

Rajoo Engineers Limited

TWENTY THIRD ANNUAL REPORT 2009-2010

23rd ANNUAL GENERAL MEETING

Date : 20th August 2010

Day : Friday

Time : 11.00 A.M.

Venue : Registered Office, Junagadh Road,
Manavadar - 362 630 District : Junagadh (Gujarat)

Admn. & Mktg. Office :

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

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Phone : +91 02874 221175-221176 Fax : +91 02874 221326 E-mail : relmvr@rajoo.com

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(a) C. N. Doshi, Chairman

The founder of Rajoo Group with more than 25 years of experience in the plastic extrusion and precision machinery manufacturing industry, he has envisioned the growth and progress of the organization to towering heights. Heading the business, he spearheads all the strategic spheres of the organization.

(b) R. N. Doshi, Managing Director

Responsible for the overall operations including production, new developments and services, is the co-founder of this Organisation. He has more than 25 years of experience in plastic processing, machinery manufacturing and product developments. He is an expert in selection of world class inputs for our products, cost reduction and inventory control to ensure our continued competitiveness.

(c) J. P. Aghera, Technical Director

The development of new machines and overall manufacturing processes are undertaken under the guidance of Mr. J. P. Aghera. He is with the Company since inception. He has more than 30 years of experience in plastic processing and bag making machineries. He holds an extra ordinary skill in solving machinery related problems and equipment repairs and machine design.

(d) K. P. Aghera, Director

He is responsible for overall management and manufacturing of machines at works. He is with the Company since inception. He has more than 35 years of experience in machinery manufacturing and plastic processing. He acquired his technical skills through his experience working in his family's machining workshop in Manavadar.

(e) Sunil Jain, President

Overall marketing, business development efforts, diversification and growth strategies at the corporate level are the responsibility of Mr. Jain. He has more than 25 years of experience in the flexible packaging industry and plastic extrusion machinery industry. He has successfully developed key relationships with our esteemed customers and overseas partners.

(f) Amit Shah, Director

He is a founder of Wonderpack, having experience of over 25 years in the field of plastic and packaging specially plastic thermoforming industry. He has pioneered various technologies in thermoforming field in Indian market. He leads Wonderpack, division of rajoo engineers at Nasik and contributes in overall growth strategy of the company.



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“Rajoo has led the industry for over 2 decades and continues to grow exponentially in coming years. I look back in gratitude and internalize the wisdom gained from the experience. It is our mission to set even higher standards for our performance and set new milestones.”



C. N. Doshi
Chairman

A letter to the shareholder

Dear Shareholders

I am pleased to report that the performance of your company during F.Y. 2009-10 has been spectacular bringing about cheers to all its stakeholders, with consolidated revenues growing by 55%.

While the world economy continued to emerge from the slowdown, the Indian economy continued to boom and your Company demonstrated its leadership under challenging circumstances and met the heavy demands from the industry. A great vision, strong and proactive management structure has helped Rajoo emerge with flying colors. The ability to think “out of the box” has been the hallmark of Rajoo from the time your Company began operation 24 years ago.

Since inception, the Company has witnessed exponential multi-faceted growth including in sales with improved bottom-line rewarding our shareholders with good returns. During the last decade, the Company's turnover growth has far exceeded the average growth of the Indian extrusion machinery industry.

Your Company made a modest beginning in 1986 and has emerged as an undisputed global player in blown film and sheet extrusion lines and during the period under review, added foamed PS machines to its portfolio in collaboration with the world leader – M/s Commodore Solutions Inc. of USA. Inspired by a unique blend of spiritual professionalism and technological prowess, the Company has become a major supplier of world class machines at affordable prices.

Being a technology driven Company, product innovations, world-class quality, state-of-the-art workmanship, increased energy efficiency and high levels of sophistication and automation have become the characteristic of Rajoo products during all these years, positioning Company's products on a global platform, competing with the established world leaders.

The Company's exports have multiplied after its debut in the international market in 1990 with an export to Tanzania. Exports, under period of review constitute over 24% of its total sales. The Company now enjoys successful and satisfied customer base across the globe in over 40 countries. CE compliant machines have been sold into Germany, U.K. and U.S.A., a major break-through, supplying to the very source of such machines. The Company's machines also operate as far as in, Colombia, Ecuador and Mexico in Latin America ; Kenya, Tanzania, Sudan and Uganda in East Africa; Ghana and Nigeria in West Africa ; Angola, Lesotho, Namibia, Republic of South Africa and Zambia in Southern Africa ; Iran, Kuwait, Saudi Arabia, Kuwait and U.A.E. in the Gulf. Closer home, have witnessed growth of satisfied customers in Bangladesh, Japan, Malaysia, Nepal, Pakistan, Papua New Guinea, Russia, Sri Lanka, Thailand and Vietnam.

Your Company has been a pioneer when it comes to opening up new markets and geographies or introducing new products. Rajoo has increased market presence and visibility across the globe by participating in various industry exhibitions like NPE - USA, TIPREX - Thailand, Saudi Plas - Saudi Arabia, M-Plas- Malaysia, IPF - Bangladesh, Argenplas - Argentina and Plastimagen - Mexico. The fast growing presence in multiple markets is important for your company to ensure constant growth.

When it comes to people, Rajoo has the highest retention rate in the industry. The Company's human capital development initiatives start from programs to raise the level of the each employee with a well defined career path. The immense talents, professionalism, dedication and loyalty of over 350 RAJOOers are the Company's greatest assets.

It is a fact that none of our customers have ever gone sick. It is also a fact that all the customers when expanding or diversifying continue to repeatedly order our machines which is an ample proof of customer satisfaction. Repeat orders contribute to more than 60% of Company's sales and that is our greatest strength.

Your company has successfully completed a "Green Field project" in approx 17,555 Sq.mt. of area to convert the concrete jungle with old buildings into soft landscaping and lush green gardens for increasing work efficiency. Contribution to environment is Rajoo's fundamental belief which is executed with soul and spirit.

With the objective of raising the bar on workmanship, performance and quality, this year your Company invested in a state-of-the-art tooling zone - "Shree Yantralaya" which would go a long way in ensuring consistently higher accuracy levels in all critical components. Your Company adopted the latest in world class tooling and machining technology to provide its customers products compliant to the stringent global standards with increased levels of accuracy consistently. Ninety percent of the hot parts and air ring components of the machines built by Rajoo will now be CNC machined resulting in higher repeat accuracy, quick turnaround time and easy replaceability of components.

Rajoo has led the industry for over 2 decades and continues to grow exponentially in coming years. I look back in gratitude and internalize the wisdom gained from the experience. It is our mission to set even higher standards for our performance and set new milestones. It is our vision "to become one of the most trusted and passionate solution providers for the plastic extrusion machinery world-wide in the best interests of all the stake holders pursuing ethical business practices"

I am confident that Rajoo will firmly establish itself according to the above vision statement.

With Regards,



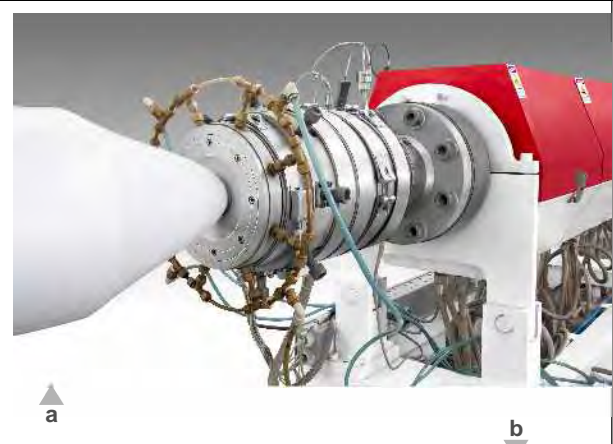
C. N. Doshi
Chairman

Quarter 1 & 2

- a. Rajoo has proved to be first Indian XPS machine manufacturer by taking the first order of XPS project of Glister sachet pvt ltd, Calicut.
- b. Rajoo presented the most cost-effective and cost-efficient solution for production of all kinds of carry bags, garbage bags and grocery bags, demand for which is growing at an exponential rate owing to the heavy investments by major players in organized "retail marketing" in IPLEX 2009, Chennai.
- c. Rajoo has participated in following world renowned exhibitions to strengthen its presence in Latin America
 - I. NPE 2009, Chicago
 - II. TIPREX 2009, Thailand
 - III. IPLEX 2009, Chennai
- d. Your company has increased the domestic reach and explored new cities like Hubli, Palanpur, Guna, Amritsar, Halol, Makshi, Amravathi, Pokhraya, Surat, Roorkee, Ranipur, Haridwar, Bhilai, Sikohabad, Hathrus, Kozhikode, Mehsana, Sitapur, Rajamundry, Chandauli etc

Quarter 3 & 4

- e. Innovations in technology have always been an area of comfort for Rajoo Engineers. The commissioning of the 9th 5-Layer Fully Loaded Blown Film Line at Polypet, Nagpur, by Rajoo would go down as one of the finest landmarks in the history of Indian manufacturing of extrusion machinery. The domain of five layer blown film lines with nylon and EVOH was until now dominated by European and Canadian manufacturers, would now-on witness new market dynamics.
- f. Rajoo has once again proved expertise as an extrusion machinery manufacturer by supplying 3 layer blown film line to India's giant processor JHAVERI FLEXO INDIA LIMITED.
- g. Rajoo has participated in following world renowned exhibitions to strengthen its presence across the globe.
 - I. MPlast 09
 - II. PlastExpo 09, Rajkot
 - III. Saudi Plas 2009, Saudi Arabia
 - IV. IPF, Bangladesh 2010
 - V. Plastasia 2010, Bangalore
 - VI. Plastemagen 2010, Mexico
 - VII. Plastpack 2010, Indore
 - VIII. Plexpo 2010, Ahmadabad
- h. The pioneering initiative of Rajoo Engineers in technical collaboration with Commodore Inc., U.S.A. (world leaders in this business) provide unparalleled solutions to this rapidly evolving market. A testimony to its innovative spirit of 'excellence in extrusion' is the receipt of the IMDIR 2009 (IPMMI - Machinery Design Innovation Recognition) award.
- i. RAJOO RAISES THE BAR OF WORKMANSHIP PERFORMANCE & QUALITY WITH 'SHREE YANTRALAYA'. The state-of-the-art tooling zone, Shree Yantralaya would go a long way in ensuring consistently higher accuracy levels in all critical components.



