

Adopting *the new normal*

# Rajoo Engineers Limited

ANNUAL REPORT - 2019 - 2020

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

Date : 30<sup>th</sup> September, 2020, Day : Wednesday Time : 11.00 a.m.  
Venue : Registered Office, Junagadh Road, Manavadar - 362 630  
District : Junagadh (Gujarat)

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### Admn. & Mktg. Office :

Rajoo Avenue, Survey No.210, Plot No. 1, Industrial Area, Veraval (Shapar),  
Dist. : Rajkot - 360 024. Gujarat, India. Phone : +91-97129-62704/52701  
Fax : +91 02827 252700 E-mail : rel@rajoo.com

### Regd. Office :

Junagadh Road, Manavadar-362 630. Dist. : Junagadh (Gujarat)  
E-mail : relmvr@rajoo.com CIN : L27100GJ1986PLC009212





#### Important Communication to Members

The Ministry of Corporate Affairs has taken a "**Green Initiative in Corporate Governance**" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members feedback form given hereunder and register the same to

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

#### Contents

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

## PERFECT BLEND OF EXPERIENCE AND EXPERTISE

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

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



**R. N. Doshi**

Chairman & Managing Director

Responsible for the overall operations including production, new developments and services, is the co-founder of this company. He has 35 years of experience in plastic processing, machinery manufacturing, engineering and product innovation and development. He is adept in selection of world class inputs for our products, cost reduction and inventory control to ensure our continued competitiveness. His extensive management experience includes several start-ups, plant installations and significant processing improvements in record time.



**Sunil Jain**

Director

Overall marketing, business development, diversification and growth strategies at the corporate level are the responsibilities of Mr. Jain. He has more than 35 years of experience in the flexible packaging industry and plastic extrusion machinery industry. He has successfully developed key relationships with our esteemed customers and overseas partners. Prior to joining Rajoo, he has worked with various flexible packaging conversion Units, holding various senior managerial and technical positions. He is a graduate in Mechanical Engineering from BITS (Pilani), a reputed institute of India.



**Khushboo Chandrakant Doshi**

Whole Time Director

Over 11 years of experience in the area of HR, Business Development, Customer Care and Finance. Khushboo is an architect by education and holds a Master's Degree in Industrial Product Design from UK. She is also a "Masters in Management for Entrepreneurs" from IIM Ahmedabad and "Family Businesses" from IIM Bangalore. Sales and Marketing is her passion and has been responsible for establishing brand "Rajoo" in the industry- both in the country and globally. A firm believer in Woman Empowerment, Rajoo Engineers is one of the first companies in Saurashtra Region of Gujarat to employ women in the engineering functions



**Utsav Doshi**

Whole Time Director

Utsav Doshi, a second generation entrepreneur, joined Rajoo Engineers in 2011 as an Engineer – Vendor Development. He holds a Bachelor's Degree in Mechanical Engineering with a Masters in Polymer technology from HTW Aalen University, Germany. Utsav has cross functional expertise in Design and Operations. Utsav Doshi is an integral part of the senior management and responsible for entire manufacturing activity at REL

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

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

## A letter to the shareholder

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

Having made a modest start in 1986, our Company has come a long way and is now a global player. Today at Rajoo Engineers, we manufacture and sell variety of plastic processing machineries, which are highly regarded by users across the world, for a wide range of application and purpose. Our product lineup in the field includes Monolayer Blown Film Lines, Downward Extrusion Blown Film Lines, Seven-layer Co-Extruded Blown Film Line and Thermoforming & PS Foam Vacuum Forming Machines and various extruding machines. Today we also supply a diverse range of blown films and sheet extrusion which caters into lamination grade films, liquid packaging films, high dart FFS resin sacks films, meat and cereal packaging films, short shelf-life oil packaging films, pharmacy and medical grade films, and geo-membrane chemical/soap packaging films.

After COVID-19 calamity, we have developed new product namely “MasCon N95” Machine capable of producing high output N95 Mask and “Melt Blown” capable of producing melt blown fabrics used in N95 mask manufacturing. We have got excellent response with substantial orders. We have already dispatched 4 MasCon N95 machines as well as 5 Melt Blown machines

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



**R N Doshi**

Chairman & Managing Director



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

## Vision

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

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

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

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

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

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



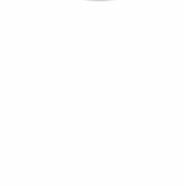
**C. N. Doshi**  
Founder & Mentor, Rajoo Engineers Ltd.

## 34 YEARS OF LEADERSHIP



1986

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



Launched monolayer blown film line, christened FOILEX

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

1988



1989

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



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

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

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

1990



1991

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



1992

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



1994

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

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

## 34 YEARS OF LEADERSHIP



Exported country's first "CE" marked machine to the British market



Rajoo made a break-through and introduced its first plug assist, roll fed thermoforming machine, christened DISPOCON



Launched the first ever **sheet line** for PET at Plastindia

5 layer stack die (UCD) with horizontal spirals – first time in Asia & 4th in the world



1995

introduced the first indigenously designed and manufactured extruder incorporating grooved feed bush, barrier screw and cross-hole mixing section



1996

1997

Introduced Internal Bubble Cooling System for blown film lines



1998

1999

Secured ISO 9001 certification



2000

Introduced world's highest output TQPP downward extrusion blown film line at Plastivision 2002, christened AQUAFLEX



2001

Introduced the first indigenously designed wide width blown film line for a lay-flat width of 3000 mm

## 34 YEARS OF LEADERSHIP



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



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



2003

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

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

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



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

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



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

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

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



2004

2005

2006



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



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

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

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

2007



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



2008

2009

## 34 YEARS OF LEADERSHIP



Supplied Asia's first CE compliant 7 layer fully automatic blown film line to Turkey



Exported India's first ever twin screw PVC pipe Plant, OD ranging from 250-500mm; with Maximum Output 1100 kg/hr to Malawi



Developed India's first ever PP non woven fabric making machine



India's first ever live demonstrations of cPVC Twin screw pipe plant with an output of 250 kg/hr with pipe OD ranging from 250-500mm, christened FLOWEX



Developed CSD (Cylindrical Spiral Die) die head with rheologically optimized melt flow path for blown film line



Launched Asia's first ever WPC line capable of processing 70% sawdust



Launched Asia's first ever highest output (500 kg/hour) sheet extrusion system amongst its class of lines & displayed at Plastindia



Developed Asia's first ever and Rajoo's 21st five layer blown film line with elevated air ring and displayed at Plastindia



2010

Wonderpack merger: A unified approach for the benefit of the thermoforming industry



Rajoo Engineers forges ahead; Technical collaboration with Hosokawa Alpine AG, Germany



Rajoo Engineers JV with Bausano of Italy : plastic pipe manufacturing industry in India gets a fillip



2011

2012

Developed world's first smallest 3 layer blown film line and exported to USA



Launched Drip irrigation pipe plant



Launched and displayed first ever fully automatic Hybrid 5 layer blown film and displayed at Plastindia

2013

2014

Launched Two extruder three layer blown film line to meet highly competitive market of carry bags, Christened MULTIFOIL - LITE



Launched Drip irrigation pipe plant for flat drippers and became India's largest supplier



2015

On 8th June, 2015, we started 5s work place management programme "Shrestha - a journey towards excellence" and also inaugurated a guiding logo "Chandra- the guiding light"

Manufactured asia's biggest three layer blown film vertical spiral die

Introduced PENTAFOIL - five layer POD blown film line to re-define application segments and demonstrated live @ K-2016

2016

## 34 YEARS OF LEADERSHIP



Joined hands with Kohli Industries to create a formidable alliance to build and maintain one of the most advanced and versatile Extrusion Coating and Lamination machines. Also appointed Multigraph for promoting these machines pan-India.



2018

2019

2020

Launch a skill development hub "Rajoo Innovation Centre" for the plastics extrusion industry (a first in Asia)

Launched HEPTAFOIL - Seven Layer Co-extruded Blown Film Line in Plast India-2018 and demonstrated through Virtual Reality (VR)

Launched Lamex - Extrusion Coating & Lamination Line to meet the needs of the flexible packaging industry



Introduced Fabrex - Melt Blown Fabric Making Machine

Launched Mascon - Automatic N-95 Mask Making Machine to produce various types of Masks like N 95 (with valve & without valve).

## The year 2019-2020 at a glance

### Lamex Open house - 2019

Commitments demonstrated live at the Mega Open House of the Rajoo-Kohli LAMEX Series of Extrusion Coating and Lamination Line. The open house was a landmark success. Seeing the machine cruise at a line speed of 207 mpm, really amazed the audience. With the extruder and dies coming from Rajoo and the coater and web-handling systems from Kohli, the converters were assured of getting best of both the worlds. The converters witnessed extensive benefits - be it technology, be it price or be in support.



### Multifoil -X Open house - 2019

On 4th October Open House was kept for Multifoil -X Three Layer Co-Extruded Blown film line system to produce cross laminated Tarpaulin



### Exposition

A Never Before Showcase by Rajoo Engineers, Live At K 2019 In Dusseldorf



### TRIBUTEX

#### In reverence & remembrance

Though you are not with us today, you are and will be the guiding star in all our progresses, your place in the company's history will remain indelible



## The year 2019-2020 at a glance

### Wall of fame

“Saurashtra Na Business Nayako” a book narrates success journey of the entrepreneurs of Saurashtra which also covers Rajoo Engineers Limited. The book was launched on 25th September and was attended by entrepreneurs. Ms. Khushboo C.Doshi was in the discussion panel, with her thoughtfulness and experience she outlined the reason why some SMEs remain SME. Being a second generation she also shared some tips of do's & don'ts.



### New Product launch

**FABREX - Melt Blown Fabric Making Machine** Pioneered non-woven fabric technology in India and supplied many spun bond lines in the last decade. Now introducing yet another nonwoven fabric technology - Melt Blown



### SIES SOP STAR AWARDS - 2019

Awarded to **M/S RAJOO ENGINEERS LTD.** For Multistation Thermoforming Machine Dispocon Ms



### New Product launch

**Mascon - Automatic N-95 Mask Making Machine** to produce various types of Masks like N 95 (with valve & without valve).



