions.
- l) Significant development in the human resources and industrial relations fronts.
- m) Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- n) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement.
- o) Status of compliance with all regulatory, statutory and material contractual requirements.

The Board of Rajoo Engineers Limited is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board Meetings.

b) Materially significant related party transactions:

There have been no materially significant related party transaction, pecuniary transaction or relationships between Rajoo Engineers Limited and its directors for the year ended on 31st March, 2007 that may have a potential conflict with the interests of the Company at large.

c) Composition of Various Committees :

Audit Committee :

a) Composition :

Audit Committee consisted of three members - Shri Ramesh A. Shah, Shri Kishor R. Doshi, and Shri Mahasukh S. Mehta all being Non Executive and Independent Director. Shri Kishor R. Doshi being professionally qualified as Chartered Accountant, acted as the Chairman of the Audit Committee.

b) Terms of Reference :

The Terms of reference as stipulated by the Board to the Audit Committee are, as contained in the Clause 49 of the Listing Agreement are as follows:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information
- 2) Review of Company's financial and risk management policies.
- 3) Review of accounting and financial policies and practices.
- 4) Review of internal control and internal audit systems.
- 5) Discussion with Internal Auditor and Statutory Auditors on any significant findings and follow – up thereon.
- 6) Reviewing the Company's financial statements and risk management policies.

c) Meetings of the Committee :

Total five meetings of the Committee were held during the year 2006-2007

Name of Member	Designation	No. of Committee Meetings attended
Shri Kishor R. Doshi	Chairman	05
Shri Ramesh A. Shah	Member	05
Shri Mansukh S. Mehta	Member	05

Shareholder's Grievance Committee :**a) Terms of Reference :**

The Committee has been given responsibility to look after complaints, if any, of investors to redress the same expeditiously. The Committee also approves requests for issue of duplicate share certificates, splitting/consolidation of share certificates, transfer and transmission of shares etc.

b) Composition :

The committee comprises of all Non-Executive Independent Directors, Shri Ramesh A. Shah, Shri Manharlal V. Kamdar, and Shri Mahasukh S. Mehta. Shri Mahasukh S. Mehta is the Chairman of the Committee.

c) Meetings of Committee :

Total Six meetings of the Committee were held during the year 2006-2007

Name of Member	Designation	No. of Committee Meetings attended
Shri Mansukh S. Mehta	Chairman	06
Shri Ramesh A. Shah	Member	06
Shri Manharlal V. Kamdar	Member	06

The Committee has resolved almost all complaints received during the year.

Remuneration Committee :

Composition :

The committee comprises of Three Non-Executive Independent Directors, Shri Ramesh A. Shah, Shri Kishor R. Doshi and Shri Mahasukh S. Mehta. Shri Ramesh A. Shah is the Chairman of the Committee.

Terms of Reference :

The Committee determines and approves the quantum of remuneration whether by way of salary, commission, special allowances, any other perquisites to the Managing , Joint Managing and Whole time Directors and non-executive Directors. Generally, the Remuneration Committee considers and approves remuneration payable to executive directors subject to final confirmation by Members in the General Meeting. The Company is not paying any remuneration to any non-executive Director as on date.

Meetings of Committee :

The Committee held its Meeting during the year on 07/05/2006, 10/09/2006, 10/12/2006 & 02/03/2007.

Name of Member	Designation	No. of Committee Meetings attended
Shri Ramesh A. Shah	Chairman	04
Shri Mansukh S. Mehta	Member	04
Shri Kishor R. Doshi	Member	04

Communications to Shareholders :

The quarterly results of the Company are published in any two of leading newspapers of English Language and Gujarati Language.

General Body Meetings :

Details of the last three annual general meetings are given below.

Financial Year	Date	Time	Venue
2005-2006	15th Sep. 2006	11:00 a.m.	Junagadh Road, Manavadar, Dist. Junagadh
2004-2005	15th Sep. 2005	11:00 a.m.	Junagadh Road, Manavadar, Dist. Junagadh
2003-2004	15th Sep. 2004	11:00 a.m.	Junagadh Road, Manavadar, Dist. Junagadh

Shareholders Information :

Registered Office :

Rajoo Engineers Limited, Junagadh Road, Manavadar, Dist. Junagadh.

Plant Location :

- 1) Junagadh Road, Manavadar - 362630
- 2) Survey No. 210, Plot No. 1, Industrial Area, Veraval-Shapar, Dist. Rajkot - 360 002

Annual General Meeting :

The 20th Annual General Meeting (AGM) of the Company will be held on Friday, 28th September, 2007 at 11-00 A.M. at registered office of the Company, Junagadh Road, Manavadar (Dist. Junagadh)

Financial Calender (Tentative) :

- | | |
|--|------------------------------------|
| 1. Annual General Meeting | : 28 th September, 2007 |
| 2. Results for Quarter ending 30 th June, 2007 | : Last week of July, 2007 |
| 3. Results for Quarter ending 30 th September, 2007 | : Last week of November, 2007 |
| 4. Results for Quarter ending 31 st December, 2007 | : Last week of January, 2008 |
| 5. Results for Quarter ending 31 st March, 2008 | : Last week of June, 2008 |

Dates of Book Closure :

The Company's transfer books will be closed from 13th September, 2007 to 27th September, 2007 (both days inclusive) for purpose of Annual General Meeting and for the purpose of entitlement of Final dividend.

Stock Exchange Listing :

The Company's shares are presently listed on Saurashtra & Kutch Stock Exchange Ltd., Rajkot, the Ahmedabad Stock Exchange Ltd, Ahmedabad, and the Bombay Stock Exchange Ltd, Mumbai.

Stock Code :

Stock Exchange	Stock Code
The Saurashtra Kutch Stock Exchange Ltd.	RAJOO
The Ahmedabad Stock Exchange Ltd.	47821
The Bombay Stock Exchange Ltd.	22257
NSDL / CDSL Code	
ISIN No	INE53F01016

Stock Market Data :

Monthly high and low prices of shares of the Company traded at the Stock Exchange, Mumbai are as under:

Month	BSE	
	High (Rs.)	Low (Rs.)
April '06	58.25	41.00
May '06	59.75	44.00
June '06	46.75	34.00
July '06	57.50	38.10
Aug '06	52.45	43.35
Sep' 06	50.20	40.10

Month	BSE	
	High (Rs.)	Low (Rs.)
Oct '06	50.00	41.60
Nov '06	63.00	44.00
Dec '06	52.40	44.15
Jan '06	58.00	51.00
Feb '06	68.95	52.30
Mar '06	57.00	48.60

Registrar and Transfer Agent :

Company has appointed Registrar and Transfer Agent, the name and address is as follow:
Intime Spectrum Registry Limited, C-13, Pannalal Silk Mill compound, L.B.S. marg Bhandup(W), Mumbai- 400 078

Share Transfer System :

The processing activities with respect to requests received for share transfer are normally completed within 15 working days from the date of request.