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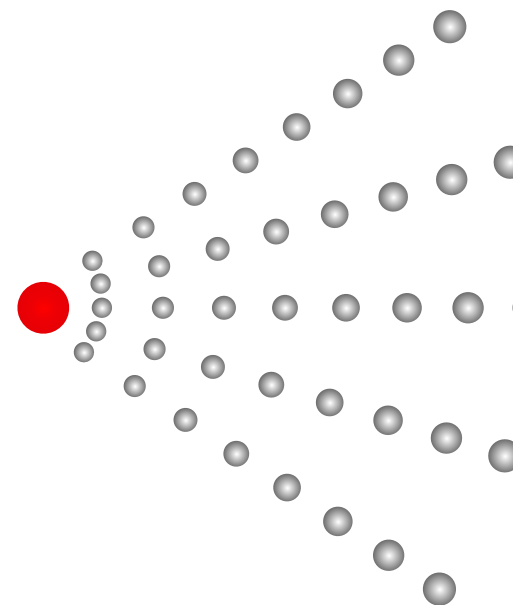


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“To become one of the most trusted and passionate solution providers for the plastic extrusion machinery world-wide in the best interests of all the stake holders pursuing ethical business practices”



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

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

Our co-operation with polymer industry and with internationally acclaimed rheologists and machine designers enables us to provide technology of the developed nations at economies of developing countries. Breakthroughs have also been made in the developed economies as well providing them value for money.

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

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

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

Vision

Commenced business as Rajoo Engineers Pvt. Ltd. at Manavadar, a small village in Junagadh Dist. to manufacture mechanical cutting-sealing machines. 1986



1990 Made an entry into the International market with maiden export of a blown film line to Tanzania.

Begun operations at Rajkot. Entered into a technical collaboration with a British company. Went public and the issue was over-subscribed by nearly 24 times. 1994



1999 Secured ISO 9001 certification and further improved the Quality Management Systems. The Company has now graduated to ISO 9001:2000.

Awarded Export Excellence Certificate from Engineering Export Promotion Council of India in recognition of highest exports during the year. 2003



2004 Awarded GUJARAT GAURAV AWARD for its outstanding contributions to the plastic industry.

Became a STAR EXPORT HOUSE recognised by Government of India for excellent exports. 2004



RAJOO



Entered into technical collaboration with Commodore Inc. U.S.A. for manufacture of XPS sheet line and thermoformer. 2007

Rajoo continued to make their mark in the Indian plastics industry in terms of innovative solutions and impressive presentation. The "red" theme continued on Rajoo's aesthetically designed Stand during Plastivision 07, Mumbai & won the "Award Winning Stand" recognition. 2007



The sheer size of the stand (750 sq m) with 52 m frontage, Rajoo has displayed 3 machines and awarded for "excellence in stall presentation" in recently concluded industries 2nd largest exhibition, Plastindia 09. 2009

Vacuum forming machine with mould : Model RECR - 7086 XPS received an award in "machinery for packing operations" from IPMMI - IMDIR 2009 2010



2011 ...only growth is constant!!!



Executive Directors

Mr. Chandrakant N. Doshi
Chairman

Mr. Rajesh N. Doshi
Managing Director

Mr. Jayantilal P. Aghera
Whole-Time Director

Mr. Khimjibhai P. Aghera
Whole-Time Director

Mr. Sunil B. Jain
Executive Director

Mr. Amit R. Shah*
Additional & Wholetime Director

Non Executive Directors

Mr. Ramesh A. Shah
Independent Director

Mr. Mahasukh S. Mehta
Independent Director

Mr. Kishor R. Doshi
Independent Director

Mrs. Prabha R. Vaja
Independent Director

Bankers

Axis Bank Ltd

Statutory Auditors

M N Manvar & Co.,
Chartered Accountants

Secretarial Consultants

MJP Associates,
Practising Company Secretaries

Registered Office

Junagadh Road, Manavadar-362 630.
Dist. Junagadh. Gujarat, India

Works

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

* Mr. Amit R. Shah appointed as an Additional Director & Wholetime Director w.e.f. 1st July, 2010, subject to approval of Members of the Company.

Rs.in lacs

Particulars	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Operating Results					
Sales & Other Income	7432.09	4777.51	4397.70	4045.71	3298.04
Profit before depreciation & Interest	781.16	580.87	450.99	387.12	332.32
Profit before tax (PBT)	681.46	452.44	372.95	300.24	256.25
Profit after tax (PAT)	430.05	258.43	215.36	155.58	150.30
PAT as % of Sales	5.86%	5.45%	5.03%	3.89%	4.65%
Retained earnings	333.70	184.48	150.66	93.70	94.84
Earning per share (EPS) Rs.	1.25	8.39	6.99	5.05	4.88
Dividend % p.a.	28%	24%	21%	20%	18%
Financial Summary					
Assets Employed					
Fixed Assets (Net)	1481.84	758.31	754.59	676.37	582.84
Net Current Assets	690.75	952.88	1349.43	1071.41	757.62
Capital Employed	2175.27	1742.34	2146.67	1788.94	1381.61
Financed By					
Share Capital	344.10	308.10	308.10	308.10	308.10
Share Warrants	-	32.40	-	-	-
Reserves	1492.28	870.58	686.10	535.44	441.74
Total Shareholders Funds	1836.38	1211.08	994.20	843.54	749.84
Borrowings	338.89	531.26	1152.48	945.40	631.77
Debts Equity	0.18:1	0.44:1	1.16:1	1.12:1	0.84 : 1
Others					
Book Value per Share (Rs.)	5.34	39.31	32.27	27.38	24.34
Gross Fixed Assets	2111.51	1378.13	1300.99	1155.61	996.74

To,
The Members of Rajoo Engineers Ltd.
Manavadar

Your Directors are pleased to present their Twenty Third Annual Report for the year ended on 31st March, 2010.

Financial Results

Your Company's performance for the year ended on 31st March, 2010 is summarized as under:

Particulars	(Rs. in lacs)	
	For the year ended on 31st March, 2010	For the year ended on 31st March, 2009
Sales & other income	7432.09	4777.51
Profit before interest & depreciation	781.15	580.86
Less :		
- Depreciation	117.37	80.31
- Interest	(17.67)	48.11
Net profit before taxation	681.45	452.44
Less :		
- Taxation	192.28	168.49
- Wealth Tax	0.63	0.47
- Fringe benefit tax	-	6.96
- Deferred tax	42.13	5.53
- Dividend tax	16.37	12.57
Net profit after taxation	430.05	258.43
Add : Profit & loss account balance brought forward	671.39	516.91
Amount available for appropriation	1101.44	775.34
Proposed Dividend	96.35	73.94
Transfer to General Reserve	30.00	30.00
Balance carried to Balance sheet	975.09	671.39

Performance Review

During the year under Report, your Company has achieved aggregate Sales to Rs. 7432.09 lac from Rs. 4777.51 lac in the previous year showing 56% rise. Domestic sales has increased to Rs. 5576.70 lacs from Rs.2446.43 lacs during previous year showing 228% rise. The net profit of the Company has also increased to Rs. 430.05 lacs showing 66% rise as compared to previous year. Your Company has successfully implemented various cost reduction measures during the year.

Dividend

The Board of Directors are pleased to recommend a dividend of 28% (Rs. 0.28 per equity share of Rs.1/-) on the paid up share capital of the Company, subject to approval of members in the ensuing Annual General Meeting.

The total dividend payment amounts to Rs. 112.72 lacs (including Dividend Tax of Rs. 16.37 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 10th August, 2010, 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 11th August, 2010, after giving effect to all valid share transfers in physical form

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.

Trade Relations

The Board desires to place on record its appreciation for 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

Mr. C N Doshi, Mr. R N Doshi & Mr. Khimjibhai Aghera, Directors are liable to retire by rotation and being eligible offer themselves for reappointment. Brief Resumes of Directors are attached with Notice of the AGM. Members are requested to reappoint the Directors. The Board of Directors of the Company appointed Mr. Amit R. Shah, as an Additional Director as well as Wholetime Director of the Company with effect from 1st July, 2010, pursuant to section 260 of the Act read with provisions of the Articles of Association of the Company. Under section 260 of the Company Act, Mr. Amit Shah ceases to hold office at this Annual General Meeting but is eligible for appointment as a Director. A notice under section 257 of Act has been received from a Member signifying his intention to propose his appointment as a Director.

Corporate Governance

Since inception, the Company laid a lot of emphasis on appropriate & timely disclosures and transparency in all business dealings. REL has been adhering to the corporate governance principles & practices since long. Your Company is regularly submitting its Corporate Governance Reports to stock exchanges where shares are listed. A detailed report on Corporate Governance is also annexed to this Report. Further, the Certificate, in relation to compliance of the corporate governance principles, obtained from M/s M N Manvar & Co., Chartered Accountants, and statutory Auditors of the Company is annexed to this Report of Board.

Auditors

M/s. 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/s. 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/s. 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

Your directors express their appreciation for the assistance and co-operation received from the share-holders, bankers, government authorities, stock exchanges, customers, suppliers, agents and business associates at various levels during the year under review. Your directors also wish to place on record their appreciation for the committed and dedicated services of company's executives, staff and workman.

Date: 31/05/2010
Place: Veraval (Shapar), Rajkot

For and on behalf of the Board of Directors

C. N. DOSHI
Chairman

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. Regular energy audits are being carried out by independent agencies and utmost care is taken in implementing their recommendations although the actual benefit in terms of energy saved cannot be measured.

b) No investment has taken place during the year under report specifically to reduce or monitor energy consumption.

c) Impact of measures (a) above for reduction of energy consumption is likely to result in reduction of cost of production.