**EXECUTIVE DIRECTORS:**

Rajesh N. Doshi  
Chairman & Managing Director

Sunil B. Jain  
Executive Director (Professional)

Khushboo C. Doshi  
Whole Time Director

Utsav K. Doshi  
Whole Time Director

**NON EXECUTIVE DIRECTORS:**

Ramesh A. Shah  
Independent Director

Kirit R. Vachhani  
Independent Director

Rajendra G. Vaja  
Independent Director

Laxman R. Ajagiya  
Independent Director

**KEY MANAGERIAL PERSONNEL:**

J. T. Jhalawadia  
Chief Financial Officer

Vijay Jadeja  
Company Secretary

**BANKERS:**

Axis Bank Ltd.  
Yes Bank Ltd.  
UCO Bank

**STATUTORY AUDITORS:**

Pankaj K. Shah, Associates  
Chartered Accountants

**REGISTERED OFFICE:**

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

**WORKS:**

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

**Summary of Operating and Financial Position for past 5 years**

(Rs. In Lakhs)

<b>Particular</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
<b>OPERATING RESULTS</b>						
Revenue From Operations & Other Income	9369.42	12352.25	14732.93	12115.34	10701.79	11719.27
Profit before depreciation & Interest	746.00	1527.84	2193.62	1320.49	1000.87	1079.46
Profit before tax (PBT)	159.86	925.69	1816.68	980.90	700.75	774.04
Profit after tax (PAT)	146.71	788.81	1205.94	626.64	457.61	523.96
PAT as % of Sales	1.57%	6.39%	8.19%	5.17%	4.28%	4.48%
Retained earnings	146.71	788.81	1028.32	626.64	283.00	329.35
Earning per share (EPS) Rs.	0.24	1.28	2.03	1.10	0.79	0.90
Dividend % p.a.	0%	0%	25%	25%	25%	25%
<b>FINANCIAL SUMMARY</b>						
<b>Assets</b>						
Non- Current Assets						
(a) Fixed Assets (Net)	4498.83	4831.17	4917.80	2995.43	2462.98	2168.10
(b) Non- Current Investment	196.73	197.70	200.25	198.14	198.14	198.14
(c) Long Term Loans & Advances	44.80	51.78	37.02	34.05	111.44	21.60
(d) Other Non - Current Assets	6.53	6.65	66.03	6.52	13.03	19.55
<b>Current Assets</b>	<b>9353.99</b>	<b>7641.08</b>	<b>9655.88</b>	<b>7240.53</b>	<b>4993.94</b>	<b>4957.34</b>
<b>Total</b>	<b>14100.88</b>	<b>12728.38</b>	<b>14876.98</b>	<b>10474.67</b>	<b>7779.54</b>	<b>7364.73</b>
<b>Equity and Liabilities</b>						
Shareholders Fund						
(a) Share Capital	615.31	615.31	615.31	580.31	580.31	580.31
(b) Reserves & Surplus	6142.68	5989.64	5399.96	3565.58	3099.18	2816.18
Total Shareholders Funds	6757.99	6604.95	6015.27	4145.88	3679.49	3396.49
Non Current Liabilities	807.94	1100.55	785.59	293.79	289.20	278.20
Current Liabilities	6534.95	5022.89	8076.13	6034.99	3810.86	3690.04
<b>Total</b>	<b>14100.88</b>	<b>12728.38</b>	<b>14876.98</b>	<b>10474.67</b>	<b>7779.54</b>	<b>7364.73</b>
Current Ratio	1.43	1.52	1.20	1.20	1.31	1.34
Debts Equity	1.09	0.93	1.47	1.53	1.11	1.17
<b>OTHERS</b>						
Book Value per Share (Rs.)	10.98	10.73	9.78	1.74	6.34	5.85
Gross Fixed Assets	7511.43	7471.93	7188.44	5053.43	4280.14	3783.41

## AGM NOTICE

Notice is hereby given that thirty third Annual General Meeting (AGM) of the Members of the Company will be held on Wednesday, 30th September, 2020 at 11:00 a.m. at the Registered Office of the Company situated at Junagadh Road, Manavadar - 362 630, Dist. Junagadh, Gujarat, India to transact the following business:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors ("the Board") and auditors thereon;
2. To appoint Director in place of Khushboo Chandrakant Doshi (DIN: 00025581) who is liable to be retired by rotation and, being eligible, offers himself for reappointment.
3. Re-appointment of Laxman Rudabhai Ajagiya as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Laxman Rudabhai Ajagiya (DIN 07517935), who was appointed as an Independent Director at the Twenty Ninth Annual General Meeting of the Company and who holds office up to May 12, 2021 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September 30, 2020 up to September 29, 2025."

4. To ratify the appointment of Cost Auditor for the Financial Year 2020-2021 by passing the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Shailesh Thaker & Associates, Cost Accountants (Firm Registration No. 101454), appointed by the Board of Directors as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending March, 2021, amounting Rs. 40,000/- (Rupees Forty Thousand Only) plus Goods and Service tax and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is here by approved."

Date: 10/08/2020  
Place: Veraval (Shapar)

For and on behalf of the Board of Directors of  
**Rajoo Engineers Limited**

**(R. N. DOSHI)**  
Chairman & Managing Director  
(DIN: DIN:00026140)

## AGM NOTICE

### Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 to 4 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty Members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / letter of authority, as applicable. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive).
4. Members holding shares in the physical mode are requested to notify immediately the change of their address and bank particulars to R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository participants.
5. The Securities and Exchange Board of India ('SEBI') has mandated the transfer of securities to be carried out only in dematerialized form (except in case of transmission or transposition of securities) effective from 1st April, 2019. Accordingly, requests for physical transfer of securities of listed entities shall not be processed from 1st April, 2019 onwards. In view of such amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialize their holdings.
6. The route map giving directions to reach the venue of the 33rd AGM is given at the end of the Notice
7. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders, who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.
8. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
9. As per the provisions of Section 72 of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. Members holding shares in electronic form may obtain nomination forms from their respective Depository Participant.

## AGM NOTICE

10. The balance lying in the unpaid dividend account of the Company in respect of dividend declared for the financial year 2012-13 will be transferred to the Investor Education and protection Fund of the Central Government by 20th October, 2020. Members who have not encased their dividend warrants pertaining to the said year may approach the Company or its share transfer agent for obtaining payments thereof by 20th October, 2020.

Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, Company has sent individual notice to all the members whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement in this regard. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company, [www.rajoo.com](http://www.rajoo.com).

### 11. Voting through Electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies Management and Administration) Rules, 2015, and Regulation 44 of Listing Regulations, the Company is pleased to provide Members with a facility to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through Electronic Voting (e-Voting) Services. The facility for casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Service Limited (CDSL):

### INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins on 27th September, 2020, 10.00 a.m and ends on 29th September, 2020, 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 23rd September, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user then follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Rajoo Engineers Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxi) Paras Savjani, Partner of Dodiya Mehta & Co., Practising Chartered Accountant (Membership No. 126601) Rajkot, has been appointed as the Scrutiniser to scrutinize the e – Voting Process as well as the voting by way of poll, to be conducted at the AGM, in fair and transparent manner.

**Contact Details:**

<b>Company :</b>	<b>Rajoo Engineers Limited</b>
Registrar & Transfer Agent :	Link Intime India Pvt. Ltd
Ahmedabad Office :	5th Floor, 506 to 508, Amarnath Business, Centre – 1 (ABC-1), Beside Gala Business, Centre, Nr. St. Xavier's College Corner, Off C G Road, Navrangpura, Ahmedabad-380009 Tel: +91-79-26465179
E- Voting Agency :	Central Depository Services (India) Limited Email: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> Phone: 022-22723333/8588
Scrutinizer :	CA. Paras Savjani Partner of Dodiya Mehta & Co, Practicing Chartered Accountants, Rajkot. Email: <a href="mailto:paras.savjani@gmail.com">paras.savjani@gmail.com</a>

The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would Count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rajoo.com](http://www.rajoo.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") where the shares of the Company are listed.

- (12) At the Thirty First AGM held on September 25, 2018 the Members approved appointment of M/s. Pankaj K. Shah Associates, Chartered Accountants (Firm Registration No. 107352W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM for a single tenure of 5 years, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM .
- (13) Notice of the AGM along with the Annual Report 2019-20 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website <https://www.rajoo.com>.
- (14) To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with Company's R & T Agent / Depository Participants, in respect of shares held in physical / electronic mode respectively.

Date: 10/08/2020  
Place: Veraval (Shapar)

For and on behalf of the Board of Directors of  
Rajoo Engineers Limited

**(R. N. DOSHI)**  
Chairman & Managing Director  
(DIN: DIN:00026140)

**EXPLANATORY STATEMENT AS PER SECTION 102 OF THE COMPANIES ACT, 2013 AND /OR REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****Item No.3**

Laxman Rudabhai Ajagiya is currently an Independent Director of the Company was appointed as an Independent Director of the Company by the Members at the 29th AGM of the Company held on 26th September, 2016 to hold office up to 12th May, 2021 and is eligible for re-appointment for a second term on the Board of the Company as an Independent Director. Based on the recommendations of the Nomination and Remuneration Committee (NRC) of the Board of Directors propose the re-appointment of Laxman Rudabhai Ajagiya as an Independent Director of the Company, not liable to retire by rotation, for period commencing September 30th, 2020 up to September 24, 2025, subject to the approval of the Members by a Special Resolution. The Company has in terms of Section 160(1) of the Act received a notice from a Member proposing his candidature for the office of Director.

Based on the performance evaluation of the Independent Directors and as per the recommendations of the NRC, given his background, experience and contribution, the Board is of the opinion that Laxman Rudabhai Ajagiya continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail his services as an Independent Director.

The Company has received a declaration from Laxman Rudabhai Ajagiya confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In terms of Regulation 25(8) of the Listing Regulations, Laxman Rudabhai Ajagiya has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Laxman Rudabhai Ajagiya has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Laxman Rudabhai Ajagiya is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Laxman Rudabhai Ajagiya is Bachelor in Commerce and has wide experience of more than 30 years in Nationalised Bank and has experience in finance, taxation and auditing.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the Listing Regulations and other applicable provisions of the Act and Listing Regulations, the re-appointment of Laxman Rudabhai Ajagiya as Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board recommends the Special Resolution set out in Item No. 3 of the accompanying Notice for approval of the Members.

Except Laxman Rudabhai Ajagiya, none of the Directors or KMP of the Company and their respective relatives is concerned or interested in the resolution set out at Item No. 3 of the accompanying Notice. Laxman Rudabhai Ajagiya is not related to any other Director or KMP of the Company.

**Item No.4**

The Board, on recommendation of the Audit Committee has approved the appointment and remuneration of M/s. Shailesh Thaker & Associates, Cost Accountant, Ahmedabad as Cost Auditors of the Company to conduct the audit of the cost records of the company for the Financial Year 2020- 21 at a fee of Rs. 40,000/- plus applicable taxes and reimbursement of out of pocket expenses, as remuneration for cost audit services for the F.Y. 2020-21.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel or relatives of them are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

Date: 10/08/2020  
Place: Veraval (Shapar), Rajkot

For and on behalf of the Board of Directors of

**Rajoo Engineers Limited**  
(R. N. DOSHI)  
**Chairman & Managing Director**  
(DIN: DIN:00026140)

**Annexure 1**
**Details of Directors seeking appointment/reappointment at the AGM**
**[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings]**

Director's Name	Khushboo Chandrakant Doshi
DIN No.	00025581
Date of Birth	24.07.1982
Date of Appointment	01.01.2012
Qualification	B. Arch, M.I.P.D. & D.F.B.M.
Expertise in specific functional area	Initially started as head MarCom now looking after MarCom, HR, Customer Care, Trial & Testing and Accounts & Finance.
Number of Shares held in the Company.	4867042
Directorship held in other Indian Companies (excluding Directorship in held on 31st March 2020 (excluding Rajoo Engineers Ltd.)	Rajoo Bausano Extrusion Pvt.Ltd. Avantgarde Design Studio Private Limited
Chairperson/ Member of the Committees of the Board of other Companies in which he/she is a Director as on 31st March, 2019 (excluding Rajoo Engineers Limited)	NIL
Director's Name	Laxman Rudabhai Ajagiya
DIN No.	07517935
Date of Birth	24.08.1951
Date of Appointment	13.05.2016
Qualification	B.Com.
Expertise in specific functional area	Being ex-banker, he is having a vast experience in the field of finance, taxation and auditing.
Number of Shares held in the Company.	8000
Directorship held in other Indian Companies (excluding Directorship in Rajoo Engineers Ltd.	Nil
Chairperson/ Member of the Committees of the Board of other Companies in which he/she is a Director as on 31st March, 2019 (excluding Rajoo Engineers Limited)	Nil

For other details such as the number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Corporate Governance Report which is a part of this Annual Report.

## DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the 33rd Annual Report along with the audited financial statements of your Company for the financial year ended on 31st March, 2020.

### FINANCIAL SUMMARY AND HIGHLIGHTS:

The summarized financial highlights are depicted below:

Particulars	Standalone		Consolidated		(₹ In Lakhs)
	2019-20	2018-19	2019-20	2018-19	
<b>OPERATING RESULTS</b>					
Sales & other income	9369.42	12352.25	9921.82	13293.86	
Profit before interest & depreciation Less :	746.00	1527.83	758.32	1552.35	
- Depreciation	377.64	375.04	381.66	377.81	
- Interest	208.50	227.11	209.62	228.62	
<b>Net profit before taxation Less :</b>	<b>159.86</b>	<b>925.68</b>	<b>167.04</b>	<b>945.92</b>	
- Taxation	26.78	190.99	27.38	194.53	
- Mat Credit Entitlement	(2.19)	(43.42)	(2.19)	(43.42)	
- Deferred tax	(11.43)	(10.69)	(10.71)	(9.24)	
<b>Net profit after taxation</b>	<b>146.70</b>	<b>788.81</b>	<b>152.56</b>	<b>804.05</b>	
Profit for the year attributable to :					
Owners of the Company	146.70	788.81	152.56	804.05	
Non Controlling Interest	-	-	-	-	
Other Comprehensive Income	<b>4.39</b>	<b>(27.07)</b>	5.25	<b>(26.09)</b>	
Total Comprehensive Income	<b>151.09</b>	<b>761.74</b>	<b>157.81</b>	<b>777.96</b>	
<b>Profit for the Year</b>	<b>146.70</b>	<b>788.81</b>	<b>152.56</b>	<b>804.05</b>	
Add: Balance of Profit brought forward from previous year	<b>4432.97</b>	<b>3816.23</b>	<b>4730.18</b>	<b>4158.99</b>	
Add: Prior Year's adjustment (Dividend Paid of Last Year)	-	-	-	-	
<b>Amount available for appropriation</b>	<b>4579.68</b>	<b>4605.04</b>	<b>4882.74</b>	<b>4963.04</b>	
Dividend on Equity Shares	0.00	153.83	0.00	212.80	
Dividend tax	0.00	31.62	0.00	31.61	
Transfer to General Reserve	0.00	0.00	0.00	0.00	
Depreciation Adjustment	0.00	0.00	0.00	0.00	
IndAS Effect of Leave Encash	0.00	(4.05)	0.002	<b>(2.23)</b>	
Income Tax Refund	1.94	(9.33)	(1.94)	(9.33)	
<b>Balance Profit carried forwarded to Balance sheet</b>	<b>4581.62</b>	<b>4432.97</b>	<b>4884.68</b>	<b>4730.18</b>	

There are no material changes and commitments affecting the financial position of the company between the end of the financial year and the date of this report.

## PERFORMANCE OF YOUR COMPANY

Revenue from operations was Rs. 93.69 Crore in FY 2020 as against Rs. 123.52 Crore in FY 2019. Profit after Tax was at Rs. 1.47 Crore in FY 2020 as against Rs. 7.88 Crore in FY 2019.

## DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended on 31st March, 2020.

## EMERGENCE OF COVID-19

Towards the end of the financial year, the World Health Organisation (WHO) declared Covid-19 a pandemic and the outbreak, which infected millions, has resulted in deaths of a significant number of people globally. Covid-19 is seen having an unprecedented impact on people and economies worldwide.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation. It is focussed on controlling the fixed costs, maintaining liquidity and closely monitoring the supply chain to ensure that the manufacturing facilities operate smoothly.

The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19 pandemic. The operations were disrupted, as a result of which goods worth 13 crore could not be despatched to the overseas customers. Further, international as well as domestic shipments were also disrupted due to absence of transportation facilities in the last week of March 2020.

The Company operates its business in conformity with the highest ethical and moral standards and employee centricity. In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of its employees at its plant locations, various branch offices and the head office. The office based employees were allowed to work from home by providing adequate digital and other assistance. The Company observed all the government advisories and guidelines thoroughly and in good faith.

## SHARE CAPITAL

Paid-up Equity Share Capital as on 31st March, 2020 was Rs. 6,15,30,750/-. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

## LISTING

The Equity Shares of the Company continue to remain listed on the Bombay Stock Exchange Limited.

## PUBLIC DEPOSIT

The Company has not accepted any deposit within the meaning of Chapter V of the Companies Act, 2013 and the Rules framed there under.

## PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

The Particulars of loans, guarantees and Investments have been disclosed in the Financial Statements.

## SUBSIDIARY & ASSOCIATE COMPANY

Your Company has a 49:51 joint venture with Bausano Holdings SRL, Italy under the name of Rajoo Bausano Extrusion Private Limited to manufacture and market pipe and profile extrusion machinery lines including for wood composite profiles in India, with a special emphasis on Africa, Gulf and SAARC markets.

Rajoo Bausano Extrusion Private Limited is a combination of Rajoo's best in class infrastructure and Bausano's sublime pioneering technology, availability of indigenous raw material and access to the latest technology. Through this unique Joint Venture, customers are offered world class technological products at affordable price levels.

The Consolidated Financial Statement of the Company along with its Associates (Rajoo Bausano Extrusion Private Limited) prepared for the year 2019-20 forms part of this Annual Report.

A Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per Companies act, 2013 is provided in Form AOC-1 as **Annexure I**.

The Company does not have any subsidiary as on reporting date. During the year under review, company does not have become or ceased to be Company's subsidiaries, joint ventures or associate companies.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 Ms. Khushboo Chandrakant Doshi retires by rotation and being eligible has offered herself for re-appointment. Brief particulars of Ms. Khushboo Chandrakant Doshi and her expertise in various functional areas is given in the Notice conveying the Annual General Meeting.

Laxman Rudabhai Ajagiya is eligible for re-appointment as an Independent Directors for a second term. Based on the recommendation of the NRC, his re-appointment for a second term commencing from 30th September, 2020 up to 29th September, 2025 is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

In compliance with Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of all the Directors proposed to be appointed/re-appointed are attached along with the Notice to the ensuing Annual General Meeting.

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

Following are the Key Managerial Personnel of the Company:

1. R. N. Doshi : Chairman & Managing Director
2. Khushboo Chandrakant Doshi: Whole Time Director
3. Utsav K. Doshi: Whole Time Director
4. J. T. Jhalavadia: Chief Financial Officer
5. Vijay Jadeja: Company Secretary

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)© of the Act:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors had 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 as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## NUMBER OF MEETINGS OF THE BOARD

Fourteen meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

## INDEPENDENT DIRECTORS' MEETING AND FAMILIARISATION PROGRAMME

The Independent Director met on 12th March, 2020 without attendance of Non-Independent Directors and members of the Management. The independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking in to account the views of the Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The details of the program for familiarization of the Independent Directors of the Company are available on the Company's website [www.rajoo.com](http://www.rajoo.com)

#### **ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS:**

Pursuant to the applicable provisions of the Act, Listing Regulations and Governance Guidelines, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee meetings, etc. The above criteria for evaluation were based on the Guidance Note issued by Securities and Exchange Board of India.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178 (3) of the Companies Act, 2013 is made available on the Company's website [www.rajoo.com](http://www.rajoo.com)

#### **BOARD COMMITTEES**

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, CSR Committee, Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

There have been no situations where the Board has not accepted any recommendation of the Audit Committee.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted a CSR Committee and has framed a CSR Policy. The brief details of CSR Committee are provided in Corporate Governance Report. The Annual Report on CSR Activities in prescribed format is enclosed in Annexure II of this report. The policy is available on the website of the Company at <http://www.rajoo.com/csr.html>.

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT**

The Management Discussion and Analysis Report, the Business Responsibility Report and the Report on Corporate Governance, as required under the Listing Regulations, forms part of the Annual Report.

#### **RISK MANAGEMENT**

Your Company recognizes that Risk as an integral part of business and is committed to minimizing the risk in a pro-active and efficient manner. More details on risk management are covered in the Management Discussion and Analysis forming part of this Annual Report.

#### **INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder. The Company has also constituted an Internal Committee to redress complaints received regarding sexual harassment. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this policy. An Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year:

No. of complaints received: Nil  
No. of complaints disposed off: NA

#### **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013 the extract of Annual return is given in Annexure IV in the prescribed Form MGT-9, which forms part of this report.

#### **RELATED PARTY TRANSACTIONS:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <http://www.rajoo.com/investorszone.html>. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

All contracts/arrangements/transactions entered by the Company during the financial year with the related parties were in ordinary course of business and on an arm's length basis. Your Company had not entered in to any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

#### **SIGNIFICANT AND MATERIAL ORDER**

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

#### **INSURANCE**

Your Company has taken appropriate insurance for all the assets against foreseeable perils.

#### **AUDITORS & AUDITORS REPORT**

At the Thirty First AGM held on September 25, 2018 the Members approved appointment of M/s. Pankaj K. Shah Associates, Chartered Accountants (Firm Registration No. 107352W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM for a single tenure of 5 years, subject to ratification of their appointment by Members at every AGM, if so required under the Act.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

The statutory Auditor's Report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has M/s. Maulik Sheth & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2020. The Secretarial Audit Report is annexed as Annexure – V. there were no qualifications, reservations or adverse remarks given by Secretarial Auditor of the Company.

## **COST AUDIT REPORT**

Your Company has appointed M/s. Shailesh Thaker & Associates, Practicing Cost Accountants to conduct audit of the cost records of the Company for the year ended 31st March, 2021. The Cost Audit Report for the year 2018-19 was filed before the due date with the Ministry of Corporate Affairs.

## **PARTICULARS OF EMPLOYEES**

The Disclosure as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure III** and forms a part of this report.

## **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company has established a robust Human Resources ('HR') system that nurtures a conducive and productive work culture. It emphasises on the freedom to express views, competitive pay structure, performance-based reward system and growth opportunities, and internal job postings within the organisation for career options for the employees. It has well-documented and disseminated employee-friendly policies to enhance transparency, create a sense of teamwork and trust among employees and align employee interests with organisational strategic goals. These policies assist in holistic HR development and play a key role in right talent on-boarding, talent retention, and leadership development.

The Company ensures equal access to opportunities in the areas of recruitment, training and up gradation, professional development and advancement, regardless of gender, age, racial/ethnic background, religion or social status. The Company adheres to the Rajoo's Code of Conduct to strengthen core Rajoo's values of excellence and leadership.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO \**

### **1. Conservation of energy**

(a) Energy conservation measures taken:

The Company has continued its efforts to improve energy efficiency with more vigor and depth. Your Company continually took necessary steps to absorb and adopt the latest technologies and innovations in the Plastic Manufacturing Machines Industry. All machinery and equipment are continuously serviced, updated and overhauled in order to maintain them in good condition. This resulted in consumption of lesser energy consumption. Energy audits and Inter unit studies are carried out on a regular basis for taking steps for reduction of the energy consumption.

(b) Steps taken by the Company for utilizing alternate sources of Energy:

As part of its long term sustainability plan, the Company has initiated various steps towards utilizing alternate source/renewable source of energy:

- The company has installed and commissioned 304.64 KW (DC) capacity Solar Power Plant in the state of Gujarat at Village HADAMTALA, Taluka Kotda-Sangani, District Rajkot.