No. of Equity Shares held (Range)	No. of Shareholders	Percentage to total shareholders	No. of shares held	Percentage to total shares held
Upto 500	3034	87.11	432670	14.04
501-1000	191	5.48	160038	5.19
1001-2000	101	2.90	154843	5.03
2001-3000	29	0.83	70678	2.29
3001-4000	27	0.78	95065	3.09
4001-5000	14	0.40	63315	2.06
5001-10000	44	1.26	325227	10.56
Above 10000	43	1.23	1779164	57.75
Total	3483	100.00	3081000	100.00

Dematerialization of Share :

The Company had signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to offer depository services to its shareholders. As on 31st March, 2007, total 17,22,093 equity shares have been dematerialized. Out of these shares dematerialized, 14,69,893 equity shares and 2,52,200 equity shares have been dematerialized with NSDL and CDSL respectively, representing approx. 56% of total issued share capital of the Company. Members are requested to dematerialize their shares as early as possible, if not yet dematerialized, so as to get benefits of electronic & paperless trading of equity shares.

Shareholders seeking any information/solution of any problem of query related to shares, share transfer; dematerialisation of shares etc. may kindly contact the Registrar and Transfer Agent of the Company.

Address for Correspondence :

MR PRAVIN JOSHI
COMPLIANCE OFFICER
Rajoo Engineers Ltd
Junagadh Road,
MANAVADAR-362 630
PH. NO. : 91 +2874 +221175/221176
FAX NO.: 91 +2874 +221326

CERTIFICATE FROM AUDITORS FOR COMPLIANCE OF CLAUSE 49**DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT (Clause 49(I)(d))**

The Company has laid down and adopted "Code of Conduct" for all Board Members and core management team of the Company. The Company believes that such Code of Conduct is necessary for best Corporate Governance practices, and expects that all Board Members and Core management team adhere to this Code of Conduct.

It is hereby affirmed that all the Directors and Senior Management personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Date : 30th June, 2007

Place : Rajkot

(C.N. Doshi)

Chairman & Managing Director

(R.N. Doshi)

Joint Managing Director

MANAGING DIRECTOR / JOINT MANAGING DIRECTOR CERTIFICATION FOR FINANCIAL STATEMENTS**(CLAUSE 49V OF LISTING AGREEMENT)**

We have reviewed financial statements and cash flow statements for the financial year 2006-2007 ended on 31st March, 2007, and to the best of our knowledge and belief:

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) These statements together present true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations;
- © No transactions entered into by the Company during the aforesaid year, which are fraudulent, illegal or in violation of the Company's code of conduct.

Further, we accept that it is our responsibility to establish and maintain internal controls. We have evaluated the effectiveness of internal control system of the Company and have disclosed to the auditors and the Audit Committee, wherever applicable:

- (a) deficiencies in the design or operation of internal controls, if any, which came to our notice and steps have been taken/proposed to be taken to rectify these deficiencies;
- (b) Significant changes in the internal control during the year;
- (c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
- (d) Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Date : 30th June, 2007

Place : Rajkot

(C.N. Doshi)

Chairman & Managing Director

(R.N. Doshi)

Joint Managing Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE
TO THE MEMBERS OF RAJOO ENGINEERS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Rajoo Engineers Limited, for the year ended on 31st March 2007 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing agreement.

We state in respect of investor grievances received during the year ended on 31st March 2007, no investor grievances are pending against the company exceeding one month as per records maintained by the Company which are presented to shareholders/investor grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, M. N. MANVAR & Co.
Chartered Accountants

Date : 30th June, 2007
Place : Rajkot

(M. N. Manvar)
Proprietor
Membership No. 36292

AUDITORS' REPORT

To The Members of Rajoo Engineers Limited

- (1) We have audited the attached Balance Sheet of RAJOO ENGINEERS LIMITED, as at 31st MARCH 2007, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (4) Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (iii) The Balance sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance sheet, Profit and loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2007
 - b) In the case of the Profit & Loss account, of the Profit of the Company for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For, M. N. MANVAR & Co.
Chartered Accountants

(M. N. Manvar)
Proprietor
Membership No. 36292

Date : 30th June, 2007

Place : Rajkot

ANNEXURE TO THE AUDITOR'S REPORT
Re : Rajoo Engineers Limited
(Referred to in Paragraph 3 of our Report of even date)

- i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.
- c) The Company has not disposed off substantial part of fixed assets during the year.
- ii) a) Physical verification of inventory has been conducted during the year by the management at reasonable intervals.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The Company is maintaining proper records of inventory. Discrepancies noticed on physical verification have been properly dealt with in the books of accounts.
- iii) a) The Company has granted unsecured loan to other company or other parties covered in the register maintained under section 301 of the companies act, 1956. The numbers of such company is one and the amount involved is Rs. 73.96 Lacs.
- b) In our opinion, the other terms and conditions on which interest free advance is made are not prejudicial to the interest of the company.
- c) There is no stipulated re-payment of principle amount in respect of such loan.
- d) In our opinion, there is no overdue amount of recovery of principle more than one lakh by the Company as there is no stipulation of re-payment.
- e) According to the Information and explanation given to us, the company has, during the year not taken any loans, secured or unsecured from companies, firms, or other parties covered in the register maintained under 301 of the Companies Act, 1956. Accordingly, clause 4(iii)(e), (f) and (g) of the order, are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of Inventory, fixed assets, sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) a) In our opinion, and according to the information and explanations given to us, the particulars of contractors and arrangements that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956 have been entered.
- b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contract or arrangement exceeding Rs.5.00 lacs in respect of any party during the year which have been made at prices which are reasonable having regard to market price at the relevant time.

<u>Nature of Dues</u>	<u>Assessment Year</u>	<u>Amount (Rs. in Lacs)</u>	<u>Forum where Dispute is Pending</u>
Income Tax	2003-04	3.64	CIT (Appeals)
Income Tax	2004-05	6.67	CIT (Appeals)

- x) The Company does not have any accumulated losses at the end of the financial year March 31, 2007. Further, the company has not incurred cash losses during the financial year ended on March 31, 2007 and in the immediately preceding financial year ended on March 31, 2006.
- xi) The Company has neither taken any loans from a financial institution and a bank nor issued any debentures. Accordingly, clause 4(xi) of the order is not applicable.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the order is not applicable.
- xiii) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
- xvi) The Company has not obtained any term loans. Accordingly, clause 4(xvi) of the order is not applicable.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the order is not applicable.
- xix) The Company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.
- xx) The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For, M. N. MANVAR & Co.
Chartered Accountants

Date : 30th June, 2007

Place : Rajkot

(M. N. Manvar)
Proprietor
Membership No. 36292

BALANCE SHEET AS AT 31st MARCH, 2007

Particulars	Schedule		31.03.07 Rupees	31.03.06 Rupees
SOURCES OF FUNDS				
1. Share Holders' Fund				
a. Share Capital	A	30810000	30810000	
b. Reserve & Surplus	B	53544183	44174071	74984071
			84354183	
2. Loan Funds				
a. Secured Loans	C	43291496	16667623	
b. Unsecured Loans	D	32911704	24137760	
c. Deferred Tax	E	8448694	8724124	
d. Liabilities for Deferred payment of Sales-tax		9887835	13647803	
			94539730	63177310
			178893913	138161381
APPLICATION OF FUNDS				
1. Fixed Assets	F			
Gross Block		115561047	99674172	
Less : Depreciation		47923780	41390136	
Net Block			67637267	58284036
2. Investments	G		4115200	4115200
3. Current Assets, Loans & Advances	H			
(I) Current Assets				
a. Inventories		16999068	48786000	
b. Sundry Debtors		121282955	42990958	
c. Cash & Bank Balance		3783011	5864623	
		<u>142065034</u>	<u>97641581</u>	
(II) Loans & Advances		49108512	93908147	
		191173546	191549728	
Less : Current Liabilities & Provisions	I	84032100	115787583	
NET CURRENT ASSETS			107141446	75762145
			178893913	138161381
Significant Accounting Policies	N			
Notes On Accounts	O			