2. Technology absorption

a) Efforts made in the technology absorption

In terms of the technical collaboration with Commodore of USA, we have been able to absorb and indigenize the technology for producing foamed polystyrene products through the process of tandem extrusion and vacuum forming. All the drawings and process know has been fully absorbed by various departments of the Company. This has resulting in significant increase in sales of extrusion machines and formers.

b) Future plan of action.

We are making continuous efforts in developing more energy efficient machines with updated technology , energy forms the second largest cost component in producing plastic films and sheets. We are also in the process of exploring joint ventures and technical collaboration with reputed overseas manufacturers for upgrading and adopting higher level of technology at affordable prices.

3. Foreign Exchange earnings and outgo

Particulars	2009-10	2008-2009
Foreign Exchange earned	1574.80	1679.04
Foreign Exchange used	611.16	384.06

4. Details of Employees drawing salary more than Rs. 24 lacs per annum or Rs. 2 lacs per month [As per the Companies (Particular of Employees) Rules, 1975]

Sr. No	Name	Designation	Remuneration Rs.	Qualification	Date of Commencement of Employment (DOE)	Total Experience (In Years)	Age	Last Employment
1.	C. N. Doshi	Chairman	31,10,292/-	B.A. B.sc. D. Pharm., C.A.I.I.B.	1-1-1995	38	57 Years	Banker
2.	R. N. Doshi	Managing Director	24,75,922/-	B. Sc.	1-1-1995	29	49 Years	N.A.

Annexure 'B' Management Discussion And Analysis

1. Industry structure and its developments

Your Company is in the capital goods sector, manufacturing plastic processing machines specifically extrusion and post extrusion machines for producing films, sheets and various thermoformed and vacuum formed products. Your Company strives to provide technologically advanced and affordable solutions to the plastics industry, in the country and worldwide, "Excellence in extrusion", thus pervades each and every facet of your Company's operations and is a distinct expression of the corporate vision and culture.

Plastics have moulded the modern world and transformed the quality of life. There is no human activity where plastics do not play a key role from clothing to shelter, from transportation to communication and from entertainment to health care. Plastics, because of their many attractive properties, such as lightweight, high strength and ease of processing, meet a large share of the material needs of man, and that too at a comparatively lesser cost and causing lesser environmental implications. The unique characteristics of plastics like durability, formability, light weight and versatility have enabled their usage in almost everything which helps make life easier and better.

2. Opportunities and Threats

The plastic processing industry offers a huge potential for technology upgradation in some of the areas like

- (a) World-class higher capacity machines
- (b) Enhanced design capabilities, moulds, tools and dies and technological know-how
- (c) Use of intelligent manufacturing to improve productivity and asset utilization
- (d) Global manufacturing and management practices with an eye for quality and design
- (e) Development of new products and applications
- (f) Technology Consultancy and Technology Transfer
- (g) Foreign Direct Investment in the downstream sector specially in SEZ with tax benefits

The most critical, challenges that Indian plastic industry faces today is the "image of plastics". Some of the myths perpetuated about plastics are:

- Feared as being toxic
- Could be health hazards
- Maybe harmful to the soil
- Could cause acid rain

These accusations leveled against plastics in general and against plastic industry in particular have been far fetched and without a sound rational basis. This is a key concern. The industry has to take responsible, technically defensible and rational actions in the overall public interest and environmental welfare.

Establishing manufacturing facilities in India by European companies and low quality machines from China are potential threats but your Company is fully geared to handle this challenge owing to superior technology and offering value for money solutions.

Volatility in polymer prices which are influenced by the crude oil prices also brings in elements of uncertainties.

3. Segment-wise performance

Your Company is operating in one segment only i.e. Plastic extrusion machines specifically film and sheet extrusion. As compared to other players in this segment, your Company has emerged the top performer in terms of growth in sales and profits and market share.

4. Outlook

Global production and consumption of plastics increased from less than 5 million tonnes in 1950 to 260 million tonnes in 2007. One third of the plastic is used for packaging, while construction products represent almost a quarter.

The Working Group on Chemicals and Petrochemicals of the Indian Government for 11th Five Year Plan (2007-2012) has identified the demand potential in commodity polymers to go up from 5.3 million tons in 2006-07 to 12.5 million tons with a Compounded Annual Rate of Growth (CARG) of 18 % during the 11th five year Plan. The above mentioned projection will result in an investment and about US \$ 6 billion (Rs. 30,000 crore) in downstream plastic processing sector.

The Working Group made following significant policy recommendations:

- Increasing the domestic demand and per capita consumption of plastics from the present 4 kgs. to about 12 Kgs by 2011
- increasing the competitiveness and polymer absorption capacity of the domestic downstream plastic processing industry by modernizing and technologically upgrading it and freeing it from structural constraints

Your Company is now recognized as a global player and thus affected by the global events. To meet this challenge, your Company has embarked upon an ambitious and focused programme of innovating, absorbing and adopting world class technologies in sheet and blown film extrusion lines. This programme will further catapult the Company and make it distinct and a preferred supplier as compared to the competition.

As a result of the technical collaboration with Commodore Solutions Inc. USA for FPS foam technology, your company has already supplied and commissioned 5 projects in domestic market and one in international market. FPS foamed products for the catering industry, food packaging and construction industry are an emerging trend with huge potential market.

While plastics in packaging is the preferred and accepted material world-wide today the environmental impact is an increasingly important factor when deciding which material to use for packaging. PET is the most recycled resin in the world and the primary advantage of using rPET is a significant reduction of the carbon footprint in addition to reduction in waste going to landfill, land for which is continuously becoming scarce.

Machines for producing rPET sheet earlier were not only expensive but were available only for higher capacities from European/American sources. Rajoo Engineers have already supplied such machines, earlier to Germany and Latin America but recently in India as well.

To cater the large growing automobile industry, your company has expanded the product portfolio of post extrusion machines (thermoformer and vacuum formers) through a successful merger with Wonderpack Industries Pvt. Ltd, Nasik which will now operate as a division of your Company. Another advantage is that of acquiring the "Wonderpack" brand name and also yet another manufacturing facilities at Nasik.

Your Company thus continues its leadership position in the world market by offering world class technology at affordable price levels. With its strong engineering skills and language advantage, similar to the IT and automobile industry, India is poised to become an outsourcing hub for supply of parts and assemblies to the developed economies. Your Company has already embarked upon a programme to take advantage of this opportunity for supplying to manufacturers in Europe and USA.

Your Company has positive outlook for F.Y. 2009-10. The Company will leave no efforts to grab each and every opportunity for growth – both organic and inorganic. The Company also expects to derive a greater operating leverage out of its investments, maximizing shareholders' wealth.

5. Risks and concerns

After four years of average annual global real GDP growth of better than 4.5 %, the pace of advance has now picked up in the major industrial countries.. Most emerging- economies, including India maintain quite strong, albeit somewhat slower, growth.

Even in the past, in periods witnessing the severest of downturns and GDP recession, the packaging industry has posted positive growth. After all, people still have to eat and purchase essential products; in fact, one earlier US study showed that, in difficult times, people tend to stay home more and eat out less, actually leading to an increase in the demand of packaged products.

Some segments – like luxury products, white goods and non-essential lifestyle products has been hit and there are also drift towards cheaper and lower value brands or brand variants. This could reflect in sales values coming down but absolute numbers of packages sold will actually grow in line with population growth and demographic dynamics like number of households, nuclear families, working women, disposable incomes/income distribution and middle class aspirations

Your Company, being the first one in the Asian industry to introduce machines with "CE" rating continues to focus on safety of human beings and environment friendly technologies and by reducing the energy consumption while processing. Effective measures to control and reduce operating costs continue in your Company to meet the future challenges.

6. Internal Control Systems and their adequacy

The Company has implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and all transactions are authorized, 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.

7. During the year under review, your company has received following awards

IPMMI (Institute of packaging machinery manufacturer's of India) recognized Rajoo Engineers Limited for its foam vacuum forming solution. Well accepted by the market, well used by the consumer and now well recognised by the industry.

Rajoo Engineers won the coveted IMDIR 2009 award for its Vacuum Forming Machine. The growing market of foamed PS thermoformed products stands to benefit significantly from the wide experience of Rajoo Engineers in this segment so as to deliver unique products that are well suited to meet the newer applications, tested to withstand rigors of the environment keeping in mind the overall production efficiency.

8. Material development and human resources / Industrial relation front

Talent and knowledge base have remained keys to your company's competitive advantage. Your company believes that acquiring, nurturing, engaging and retaining talent are base to achieve objectives of the Company. Your Company believes that continuous training & development of inherent skills within employees will help the Company to optimize the productivity and profitability. At the same time, Your company leaves no avenue unexplored to build the cordial and fruitful relations with all employees by understanding their needs, problems and implementing steps to overcome all problems /difficulties faced by 'human assets' of the Company.

Your Board sincerely thank ful to all the employees who have put in their hard work and helped the company to grow at the rate faster than ever.

9. Cautionary Statement

All statements made in Management and Discussion Analysis has 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 and therefore actual performance may differ from projections made by the Company.

For and on behalf of the Board of Directors

Annexure 'C' Report On Corporate Governance

The Board of directors presents 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 and accountability. The Company has formed required committees of the Board of Directors to monitor various aspects of the business.

2. Board of Directors

A. Composition of the Board

The Company's Board of Directors comprises of Nine Directors. There are Six Executive Directors on the Board of the Company, namely, Mr. C. N. Doshi (Chairman) Mr R. N. Doshi (Managing Director), Mr. K. P. Aghera, (Whole-Time Director) Mr. J. P. Aghera (Whole-Time Director), Mr. Sunil B Jain (President & Director) and Mr. Amit R Shah (Wholetime Director). There are four non-executive Independent Directors namely Mr. Ramesh A. Shah, Mr. Kishor R. Doshi, Mr. Mahasukh S. Mehta and Mrs. Prabha Vaja.

B. Meetings

During the year under Report, there were total seventeen Board Meetings were held.

All Directors, except Mr. Sunil B Jain have attended the last Annual General Meeting held on 10th August, 2009.