- All efforts are made to use more natural lights in offices/Factory/stores premises to optimize the consumption of energy.

(c) The capital investment on energy conservation equipment: NIL

### **2. Technology absorption**

(a) Efforts made towards Technology Absorption:

- The Company continues to adopt and use the latest technologies to improve the productivity and quality of its products.

- The Company has technical collaboration with Commodore LLC., USA, Bausano & Figli, Italy and MEAF Machines B.V. of Netherlands are strategic partners.

(b) Benefits derived like product improvement, cost reduction, product development or import substitution:

Due to integrated facility and infusion of new technology, the Company is in position to offer most energy efficient products to consumers.

**3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

No Technology was imported for conservation of energy.

**4. Expenditure on R & D:**

(₹ In Lakhs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Capital Expenditure	0.00	0.00
Revenue Expenditure	90.41	127.02
<b>Total:</b>	<b>90.41</b>	<b>127.02</b>

**5. Foreign Exchange Earnings and Outgo:**

(₹ In Lakhs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Foreign Exchange earned	5304.34	2875.51
Foreign Exchange used	2094.82	617.12

**APPRECIATION:**

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels as without their hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, vendors, suppliers, investors and bankers for their continued support and faith reposed in the Company.

Date: 10/08/2020  
Place: Veraval (Shapar)

For and on behalf of the Board of Directors  
**Rajoo Engineers Limited**

**(R. N. DOSHI)**  
Chairman & Managing Director  
**(DIN: DIN:00026140)**

**ANNEXURE - I**
**Form AOC-1**

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(Amount in Rs.)

Sr. No.	Name of associates/Joint Ventures	Rajoo Bausano Extrusion Pvt.Ltd.
1	Latest audited Balance Sheet Date	31 March, 2020
2	Shares of Associate/Joint Ventures held by the company on the year end	
	i. No.	1960000
	ii. Amount of investment in Associate/Joint Venture	19600000
	iii. Extend of holding %	49%
3	Description of how there is significant influence	Joint Venture Agreement
4	Reason why the associate/joint venture is not consolidated	Not- applicable
5	Net worth attributable to shareholding as per latest audited Balance Sheet	102223499
6	Profit/Loss for the year	1194038
	i. Considered in Consolidation	1194038
	ii. Not Considered in Consolidated	Nil

- Names of associates or joint ventures which are yet to commence operations: NIL
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL

Note: Part A of the Annexure is not applicable as the Company does not have any Subsidiary as on 31st March, 2020.

For and on behalf of the Board of Directors

**(R. N. DOSHI)**  
Chairman & Managing Director  
(DIN: 00026140)

**(U. K. DOSHI)**  
Whole Time Director  
(DIN: 00174486)

**(J. T. JHALAVADIA)**  
Chief Financial Officer

**(VIJAY JADEJA)**  
Company Secretary

**ANNEXURE - II**

**ANNUAL REPORT ON CSR ACTIVITIES**

1	Brief outline of the Company's CSR policy, projects and programs Proposed to be undertaken with web-link to CSR policy and Projects or programs	<p>For us in the Rajoo, reaching out to the underserved communities is part of our HERITAGE.</p> <p>The Company has framed CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare &amp; sustainable development of the society.</p> <p>The Company carried has identified Education, Community health and environmental sustainability as the core sector for CSR Activities.</p> <p>Projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. Details of CSR activities under taken in the current year is available on <a href="http://www.rajoo.com/csr.html">http://www.rajoo.com/csr.html</a></p>
2	Composition of CSR Committee	The Company has CSR Committee of Directors comprising of Ms. Khushboo Chandrakant Doshi, Chairman of the Committee, Mr. R. N. Doshi and Mr. Ramesh A. Shah.
3	Average Net profits of the company for the last three financial year	Average Net profits: Rs. 12,38,83,452/-
4	Prescribed CSR expenditure (Two Percent of the amount in item no. 3 above)	Rs. 24,77,670/-
5	Details of CSR Spent during the financial year:	<p>Amount budgeted for the year 2019-20 : Rs. 24,77,670/-</p> <p>Amount spent upto 31.03.2020: Rs. 6,15,741/-</p> <p>Amount Unspent if any : 18,61,929/-</p>

Manner in which the amount was spent during the Financial Year ended on 31.03.2020

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs subheads : (1) Direct expenditure on projects or programs (2) over heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Donations in form of payment of College fees and School fees of economically backward students.	Promoting Education	Veraval Shapar Rajkot Manavadar	1000	1000	1000	Direct
2	Providing health support facilities to the under privileged people by paying their medical expenses.	Health care and Medical Facilities and Eradicating Malnutrition	Veraval Shapar Rajkot Manavadar	491741	491741	491741	Direct & Shrutina Foundation
3	Distribution of Food and Nutrient rich milk in the Civil Hospital Rajkot and slum area near Veraval Shapar.	Eradicating Malnutrition and hunger	Rajkot	21000	21000	21000	Direct
4	Donation to Atomic Power Evolution Awareness Foundation (Donation to Dr. Neelam Goyal – Bharat kee Parmanu Saheli)	Ensuring environment sustainability and Conserving Natural Resources	Bhavnagar	51000	51000	51000	Direct
5	Donation to Rajkot Chess Players Association	Promoting Sports	Rajkot	51000	51000	51000	Direct
<b>Total:</b>				<b>615741</b>	<b>615741</b>	<b>615741</b>	

**CSR Committee Responsibility Statement**

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

**(R. N. DOSHI)**  
Chairman & Managing Director  
(DIN: 00026140)

**(KHUSHBOO CHANDRAKANT DOSHI)**  
Chairman of CSR Committee  
(DIN: 00025581)

**ANNEXURE - IV**

**Details pertaining to Remuneration as required under Section 197 of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:	Mr. R. N. Doshi Mr. Sunil Jain Ms. Khushboo C. Doshi Ms. Utsav K. Doshi	29.74 19.82 15.61 13.23	
2	The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:	Mr. R. N. Doshi Mr. Sunil Jain Ms. Khushboo C. Doshi Mr. Utsav K. Doshi Mr. J. T. Jhalavadia, Chief Financial Officer Mr. Vijay Jadeja, Company Secretary	0.00% 0.00% 0.00% 0.00% 0.00% 5.00%	
Note: The Non-executive Directors are not paid any remuneration except sitting fees.				
3	The percentage increase in the median remuneration of employees in the financial year:	4.56%		
4	The number of permanent employees on the rolls of Company as on 31st March, 2020:	296		
5	The explanation on the relationship between average increase in remuneration and company performance:	The reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and drives performance culture. Salary increases during the year were in line with Company's performance as well as per Company's market competitiveness. The increments were also decided based on salaries prevailing in the industry in which company operates.		
6	Comparison of the remuneration of the key managerial personnel against the performance of the Company:	Average increase in remuneration of Key Managerial Personnel was based partly on the results of the Company for the year ended March 31, 2020 and partly on the individual employee's performance.		
7	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:	Market Capitalization: (Rs. in Lacks)	<b>31.03.2020</b> 4331.76	<b>31.03.2019</b> 18428.46
		PE ratio	29.33	23.40
		No public offer has been made since		
8	Average percentile decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	Average percentage decrease in the salaries of Employees other than the managerial personnel in the financial year was 3.40 % where as there is no change in the managerial remuneration. The average change every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and bench marking results, the change this year reflects the market practice.		

9	The key parameters for any variable component of remuneration availed by the directors:	None
10	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:	None
11	Affirmation that the remuneration is as per the remuneration policy of the Company:	Remuneration paid during the year ended March 31, 2020 is as per the Remuneration Policy of the Company.
12	Particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:	There are no employees in the Company drawing remuneration more than Rs. 5 lacs per month or Rs. 60 lacs per annum.



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2020**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
RAJOO ENGINEERS LTD.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RAJOO ENGINEERS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the RAJOO ENGINEERS LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by RAJOO ENGINEERS LIMITED for the financial year ended on 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vi) As informed to us the following other Laws specifically applicable to the Company as under:
1. The Air (Prevention and Control of Pollution) Act, 1981
  2. The Environment (Protection) Act, 1986
  3. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  4. Employees' State Insurance Act, 1948
  5. The Code on Wages, 2019
  6. The Factories Act, 1948
  7. The Industrial Employment (Standing Orders) Act, 1946
  8. The Negotiable Instruments Act, 1881

Continue >>>

We have also examined compliance with the applicable clauses of the following:

- (I) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from 1st October 2017 and
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Following observation/non compliance are found during the year under review :**

- It was noted that the Company complied with the Secretarial Standards to some extent; however, the stricter applicability of the Secretarial Standards is to be observed by the Company.
- Company being late on some Occasions in Updating Company's website as per various time limits mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Company failed to send hard Copies of Annual Report as required under Regulation 36(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Company yet to transfer an amount of Rupees Three Lakhs Seventy Eight Thousand one hundred and one Only (Rs. 3,78,101/-) for F.Y. ended 2011-12 to Investor Education and Protection Fund under Section – 124(5) of Companies Act.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** based on review of compliance mechanism established by the Company we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no specific event/actions having a major bearing on the Company's affairs.

PLACE: RAJKOT  
DATE : 27/07/2020

FOR, MAULIKSHETH & ASSOCIATES

**MAULIK SHETH**  
PROPRITER  
CP NO. 11441  
FCS : 10095  
UDIN : 010095B000510848

## ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To,  
The Members,  
Rajoo Engineers Limited  
Rajoo Avenue,  
Survey No.210, Plot No.1,  
Industrial Area,  
Veraval (Shapar)-360024

Our Secretarial Audit Report for the financial year 31st March 2020 is to be read along with this letter.

### Management's Responsibility

1.It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

PLACE: RAJKOT  
DATE : 27/07/2020

FOR, MAULIKSHETH & ASSOCIATES

**MAULIK SHETH**  
PROPRITER  
CP NO. 11441  
FCS : 10095  
UDIN : 010095B000510848

## Management Discussion And Analysis

### Forward looking statement

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

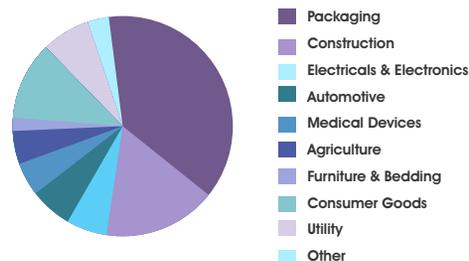
The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Indian Accounting Standards as pronounced by the Institute of Chartered Accountants of India (ICAI) from time to time. The Management of Creative Peripherals and Distribution Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Creative" are to "Creative Peripherals and Distribution Limited".

### Global Industry

A global plastics processing machinery market size is expected USD 43.7 billion by 2025 to reach according to a new report by Grand View Research, Inc. The global plastic processing machinery demand exceeded 2,700 thousand units in 2016 and is expected to grow at a CAGR of 5.7% from 2017 to 2025. Asia Pacific is expected to dominate the regional segment with an estimated CAGR of around 7.4% in terms of volume from 2017 to 2025.