As per our Report of even date

For M. N. Manvar & Co.
Chartered Accountants

(M. N. Manvar)
Proprietor

Date : 30th June, 2007
Place : Rajkot

For and on behalf of the Board

(C. N. Doshi)
Chairman & Managing Director

(R. N. Doshi)
Joint Managing Director

(J. P. Aghera)
Wholetime Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2007

Particulars	Schedule	31.03.07 Rupees	31.03.06 Rupees
INCOME :			
Sales & Service- Export		169013727 ✓	169149681
- Domestic		231376321 ✓	153988276
Other Income	J	400390048 ✓ 4180770 ✓	323137957 6665594
Increase/(Decrease) in stock of finished goods & stock in Process	K	(21840152)	22962431
		382730666	352765982
EXPENDITURE			
Raw-material consumed		261219766 ✓	243215522
Manufacturing & other Exp.	L	82798814	76318067
Financial Cost	M	1764198 ✓	1483819 ✓
Depreciation	F	6923609 ✓	6123253 ✓
		352706386	327140661
Profit before tax		30024280	25625321
Less/(Add) : Provision for			
Income Tax		13016640	9400828
Fringe Benefit Tax		502219	698273
Wealth Tax		175669	--
Deferred Tax Asset		(275430)	(281671)
		13419098	9817430
Profit after tax for the year		16605182	15807891
Prior Period Adjustments		(25839)	--
Add : Balance Brought down from previous year		31855317	23871302
Amount Available for Appropriation		48434661	39679193
Appropriations			
Proposed Dividend		6162000	5545800
Tax on Dividend		1047232	778076
General Reserve		1600000	1500000
Balance Carried to Balance Sheet		39625429	31855317
Significant Accounting Policies	N		
Notes On Accounts	O		

As per our Report of even date

For M. N. Manvar & Co.
Chartered Accountants

(M. N. Manvar)
Proprietor

For and on behalf of the Board

(C. N. Doshi)
Chairman & Managing Director

(R. N. Doshi)
Joint Managing Director

(J. P. Aghera)
Wholetime Director

Date : 30th June, 2007

Place : Rajkot

CASH FLOW STATEMENT

(Rs. in lacs)

For the Period Ended on 31st March 2006	31.03.2007 Rupees	31.03.2006 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxes	300.24	256.25
ADJUSTMENTS FOR		
- Depreciation	69.24	61.23
- Interest (Net)	17.64	14.84
- Loss on sale of Assets	4.09	6.37
- Prior Period Adjustments	(0.26)	0.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	390.95	338.69
(Increase) / Decrease in Inventory	317.87	(356.71)
(Increase) / Decrease in Trade and other receivables	(334.92)	(316.07)
(Increase) / Decrease in Other Current Asset	--	0
(Increase) / Decrease in Current Liabilities	(97.07)	(442.43)
CASH GENERATED FROM OPERATIONS	276.83	108.34
Interest Paid	(17.64)	(14.84)
Income Tax Paid	(109.69)	(85.33)
Dividend Paid	(55.46)	(49.30)
NET CASH FROM OPERATING ACTIVITIES	94.04	(41.13)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(172.07)	(162.32)
Sale of Fixed Assets (W.N.4)	5.21	6.51
NET CASH FROM INVESTING ACTIVITIES	(166.86)	(155.81)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	52.00	47.46
(A+B+C)	(20.82)	(149.48)
(Increase) / Decrease in Cash and Equivalents	(20.82)	149.48
Cash and Cash Equivalent at the beginning of the year	58.64	208.12
Cash and Cash Equivalent at the end of the year	37.82	58.64

Note :

1. The Cash flow statement has been prepared under the indirect method as set in the accounting standard (AS)-3 on Cash flow statement issued by the Institute of Chartered Accountants of India.

As per our Report of even date

For M. N. Manvar & Co.
Chartered Accountants(M. N. Manvar)
Proprietor

For and on behalf of the Board

(C. N. Doshi)
Chairman & Managing Director(R. N. Doshi)
Joint Managing Director(J. P. Aghera)
Wholetime DirectorDate : 30th June, 2006
Place : Rajkot

SCHEDULE - A : SHARE CAPITAL

Particulars	31.03.07 Rupees	31.03.06 Rupees
AUTHORISED SHARE CAPITAL		
35,00,000 Equity Shares of Rs. 10/- each	35000000	35000000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
30,81,000 (Previous year 30,81,000) Equity Shares of Rs. 10/- each fully paid	30810000	30810000
	30810000	30810000

SCHEDULE - B : RESERVES & SURPLUS

Particulars	31.03.07 Rupees	31.03.06 Rupees
I. RESERVES :		
General Reserve		
Opening Balance	12318754	10818754
Add : Transferred from Profit & Loss Account	1600000	1500000
	13918754	12318754
II. SURPLUS :		
Profit and Loss Account Balance	39625429	31855317
	53544183	44174071

SCHEDULE - C : SECURED LOANS

Particulars	31.03.07 Rupees	31.03.06 Rupees
VEHICLE FINANCE		
ICICI Ltd.	1721050	856624
HDFC Bank Ltd. (Secured against Hypothecation of vehicles)	544129	1222404
CASH CREDIT		
State Bank of Saurashtra, Manavadar (Secured against Hypothecation of Goods and first charge over the fixed assets of the company)	16229207	8602935
PACKING CREDIT		
State Bank of Saurashtra : Manavadar (Secured against Letter of credit)	19683064	3157262
BOOK DEBTS		
State Bank of Saurashtra, Rajkot (Secured against book debts)	5114046	2828398
	43291496	16667623

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - D : UNSECURED LOANS

PARTICULARS	31.03.07 Rupees	31.03.06 Rupees
1. Suppliers security deposit	26093950	13000000
2. Customers security deposit	5349254	10855560
3. Employees security deposit	78500	82200
5. Inter Corporate Deposit	1390000	200000
	32911704	24137760

SCHEDULE - E : DEFERRED TAX

PARTICULARS	31.03.07 Rupees	31.03.06 Rupees
Opening Balance	8724124	9005795
Add/(Less) : Deferred Tax - current year	(275430)	(281671)
	8448694	8724124