Details of Shareholding /committee membership of Directors of the Company as on 31st March, 2010

Name of Director	Designation	Number of Shares held in Company	Directorship in all Public Limited Companies *	Membership in Committee in all public limited Companies *	Chairmanship of Committee in all Public limited Companies *
Mr. C. N. Doshi	Chairman	3115000	02	Nil	Nil
Mr. R. N. Doshi	Managing Director	3600400	02	Nil	Nil
Mr. K. P. Aghera	Whole-Time Director	469400	02	Nil	Nil
Mr. J. P. Aghera	Whole-Time Director	412000	01	Nil	Nil
Mr. Sunil B. Jain	Executive Director	17000	01	Nil	Nil
Mr. Ramesh A. Shah	Non-executive & Independent	Nil	01	01	01
Mr. Kishor R. Doshi	Non-executive & Independent	22000	01	01	01
Mr. Mahasukh S. Mehta	Non-executive & Independent	5000	01	01	01
Mrs. Prabhaben Vaja	Non-executive & Independent	46000	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 to Directors:

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

Name of Director	Category	Designation	Salary (Rs. per annum)	Perquisites (Rs. per annum)	Options under the Employee Stock Option Scheme*
Mr. C. N. Doshi	Executive	Chairman	31,10,292	96,290	Nil
Mr. R. N. Doshi	Executive	Managing Director	24,75,922	35,519	Nil
Mr. K. P. Aghera	Executive	Whole-Time Director	18,44,783	12,136	Nil
Mr. J. P. Aghera	Executive	Whole-Time Director	18,44,783	21,223	Nil
Mr. Sunil B. Jain	Executive	Executive Director	21,62,553	1,65,168	Nil
Total			1,14,38,333	3,30,336	

• The Company does not have any Employee Stock Option Scheme at present. Further, 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 Director	Category	Sitting fees (Rs)
Mr. Ramesh A. Shah	Non-executive & Independent	3000/-
Mr. Kishor R. Doshi	Non-executive & Independent	3000/-
Mr. Mahasukh S. Mehta	Non-executive & Independent	3000/-

a. Information placed before the Board of Directors

The Company circulates along with Notice of the Board Meeting, a detailed agenda which contains 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, 2010 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 namely Mr. Ramesh A. Shah, Mr. Kishor R. Doshi, and Mr. Mahasukh S. Mehta. All being Non Executive and Independent Director. Mr. 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 2009-10

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

Shareholders' 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, Mr. Ramesh A. Shah, Mr. Kishor R. Doshi, and Mr. Mahasukh S. Mehta. Mr. Mahasukh S. Mehta is the Chairman of the Committee.

c) Meetings of Committee

Total Six meetings of the Committee were held during the year 2009-10

Name of Member	Designation	No. of Committee Meetings attended
Mr. Mahasukh S. Mehta	Chairman	06
Mr. Ramesh A. Shah	Member	06
Mr. Kishor Doshi **	Member	03

** w.e.f. 31st July,2008

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

Remuneration Committee

a. Composition

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

b. 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, Whole time 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.

c. Meetings of Committee

The Committee has held four Meetings during the year 2009-10

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

Communication 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
2008-2009	10th August, 2009	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.
2007-2008	24th September, 2008	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.
2006-2007	28th September, 2007	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.

Shareholder information

Registered Office

RAJOO ENGINEERS LIMITED, Junagadh Road, Manavadar 362 630, (Dist: Junagadh)

Plant Location

Rajoo Avenue Suvey No 210, Plot No 1, Industrial Area, Shapar-Veraval, Dist. Rajkot-360 024, Gujarat, India

Annual General Meeting

The 23rd Annual General Meeting (AGM) of the Company will be held on Friday, 20th August, 2010, at 11-00 A.M. at registered office of the Company, Junagadh Road, Manavadar 362 630 (Dist. Junagadh)

Financial Calender (Tentative)

1. Annual General Meeting	:	20 th August, 2010
2. Results for Quarter ending 30 th June, 2010	:	Last week of July, 2010
3. Results for Quarter ending 30 th September, 2010	:	Last week of October, 2010
4. Results for Quarter ending 31 st December, 2010	:	Last week of January, 2011
5. Results for Quarter ending 31 st March, 2011	:	Last week of May, 2011

Dates of Book Closure

The Company's transfer books will be closed from 11th August, 2010 to 19th August, 2010 (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 the Bombay Stock Exchange Ltd, Mumbai, The Company has already delisted its securities from The Ahmedabad Stock Exchange Ltd, Ahmedabad and Saurashtra & Kutch Stock Exchange Ltd., Rajkot.

Stock Code

Stock Exchange	Stock Code
The Bombay Stock Exchange Ltd	522257
NSDL/CDSL Code	
ISIN No	INE535F01016

Stock Market Data

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

BSE					
Month	2008-09		Month	2007-08	
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)
Apr 09	58.10	36.75	Apr 08	109.00	72.00
May 09	96.00	61.00	May 08	101.00	65.10
Jun 09	89.00	67.25	Jun 08	75.70	51.00
Jul 09	70.45	57.00	Jul 08	72.50	47.70
Aug 09	79.20	57.00	Aug 08	70.00	51.35
Sep 09	116.15	11.05 **	Sep 08	79.65	51.55
Oct 09	16.70	12.35	Oct 08	71.20	42.95
Nov 09	19.64	12.31	Nov 08	50.00	36.05
Dec 09	16.45	14.00	Dec 08	43.80	34.00
Jan 10	18.00	12.50	Jan 09	44.00	34.70
Feb 10	14.85	8.76	Feb 09	43.00	35.05
Mar 10	10.55	8.77	Mar 09	39.40	34.25

Note: ** The share price is after subdivision of equity share from Rs.10/- each to Re.1/- each.

Registrar and Transfer Agents

Company has appointed Registrar and Transfer Agent, the name and address is as follow:

Link Intime India Private Limited
 (formerly 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.

Distribution Schedule as on 31st March, 2010

No. of Equity Share Held (Range)	No. of Share holders	Percentage to Total Shareholders	No. of shares held	Percentage to Total Shares held
0001 - 0500	767	18.47	188824	0.55
0501 - 1000	2114	50.90	2089896	6.07
1001 - 2000	606	14.59	1161651	3.38
2001 - 3000	151	3.64	425734	1.24
3001 - 4000	99	2.38	388945	1.13
4001 - 5000	60	1.44	292159	0.85
5001 - 10000	163	3.93	1342818	3.90
Above 10000	193	4.65	28519973	82.88
	4153	100.00	34410000	100.00

Dematerialization of shares

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, 2010, total 3,09,37,830 equity shares have been dematerialized. Out of these shares dematerialized, 2,52,74,812 equity shares and 56,63,018 equity shares have been dematerialized with NSDL and CDSL respectively, representing approx. 89.91% 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 K. Joshi
 Compliance Officer
 Rajoo Engineers Ltd
 Rajoo Avenue, Survey No. 210, Plot No. 1,
 Industrial Area,
 VERAVAL (SHAPAR) RAJKOT 360 024
 Ph. No. : +91 2827252701/02/07 Fax No.: +912827252700

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:- 31st May 2010
Place:- Veraval (Shapar), Rajkot

(C. N. DOSHI)
Chairman

(R. N. DOSHI)
Managing Director

Managing Director's Certificate For Financial Statements (clause 49v Of Listing Agreement)

We have reviewed financial statements and cash flow statements for the financial year 2009-2010 ended on 31st March, 2010, 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;
- (c) 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 : 31st May 2010
Place : Veraval (Shapar), Rajkot

(C. N. DOSHI)
Chairman

(R. N. DOSHI)
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 2010 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 2010, 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.

Date : 31st May, 2010
Place : Veraval (Shapar), Rajkot

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

[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 2010, 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 and material deviation, if any, are disclosed in the notes on accounts forming part of Audited Financial Statements.
 - (v) On the basis of written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010.
 - 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.

Date : 31st May, 2010
Place : Veraval (Shapar), Rajkot

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

Auditors' Report

[M. N. Manvar]
Proprietor
Membership No.36292

Annexure to the Auditors' 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 not granted unsecured loan to other company or other parties covered in the register maintained under section 301 of the companies act, 1956.
 - 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 lac 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.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted during the year deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under. Accordingly, clause 4(vi) of the order is not applicable.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- ix)
 - a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employees State Insurance dues, income tax, sales tax, excise duty, customs duty, investor education and protection fund, wealth tax, service tax, cess and any other material statutory dues applicable to it. We are informed that there are no undisputed statutory dues as at the year end, outstanding for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, exciseduty, customs duty, wealth tax, and cess that have not been deposited with the appropriate authorities on account of any disputes except as under:

Nature of Dues	Assessment Year	Amount (Rs. in Lacs)	Forum where Dispute is pending
Income Tax	2003-04	3.64	CIT (Appeals)
Income Tax	2004-05	6.67	CIT (Appeals)
Income Tax	2005-06	1.04	CIT (Appeals)
Income Tax	2006-07	1.48	CIT (Appeals)
Income Tax	2006-08	2.10	CIT (Appeals)

- x) The Company does not have any accumulated losses at the end of the financial year March 31, 2010. Further, the company has not incurred cash losses during the financial year ended on March 31, 2010 and in the immediately preceding financial year ended on March 31, 2009.
- 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 preferential allotment of equity shares to parties and companies covered in the register maintained under section 301 of the Act. However, the preferential warrants issued in previous year are converted into equity shares.
- 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.