Flourishing packaging industry, driven by high demand from consumers in emerging economies, is playing a vital role in stirring up the demand for plastics such as polyethylene and PET. The packaging industry is estimated to be the most prominent application segment in the plastics market throughout the forecast period. The segment will account for more than 35.0% of the overall revenue by 2027. The shift in trend towards mechanized packaging for increased efficiency and output is expected to drive demand. Plastics exhibit superior properties such as flexibility, light weight, low density, improved barrier resistance, durability, insulation, energy-saving, enhanced weathering, and aesthetic appeal (multitude of colors and metalized finishes). These factors have widened the application scope of processing machinery. Advancements in moulding technology have led to the development of complex components such as joints, structural components, brake components, housing units, fuel tanks, suspensions and engine frames.



Stringent regulations regarding depletion and recyclability of conventional materials like metal and wood are anticipated to drive greater plastics demand from construction industry in insulation, pipes, cables, floorings, windows and storage tanks among others. The plastic processing machinery market has witnessed various improvements in the major technologies including injection moulding, blow moulding and extrusion. This technology has gained tremendous popularity owing to low cost, better flexibility, and post-extrusion manipulations. Strict government regulations regarding environmental protection and disposal of plastics are restraining the growth of plastics. The price fluctuations of the raw materials for the production of plastics are coupled with the environmental concerns in the disposal of plastics. The disposal of plastic has become a restraint and expected to decline during the forecast period.

Major producers of the plastic market are adopting new methods for the production of bio based plastics as the alternatives of conventional plastics to overcome the disposal difficulties of plastics. Therefore, the manufacturers are collaborating with many biotechnology companies to manufacture bio-based plastics, which drives the market demand. Technological advancements such as recycling of plastics is being adopted by various producers have become an opportunity for the growth of plastic market during the forecast period 2019-2025. Since the last decade, there has been a substantial demand for the products as replacement for metals and ferrous alloys across various industries such as consumer goods, automotive, and industrial machinery. The growth of the market criticality

lies on various factors such as ever-increasing requirement of end users in terms of product specification and versatility influencing consumption dynamics. Other factors such as socio-political, production process, and feedstock availability events also have a significant impact on industry trends.

Growing population coupled with rapid urbanization and industrialization in emerging economies has been impelling federal governments to increase their construction spending to cater to increasing infrastructure needs. Rising construction spending by governments, particularly in China and India, will drive the demand for plastics in infrastructure and construction applications.

Polyethylene holds the largest market share in the plastics with around 34.9% among the global plastics market. The demand for the polyethylene is formed due to its increased usage in end user industries such as film/sheet, injection moulding, pipe, food and beverage packaging driving the polyethylene market globally. Other end user industries segmented are construction, electrical & electronics, automotive, medical devices, agriculture, furniture & bedding, consumer goods, and others.

Introduction of favorable policies by the governments in emerging economies, including China and India, to encourage foreign direct investment and facilitate closer integration with other economies is expected to propel demand. Major automotive OEMs are increasingly incorporating plastic parts and components to reduce gross vehicle weight and subsequently improve the performance and fuel efficiency.

Asia Pacific region captures the largest market share about 44.6% in the global plastic market due to the high usage of plastics creating demand in end user industries in the emerging countries like China and India. Various manufacturers of the plastics are establishing their plants in emerging countries of Asia Pacific and Middle East region due to the availability of raw materials and human resources at low costs. The regulatory support such as tax benefits and financial incentives from the governments of countries like China and India tend to increase the FDI flow has become a key factor for development of plastic market in Asia.

The global COVID-19 pandemic has led to a sudden pause to manufacturing activities across the globe, affecting the demand for plastics and also production & processing of them. The most critically impacted end-use segments of the plastics industry include automotive & transportation, consumer goods, industrial equipment, construction, and electronics. The damage in its entirety cannot be quantified but will surely affect the projections made before.

Source-

<https://www.grandviewresearch.com/press-release/global-plastic-processing-machinery-market>

<https://www.oganalysis.com/industry-reports/212457/plastic-market>

<https://www.grandviewresearch.com/industry-analysis/global-plastics-market>

<https://www.businesswire.com/news/home/20190306005546/en/Global-Plastics-Market-Size-Share-Trends-Analysis>

### **Indian Industry Overview-**

India extruded plastic Market was valued at US\$ 16.503 billion in 2018 and is projected to expand at a CAGR of 8.23% over the forecast period to reach US\$26.528 billion by 2024.

During April 2019-January 2020, plastic export stood at US\$ 7.045 billion with highest contribution from plastic raw material at US\$ 2.91 billion, plastic sheets, film, plates at US\$ 1.22 billion and packaging material at US\$ 722.47 million.

Extruded plastic market is growing at a fast rate in the country on account of rapid urbanization and expanding middle class group. Government initiatives to boost rural infrastructure is fueling the demand for PVC extrusions in the construction sector. Burgeoning demand for flexible packaging is fueling the growth of PE, PET, and PP extrusions.

Positive outlook of automotive industry and its growing incorporation of plastics in vehicle design are expected to provide growth opportunities for extrusion plastic market to flourish in the forecast period. Thus, the market is poised to grow at a good rate on account of evolving healthcare sector and burgeoning trend of plasticulture in the country.

The Indian plastics industry produces and exports a wide range of raw materials, plastic-moulded extruded goods, polyester films, moulded / soft luggage items, writing instruments, plastic woven sacks and bags, polyvinyl chloride (PVC), leather cloth and sheeting, packaging, consumer goods, sanitary fittings, electrical accessories, laboratory / medical surgical ware, tarpaulins, laminates, fishnets, travel ware, and others.

The Indian plastics industry offers excellent potential in terms of capacity, infrastructure and skilled manpower. It is supported by a large number of polymer producers, and plastic process machinery and mould manufacturers in the country. Among the industry's major strengths is the availability of raw materials in the country. Thus, plastic processors do not have to depend on imports. These raw materials, including polypropylene, high-density polyethylene, low-density polyethylene and PVC, are manufactured domestically.

According to Plexconcil, plastics formed 2.80 percent of India's overall merchandise exports during April – September 2018 (H12018-19). India's plastics exports had a growth of 31.6 percent at \$4.59 billion during the period H12018-19 as against \$3.48 billion in the same period during H1 2017-18. This highlights the faster pace of growth than the overall merchandise export growth from India.

During H1 2018-19, India reported merchandise exports worth \$164.04 billion, up 12.5 percent from \$145.75 billion in H1 2017-18.

The growth in India's plastics export has been primarily boosted by higher shipment of plastic raw materials, plastic sheet, film, plates, and packaging materials. The Indian plastics export industry has always offered excellent potential in terms of capacity, infrastructure, and skilled manpower. Among the industry's major strengths is the availability of raw materials in the country. Thus, plastic processors do not have to depend on imports because raw materials can be manufactured domestically. This is a major advantage as it will only help towards the growth of the Indian plastic industry.

However, the derailment which the COVID 19 will cause is not fully known and hence will impact all the projections. The timing of the outbreak could not have been worse, with GDP growth already at 6-year low of 4.7% in Q3FY20. While the lockdown may have succeeded in slowing the spread of the disease, livelihood has been challenged with 50% of the economy remaining shut. However, it appears that business-as-usual might have to wait for around 3 quarters - probably leading to loss of production capacity, loss of employment, salary cuts and "risk aversion" behaviour among consumers. FY21 GDP growth is expected to be at 1.0% with a contraction in H1FY21. Fiscal policy has to gear up as monetary policy's effectiveness may be weak.

The implication of the COVID-19 on India's growth will be a function of the depth and width of the spread of the virus. Covid-19 is a simultaneous demand and supply shock - starting with production curbs due to the lockdown, resulting in loss of incomes and thus leading to contraction in demand. The lockdown – probably the only means to limit the spread of the viral outbreak in the absence of a vaccination, resulted in non-essential economic activity coming to a standstill. According to the University of Oxford, India implemented one of the most stringent lockdowns globally, scoring a 100 out of 100 on the Index (based on 13 indicators - such as closure of schools, public transport, restriction on internal movement, travel ban etc.).

The recovery in H2FY20 is likely but economic activity might not be able to return to pre-COVID phase soon, as "aversion behaviour" among consumers is likely to keep certain sectors such as travel and tourism depressed for many quarters after the lockdown ends. Even pre-COVID, the Indian economy was struggling to overcome a structural constraint of an increase in net financial liability, a hindrance for boosting domestic consumption via the debt route. These factors, along with loss of jobs and pay-cuts could restrain consumption expenditure for an extended period. On the other hand, production sector will also struggle.

Source-

<https://www.plastivision.org/blog/latest-in-indian-plastic-exports-industry-31-6-growth-in-fy19/>

<https://www.pnnewswire.com/news-releases/india-extruded-plastic-market-report-2019-market-was-valued-at-us16-503-billion-in-2018-and-is-forecast-to-reach-us26-528-billion-by-2024--300910507.html>

<https://www.ibef.org/exports/plastic-industry-india.aspx>

India Macro Outlook- An Economics Research report by IDFC First Bank

### **About Rajoo Engineers Limited**

Based in Rajkot, Rajoo Engineers Limited, having made a modest beginning in 1986, has today emerged as an undisputed global player in blown film and sheet extrusion lines. Owing to its focused efforts in blown film and sheet extrusion lines, the Company enjoys premium market position in this segment. 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 hallmark of Rajoo products during all these years, positioning the Company's products on a global platform, competing with the established world leaders. With representations in many countries of the world and customers in over 60 countries, the Company's exports have multiplied after its debut in the international market in 1990. The Company unveiled Extrusion Coating and Lamination machine as post extrusion process to substitute conventional adhesive lamination process for producing laminate for various packaging applications.

### Strong & Diverse Product Portfolio

- AQUAFLEX**<sup>®</sup> - Downward extrusion blown film line
- FOILEX**<sup>™</sup> - Monolayer blown film line
- MULTIFOIL**<sup>®</sup> - Multilayer blown film line
- MULTIFOIL**<sup>®</sup> - Two extruder three layer blown film line
- PENTAFOIL**<sup>®</sup> - Five layer Co-extruded blown film line
- HEPTAFOIL**<sup>®</sup> - Seven-layer Co-extruded blown film line
- MULTIFOIL-X**<sup>®</sup> - Cross laminated film
- LAMINA**<sup>®</sup> - Mono & multilayer sheet line
- LAMINArPET**<sup>®</sup> - Multilayer twin screw rPET sheet line
- DISPOCON**<sup>®</sup> - Thermoforming & vacuum forming machine
- DISPOCON**<sup>®</sup> - Multi-station thermoforming machine
- DISPO TILT**<sup>™</sup> - Tilting mould thermoformer
- FOMEX**<sup>™</sup> - Foam extrusion system (Chemical and Physical)
- DRIPLEX**<sup>™</sup> - Drip irrigation pipe plant for round and flat dripper
- LABEX**<sup>®</sup> - Lab equipment
- LAMEX**<sup>™</sup> - Extrusion coating & lamination line
- FABREX**<sup>®</sup> - Melt Blown non - woven fabric line (horizontal and vertical)
- MASCON**<sup>™</sup> - Automatic N-95 face mask making machine

### Strategic Partnerships

- **Kohli Industries** – Alliance between Rajoo Engineers and Kohli Industries has changed the market dynamics for Extrusion Coating and Lamination Machines. The alliance created between Rajoo Engineer and Kohli Industries (leaders in rotogravure printing and laminating machines) for the flexible packaging industry, has comprehended the industry need and both companies joined hands to create a formidable alliance to build and maintain one of the most advanced and versatile Extrusion Coating and Lamination machines.
- **MEAF** - Technical collaboration with MEAF Machines B.V. of Netherlands, globally acclaimed Company in business of sheet extrusion with inline / offline thermoforming equipment and thermoforming machinery since 1947
- **Tekni-Plex, Inc. (Commodore LLC., USA)** - Technical collaboration with leading world player Tekni-Plex, Inc formally known as Commodore LLC., USA since 2007 and is the first Indian Company to introduce XPS foamed sheet lines and Thermoformers in India
- **Bausano & Figli, Italy** - Joint Venture with Bausano & Figli, Italy for plastic pipe manufacturing machines, granulation machines and WPC extrusion machines in India since 2011.
- **Wonderpack, India** – Merger of Wonderpack with Rajoo. A unified approach for benefit of thermoforming industry since 2010

### FINANCIAL OVERVIEW

The financial performance of the Company for the year ended March 31st, 2020, is as follows:

Total revenue from operations at Rs. 93.69 crore for the year ended March 31, 2020, as against Rs. 123.52 crore for the corresponding previous period, a decline of 24.15%. A decline in sales was witnessed in the second half of the year due to some of the orders being put on hold by clients on account of ban on single use plastics by some state governments, which resulted in poor market sentiments. This reduced the order flow as compared to previous year.