SCHEDULE - F : FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK			DEPRECIATION BLOCK				Net Block as on 31.03.07	
		Opening Balance as on 01.04.06	Addition	Deduction	Closing Balance as on 31.03.07	Opening Balance as on 01.04.06	Addition	Deduction		Closing Balance as on 31.03.07
A. MANAVADAR UNIT										
1.	Land	162687	--	--	162687	--	--	--	0	162687
2.	Buildings									
i)	Factory Building	834157	--	--	834157	407399	27861	--	435260	398897
ii)	Admn. Office Building	70000	--	--	70000	19304	1141	--	20445	49555
3.	Plant & Machineries									
i)	Indigeneous Machineries	1463258	12950	--	1476208	1032480	70120	--	1102600	373608
ii)	Tools, Jigs & Moulds	123480	--	--	123480	108235	5865	--	114100	9380
4.	Furniture & Fixtures									
i)	Administrative Office	99385	--	--	99385	82741	6291	--	89032	10353
5.	Office Equipments	450870	--	--	450870	320674	28540	--	349214	101656
6.	Computers	413728	--	--	413728	413728	--	--	413728	--
7.	Vehicles	2041944	--	1211824	830120	630199	78861	353492	355568	474552
a)	Current Year Rs.	5659509	12950	1211824	4460635	3014760	218680	353492	2879948	1580687
b)	Previous Year Rs.	5632309	27200	--	5632309	2618010	396750	--	3014760	2644749

SCHEDULE - F : FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK			DEPRECIATION BLOCK				Net Block as on 31.03.07	
		Opening Balance as on 01.04.06	Addition	Deduction	Closing Balance as on 31.03.07	Opening Balance as on 01.04.06	Addition	Deduction		Closing Balance as on 31.03.07
B. Veraval (Shapar), RAJKOT UNIT										
1.	Land	1523035	--	--	1523035	--	--	--	--	1523035
2.	Site Development	457899	--	--	457899	97560	7464	--	105024	352875
3.	Buildings									
i)	Factory Building	12923646	7235470	--	20159116	3569001	673314	--	4242315	15916800
ii)	Admn. Office Building	2108917	--	--	2108917	444082	34375	--	478457	1630460
iii)	Office Building C.G.Road, Ahmedabad	2072000	--	--	2072000	202644	33774	--	236418	1835582
	Samaan II	--	1753300	--	1753300	--	--	--	--	1753300
iv)	Resi. flat at Vapi	337125	--	--	337125	21980	5495	--	27475	1753300
v)	Office Building (New Delhi)	2024249	--	--	2024249	32995	32995	--	65990	309650
4.	Plant & Machineries									
i)	Imported Machineries	10161861	--	--	10161861	6168710	482688	--	6651398	1958259
ii)	Indigeneous Machineries	26419704	3679033	--	30098737	13216063	1429690	--	14645753	3510463
iii)	Technical know - how fees	696679	--	--	696679	423634	33092	--	456726	15452984
iv)	Laboratory Equipment	863482	21597	--	885079	237321	42041	--	279362	239953
v)	Tools, Jigs & Moulds	171883	--	--	171883	102642	8164	--	110806	605716
vi)	Misc. Fixed Asset	555970	--	--	555970	336425	26409	--	362834	193138
5.	Furniture & Fixtures									
i)	Administrative Office	1588822	52650	--	1641472	852604	103905	--	956509	684963
ii)	Factory Office	2151834	179059	--	2330893	891402	147546	--	1038948	1291946
iii)	Work Shop	291709	5817	--	297526	200494	18833	--	219327	78199
iv)	Office Furniture, C.G.Road, Ahmedabad	2735494	--	--	2735494	1017588	173157	--	1190745	1544749
v)	Office Furniture-Bangalore	111957	--	--	111957	32432	7087	--	39519	72438
vi)	Office Furniture-Delhi	644873	--	--	644873	81100	40820	--	121920	522953
vii)	Residential Furniture-Vapi	--	4000	--	4000	--	253	--	253	3747
6.	Office Equipment	2899871	230930	--	3130801	1353523	198180	--	1551703	1579099
7.	Computer									
i)	Veraval Works	8683908	1854711	108000	10430619	5082871	1683940	36473	6730338	3700281
ii)	Ahmedabad Office	275103	--	--	275103	225250	44594	--	269844	5259
iii)	Bangalore Office	63500	8600	--	72100	39433	11687	--	51120	20980
iv)	Delhi Office	72510	4600	--	77110	49428	12500	--	61928	15182
v)	Website	--	210000	--	210000	--	69993	--	69993	140007
8.	Fire Fighting Equipment	29484	45450	--	74934	18165	4743	--	22908	52026
9.	Vehicles	11135435	1876421	--	13011856	2370518	1236126	--	3606644	9405212
10.	Electriciation									
i)	Office	185482	--	--	185482	70571	6195	--	76766	108716
ii)	Resi. flat Vapi	4555	--	--	4555	261	216	--	432	4123
iii)	Factory	2823676	32111	--	2855787	1236724	135650	--	1372374	1483413
a)	Current Year Rs.	94014663	17193749	108000	111100412	38375376	6704929	36473	45043832	66056580
b)	Previous Year Rs.	79326363	16204807	1516507	94014663	32876981	5726503	228108	38375376	55639287
	Total (A+B)									
a)	Current Year Rs.	99674172	17206699	1319824	115561047	41390136	6923609	389965	47923780	67637267
b)	Previous Year Rs.	84958672	16232007	1516507	99674172	35494991	6123253	228108	41390136	58284036

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - G : INVESTMENTS

Particulars	31.03.07 Rupees	31.03.06 Rupees
Investment in Shares :		
Quoted Shares		
- DGP Windsor India Ltd. (235 Equity Shares)	17750	17750
- Kabra Extrusion Technic Ltd. (200 Bonus Shares)	8950	8950
- BPL Engineering Ltd. (2500 Equity Shares)	187500	187500
Total Market Value of Quoted Shares is Approximately Rs. 65,235/- (Previous Year Rs. 58,475/-)		
Unquoted Shares		
- Essen Multipack Ltd. (50,000 Equity Shares)	1000000	1000000
- Rajoo Cotex Ltd. (1,93,400 Equity Shares)	2901000	2901000
	4115200	4115200

SCHEDULE - H : CURRENT ASSETS, LOANS & ADVANCES

Particulars	31.03.07 Rupees	31.03.06 Rupees
I - CURRENT ASSETS :		
1. INVENTORIES :		
(1) Raw Materials & Components	8132621	17086000
(2) Testing Materials	1703102	1596852
(3) Consumable Stores	564876	753395
(4) Scrap	139002	1050134
(5) Stock in Process	3350467	26099619
(6) Finished Goods	3109000	2200000
Total - 1	16999068	48786000
2. SUNDRY DEBTORS :		
(Unsecured considered good by the Management)		
Less than six months	117327439	39296190
Over six months	3955515	3694768
Total - 2	121282955	42990958
3. CASH & BANK BALANCES :		
Cash on hand	1430365	1285108
Balance with Scheduled Banks in Current Accounts	2352646	4579515
Total - 3	3783011	5864623
Total - I (1+2+3)	142065034	97641581
II - LOANS & ADVANCES :		
(Unsecured and considered Good)		
Advance to Suppliers	2754041	989658
Other Advances	9064168	10491183
Security Deposit :		
- Utility Service Deposits	1649984	686772
- Gas Cylinder Deposit	6275	6275
- Supplier	125000	125000
- Ahmedabad Office Maintenance Deposit	105000	105000
- Bangalore Office Rental Deposit	115000	115000
- Delhi Office Rental Deposit	--	11237
Advance Income Tax	10020000	6000000
Advance Freinge Benefit Tax	670000	327011
Income Tax - (TDS)	536656	261654
Advance to Employees	40693	13200
Loan to Employees	442123	331481
S.B.S. Term Deposits	5778292	55295148
DEPB Licence Incentive Receivables	2940624	4712020
Service Tax Input Credit Balance A/c.	4604028	1423550
VAT Receivable	1726362	575354
Excise Duty Receivable	7470162	11415118
Prepaid Insurance	1010103	1023486
Tender Fee	50000	--
Total - II	49108512	93908147
Total - (I+II)	191173546	191549729