Balance Sheet as on 31st March, 2010

Particulars	Schedule	31.03.2010 Rupees	31.03.2009 Rupees
Sources Of Fund			
1. Share Holders' Fund			
a. Share Capital	A	34410000	30810000
b. Share Warrant	A	-	3240000
c. Reserve & Surplus	B	149227773	87057986
		183637773	121107986
2. Loan Funds			
a. Secured Loans	C	18698376	2434584
b. Unsecured Loans	D	1529600	38394854
c. Deferred Tax	E	13660850	9448253
d. Liabilities for Deffered payment of Sales tax		-	2848431
		33888826	53126122
		217526599	174234108
Application Of Fund			
1. Fixed Assets	F		
Gross Block		211151331	137813239
Less : Depreciation		62967526	61982555
Net Block		148183805	75830684
2. Investments	G	267648	3115200
3. Current Assets, Loans & Advances	H		
(i) Current Assets			
a. Inventories		72613106	68385154
b. Sundry Debtors		79660466	62822338
c. Cash & Bank Balance		96041151	58911300
		248314723	190118792
(ii) Loans & Advances		69057161	72534151
		317371884	262652943
Less : Current Liabilities & Provisions	I	248296738	167364719
Net Current Assets		69075146	95288224
		217526599	174234108
Significant Accounting Policies	N	-	-
Notes On Accounts	O		

Consolidated Balance sheet

As per our report of even date

For and on behalf of the Board

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

Sd/-
(C. N. Doshi)
Chairman

Sd/-
(M. N. MANVAR)
Proprietor

Sd/-
(R. N. Doshi)
Joint Managing Director

Date : 31st May, 2010
Place : Veraval (Shapar), Rajkot

Sd/-
(J. P. Aghera)
Wholetime Director

Profit And Loss Account For The Year Ended On 31st March, 2010

Particulars	Schedule	31.03.2010 Rupees	31.03.2009 Rupees
INCOME:			
Sales - Export (Incl Deemed Exports)		176151278	229451032
- Domestic		557669744	244642709
Other Income	J	733821022 9387618	474093741 3657101
Increase/(Decrease) in stock of finished goods & Stock in Process	K	(22705559) 720503081	11305807 489056649
EXPENDITURE:			
Raw material consumed		499107435	326069757
Purchase - Trading		174470	
Manufacturing & Other Expenses	L	143105261	104901363
Net Financial Cost	M	(1766711)	4810695
Depreciation	F	11736949	8031285
		652357403	443813100
Profit before tax for the year		68145678	45243548
Less/(Add): Provision for Taxation			
Current Tax		19227860	16848914
Fringe Benefit Tax		-	695560
Wealth Tax		63200	46831
Deferred Tax		4212597	552879
Tax on Dividend		1637434	1256678
		25141091	19400862
Profit after tax for the year		43004587	25842686
Add : Balance Brought down from last year		67139232	51690946
Amount Available for Appropriation		110143819	77533632
Appropriations :			
Proposed Dividend		9634800	7394400
General Reserve		3000000	3000000
Balance Carried to Balance sheet		97509019	67139232
Significant Accounting Policies	N		
Notes On Accounts	O		

Consolidated Balance sheet

As per our report of even date

For and on behalf of the Board

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

Sd/-
(C. N. Doshi)
Chairman

Sd/-
(M. N. MANVAR)
Proprietor

Sd/-
(R. N. Doshi)
Joint Managing Director

Date : 31st May, 2010
Place : Veraval (Shapar), Rajkot

Sd/-
(J. P. Aghera)
Wholetime Director

Cash Flow Statement		(Rs. in lac)	
For The Period Ended On 31st March 2010		31.03.2010	31.03.2009
		Amount	Amount
(A)	Cash Flow From Operating Activities		
	Net Profit Before taxes	681.46	452.44
	Adjustments for		
	- Depreciation	117.37	80.31
	- Interest (Net)	(17.67)	48.11
	- Loss/(Profit) on sale of assets	4.03	3.33
	Operating Profit Before Working Capital Change	785.19	584.19
	(Increase)/Decrease in Inventory	(42.28)	(140.36)
	(Increase)/Decrease in Trade and other receivables	(168.38)	808.83
	(Increase)/Decrease in other Current Asset	34.77	(231.50)
	Increase/(Decrease) in Current Liabilities	941.22	(239.86)
	Cash Generated From Operations	1550.52	781.31
	Interest Paid	17.67	(48.11)
	Income Tax Paid	(188.48)	(153.12)
	Dividend Paid	(73.94)	(64.70)
	Net Cash From Operating Activities	1305.76	515.38
(B)	Cash Flow From Investing Activities		
	Purchase of Fixed Assets	(966.42)	(92.67)
	Sales of Fixed Assets	121.48	5.31
	(Purchase) / Sale of Investment	28.48	11.50
	Net Cash From Investment Activities	(816.46)	(75.86)
(C)	Cash Flow From Financing Activities		
	Increase/(Decrease) in Share Capital (Preferential Warrants)	3.60	32.40
	Increase/(Decrease) in Share premium	288.00	-
	Increase/(Decrease) in Long Term Borrowings	(409.60)	(96.81)
	Net Cash From Financing Activities	(118.00)	(64.41)
		(A + B + C)	
	Increase/(Decrease) in Cash and Cash Equivalents	371.30	375.11
	Cash and Cash Equivalent at the beginning of the year	589.12	214.01
	Cash and Cash Equivalent at the end of the year	960.42	589.12

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 and on behalf of the Board

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

Sd/-
(C. N. Doshi)
Chairman

Sd/-
(M. N. MANVAR)
Proprietor

Sd/-
(R. N. Doshi)
Joint Managing Director

Date : 31st May, 2010
Place : Veraval (Shapar), Rajkot

Sd/-
(J. P. Aghera)
Wholetime Director

Schedule - A : Share Capital

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
Authorised Share Capital		
5,00,00,000 (Previous year 35,00,000) Equity shares of Rs.1/- (Previous year Rs.10/-) each	50000000	35000000
Issued, Subscribed & Paid up Capital		
3,08,10,000 (Previous year 30,81,000) Equity shares of Re.1 (Previous year Rs. 10) Each Fully paid up	30810000	30810000
Add: Issued during the year 36,00,000 Equity shares of Re. 1/- each issued on conversion of share warrants.	3600000	-
3,44,10,000 (Previous year 30,81,000) Equity shares of Re.1 (Previous year Rs. 10) Each Fully paid up	34410000	30810000
Share Warrants		
3,60,000 warrants each of Rs.90/- and having paid-up value of Rs.9/- per warrant	-	3240000
	-	3240000

Note : 1

The Share Capital of the Company was subdivided from Rs. 10 each to Re. 1 each with effect from 10/08/2009. Further, the company allotted 36,00,000 equity shares of Re. 1 each at premium of Rs. 8 per share on 06/10/2009 on conversion of share warrants.

Schedule - B : Reserves & Surplus

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
I. Reserves		
i) General Reserve		
Opening Balance	19918754	16918754
Add : Transferred from Profit and Loss Account	3000000	3000000
	22918754	19918754
ii) Securities Premium	28800000	-
	51718754	19918754
II. Surplus		
Profit and Loss Account Balance	97509019	67139232
	149227773	87057986

Schedule - C : Secured Loans

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
Cash Credit		
Axis Bank Ltd, Rajkot (Secured against Hypothecation of goods and Collaterally secured over Fixed Assets)	17510439	-
Vehicle Finance		
ICICI Ltd.	399404	837199
Axis Bank Ltd.	646207	1018104
HDFC Bank Ltd., (Secured against Hypothecation of vehicles)	142326	579281
	18698376	2434584

Schedule - D : Unsecured Loans

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
1. Suppliers as security deposit	-	12000000
2. Customers as security deposit	-	22760366
3. Employees as security deposit	139600	69200
4. Directors Deposit	-	171651
5. Inter Corporate Deposit	1390000	1390000
6. Bank	-	2003637
	1529600	38394854

Schedule - E : Deferred Tax

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
Opening Balance	9448253	8895374
Add/(Less) : Deferred Tax - current year	4212597	552879
	13660850	9448253

Schedule - F : Fixed Assets

Sr. Description No.	Gross Block				Depreciation Block				Net Block as on 31.03.2010
	Opening Balance as on 01.04.2009	Addition	Deduction	Closing Balance as on 31.03.2010	Opening Balance as on 01.04.2009	Addition	Deduction	Closing Balance as on 31.03.2010	
A Veraval (Shapar), Rajkot Unit									
1 Land	1523035	967230	-	2490265	-	-	-	-	2490265
2 Site Development	457899	-	-	457899	119952	7464	-	127416	330483
3 Approach Road	1952949	-	-	1952949	130456	65228	-	195684	1757265
4 Buildings									
i) Factory Building	22442495	6057628	1731140	26768983	5738407	894084	168642	6463849	20305134
ii) Admn. Office Building	8422272	-	-	8422272	719001	137283	-	856284	7565988
iii) Office Building									
- C.G. Road, Ahmedabad	2072000	-	-	2072000	303966	33774	-	337740	1734260
- Samaan-II, Ahmedabad	1905533	-	-	1905533	62120	31060	-	93180	1812353
iv) Resi.Flat at Vapi	337125	-	-	337125	38465	5495	-	43960	293165
v) Office Building (New Delhi)	2024249	-	-	2024249	131980	32995	-	164975	1859274
vi) Office Building (Bangalore)	-	3447040	-	3447040	-	56187	-	56187	3390853
vii) Land-Scaping	-	7867473	-	7867473	-	262774	-	262774	7604699
5 Plant & Machineries									
i) Imported Machineries	10161861	23998162	-	34160023	7616774	1622601	-	9239375	24920648
ii) Indigeneous Machineries	30056011	43889361	18645160	55300212	17176422	2626760	8415555	11387627	43912585
iii) Technical Know How	3771679	-	-	3771679	815036	179155	-	994191	2777488
iv) Laboratory Equipment	885079	15666	-	900745	363444	42785	-	406229	494516
v) Tools, Jigs & Moulds	171883	-	-	171883	127134	8164	-	135298	36585
vi) Misc. Fixed Asset	579822	-	-	579822	416785	27542	-	444327	135495
6 Furniture & Fixtures									
i) Administrative Office	2270304	72230	-	2342534	1180088	148282	-	1328370	1014164
ii) Factory Office	2763468	63777	-	2827245	1408662	178965	-	1587627	1239618
iii) Work Shop	297526	-	-	297526	256993	18833	-	275826	21700
iv) Office Furniture									
C.G. Road, Ahmedabad	2735494	-	-	2735494	1537059	173157	-	1710216	1025278
v) Office Furniture-Bangalore	403560	-	-	403560	90609	25545	-	116154	287406
vi) Office Furniture-Delhi	644873	-	-	644873	203560	40820	-	244380	400493
vii) Residential Furniture Vapi	4000	-	-	4000	759	253	-	1012	2988
7 Office Equipment	4712866	479620	-	5192486	2104648	328684	-	2433332	2759154
8 Computer									
i) Veraval Works	11827189	5682728	639305	16870612	10261143	2734726	452307	12543562	4327050
ii) Ahmedabad Office	288903	-	-	288903	277340	11563	-	288903	-
iii) Kolkatta Office	-	-	-	-	-	-	-	-	-
iv) Bangalore Office	82800	-	-	82800	77964	4836	-	82800	-
v) Delhi Office	77110	-	-	77110	77110	-	-	77110	-
vi) Hyderabad Office	-	-	-	-	-	-	-	-	-
vii) Mumbai Office	4500	-	-	4500	1458	729	-	2187	2313
viii) Website	231000	-	-	231000	216978	14022	-	231000	-
9 Fire Fighting Equipment	74934	-	-	74934	32394	4743	-	37137	37797
10 Vehicles	13533121	2101318	953539	14680900	5122819	1394686	881,098.00	5636407	9044493
11 Electriciation									
i) Office	999310	-	-	999310	122179	33377	-	155556	843754
ii) Resi. Flat Vapi	4555	-	-	4555	864	216	-	1080	3475
iii) Factory	3350234	1978983	-	5329217	1690646	253138	-	1943784	3385433
a) Current Year Rs.	131069639	96621216	21969144	205721711	58423215	11399926	9917602	59905539	145816172
b) Previous Year Rs.	124174533	8448124	1553018	131069639	51510044	7602064	688893	58423215	72646425