The EBITDA (earnings before interest, depreciation and tax, excluding other income) was Rs.7.32 crore for the year ended March 31, 2020, as against Rs. 14.22 crore for the corresponding previous period, a decrease of 48.52%. This was mainly due to revenue drop and increase in percentage of low value machines which increased material cost. EBITDA margin decreased to 32.14% in FY20 from 14.41% in FY19.

Net Profit was at Rs. 1.47 crore in FY20 as against Rs.7.89 crore in FY 19, YoY drop of 81.37%. The interest cost increased due to higher working capital utilization on account of some high value-added machines were manufactured but delayed in lifting due to lack of readiness from the customer's side.

Net Profit margin decreased to 1.57% in FY20 from 6.38% in FY19  
EPS declined by 81.25% to Rs. 0.24 in FY20 from Rs. 1.28 in FY19

### RESOURCES AND LIQUIDITY

As on March 31, 2020, the standalone Networth stood at Rs. 67.58 crore and the total debt was at Rs. 6.04 crore.  
The cash and cash equivalents at the end of March 31, 2020 were Rs. 5.87 crore.  
The net debt to equity ratio of the Company stood at 1.09 as on March 31, 2020.

### Segment wise Business Performance

The 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, Company continues to be among the top performers in terms of growth in sales and profits and market share.

### RISKS AND CONCERNS

Like every business, the company faces risks, both internal and external, in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives. A detailed policy drawn up and dedicated risk workshops are conducted for each business vertical and key support functions wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the organization. The risk registers are also reviewed from time to time.

The Company faces the following Risks and Concerns:

**Credit Risk**

To manage its credit exposure, Rajoo has determined a credit policy with credit limit requests and approval procedures. Company does its own research of client's financial health and project prospects before bidding for a project. Timely and rigorous process is followed up with clients for payments as per schedule. The company has suitably streamlined the process to develop a focused and aggressive receivables management system to ensure timely collections.

**Interest Rate Risk**

The Company has judiciously managed the debt-equity ratio. It has been using a mix of loans and internal cash accruals. The Company has well managed the working capital to reduce the overall interest cost.

**Competition Risk**

This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational companies. The Company has created strong differentiators in project execution, quality and delivery which make it resilient to competition. Furthermore, the Company continues to invest in technology and its people to remain ahead of the curve. A strong, stable client base consisting of large and mid-sized corporations further helps to insulate the Company from this risk. We counter this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. Thus, we do not expect to be significantly affected by this risk.

**Input Cost Risk**

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. Some of the risks that are potentially significant in nature and need careful monitoring are Raw Materials prices, availability of Power etc.

**Liability Risk**

This risk refers to our liability arising from any damage to cargo, equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

**OPPORTUNITIES****Technology Trends**

- Innovation in raw materials such as Nano-composite reinforcing agents and bio-degradable polymers
- Plastics are replacing wood, metals, natural rubber and other expensive engineered plastics

**Regulatory Trends**

- Increasing emphasis on safe, odour-free, sustainable and green materials
- Stringent CO2 emissions regulations and guidelines especially in automotive industry

**Raw Material Trends**

- The fluctuation in the price of crude oil or natural gas has an impact on plastic industry
- Plastic additives market to register highest growth in packaging and automotive applications

**Application Trends**

- Increasing demand for lightweight materials replacing glass, rubber and wood in numerous applications is driving plastics market
- Replacement of heavy metals in dyes and pigments applications by plastics

**Supplier Power**

- Factors such as presence of few supplier and large number of buyers are leading to greater supplier power
- Multiple plastics applications have spurred higher product variety demand

**THREATS**

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Credit squeeze on lending by NBFCs
- Input Cost risk
- Attraction and retention of human capital
- Technological Advancements
- The unprecedented and wide spread of the COVID 19 virus

The most critical, challenges that Indian plastic industry is facing today is the “image of plastics” and unmindful ban on some plastic products in some states in India. Some of the myths perpetuated about plastics are:

- **Feared as being toxic**
- **Maybe harmful to the soil**
- **Could cause acid rain**
- **Is not environment friendly**
- **Has high carbon foot print**

**INTERNAL CONTROL SYSTEMS AND ADEQUACY –**

The Company 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 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, 2013, 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.

**HUMAN RESOURCES**

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. As on March 31, 2020, Company is giving direct employment to 296 employees. Industrial relations are cordial and satisfactory.

**OUTLOOK**

Plastic have significantly penetrated in all aspects of our lives mainly due to its ability to sustain itself in the nature for long period of time as compared to other commercial materials. By, virtue of their superior characteristics, plastics are replacing various metals and traditional materials almost in all applications. It is necessary to understand the positive role of plastics are playing and could continue to play in improving the quality of life of citizen. Automotive has the highest penetration among all segments of plastics. Increasing incorporation of plastics as opposed to metals & alloys in automotive components has been a major factor for the application's growth. Over the recent past, there has been a considerable rise in automotive production, which is largely driven by growth of the industry and manufacturing landscape of emerging markets.

India has established a strong position in global flexible packaging trade, rising to become a leading exporter. This ascension of Indian flexible packaging industry in global market can be attributed to the ability to produce at lower cost while maintaining quality standard. Value of flexible packaging products exported from India have increased from less than INR 3 Bn in FY 2000 to over INR 30 Bn in FY 2019. This growth in exports has been aided by a weak rupee, which has been depreciating steadily in the past few months. Thus, high potential application segment with moderate penetration is packaging. Plastics have been an integral part of packaging industry.

The overall industry's growth rate depends upon high potential region such as Asia Pacific, where industrial output is above global average. Due to considerable rise in consumerism that is driven by economic growth, favourable credit landscape, and increased disposable income, countries in Asia particularly India and China have witnessed exponential rise in manufacturing activities. Plastics, which are consumed in the manufacturing of almost every tangible good, are scheduled to gain traction in terms of demand over the future, thus affecting plastics industry.

Our economy has weathered many diseases and viruses earlier and bounced back. But this virus - COVID-19 is different. The shock waves sent by this virus, the subsequent lockdown and uncertainty of the future has made us all take a step back in our lives. The COVID 19 pandemic poses unprecedented health, economic and financial stability challenges. The ultimate impact of this on the global and Indian economy as well as timing of recovery is uncertain. This outbreak has dealt an unprecedented blow to the manufacturing sector leading to a full stop to operations.

However, every adversity provides opportunity to grow and succeed. The Government of India has partially lifted the plastic ban and included some products in the list of essential items which are permitted to be manufactured during the lockdown period. By virtue of this, we have started manufacturing of certain machinery. We strongly believe in giving back to the nation who has provided us this great opportunity of helping in these difficult and trying times. Despite the opportunity to earn a quick buck, we have not changed our pricing strategy. We are providing our machines at the same rates which were prevalent before.

It is our expectation at this time that the course of economic recovery in India will be smoother and faster than that of advanced countries. Indeed, the UNCTAD in its latest report 'The COVID-19 shock to developing countries' has predicted that one of the major economies least exposed to recession will be India.

## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of all stakeholders. It is not a mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. As a good corporate citizen, the Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

### BOARD OF DIRECTORS:

#### Governance Structure

The Corporate Governance structure at Rajoo is as follows:

**Board of Directors:** The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

**Committee of the Board:** The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee Each of the said Committee has been mandated to operate within a given framework.

### Composition and category of Directors

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial and Marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on 31st March, 2020 the Company's Board consists of Eight Directors. There are Four Executive Directors and Four Non-Executive Independent Director on the Board of the Company. The Chairman and Managing Director of the Board is an Executive Director. The profiles of the Directors can be found on <https://www.rajoo.com/thecorporate.html#left-tab4>. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

ii. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors.

iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

iv. Fourteen Board Meetings were held during the year under review. The dates and notices along with detailed agenda were fixed / issued well in advance in compliance with the Secretarial Standards. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

The said meetings were held on:

2nd April, 2019, 19th May, 2019, 20th June, 2019, 2nd August, 2019, 12th August, 2019, 10th September, 2019, 20th September, 2019, 7th November, 2019, 12th November, 2019, 23rd January, 2020, 30th January, 2020, 10th February, 2020, 24th February, 2020 and 12th March, 2020.

v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Category	Number of Board Meeting held during the year 2019-20		Whether attended last AGM held on September 20, 2019	Number of Directorship in other Public Limited Companies	Number of Committee position held in other public Limited Companies	
		Held	Attended			Chairman	Member
Mr. R. N. Doshi Chairman & Managing Director	Executive Director	14	14	Yes	01	-	-
Ms. Khushboo Doshi	Executive Director	14	14	Yes	-	-	-
Mr. Sunil Jain	Executive Director	14	04	Yes	-	-	-
Mr. Utsav K. Doshi	Executive Director	14	14	Yes	-	-	-
Mr. Ramesh Shah	Independent Director	14	04	Yes	-	-	-
Mr. Rajendra Vaja	Independent Director	14	06	Yes	-	-	-
Mr. Kirit Vachhani	Independent Director	14	13	Yes	-	-	-
Mr. Laxman Rudabhai Ajagiya	Independent Director	14	04	Yes	-	-	-

The Companies Act, 2013 read with relevant Rules made thereunder, facilitates the participation of Director in the Board/Committee meeting through video conferencing or other audio mode. However none of the Directors have availed such a facility.

During FY 2020 information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Terms and Conditions of Independent directors' appointment are available in Company's website at <http://www.rajoo.com/investorszone.html>

vi During the year under review, separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 12th March, 2020 to review the performance of Non-Independent Directors and the Board as a whole; to review the performance of the Chairman of the Company and Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties as required under Schedule IV of the Companies Act, 2013 and Listing Regulations. The meeting was attended by all the Independent Directors.

vii. The Board has identified the following skill set with reference to its Business and Industry which are currently available with the Board:

<b>Name of the Director</b>	<b>Expertise in specific functional area</b>
Mr. R. N. Doshi	Entrepreneur, Business and Corporate Planning and Strategy. Experience in managing companies and associations including general management
Ms. Khushboo Doshi	Marketing, Advertising and Media. Experience in human resources and communication
Mr. Sunil Jain	Mr. Sunil Jain has vast experience in the field of flexible packaging and international marketing
Mr. Utsav K. Doshi	Expertise in the field of science and technology given the Company's focus on research and innovation as well as knowledge in the field of Information Technology and digitalisation.
Mr. Ramesh Shah	Relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including environment, sustainability, community and values. Having multiple geography and cross-cultural experience.
Mr. Rajendra Vaja	Has expertise in Finance, Banking, monitoring of control systems and corporate restructuring.
Mr. Kirit Vachhani	Has expertise in Capital Markets, Investment Banking and Corporate Banking.
Mr. Laxman Rudabhai Ajagiya	Has expertise in fund mobilization, investments, evaluation of mergers and acquisitions, strategic planning and capital structuring.