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - I : CURRENT LIABILITIES & PROVISIONS

Particulars	31.03.07 Rupees	31.03.06 Rupees
I-CURRENT LIABILITIES :		
Sundry Creditors for		
- Goods	2463383	4099006
- Expenses	43959140	63943943
- Labour Job	590919	1141816
- Capital Goods	1023617	938000
	48037059	70122765
Purchase Tax Payable	--	583870
Advance against Sales/Orders recd.	11145215	22439605
T.C.S Payable	3275	--
Sales Tax Payable	--	2754036
T.D.S. Payable	263085	245464
Total-I	59448633	96145740
II-PROVISIONS		
Audit Fees	75000	75000
Income Tax	13016640	9400828
Wealth Tax	83905	--
Fringe Benefit Tax	502219	698273
Dividend	6162000	5545800
Dividend Tax	1047232	778076
Interest on Late Payment of TDS	232	--
Bonus to Staff	863281	728914
Utility Services	337658	389738
Telephone Expenses	56024	64935
Salaries	1124500	1140898
Professional Tax	11740	21680
Clearing & Forwarding	357713	116291
Leave Encashment	678378	481194
Provident Fund	--	176010
Selling Commission (Overseas & Domestic)	--	--
Rent Rate & Taxes	41401	--
Bank Charges	--	24207
Total-II	24583467	19641843
Total (I+II)	84032100	115787583

SCHEDULE - J : OTHER INCOME / EXPENSES

Particulars	31.03.07 Rupees	31.03.06 Rupees
Income		
DEPB licence Incentive	5832849	5721652
Dividend Income	101600	76400
Employees Security Deposit Forfeiture	52100	--
Kasar	16015	--
Foreign Exchange Rate Difference	--	1714888
GST Refund	--	20778
	6002565	7533718
Expenses		
Exchange rate diff.	1413010	230725
Kasar Exp.	408784	637399
Loss on sale of Fixed Assets	1821794	868124
	4180770	6665594

SCHEDULE-K : INCREASE / (DECREASE) IN STOCK OF FINISHED GOODS & STOCK IN PROCESS

Particulars	31.03.07 Rupees	31.03.06 Rupees
I- FINISHED GOODS		
Closing Stock	3109000	2200000
Less : Opening Stock	2200000	3465000
Increase / (Decrease)	909000	(1265000)
II- STOCK IN PROCESS		
Closing Stock	3350467	26099619
Less : Opening Stock	26099619	1872188
Increase / (Decrease)	(22749152)	24227431
Net Increase / (Net Decrease) (I+II)	(21840152)	22962431

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - L : MANUFACTURING & ADMINISTRATIVE EXPENSES

Particulars	31.03.07 Rupees	31.03.06 Rupees
I - MANUFACTURING EXPENSES		
Clearing & Forwarding Charges - Imports	1294289	1047394
Conveyance Charges	52873	36423
Electrical Repair & Other Expenses	17830	106508
Electricity Consumption HT	3700586	2929363
Excise Duty	2611495	1654900
Factory Building Repairs & Maintenance	150239	53933
Factory Miscellaneous Expenses	466658	671503
Fuel for Generator	170258	252619
Hotel Charges	2973	--
ISO Certification & Consultancy Charges	35500	15000
Labour Charges	7132857	4237879
Labour Charges - Painting	556420	523400
Licence Fees	67527	158550
Machinery Repairing & Maintenance Expenses	148723	106246
Material Sample Testing Expense	--	15362
Miscellaneous Inward Freight	1839169	1862347
Miscellaneous Outward Freight	279584	211491
Packing Material Consumed	2251535	2748512
Postage & Angadia Charges	29990	34245
Printing & Stationary Charges	86054	95999
Technical Consultancy Fees	912704	705981
Traveling Expenses-Domestic	182941	224287
Traveling Expenses-Internal	15352	26903
Traveling Expenses-Foreign	--	232093
Total (I)	22005559	17950937
II - PERSONNEL EXPENSES		
Advertisement Expenses-Recruitment	131735	169392
Bonus to Employees	863906	763555
Canteen Expenses	258072	270033
Directors' Remuneration	4725000	3165000
Gratuity	209675	178132
HRA to Employees	5865	27600
Perquisites to Directors	135843	118333
Leave encashment	292743	91892
Professional Tax	1000	1000
Provident Fund Contribution	1473091	1380895
Salary & Wages Expenses (Sales - Service Staff)	1357461	1289203
Salary & Wages Expenses	8995093	7019176
Salary (Overtime) Expenses	1625200	2942778
Salary Stipend (Trainee)	778665	552110
Security Service Charges	132000	129500
Staff Medical Aid	73809	35355
Staff Training & Seminar Expenses	69865	76369
Staff Welfare	82361	59617
Total (II)	21211384	18269940

SCHEDULE - L : MANUFACTURING & ADMINISTRATIVE EXPENSES

Particulars	31.03.07 Rupees	31.03.06 Rupees
III - ADMINISTRATIVE EXPENSES		
Advertisement Expenses	58890	2181
Payment to Auditors	107000	97500
Books & Periodicals	201574	35501
Car Hire Charges	3550	12050
Charity & Donation Expenses.	110056	185768
Computer Maintenance & Other Expenses	244071	280045
Demat Share Expenses	32925	32809
Garden Maintenance Expenses	16356	915
Hotel Charges	1804	--
Income tax Expenses	--	212088
Insurance	637488	294511
Insurance - Keyman	781524	55670
Legal & Professional Fees	346035	179640
Listing Fees	27500	27500
Membership & Subscription Expenses	381068	193916
Miscellaneous Outward Freight	--	400
Motor Car Expenses- Petrol / Diesel	1068000	952141
Motor Car - Repair & Maintenance	537954	571329
Office Building Repair & Maintenance	17421	--
Office Equipment Repair & Maintenance	66494	124069
Office Furniture Repair & Maintenance	25553	33018
Office Miscellaneous Expenses	50898	31465
Postage & Angadia -Share	19749	39237
Postage & Angadia - Administrative	18736	22134
Printing & Stationery	163010	160592
Registration & Filing Fees	7200	9692
Rent-Rate-Taxes	60501	139853
Sales Tax Paid	43832	48345
Scooter Petrol Expenses	7379	5829
Scooter Repairing & Maintenance	12000	12000
Sitting Fees	921626	791321
Telephone Expenses	159921	81313
Traveling Administrative-Domestic	6761	3715
Traveling Administrative - Internal	147290	163050
Water Supply & Other Expenses		
Total (III)	6284164	4799597
IV - SELLING & SERVICE EXPENSES		
Advertisement Expenses Overseas	626228	511388
Advertisement Expenses	1143218	1399091
Ahmedabad (CSO) Office Expenses	1403218	928656
Ahmedabad (Regional) Office Expenses	--	296587
Book Debts W/off	2241565	1061074
Banglore Office Expenses	902424	910262
Business Meeting Expenses	86040	77674
Clearing & Forwarding Charges - Export	3866608	4168095
Delhi Office Expenses	2848207	2726286
Exhibition & Display Expenditure - Domestic	825915	8847550
Exhibition & Display Expenditure - Overseas	3844525	1349014