Consolidated Balance sheet

Schedule - F : Fixed Assets

Sr. DESCRIPTION No.	← GROSS BLOCK →			← DEPRECIATION BLOCK →					Net Block as on 31.03.2010
	Opening Balance as on 01.04.2009	Addition	Deduction	Closing Balance as on 31.03.2010	Opening Balance as on 01.04.2009	Addition	Deduction	Closing Balance as on 31.03.2010	
B Manavadar Unit									
1 Land	162687	-	-	162687	-	-	-	-	162687
2 Buildings									
i) Factory Building	834157	-	-	834157	490982	27861	-	518843	315314
ii) Admn. Office Building	70000	-	-	70000	22727	1141	-	23868	46132
3 Plant & Machineries									
i) Indigeneous Machineries	1486398	-	751964	734434	1243808	34886	723641	555053	179381
ii) Tools, Jigs & Moulds	123480	-	-	123480	123480	-	-	123480	-
4 Furniture & Fixtures									
- Administrative Office	269385	-	-	269385	112375	17052	-	129427	139958
5 Office Equipments	456695	9800	-	466495	406663	29529	-	436192	30303
6 Computers	444528	11000	-	455528	418721	6776	-	425497	30031
7 Vehicles	2896270	-	582816	2313454	740584	219778	110735	849627	1463827
a) Current Year Rs.	6743600	20800	1334780	5429620	3559340	337023	834376	3061987	2367633
b) Previous Year Rs.	5924506	819094	-	6743600	3130119	429221	-	3559340	3184260
TOTAL (A + B)									
a) Current Year Rs.	137813239	96642016	23303924	211151331	61982555	11736949	10751978	62967526	148183805
b) Previous Year Rs.	130099039	9267218	1553018	137813239	54640163	8031285	688893	61982555	75830685

Schedule - G : Investments

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
Investment in Shares :		
Quoted Shares		
- Windsor Machines Ltd. (235 Equity Shares)	17750	17750
- Kabra Extrusion Technic Ltd. (200 + 200 Bonus Equity Shares)	8950	8950
- BPL Engineering Ltd. (2500 Equity Shares)	187500	187500
Total Market Value of quoted Shares is Approximately Rs.1,89,885/- (Previous Year Rs.27,680/-)		
TOTAL - A	214200	214200
Unquoted Shares		
Rajoo Cotex Ltd.(193400 Equity Shares)	-	2901000
TOTAL - B	-	2901000
Investment in Mutual Fund :		
- Axis Treasury Advantage Plan	17296	-
- HDFC Cash management	36152	-
TOTAL - C	53448	-
TOTAL A+B+C	267648	3115200

Schedule - H : Current Assets, Loans & Advances

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
I. Current Assets :		
1. Inventories :		
(1) Raw Materials & Components Indigeneous	43549350	16473274
(2) Testing Materials	569802	991761
(3) Consumable Stores	1460216	1254889
(4) Scrap	74067	-
(5) Stock in Process	24415671	39621230
(6) Finished Goods	2544000	10044000
Total - 1	72613106	68385154
2. Sundry Debtors (Unsecured considered good by the Management)		
Less than six months	69320728	55159323
Over six months	10339738	7663016
Total - 2	79660466	62822339
3. Cash & Bank Balances :		
Cash on hand	1914992	1143206
Balance with Scheduled Banks in Current Accounts	24636667	36236817
in O/D Accounts	-	31277
in Term Deposits	69489492	21500000
Total - 3	96041151	58911300
Total - I (1+ 2+ 3)	248314723	190118793
ii. Loans & Advances :		
(Unsecured and considered Good)		
Advance to Suppliers	12037887	3498991
Other Advances	2966400	8345266
Security Deposit :		
- Utility Service Deposit	1523330	1565903
- Gas Cylinder Deposit	16475	24375
- Supplier	125000	125000
- Ahmedabad Office Maintenance Deposit	176550	210894
Excise Duty Receivable	3808345	15444153
Advance Income tax	19000000	10000000
Advance Fringe Benefit Tax	-	250000
Income Tax (TDS Receivable)	330867	159774
Fringe Benefit Tax Receivable	167781	167781
Advance to Directors	2995	-
Advance to Employees	72538	66971
Bank Interest Receivable	1610003	333968
Loan to Employees	365400	621755
DEPB Licence Incentive Receivables	1842776	10467932
Service Tax input credit balance A/c.	2699290	5526547
VAT Receivable	20517881	14768545
Prepaid Insurance	1080102	956297
Prepaid Custom duty	450941	-
Tender Fee	262600	-
Total - II	69057161	72534151
Total - (I+ II)	317371884	262652944

Schedule - I : Current Liabilities & Provisions

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
i. Current Liabilities		
Sundry Creditors for		
- Expenses	4283726	2099987
- Goods	120192457	99235681
- Labour Job	366952	410128
- Capital Goods	2997808	161800
	127840943	101907596
Advance against Sales	79652594	33535151
Employees welfare fund	88847	-
Service tax payable	1743	-
T.C.S. payable	1553	732
T.D.S. payable	2814481	564491
Total - I	210400161	136007970
ii. Provisions		
Audit fees	107500	90000
Electricity Expenses	332551	342691
Bonus to Staff	884574	1312474
Leave Encashment	915990	958559
Professional Tax	32490	86230
Gratuity	-	-
Providend Fund	358578	332057
Rent	-	33820
Rent, Rate & Taxes	75500	39500
Royalty on Sales	2041303	-
Salaries	2543534	1864651
Telephone Expenses	41263	28292
Provision for Expenses	-	5100
Income Tax	19227860	16848914
Fringe Benefit Tax	-	695560
Wealth Tax	63200	66310
Dividend	9634800	7394400
Dividend Tax	1637434	1256678
Interest on TDS Late Payment	-	1513
Total - II	37896577	31356749
Total - (I+ II)	248296738	167364719

Schedule - J : other income / expenses

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
Income		
-Kasar	(513894)	176803
-Dividend Income	55848	2400
- G.S.T. Refund	-	7184
- Advance Deposit Forfeiture	1313600	2063202
-Profit on sale of Machinery	1306677	-
-DEPB licence Incentive	7941805	10235245
	10104036	12484834
Expenses		
-Exchange rate diff.	(993737)	8494642
-Loss on sale of Fixed Assets	1710155	333091
	9387618	8827733
		3657101

Consolidated Balance sheet

Schedule - K : Increase/(decrease) In Stock Of Finished Goods & Stock In Process

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
I. Finished Goods :		
Closing Stock	2544000	10044000
Less : Opening Stock	10044000	24818000
Increase/(Decrease)	(7500000)	(14774000)
II. Stock In Process :		
Closing Stock	24415671	39621230
Less : Opening Stock	39621230	13541423
Increase/(Decrease)	(15205559)	26079807
Net Increase/(Net Decrease)	(22705559)	11305807

Schedule - L : Manufacturing & Administrative Expenses

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
I-Manufacturing Expenses		
Clearing & Forwarding Charges - Imports	2908251	1818683
Conveyance Charges	76727	40455
CST on Purchases	639751	501718
Excise stuffung, Inspection Fees	21210	-
Electrical Repair & Other Expenses	128406	80665
Electricity Consumption HT	4694777	4201010
Excise Duty	648160	39768
Factory Building Repairs & Maintenance	1628911	137058
Factory Misc. Expenses	1304178	776428
Fuel for Generator	388206	174706
Goods Packing Material Consumed	3006211	3481243
Hotel Charges	20304	39857
Inward Freight	1929457	1551800
ISO Certification & Consultancy Charges	58250	78600
Labour Charges	5566488	4057697
Rent for Generator	395000	-
Licence Fees	45567	15643
Outward Freight (Manufacturing)	266324	155634
Plant & Machinery Repairing & Maintenance Exp.	389198	169485
Postage & Angadia Charges	21372	20442
Printing & Stationery Charges	211467	78712
Technical Consultancy Fees	2599299	1390924
Travelling Expenses - Domestic	169690	146123
Travelling Expenses - Foreign	30581	77902
Travelling Expenses - Internal	43372	14413
Total - I	27191156	19048966
II-Personnel Expenses		
Advertisement Expenses - Recruitment	242064	254198
Bonus to Employees	894035	1313224
Canteen Expenses	658379	303519
Conveyance Expenses - Recruitment	45611	28590
Directors Remuneration	8979997	8332162
Gratuity	424959	673968
Perquisites to Directors	167028	161398
Leave encashment	223279	191960
Leave Travel Concession	95625	-
Professional Tax	2400	2400
Providend Fund Contribution	2282905	2093109
Recruitment Expenses	213488	-
Salary & Wages Expenses (Sales-Service Staff)	27825698	22547352
Salary (O.T.) Expenses	1911134	1789968
Salary Stipend (Trainee)	1406883	864129
Security Service Charges	210825	180000
Staff Medical Aid	135747	111121
Software (ERP) Training Expenses	663643	45246
Staff Welfare	498494	314375
Training & Seminar Expenses	267327	216233
Total - II	47149521	39422952