### III. COMMITTEES OF THE BOARD:

There are five Board Committees as on 31st March, 2020 are as follows:

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other Details
		Name	Category	
<b>Audit Committee</b>	<p>Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.</p> <p>-Oversight of financial reporting process.</p> <p>-Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.</p> <p>-Evaluation of internal financial controls and risk management systems.</p> <p>-Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.</p> <p>-Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.</p> <p>-Reviewing, with the management, the quarterly financial statements before submission to the board for approval;</p> <p>-Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;</p> <p>-Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;</p>	Kirit Vachhani (Chairman)	Independent, Non-Executive	<p>-Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and internal auditors to be present at its meetings.</p> <p>-The meetings of Audit Committee are also invites as special invitees, Chief Financial Officer and Internal Auditor. The Company Secretary acts as the Secretary to the audit committee.</p> <p>-Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.</p> <p>-The minutes of each Audit Committee meeting are paced in the next meeting of the Board.</p> <p>-The previous AGM of the Company was held on 20th September, 2019 and was attended by Mr. Kirit Vachhani, Chairman of the Audit Committee.</p> <p><b>Number of Meetings Held and Attendance:</b></p> <p>Four audit committee meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. All the members have attended all the meetings of Audit Committee.</p>
		Rajendra Vaja	Independent, Non-Executive	
		Ramesh Shah	Independent, Non-Executive	
		Laxman Ajagiya	Independent, Non-Executive	
		Company Secretary acts as the Secretary to the Audit Committee.		

Continue...

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other Details
		Name	Category	
<b>Stakeholders' Relationship Committee</b>	<p>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.</p> <p>-Consider and resolve the grievances of security holders.</p> <p>-Consider and approve issue of share certificates, transfer and transmission of securities, etc.</p> <p>-Evaluating performance and service standards of Registrar and Share Transfer Agent of the Company.</p> <p>- Recommend methods to upgrade the standard of services to investor.</p>	Ramesh Shah (Chairman)	Independent, Non-Executive	<p>-The Committee specifically redressed the shareholders grievances pertaining to share transfers, non-receipts of annual reports, non- receipt of declared dividend and other allied complaints.</p> <p>- A total of 24 correspondences were received from investors during 2019-20, of which 9 cases were reported as complaints, same have been subsequently replied to the satisfaction of shareholders but 2 are pending as on 31st March, 2020 due to incomplete documents submission by shareholders.</p>
		Kirit Vachhani	Independent, Non-Executive	
		Rajendra Vaja	Independent, Non-Executive	
		Laxman Ajagiya	Independent, Non-Executive	

**Number of Meetings Held and Attendance:**

Four Stakeholders Relationship Committee Meetings were held during the year. All the members have attended all the meetings of Stakeholders' Relationship Committee.

**Name, designation and address of Compliance Officer:**

**Mr. Vijay Jadeja**

Compliance Officer

Rajoo Avenue, Survey No. 210, Plot No. 1, Industrial Area, Veraval (Shapar) Rajkot Ph. No.: +91 97129 52701 97129 62704/97129 32706

The Company's dedicated e-mail address for Investors' Complaints and other communications is [compliances@rajoo.com](mailto:compliances@rajoo.com)

**Corporate Social Responsibility Committee**

Committee is constituted in line with the provisions of Section 135 of the Act.

-Formulate and recommend to the board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.

-Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.

- Monitor the CSR Policy.

Khushboo Chandrakant Doshi (Chairman)	Whole Time Director
Rajesh Nanalal Doshi	Managing Director
Ramesh Amrutlal Shah	Independent, Non-executive Director

- The CSR Charter and the CSR Policy of the Company is available on our website, <http://www.rajoo.com/csr.html>.

-The CSR report for the year ended March 31, 2020 is attached as Annexure I to the Directors' Report.

**Number of Meetings Held and Attendance:**

Four CSR Committee meetings were held during the year. All the members have attended all the meetings of Audit Committee.

Continue...

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other Details
		Name	Category	
<b>Nomination and Remuneration Committee</b>	<p>Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.</p> <p>-Recommend to the Board the setup and composition of the Board and its committees.</p> <p>-Recommend to the Board the Appointment/Re-appointment of Directors and Key Managerial Personnel.</p> <p>- Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.</p> <p>-Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of employees</p> <p>-Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning.</p>	Ramesh Shah (Chairman)	Independent, Non-Executive	<p>-The company does not have any Employee Stock Option Scheme.</p> <p>-Committee has conducted the Performance Evaluation of the Directors for the financial year 2019-20.</p> <p><b>Number of Meetings Held and Attendance:</b></p> <p>- Four Nomination and Remuneration Committee Meetings were held during the year. All the members have attended all the meetings of Nomination and Remuneration Committee.</p>
		Kirit Vachhani	Independent, Non-Executive	
		Rajendra Vaja	Independent, Non-Executive	

#### Remuneration Policy:

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The remuneration policy supports such mobility through pay models that are compliant to local regulations. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective July 1, each year. The Remuneration policy is available on the website of the Company, [https://www.rajoo.com/pdf/Codes\\_and\\_Policies/NOMINATION-AND-REMUNERATION-POLICY.pdf](https://www.rajoo.com/pdf/Codes_and_Policies/NOMINATION-AND-REMUNERATION-POLICY.pdf)

#### Remuneration of Executive and Non-Executive Directors:

Non-Executive Directors are paid sitting fees for attending the meetings of the Board/ Committee within the limits as prescribed under the Companies Act, 2013. The sitting fees are fixed from time to time by the Board on the recommendations of the Nomination and Remuneration Committee.

#### Remuneration paid to Executive Directors during 2019-20:

Name of Director	Category	Salary (Rs. per annum) (Incl. PF)	Benefits Perquisites and allowances	Sitting Fees	Shareholding at the end of the year (31.03.2020)
Mr. R. N. Doshi Chairman & Managing Director	Executive Director	6535285	222040	Nil	2940200
Mr. Sunil B. Jain	Executive Director	4800000	Nil	Nil	17150
Ms. Khushboo C. Doshi	Executive Director	3305388	Nil	Nil	4867042
Mr. Utsav K. Doshi	Executive Director	2798832	Nil	Nil	2919372
Mr. Ramesh A. Shah	Independent Director	Nil	Nil	Nil	-
Mr. Rajendra Vaja	Independent Director	Nil	Nil	Nil	-
Mr. Kirit Vachhani	Independent Director	Nil	Nil	Nil	6500
Mr. Laxman Ajagiya	Independent Director	Nil	Nil	Nil	8000

#### Board and Director evaluation and criteria for evaluation:

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. During the year under review, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The exercise was led by the Chairman of the Nomination and Remuneration Committee along with the Chairman of Board.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Evaluation of Board, Individual Directors and Committees include, inter alia, the following:

Board Evaluation	Evaluation of Individual Directors	Committee Evaluation
<ul style="list-style-type: none"> <li>-Board Structure - qualifications, experience and competencies</li> <li>- Board Diversity</li> <li>-Meetings – regularity, frequency, agenda, discussion and recording of minutes</li> <li>-Functions – strategy, governance, compliances, evaluation of risks, stakeholder value and responsibility, conflict of interest</li> <li>-Independence of management from the Board, access of and management to each other</li> <li>- Succession plan and professional development</li> </ul>	<ul style="list-style-type: none"> <li>- Professional qualifications and experience</li> <li>- Knowledge, skills and Competencies</li> <li>- Fulfilment of functions, ability to function as a team</li> <li>- Attendance</li> <li>-Commitment, contribution, integrity and independence</li> <li>In addition to the above, the Chairman of the Board Meetings is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer Meetings, impartiality and ability to keep shareholders' interests in mind</li> </ul>	<ul style="list-style-type: none"> <li>- Mandate and composition</li> <li>- Effectiveness of the Committee</li> <li>- Structure of the Committee</li> <li>-Meetings – regularity, frequency, agenda, discussion and dissent, recording of minutes</li> <li>- Independence of the Committee from the Board and contribution to decisions of the Board</li> </ul>

The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Board's Report.

#### IV. GENERAL BODY MEETINGS:

i. The details of the last three Annual General Meetings are as follows:

Financial Year	Date	Time	Venue
2018-2019	20th September, 2019	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.
2017-2018	25th September, 2018	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.
2016-2017	18th September, 2017	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.

ii. No Extraordinary General Meeting of the Members was held during the year. During the year under review, no resolution was put through by Postal Ballot. Further, no special resolution is being proposed to be passed through Postal Ballot.

Details of Special Resolutions passed in the immediately preceding three AGMs:

AGM	Particulars of Special Resolutions passed thereat
32nd	<ul style="list-style-type: none"> <li>- Re-appointment of Rajendra Gokaldas Vaja as Independent Director.</li> <li>- Re-appointment of Ramesh Amrutlal Shah as Independent Director</li> <li>- Re-appointment of Kirit Vachhani as Independent Director.</li> </ul>
31st	<ul style="list-style-type: none"> <li>- Increase in the remuneration payable to Mr. R. N. Doshi, Chairman and Managing Director of the Company.</li> <li>- Increase in the remuneration payable to Ms. Khushboo Chandrakant Doshi, Whole Time Director of the Company.</li> <li>- Increase in the remuneration payable to Mr. Utsav Kishorbhai Doshi as Whole Time Director of the Company.</li> </ul>
30th	<ul style="list-style-type: none"> <li>- Increase in the remuneration payable to Mr. R. N. Doshi, Chairman and Managing Director of the Company.</li> <li>- Increase in the remuneration payable to Mr. Sunil Jain, Whole Time Director of the Company.</li> <li>- Re-appointment of Mr. Sunil Jain, as Whole-time Director of the Company.</li> <li>- Increase in the remuneration payable to Ms. Khushboo Chandrakant Doshi, Whole Time Director of the Company.</li> <li>- Appointment of Utsav Kishorbhai Doshi as Whole Time Director of the Company.</li> <li>- Amendment of incidental object clause of the MOA.</li> <li>- Deletion of the Other Object clause of the MOA.</li> </ul>

VI. A total of Rs.1.50 lakhs was paid for all the services to M/s. Pankaj K. Shah Associates, Chartered Accountants (Firm Registration No. 107352W), Statutory Auditors of the Company.

#### VII. OTHER DISCLOSURE:

Particulars	Regulations	Details	Website link for details/policy
Related Party Transaction	Regulation 24 of the SEBI Listing Regulations	There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.	<a href="https://www.rajoo.com/pdf/Codes_and_Policies/RAJOO_RELATED_PARTY_TRANSACTION_POLICY.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/RAJOO_RELATED_PARTY_TRANSACTION_POLICY.pdf</a>

Continue...