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - L : MANUFACTURING & ADMINISTRATIVE EXPENSES

Particulars	31.03.07 Rupees	31.03.07 Rupees
Export Inspection Charges	12400	194393
Hotel Charges	104150	59410
Internet & leased line Expenses	85157	52396
Kolkata Office Equipment	-	45134
Misc. Outward Freight	160779	115262
Postage & Angadia Charges	42141	74558
Postage & Angadia Charges - International	241897	276730
Printing & Stationery Charges	309691	91919
Sales Promotion Expenses	107743	5154
Selling Commission - Domestic	2157492	1337760
Selling Commission - Overseas	8315201	7691057
Travelling - Business Prospectus	778499	693619
Travelling - Sales & Service - Domestic	1707927	1173031
Travelling - Sales & Service - Foreign	1482021	1172841
Travelling - Sales & Service - Internal	960	17125
Web site Development & Maintenance Expenses	3700	21528
	33297706	35297593
Total (I + II + III + IV)	82798814	76318067

SCHEDULE - M : FINANCIAL COST

Particulars	31.03.07 Rupees	31.03.06 Rupees
PAID		
Bank Interest	2328308	1731252
Other Interest	740906	27143
Vehicles Loan Interest	83408	106817
Interest on late payment of dues	--	22310
Bank Commission / Charges	981421	786560
	4134043	2674083
RECEIVED		
From Bank	93183	673499
From Others	2276662	516765
	1190264	1190264
NET PAID	1764198	1483819

SCHEDULE - N : SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of Preparations of financial statement :

The Financial statement are prepared in accordance with generally accepted accounting principles under historical cost convention on the accrual basis.

2. Use of Estimates :

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and the estimates are recognized in the period in which the results are known /materialized.

3. Revenue Recognition :

In appropriate circumstances, revenue income is recognized when no significant uncertainty as to determination or realization exists.

4. Fixed Assets

Fixed assets are stated at cost net of cenvat, less accumulated depreciation. Direct cost are capitalized until fixed assets are ready for use. Capital work in progress comprise outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use before the balance sheet date are recorded at the consideration paid for acquisition.

5. Depreciation

Depreciation on fixed assets is provided on straight line method (SLM) at the rate specified in schedule XIV of the companies act, 1956.

6. Foreign Currency transactions :

Foreign currency transaction forward contracts are stated at the forward contract rates while those not covered by forward contracts are restated at the rates ruling at the end of the year. Exchange differences relating to fixed assets are adjusted in the cost of the assets. Any other exchange differences are dealt with in the Profit & Loss A/c.

7. Investments :

Long term investments are stated at cost and provisions for diminution in the value of long term investments are made only if such a decline is other than temporary in the opinion of the management.

8. Retirement Benefits to Employees :

i) Provident fund :

The Company's contribution to provident fund and family pension fund is charged to profit & loss account. The company has no further obligation under Employees Provident fund Act.

ii) Gratuity

The company has taken a group policy for gratuity with Life Insurance Corporation of India. The contribution on the basis of actuarial valuation is charged to profit and loss account. The company has no further obligation under Gratuity Act.

iii) Leave Encashment

The liability for leave encashment payable to employees is debited to profit and loss account as calculated by the management .

9. Sales:

Sales includes sale of goods, services, excise duty but net of sales tax.

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

10. Purchase:

Purchase of raw material and components, testing material, consumable stores are accounted including excise duty, Central Sales tax and purchase tax paid on purchases.

11. Excise duty:

The excise duty is applicable to Raw Material and finished goods of the company. The company is eligible for Cenvat credit for excise duty paid on purchase of Raw material, Components and Stores. The Balance of Cenvat credit remained unavailed at the end of the year is eligible for carry forward for the purpose of set-off against excise duty payable on sales in subsequent year. As the company is accounting purchases including excise duty, the balance of Cenvat credit unavailed at the end of the year is accounted by crediting purchase account and debiting Cenvat credit receivable account, which is shown under the head "Loans and advances" under the schedule of "Current assets", Loans and Advances forming part of Balance Sheet.

12. Sales tax:

- a) The company is eligible for Set off of Value Added tax paid on purchases made from parties situated in the state of Gujarat as per the Provision of Gujarat Value Added Tax Act, 2003. The amount eligible for sales-tax set-off is accounted separately in VAT- Input Credit Account and not included in the purchases of the company.
- b) Value Added Tax collected on sales and eligible for VAT set-off as per the provision of Gujarat Value Added Tax Act 2003 and is accounted separately in VAT- Input Credit Account and not included in the sales of the company. The Debit balance of VAT- Input Credit Account represents the excess of VAT paid on purchase over the VAT collected on sales and is shown under the head "Loans and Advances" under the schedule of "Current Assets, Loans and Advances" forming part of Balance Sheet.
- c) In respect of the factory of the company situated at Vill : Veraval (Shapar), Tal : Kotda Sangani, Dist : Rajkot. Sales tax collected under deferred payment scheme 1990-95 of State Government Rs.209.04 lacs is required to be repaid in six equal installment commencing from May-2004. The company has already paid Rs.145.80 lacs upto Jun - 2007.

13. Octroi:

Octroi duty is not applicable to both the units of the company.

14. Inventories

i) Raw Material & Components

It is valued at Purchase cost including central sales tax and other cost incurred to bring the inventory to present condition and location. The Central Excise duty and Gujarat value added tax paid on purchase are not considered in the valuation of inventories for the following reasons.

- 1) As explained in para no. (11), the company is reducing the value of purchases by crediting purchase account and debiting cenvat Excise Receivable Account for the balance of cenvat credit unavailed at the end of the year for excise duty paid on purchases of inputs and therefore, the excise duty is not considered for valuation of inventories.
- 2) As explained in para no. 12(a), the Value Added Tax paid on purchases eligible for VAT set-off is accounted separately under VAT – Input Credit Account. It is not included in purchases and therefore, it is not considered for valuation of inventories.

ii) Testing Material

It is valued at purchase cost including central sales tax and other cost incurred to bring the inventory to present condition and location.

iii) Consumable stores

At cost or net realizable value whichever is lower.

iv) Scrap/ Plastic Packing Material for Captive Consumption

At cost or net realizable value whichever is lower.

v) Stock in Process

It is valued at Raw Material cost plus production cost to bring the inventory to present condition.

vi) Finished Goods

It is valued at Selling rate.

The Finished Goods have been valued at selling prices as the company manufactures goods on customers order specification and thus the finished goods at selling prices reflects the realizable value. The finished goods have to be valued at lower of cost or net realizable value as per Accounting Standard (AS) – 2. The Raw material and work in process have been valued at cost as per the Accounting Standard (AS) – 2.

15. Research and Development :

Expenditure relating to capital items is debited to fixed assets and depreciated at applicable rates. Revenue expenditure is charged to profit and loss account of the year.

16. Borrowing costs :

Borrowing costs that are attributable to the acquisition or construction of assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

17. Deferred tax :

Deferred tax is recognized on timing difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods. Deferred tax resulting from "timing differences" is accounted for using tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward only to the extent that there is a reasonable / virtual certainty that the asset will be realized in future.