Schedule - L : Manufacturing & Administrative Expenses

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
III - Administrative Expenses		
Advertisement Expenses	31763	51662
Books & Periodicals	91201	26988
Car Hire Charges	2500	62978
Charity & Donation Expenses	79000	101805
Computer Maintenance & Other Expenses	386559	285478
Demat Share Expenses	113681	80961
Garden Maintenance Expenses	13940	9183
Hotel Charges	3277	4135
Income Tax Expenses	-	150000
Insurance	555318	498808
Insurance -Keyman	759876	781519
Legal & Professional Fees	265890	486463
Listing Fees	28530	27500
Membership & Subscription Expenses	647426	567791
Motor Car Expenses - Petrol / Diesel	1342173	1327692
Motor Car - Repair & Maintenance	1267252	1258472
Office Building Repair & Maintenance	91707	186256
Office Equipment Repair & Maintenance	206471	232424
Office Furniture Repair & Maintenance	170814	12008
Office Misc. Expenses	43269	60098
Payment to Auditors	136000	118500
Postage & Angadia - Share	18625	21760
Postage & Angadia - Administrative	47527	38101
Printing & Stationery	300581	171873
Registration & Filing Fees	354006	11000
Rent-Rate-Taxes	28645	61145
Sales Tax Paid	801046	197735
Scooter Petrol Expenses	12200	14636
Scooter Repair & Maintenance	1813	3190
Service Tax Expenses	3916	-
Sitting Fees	12000	12000
Telephone Expenses	698527	775123
Travelling Administrative - Domestic	134678	87310
Travelling Administrative - Internal	27805	23434
Water Supply & Other Expenses	180811	126625
Total - III	8858827	7874653

Schedule - L : Manufacturing & Administrative Expenses

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
IV - Selling & Services Expenses		
Advertisement Expenses - Overseas	454196	360083
Advertisement Expenses - Sales & Service	1371129	1172025
Ahmedabad (CSO) Office Expenses	2160690	2389152
Book Debts W/off	6407375	56092
Bangalore Office Expenses	863058	1038479
Business Meeting Expenses	73594	54081
Clearing & Forwarding Charges - Export	4752000	6718691
Delhi Office Expenses	2590061	3277943
Exhibition & Display Expenditure - Domestic	4870178	11785701
Exhibition & Display Expenditure - Overseas	3169038	1787758
Foreign Collaboration expenses	1243762	-
Hotel Charges - Sales & Service	113579	381660
Hyderabad office Exp	1288	-
Internet & leased line Expenses	389956	189229
Market Research Expenses	1217500	1620000
Machinery erectioning & Repairing	23104	-
Mumbai Office Expenses	149885	173672
Outward Freight - Sales & Service	148653	339958
Postage & Angadia Charges - International	53921	247329
Postage & Angadia Charges - Sales & Service	54644	43485
Printing & Stationery - Sales & Service	242623	117411
Royalty Exp. A/c	6196991	-
Sales Promotion Expenses	158454	284304
Selling Commission - Domestic	8561567	192345
Selling Commission - Overseas	10374299	2010068
Sample FOC sales	137678	-
Travelling - Business Prospectus	444655	766435
Travelling - Sales - Domestic	254560	308414
Travelling - Sales - Foreign	164632	5100
Travelling - Service - Domestic	2045639	1531283
Travelling - Service - Foreign	1038916	1603836
Travelling - Sales & Service - Internal	1948	-
Web site Development & Maintenance Expenses	176186	100259
Total = IV	59905757	38554793
Total = (I+II+III+IV)	143105261	104901363

Schedule - M : Financial Cost

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
Paid		
Bank Interest	78042	2376628
Other Interest	150093	860358
Vehicles loan interest	212565	242673
Bank Commission / Charges	785039	2310348
	1225739	5790007
Received		
From Bank	2992450	383073
From Others	-	596239
	2992450	979312
Net Paid / (Received)	(1766711)	4810695

Schedule : N : Significant Accounting Policies

1. Basis of Preparations of financial statement:
The Financial statements 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 costs are capitalized until fixed assets are ready for use. Capital work in progress comprised 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 are accounted excluding excise duty, service tax and Central sales tax (CST). Value Added Tax (VAT) collected on sales is accounted separately in the VAT - Input Credit Account.
10. Purchase
Purchase of raw material and components, testing material, consumable stores are accounted excluding excise duty and Central Sales tax. Value Added tax (VAT) paid on purchase is accounted separately in VAT - Input Credit Account.

11. Excise duty (Including Education Cess & Secondary & Higher Secondary Education Cess)
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. The balance of CENVAT credit unavailed at the end of the year is shown under "Excise Duty Receivable" under "Loans and Advances" in 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 "VAT Receivable" under "Loans and Advances" in the schedule of "Current Assets, Loans and Advances" forming part of Balance Sheet.
 - c) In respect of the factory of the company situated at Village: Veraval (Shapar), Taluka: Kotda Sangani, District: 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.209.04 lacs and there is no balance Amount unpaid at the end of the year.
13. Service Tax
Service Tax on services availed and services provided are accounted separately in Service Tax Account and set-off is claimed against Excise Duty payable on Sales.
14. Inventories
- i) Raw Material & Components
It is valued at Purchase cost excluding Central Excise Duty but including Central Sales Tax 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) Purchases are accounted excluding Central Excise Duty and therefore, it 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 incurred to bring the inventory to present condition and location.
 - vi) Finished Goods
It is valued at selling rate.
The Finished Goods have been valued at selling price as the company manufactures goods on customer's order specification and thus the finished goods at selling price 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. Further, the quantum effect of deviation on the net profit is as under;

		Rs. In Lacs	
Sr. No.	Particulars	2009-10	2008-09
1	Profit before tax	681.86	452.44
2	Increase / (Decrease)	14.50	12.69
3	Profit after considering the deviation from Accounting Slandered AS-2 "Valuation of Inventories"	695.96	465.13

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. **Income Tax**
Provision for current tax is made on the basis of taxable income computed in accordance with the Income Tax Act, 1961.
18. **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.
19. **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.
20. **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.

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. During the year , the company has changed the method of accounting for purchase and sales. Earlier, the company was accounting purchase including Central Excise Duty and Central Sales Tax and sales were accounted including Central Excise Duty. During the current financial year, purchases are accounted excluding Central Excise Duty and Central Sales Tax and Sales is accounted excluding Central Excise Duty and Central Sales Tax.
3. 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.
4. There are two employees who were employed through out the year at a remuneration aggregating to at least Rs.24,00,000/- per annum or who were employed for a part of the year at a remuneration at least Rs.2,00,000/- per month as under:

Sr. No.	Name of the Employee	Designation	Salary Rs. (p.a.)	Provident Fund	Perquisites	Total Rs.
1	C. N. Doshi	Chairman / Director	3110292	178560	96290	3385142
2	R. N. Doshi	Managing Director	2475922	129600	35519	2641041

5. 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.
6. The company has made adequate provisions for gratuity and leave encashment in the books of accounts as per accounting standards (AS) -15.
7. Amount of borrowing costs capitalized as per Accounting Standard (AS) -1 during the year was Rs. Nil (Previous year Rs. Nil).
8. There are no lease transactions during the year.
9. 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.
10. 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

Names of the related party and description of relationship with whom there were transactions during the year.

Sr. no.	Name	Designation	Relationship
1	C. N. Doshi	Chairman	Key Management Personnel
2	R. N. Doshi	Managing Director	Key Management Personnel
3	J. P. Aghera	Whole Time Director	Key Management Personnel
4	K. P. Aghera	Whole Time director	Key Management Personnel
5	Sunil B Jain	International Operations	Key Management Personnel
6	Rajoo Cotex Limited		Associate Concern
7	REL Finance Pvt. Ltd.		Associate Concern

(Rs. in Lacs)					
Sr. No.	Particulars	Associate Concerns		Key Managerial Personnel	
		2009-10	2008-09	2009-10	2008-09
01.	Sales & Other Income	-	-	-	-
02.	Purchases & Other Services	-	-	-	-
03.	Salary & Remuneration	-	-	122.24	90.83
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	-	(0.04)	122.24	(11.39)

11. Earning in foreign exchanges

(Rs. in Lacs)		
Particulars	2009-10	2008-09
a. FOB Value of Exports	1567.73	1674.11
b. Service Charges	7.07	4.92
	1574.80	1679.03

12. Expenditure In Foreign Currency

(Rs. in Lacs)		
Particulars	2009-10	2008-09
a. Technology Consultancy fees	25.99	10.12
b. Purchase of Imported Material	422.05	285.29
c. Expenses	163.12	88.65
	611.16	384.06

13. Sundry Creditors Includes

(Rs. in Lacs)		
Particulars	2009-10	2008-09
a. Small Scale Industry	285.96	154.70
b. Others	992.47	864.38
	1278.43	1019.08

14. A. Income Tax Liabilities Not Provide For

(Rs. in Lacs)		
Particulars	2009-10	2008-09
Disputed income tax liability in respect of pending appeal:		
- A.Y. 2003-04 (Previous year 2002-03)	3.64	3.64
- A.Y. 2004-05 (Previous year 2003-04)	6.67	6.67
- A.Y. 2005-06 (Previous year 2004-05)	1.04	1.04
- A.Y. 2006-07 (Previous year 2005-06)	1.48	1.48
- A.Y. 2007-08 (Previous year 2006-07)	2.10	-

Note

(1) The disputed liabilities for A.Y. 2003-04 & 2004-05 is on account of DEPB income not considered for deduction u/s. 80 HHC of I.T. Act, 1961.

B. Other Contingent Liabilities

As per Information and Explanation provided by the management, there is no Contingent liabilities

15. Earning Per Share (eps)

(Nominal Value Per Share Re.1/-)

Particulars	2009-10	2008-09
Profit attributable to the Shareholders (Rs. in Lacs)	430.05	258.43
Number of Shares used in computing earning per Share		
For Basic	34410000	3081000
For Diluted	34410000	3441000
Earning per share (Rs.)		
Basic	1.25	8.39
Diluted	1.25	7.51

16. Payment To Auditors

(Amount in Rs.)

Particulars	2009-10	2008-09
Audit Fees	1,07,500	90,000
Tax & Other Service fees	28,500	28,500
TOTAL	1,36,000	1,18,500

17. Managerial Remuneration

(Amount in Rs.)

Particulars	2009-10	2008-09
Salaries and allowances	1,14,38,333	83,32,162
Perquisites to Directors	6,20,640	1,61,398
Contribution to Provident Fund	1,65,168	5,89,064
TOTAL	1,22,24,141	90,82,624

18. Accounting For Taxes On Income

Particulars	Current Year 31.03.2010	Previous Year 31.03.2009
Deferred Tax		
i) Opening Balance Credit	9448255	8895376
ii) Defered tax liability on account of		
- Depreciation	4212597	552879
- Graituty	-	-
	4212597	552879
iii) Deferred tax Assets on account of		
- Depreciation	-	-
- Gram panchayat tax	-	-
- Leave encashment	-	-
	-	-
iv) Net Defered Tax - Current, Credit	4212597	552879
v) Closing Balance Credit	13660852	9448255

19. Licenced & Installed Capacity

Particulars	Current Year 31.03.2010	Previous Year 31.03.2009
i. Licenced Capacity :		
1. Pre-extrusion equipments	Not Applicable	Not Applicable
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.

20. Actual Production

Particulars	Current Year 31.03.2010 Nos.	Previous Year 31.03.2009 Nos.
1. Thermoplastic extrusion plant	94	70
2. Post extrusion equipments	86	29
3. Miscellaneous parts	3077	5624

21. Value Of Imported & Indigenous Raw Material Consumed (including components) and percentage of each to the total consumption.

Sr. Particulars No.	<-----31.03.2010----->		<-----31.03.2009----->	
	Rupees	% of total consumption	Rupees	% of total consumption
1 Imported (Including Custom duty)	42347794	8.48%	38045540	11.67%
2 Indigenous	456759641	91.52%	288024217	88.33%
	499107435	100.00%	326069757	100.00%

22. Value Of Imports On CIF Basis.

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
Raw Materials including Components Purchased	42434129	37358828

23. Quantitative information in respect of Opening Stock, Purchase, Sales, Closing Stock 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.

Particulars	Current year 31.03.2010 Rupees	Previous year 31.03.2009 Rupees
A. Opening Stock		
1. Raw material & components		
Indigeneous	16473274	11864825
Imported	-	875918
2. Testing Material	991761	1460650
3. Consumable Stores	1254889	1027906
4. Scrap	-	760920
5. Stock in Process	39621230	13541423
6. Finished Goods	10044000	24818000
	68385154	54349642
B. Purchases		
1 Raw-Material & components		
Imported	42205230	37169622
Indigineous	483835717	291629840
2 Trading Purchase (Imported)	174470	-
	526215416	328799462

Particulars		Qty Nos.	31.03.2010 Rupees	Qty Nos.	31.03.2009 Rupees
C. Sale by Class of Goods					
1. Thermoplastic	Domestic	82	350039513	50	187343201
Extrusion Plants	Export	12	146951964	20	215463507
2. Post Extrusion	Domestic	84	182655850	22	26447095
Equipments	Export	2	13034326	6	5866133
3. Miscellaneous	Domestic	2033	24912316	5122	32507370
Parts & Equipments	Export	1044	15875979	502	7007526
4. Iron Waste / Scrap	Domestic	0	251165	0	752779
5. Service Charges	Domestic		239066		205609
	Export		706753		492191
6. Trading	Domestic		246834		621675
			734913766		476707086
Less : Sales Return					
- Export			417744		-
- Domestic			675000		2613345
			733821022		474093741
D. Closing Stock					
1. Raw material & components					
indigenous			43549350		16473274
2. Testing Material			569802		991761
3. Consumable Stores			1460216		1254889
4. Scrap			74067		-
5. Stock in Process			24415671		39621230
6. Finished Goods			2544000		10044000
			72613106		68385154
E. Raw-Material & Components consumed					
(I) Opening Stock					
1. Raw material & components					
Indigenous			16473274		11864825
Imported			-		875918
2. Testing Material			991761		1460650
3. Consumable Stores			1254889		1027906
4. Scrap			-		760920
			18719924		15990219
(II) Add : Purchases					
Imported (including import duty)			42205230		37169622
Indigenous			483835717		291629840
			526040946		328799462
(III) Less : Closing Stock					
1. Raw material & components					
Indigenous		43549350		16473274	
2. Testing Material		569802		991761	
3. Consumable Stores		1460216		1254889	
4. Scrap		74067		-	
			45653435		18719924
TOTAL - (I + II - III)			499107435		326069757
1. Raw Material & Components consumed					
Imported			42347794		38045540
Indigenous			456759641		288024217
			499107435		326069757

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
---	---

1	0
---	---

Day Month Year

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

Total Liabilities

		2	1	7	5	2	6
--	--	---	---	---	---	---	---

Total Assets

		2	1	7	5	2	6
--	--	---	---	---	---	---	---

Sources of Funds :

Paid-up Capital

			3	4	4	1	0
--	--	--	---	---	---	---	---

Reserves & Surplus

			1	4	9	2	2	8
--	--	--	---	---	---	---	---	---

Secured Loans

			1	8	6	9	8
--	--	--	---	---	---	---	---

Unsecured Loans

				1	5	3	0
--	--	--	--	---	---	---	---

Application of Funds :

Net Fixed Assets

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

Investments

						2	6	8
--	--	--	--	--	--	---	---	---

Net Current Assets

				6	9	0	7	5
--	--	--	--	---	---	---	---	---

Misc. Expenditure

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

Accumulated Losses

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

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

Turn-over (incl. Other Income)

			7	4	3	2	0	9
--	--	--	---	---	---	---	---	---

Total Expenditure

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

Profit before Tax

			6	8	1	4	6
--	--	--	---	---	---	---	---

Profit after Tax

			4	3	0	0	5
--	--	--	---	---	---	---	---

Earning per share in Rs.

				1	.	2	5
--	--	--	--	---	---	---	---

Dividend rate %

			2	8
--	--	--	---	---

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

Item Code No. (ITC Code)	:	84771000
Product Description	:	Injection Moulding Machine
Item Code No. (ITC Code)	:	84772000
Product Description	:	Extruders
Item Code No. (ITC Code)	:	84773000
Product Description	:	Blow Moulding Machine
Item Code No. (ITC Code)	:	84774000
Product Description	:	Vacuum forming Machines and other Thermoforming Machines



Source : CSR activity at Rajoo Engineers Limited, Rajkot

Business which does only business is no business. The theory of need hierarchy gifted by Maslow helps us to understand where to start from, when we intend to reach out for a selfless purpose. So once again we at Rajoo got together and looked out for what best could be done by us in the last year. As the REL Employees Club for Human Cause completed one year of its beginning, our motives have become stronger and we are all set to give our attempts a bigger form under the name of "Shruti Memorial Trust" in times to come.

During last year we continued our activities for human cause which included concern towards health and hygiene, awareness for importance of national festivals, helping to celebrate cultural festivals etc. This Diwali we realized to enlighten our hearts by sharing the joy of celebration with clothes and sweets distribution. Republic Day came with special invitees: those young children who hardly get opportunity to understand about the national festival, were our special guests who proudly hoisted the national flag at Rajoo's Premises. This was a moment for all us to take pride of. Regular distribution of seasonal fruits, blood donations etc. are ongoing activities. Bringing about smiles at large has given our employees a sense of fulfillment and satisfaction.

Students' Development Programme

Shaping the future is one of our key goals and we are increasing our concern toward development of students. Summer Internships/projects/visits for students from colleges all over the country are organized with in-house mentors for them. Our managers also are visiting various campuses to guide students and help them on how to be prepared for the challenges of future. Many such students have later become a part of Rajoo and are now working with us. At Rajoo, we also sponsor various events like Second National conference on "International Business" by Padmashree Dr. D. Y. Patil University's Department of Business Management, CBD Belapur to promote student's activity and to motivate them.



Source : Premises of Rajoo Engineers Limited, Rajkot

Environment, Health and safety

“going green
going paperless”

Your company thrives to provide a pleasant and hazard-free working environment, with adequate facilities and welfare arrangements by

- supplying employees and visitors with sufficient health and safety information
- Ensuring that all new employees receive training in health and safety issues as part of their induction

Rajoo has successfully completed a "Green Field project" in approx 17,555 Sq.mt. of area to convert the concrete jungle with old buildings into soft landscaping and lush green gardens for increasing work efficiency. Contribution to environment is Rajoo's fundamental belief which is executed with soul and spirit.

Rajoo has effectively employed renewable energy resources such as solar light and rain water harvesting throughout company's premises.

Rajoo has also started the mission of "Going Paperless" and that will not only help in ecological responsibility but will also increase work efficiency.

The management is continuously working towards providing and maintaining a safe place of work for all employees. Adequate equipments are provided where necessary and such equipments are regularly maintained to ensure its safety and reliability.

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 _____ (write full address) or
failing him _____ of _____
(Write full address) as my / our proxy to attend and vote on my / our behalf at the Twenty Third Annual General Meeting of the
Company to be held on Friday, 20th August, 2010.

Signed this _____ day of _____ 2010.

Signature _____

REVENUE
STAMP OF
Rs. 1-00

Note :

1. The Proxy need NOT be a member.
2. The Proxy Form 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 Twenty Third Annual General Meeting of Company at Registered Office situated at
Manavadar - 362 630 Dist. Junagadh, Gujarat on Friday, 20th August, 2010.

Member's / proxy's name in Block Letters

Member's/proxy's Signature

1. _____

2. _____

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.