18. Contingent liabilities :

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the Notes on Accounts.

19. Earning Per share :

The company reports basic and diluted Earning per share (EPS) in accordance with Accounting standard (AS) - 20. Basic earning per share is computed by dividing net profit for the year by the weighted average number of shares outstanding during the period. Diluted earning per share is computed by dividing net profit by the weighted shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 'O' : NOTES ON ACCOUNTS

1. The previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.
2. In the opinion of the Board of Directors, the current assets and loans & advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.
3. There are no employees who were employed through out the year at a remuneration aggregating to atleast Rs.24,00,000/- per annum or who were employed for a part of the year at a remuneration atleast Rs.2,00,000/- per month.
4. The Company has followed applicable accounting standards as prescribed under Section 211(3C) of the Companies Act, 1956 in the preparation of annual accounts of the year and there is no material departure from the accounting standards statutorily prescribed under the Companies Act.
5. The Company has made adequate provisions for gratuity and leave encashment in the books of accounts as per Accounting Standards (AS) -15.
6. Amount of borrowing costs capitalized as per Accounting Standard (AS) -16 during the year was Rs. Nil (Previous year Rs. Nil).
7. There are no lease transactions during the year.
8. As the Company's business activity falls within a single business segments viz. Plastic Processing Machineries and Post Extrusion Equipments, the disclosure requirements of Accounting Standard (AS) 17 "Segment reporting" issued by the Institute of Chartered Accountants of India is not applicable.
9. As required by Accounting Standard (AS) - 18 "Related Party Disclosures" is made as under:
 - a) Name of the related party and description of relationship with whom there were no transactions during the year.
- REL International Pvt. Ltd. - Associate Concern
 - b) Names of the related party and description of relationship with whom there were transactions during the year.
 - i) C. N. Doshi, Managing Director - Key Managerial Personnel
 - ii) R. N. Doshi, Joint Managing Director - Key Managerial Personnel
 - iii) J. P. Aghera, Whole time Director - Key Managerial Personnel
 - iv) K. P. Aghera, Whole time Director - Key Managerial Personnel
 - v) Sunil Jain, Director - Key Managerial Personnel
 - vi) Rajoo Cotex Ltd. - Associated Concern
 - vii) REL Exports Pvt.Ltd. - Associated Concern
 - viii) REL Finance Ltd. - Associated Concern

Sr. No.	Particulars	Associate Concerns		Key Managerial Personnel	
		2006-07	2005-06	2006-07	2005-06
01.	Sales & Other Income	-	-	-	-
02.	Purchase & Other Services	-	-	-	-
03.	Salary & Remuneration and sitting fees	-	-	54.15	36.51
04.	Interest Received	-	-	-	-
05.	Interest Paid	-	-	-	-
06.	Purchase of Fixed Assets	-	-	-	-
07.	Deposits Received	-	-	-	-
08.	Investment in Equity	-	-	-	-
09.	Guarantee given	-	-	-	-
10.	Outstanding payable Net	-	-	-	-
11.	Receivable/ (Payable) Net	(165254)	(7174)	-	3.87

		(Rs. in lacs)	
		2006-07	2005-06
10	Earning in foreign exchanges :		
a.	FOB Value of Exports	1641.22	1621.25
b.	Service Charges	5.66	-
		1646.88	1621.25
11	Expenditure in foreign currency :		
a.	Technology Consultancy fees	8.87	7.06
b.	Purchase of Imported Material	269.26	243.33
c.	Expenses	99.17	109.93
		377.30	360.32
12	Sundry Creditors includes :		
a.	Small Scale Industry	47.47	194.98
b.	Others	392.12	506.25
		439.59	701.23
13	Contingent liabilities not provided for :		
a.	Disputed Income Tax liability in respect of pending appeal for A.Y. 2002-03 (Previous Year 2001-02)	Nil	2.07
	A.Y 2003-04 (Previous Year 2002-03)	3.64	1.95
	A.Y 2004-05 (Previous Year 2003-04)	6.67	Nil

- The outstanding liability at the end of F.Y. 2005-06 adjusted against the refund of A.Y. 1995-96 of earlier years.
- The outstanding liability at the end of F.Y. 2006-07 is on account of DEPB income considered for deduction u/s. 80 HHC of I.T. ACT, 1961.

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

14 Earning per Share (EPS)		2006-07	2005-06
(Nominal Value Rs. 10/-)			
Particulars			
- Profit attributable to the Shareholders (Rs. in lacs)		155.58	150.30
- Number of Shares used in computing Earning per Share			
- Basic		3081000	3081000
- Diluted		3081000	3081000
- Earning per share (Rs.)			
- Basic		5.05	4.88
- Diluted		5.05	4.88
15 Payment to Auditors		2006-07	2005-06
- Audit Fees		75000	75000
- Tax & Other Service fees		32000	22500
		107000	97500
16 Managerial Remuneration		2006-07	2005-06
- Salaries and allowances		4725000	3165000
- Perquisites to Directors		135843	118334
- Contribution to P. F.		554400	367200
		5415243	3650534

17. Accounting for Taxes on Income

Sr. No.	Particulars	31.03.2007 Rupees	31.03.2006 Rupees
	Deferred Tax		
(i)	Opening Balance Credit	8724126	9005796
(ii)	Deferred Tax Liability on account of		
	- Depreciation		--
	- Gratuity		--
	Total-II		--
(iii)	Deferred Tax Assets on account of :		
	- Depreciation	275430	232846
	- Gram Panchayat Tax	--	44356
	- Leave Encashment	--	4468
(iv)	Net Deferred Tax Debit / Credit :(ii-iii)	(275430)	(281670)
(v)	Closing Balance Credit (i-iv)	8448696	8724126

18. Licenced & Installed Capacity

Sr. No.	Particulars	31.03.2007	31.03.2006
(i)	Licenced Capacity :	Not Applicable	Not Applicable
	1. Pre-extrusion equipments	-do-	-do-
	2. Thermoplastic extrusion plants	-do-	-do-
	3. Post extrusion equipments	-do-	-do-
	4. Miscellaneous parts	-do-	-do-
(ii)	Installed capacity :		
	In view of considerable number of items, having diverse nature, it is not possible to determine the installed capacity.		

Note : Installed capacity is as certified by the Management.

19. Actual Production

Sr. No.	Particulars	31.03.2007 Nos.	31.03.2006 Nos.
1.	Thermoplastic extrusion plants	64	52
2.	Post extrusion equipments	26	25
3.	Miscellaneous parts	2466	1593

20. Value of Imported & Indigenous Raw material consumed (including components) and percentage of each to the total consumption.

Sr. No.	Particulars	31.03.2007		31.03.2006	
		Rupees	% of Total Consumption	Rupees	% of Total Consumption
1.	Imported (including custom duty)	24573352	9.41%	32547760	13.38%
2.	Indigenous	236646414	90.59%	210667763	86.62%
		261219766	100.00%	243215522	100.00%

21. Value of Imports on CIF Basis.

Sr. No.	Particulars	31.03.2007 Rupees	31.03.2006 Rupees
a)	Raw Materials including components purchased	25490073	33208245

22. QUANTITATIVE INFORMATION IN RESPECT OF OPENING STOCK, CLOSING STOCK, PURCHASES, SALES AND RAW-MATERIAL CONSUMED.

Note : As the Raw Material consists of large number of items having diverse nature of measurement it is not possible to submit the quantitative information of raw material.

Sr. No.	Particulars	31.03.2007 Rupees	31.03.2006 Rupees
A.	Opening Stock		
1.	Raw material & Components Indigenous	17086000	6436692
2.	Testing Material	1596852	889654
3.	Consumable Stores	753395	361678
4.	Scrap	1050134	88772
5.	Stock in Process	26099619 <	1872188 <
6.	Finished Goods	2200000 <	3465000 <
		48786000	13113984
B.	Purchases		
	Raw material & components Imported		
	For Manufacturing (including custom duty)	24573352	32547760
	Indigenous		
	For Manufacturing	226699634	223377348
		251272986	255925107

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Sr. No.	Particulars	Qty. Nos.	31.03.2007 Rupees	Qty. Nos.	31.03.2006 Rupees
C.	Sale by Class of Goods				
1.	Thermoplastic Extrusion Plants	Domestic 49	201466544	36	137879726
		Export 15	145334163	16	161060656
2.	Post Extrusion Equipments	Domestic 20	16938900	24	17050593
		Export 6	19745361	1	3635400
3.	Miscellaneous Parts & Equipments	Domestic 2466	13431178	270	6479029
		Export 362	3368670	1323	4453625
4.	Iron Waste / Scrap	Domestic	357399	--	--
5.	Service charge	Export	565533	--	--
		Domestic	706673	--	52269
			401914421		330611298
	Less: Sales Return				
	Domestic		1524373		7473341
			400390048		323137957
D.	Closing Stock				
1.	Raw material & Components				
	Indigenous		8132621		17086000
2.	Testing Material		1703102		1596852
3.	Consumable Stores		564876		753395
4.	Scrap		139002		1050134
5.	Stock in Process		3350467		26099619
6.	Finished Goods		3109000		22000000
			16999068		48786000
E.	Raw Material & Components Consumed				
	(I) Opening Stock				
1.	Raw material & Components				
	- Indigenous		17086000		6436692
2.	Testing Material		1596852		889654
3.	Consumable Stores		753395		361678
4.	Scrap		1050134		88772
	Total-I		20486381		7776796
	(II) Add : Purchases				
	- Imported (Including import duty)		24573352		32547760
	- Indigenous		226699634		223377348
	Total-II		251272986		255925107
	(III) Less : Closing Stock				
1.	Raw material & Components				
	- Indigenous		8132621		17086000
2.	Testing Material		1703102		1596852
3.	Consumable Stores		564876		753395
4.	Scrap		139002		1050134
	Total-III		10539601		20486381
	Total (I+II-III)		261219766		243215522
	Raw Material & Components Consumed				
	- Imported		24573352		32547760
	- Indigenous		236646414		210667763
			261219766		243215522

23. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

0	0	9	2	1	2
---	---	---	---	---	---

 State code

0	4
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

0	7
---	---

Day Month Year

II. Capital raised during the year (Amount in Rs. Thousands) :

Public Issue

			N	I	L		
--	--	--	---	---	---	--	--

Rights Issue

			N	I	L		
--	--	--	---	---	---	--	--

Bonus Issue

			N	I	L		
--	--	--	---	---	---	--	--

Private Placement

			N	I	L		
--	--	--	---	---	---	--	--

III. Position of Mobilisation & Deployment of Funds : (Amount in Rs. Thousands)

Total Liabilities

		1	7	8	8	9	4
--	--	---	---	---	---	---	---

Total Assets

		1	7	8	7	8	4
--	--	---	---	---	---	---	---

Sources of Funds :

Paid up Capital

		3	0	8	1	0
--	--	---	---	---	---	---

Reserves & Surplus

		5	3	5	4	4
--	--	---	---	---	---	---

Secured Loans

		5	3	1	7	9
--	--	---	---	---	---	---

Unsecured Loans

		3	2	9	1	2
--	--	---	---	---	---	---

Deferred Tax Liabilities

		8	4	4	9
--	--	---	---	---	---

Application of Funds :

Net Fixed Assets

		6	7	6	3	7
--	--	---	---	---	---	---

Investments

		4	1	1	5
--	--	---	---	---	---

Net Current Assets

		1	0	7	1	4	2
--	--	---	---	---	---	---	---

Misc. Expenditure

		-	-		
--	--	---	---	--	--

Accumulated Losses

			N	I	L		
--	--	--	---	---	---	--	--

IV. Performance of Company (Amount in Rs. Thousands) :

Turnover (Incl. Other Income)

		4	0	4	5	7	1
--	--	---	---	---	---	---	---

Total Expenditure

		3	5	2	7	0	6
--	--	---	---	---	---	---	---

Profit before Tax

				3	0	0	2	4
--	--	--	--	---	---	---	---	---

Profit after Tax

				1	6	6	0	5
--	--	--	--	---	---	---	---	---

Earning per Share in Rs.

			5	.	0	5
--	--	--	---	---	---	---

Dividend rate %

		2	0
--	--	---	---

SCHEDULES : ANNEXED TO AND FORMING PART OF THE ACCOUNTS

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms):

Item Code No. : 84771000
 (ITC Code)
 Product : Injection Moulding Machine
 Description

Item Code No. : 84772000
 (ITC Code)
 Product : Extruders
 Description

Item Code No. : 84773000
 (ITC Code)
 Product : Blow Moulding Machine
 Description

Item Code No. : 84774000
 (ITC Code)
 Product : Vaccum Moulding Machines and other
 Description : Thermoforming Machines

Item code no. : 84779000
 (ITC code)

Product : spares
 Description

Iron scarp : 7204.90

Plastic scarp : 3920.20

PROXY FORM

RAJOO ENGINEERS LIMITED

Regd. Office : Junagadh Road, Manavadar-362 630

I / We _____ of _____
in the district of _____ being a member / member of _____

M/s. RAJOO ENGINEERS LIMITED hereby appoint _____
of _____

(Write full address)

or failing him _____ of _____

(Write full address)

as my / our proxy to attend and vote on my / our behalf at the Twentieth Annual General Meeting of the Company to be held on Friday, 28th September, 2007.

Signed this _____ day of _____ 2007.

Signature _____

REVENUE
STAMP OF
Rs. 1-00

Note :

1. The Proxy need NOT be a member.
2. The Proxy From Signed across Rs. 1-00 revenue stamp should reach the company's registered office atleast 48 hours before the scheduled time of meeting.
3. Please fill in full particulars.
4. Company reserves the right to ask for identification of the proxy.
5. Proxy cannot speak at the meeting of vote on a show of hands.

Address : _____

ATTENDANCE SLIP

--

I certify that I am registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the Twentieth Annual General Meeting of Company at Registered Office situated at Manavadar - 362 630 Dist. Junagadh, Gujarat on Friday, 28th September, 2007

Member's / proxy's name in Block Letters

Member's/Proxy Signature

None :

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING PLACE.
2. The Shareholding stated above is subject to change for transfers upto date of meeting THIS ATTENDANCE SLIP IS VALID ONLY IN CASE SHARES ARE HELD ON DATE OF MEETING