Particulars	Regulations	Details	Website link for details/policy
Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years.	Schedule V (C) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three financial years.	
Vigil Mechanism / Whistle Blower Policy	Regulation 22 of SEBI Listing Regulations	Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee.	<a href="https://www.rajoo.com/pdf/Whistle_Blower_Policy.pdf">https://www.rajoo.com/pdf/Whistle_Blower_Policy.pdf</a>
Details of Adoption on Non - Mandatory (Discretionary) Requirements	Schedule II Part E of the SEBI Listing Regulations	<ul style="list-style-type: none"> <li>- The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.</li> <li>- The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.</li> <li>- There are no modified opinions in audit report.</li> <li>- In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.</li> </ul>	
Policy for determining Material Subsidiaries	Regulation 24 of the SEBI Listing Regulations.	The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company.	<a href="https://www.rajoo.com/pdf/Codes_and_Policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARY.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARY.pdf</a>

Continue...

Particulars	Regulations	Details	Website link for details/policy
Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures.	<a href="https://www.rajoo.com/pdf/Codes_and_Policies/Determination_of_Materiality_of_Events_and_Information.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/Determination_of_Materiality_of_Events_and_Information.pdf</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents.	<a href="https://www.rajoo.com/pdf/Codes_and_Policies/Policy_on_Preservation_of_Documents.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/Policy_on_Preservation_of_Documents.pdf</a>
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2020. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declaration received from Independent Directors, Non-Executive Directors and Senior Management.	<a href="https://www.rajoo.com/pdf/Codes_and_Policies/RAJOO_CODE_OF_CONDUCT_FOR_DIRECTORS.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/RAJOO_CODE_OF_CONDUCT_FOR_DIRECTORS.pdf</a>
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website.	<a href="https://www.rajoo.com/pdf/Codes_and_Policies/TERMS_AND_CONDITIONS_FOR_APPOINTMENT_OF_INDEPENDENT_DIRECTOR.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/TERMS_AND_CONDITIONS_FOR_APPOINTMENT_OF_INDEPENDENT_DIRECTOR.pdf</a>
Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization program imparted to Independent Directors are available on the Company's website.	<a href="https://www.rajoo.com/pdf/Codes_and_Policies/FAMILIARISATION_PROGRAM_FOR_INDEPENDENT_DIRECTORS.pdf">https://www.rajoo.com/pdf/Codes_and_Policies/FAMILIARISATION_PROGRAM_FOR_INDEPENDENT_DIRECTORS.pdf</a>

### Prevention of Insider Trading

Your company had adopted a Code of conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, in order to preserve the confidentiality and prevent misuse of unpublished price sensitive information. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. The main object of the Code is to intimate all insiders a guideline, which they should follow in letter and spirit, while trading in target company's securities. During the year under review, the Company had made due compliance with SEBI (Prohibition of Insider trading) Regulations, 2015.

### Certificate from CEO/CFO

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2020. (Annexure VI)

### Means of Communication

The Un-audited Quarterly Results are announced within 45 days from the end of the quarter and the Annual Audited Results are announced within 60 days from the end of the financial year as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Company provides the information to the stock exchange where shares of the Company are listed. The results are also published in one English newspaper having national circulation and one Gujarati Newspaper. (The Financial Express).

The Financial Results of the Company are displayed on the Company's website <http://www.rajoo.com/investorszone.html#left-tab1>

## VIII. GENERAL SHAREHOLDER INFORMATION:

**Registered Office:** Junagadh Road, Manavadar, District Junagadh - 362630

**Plant Location:** Rajoo Avenue, Survey No 210, Plot No 1, Industrial Area, Shapar- Veraval, Dist. Rajkot-360 002

**Corporate Identification Number (CIN):** L27100GJ1986PLC009212

### Annual General Meeting:

The 33rd Annual General Meeting (AGM) of the Company will be held on Wednesday, 30th September, 2020, at 11-00 a.m. at registered office of the Company, Junagadh Road, Manavadar, District Junagadh – 362630.

**Financial Year:** April to March

**Date of book closure:** 24th September, 2020 to 30th September, 2020 (both days inclusive)

### Details of Stock Exchanges where Listed

Stock Exchange	ISIN	Stock Code
BSE Ltd, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400001	INE535F01024	522257

The annual listing fees for the financial year 2020-21 to BSE has been paid.

### Market Information:

Market price data: High/low, value of shares traded and number of trades during each month of F.Y. 2019-20:

Month	2019-20		
	High (Rs)	Low (Rs)	Total number of equity shares traded
Apr 19	31.35	27.50	10,24,481
May 19	31.10	23.50	43,79,900
Jun 19	25.65	15.00	20,82,829
Jul 19	17.90	12.15	8,07,668
Aug 19	19.30	11.15	9,00,648
Sep 19	18.23	13.60	2,13,343
Oct 19	15.50	12.50	2,94,578
Nov 19	13.60	11.50	2,30,998
Dec 19	12.38	9.80	4,80,909
Jan 20	14.19	9.80	4,07,292
Feb 20	12.30	9.61	3,12,434
Mar 20	10.30	5.51	9,86,396

A performance chart showing share price of the company in comparison with BSE Sensex during the year 2019-20 is as below:

Year 2019-20	Rajoo Engineers Limited	Sensex
Apr 19	27.90	39,031.55
May 19	24.00	39,714.20
Jun 19	15.65	39,394.64
Jul 19	12.45	37,481.12
Aug 19	14.64	37,332.79
Sep 19	14.48	38,667.33
Oct 19	12.65	40,129.05
Nov 19	11.90	40,793.81
Dec 19	10.00	41,253.74
Jan 20	11.54	40,723.49
Feb 20	9.80	38,297.29
Mar 20	7.04	29,468.49

#### Share Transfer System:

During the year, the share transfers which were received in physical form and for which documents were valid and complete in all respects, were processed and the share certificates were returned within the prescribed time from the date of receipt.

#### Distribution Of Shareholding:

i. The Shareholding Pattern as on 31st March, 2020:

Category	No. of Shares	% of Share holding
Promoters	4,04,87,440	65.80
Institutional Investors:		
Mutual Funds:	3,000	0.01
Financials Institution and bank	1,199	0.33
Non Institutional Investors:		
Body Corporates:	57,33,69	0.93
Individual Shareholders:	1,82,98,329	27.74
NRI's / OCBs / Foreign Nationals:	4,66,394	0.76
Hindu Undivided Family:	14,65,796	2.37
Clearing Members:	2,35,223	0.38
<b>Grand Total</b>	<b>6,15,30,750</b>	<b>100.00</b>

ii. Distribution of Shareholding as on 31st March, 2020:

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	6248	54.971	1167270	1.8971
0501-1000	2729	24.0102	2531497	4.1142
1001-2000	1042	9.1677	1789310	2.908
2001-3000	366	3.2201	970155	1.5767
3001-4000	191	1.6805	707987	1.1506
4001-5000	173	1.5221	837713	1.3615
5001-10000	301	2.6482	2300465	3.7387
Above 10000	316	2.7802	51226353	83.2533
<b>Total</b>	<b>11366</b>	<b>100.00</b>	<b>61530750</b>	<b>100.00</b>

**Bifurcation of shares held in physical and demat form as on 31st March, 2020:**

Particulars	No. of Share	% of Total Issued Cap.
Physical Segment	24,72,170	4.02%
Demat Segment		
NSDL	4,90,68,239	79.75%
CDSL	99,90,341	16.23%
<b>Total:</b>	<b>6,15,30,750</b>	<b>100.00%</b>

**Share Transfer System:**

The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects. The Company Secretary has been empowered to approve the transfer of shares.

Effective 1st April, 2020, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

**R&T Address:**

**Link Intime India Private Limited**  
(formerly Intime Spectrum Registry Limited)

1. C-13, Pannalal Silk Mill Compound,  
L.B.S. Marg Bhandup (W)  
Mumbai - 400078

2. 506-508, Amarnath Business Centre-1  
(ABC-1), Besides Gala Business Centre  
Near XT Xavier's College Corner  
Off C G Road, Ellisebridge  
Ahmedabad 380006  
Tel No : +91 79 26465179/86/87  
E-mail id : ahmedabad@linkintime.co.in  
Website : www.linkintime.co.in

**Secretarial Audit and other certificates:**

- Maulik Sheth & Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for FY 2019-20. Their Audit Report confirms that the Company has complied with its Memorandum and Articles of Association, the applicable provisions of the Act and the Rules made thereunder, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.
- Pursuant to Regulation 40 (9) of the Listing Regulations, certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.
- A Chartered Accountant in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- In accordance with the SEBI Circular dated 8th February, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Maulik Sheth of M/s. Maulik Sheth & Associates, Practicing Company Secretary confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March, 2020.
- Mr. Maulik Sheth of M/s. Maulik Sheth & Associates, Practicing Company Secretary has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

**Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**Commodity price risk or foreign exchange risk and hedging activities:**

Commodity price risk and hedging activities: The Company purchases a variety of commodities related to raw materials and finished products and the associated commodity price risks is managed through commercial negotiation with customers and suppliers. The Company does not have any exposure hedged through Commodity derivatives.

During the year, the Company has managed foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts and Packing Credits in Foreign Currency. The details of foreign currency exposure are disclosed in Note No. 35.01 to the Standalone Financial Statements.

**Credit Rating :**

ICRA has reaffirmed the long-term rating of [ICRA]BBB+ (pronounced ICRA triple B plus) for the Rs. 13.90-crore term loans and Rs.18.00-crore cash credit facility of Rajoo Engineers Limited (the company) . ICRA has also reaffirmed the short-term rating of [ICRA]A2 (pronounced ICRA A two) for the Rs. 18.00-crore fund-based export packing credit of the company. The outlook on the long-term rating is Stable.

**ANNEXURE V**

To,  
The Members of **Rajoo Engineers Limited**

**DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT**

I, Rajesh N. Doshi, Chairman and Managing Director of Rajoo Engineers Limited, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2020.

Date: 10/08/2020  
Place: Veraval (Shapar), Rajkot

For and on behalf of the Board of Directors  
**Rajoo Engineers Limited**

**(R. N. DOSHI)**  
Chairman & Managing Director  
(DIN: 00026140)

**ANNEXURE VII**

**CEO AND CFO CERTIFICATION**

To,

The Members of **Rajoo Engineers Limited**

**We here by certify that:**

1. We have reviewed financial statements and the cash flow statement of the Company for the year ended 31st March, 2020 and to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any Material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable Laws and Regulations

2. We further state that, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violating the Company's Code of Conduct.

3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We further certify that we have indicated to the Auditors and the Audit Committee:

(i) There have been no significant changes in internal control system during the year;

(ii) There are changes in accounting policies during the year on account of Ind-AS adoption and the same have been disclosed in notes to the financial statement; and

(iii) There have been no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

**(R. N. DOSHI)**

Chairman & Managing Director

DIN: 00026140)

**(J.T. JHALAVADIA)**

Chief Financial Officer

**ANNEXURE VIII**

**CERTIFICATE OF CORPORATE GOVERNANCE**

To,

The Members of **Rajoo Engineers Limited**

1. We have examined the compliance of conditions of Corporate Governance by Rajoo Engineers Limited, for the year ended on 31st March 2020, as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on 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 Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 10/08/2020

Place : **Rajkot**

**For, Maulik Sheth & Associates**  
Company Secretaries

**(Maulik Sheth)**

Proprietor

Mem.No. F10095

CP NO. 11441

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of,  
**RAJOO ENGINEERS LIMITED**

### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of RAJOO ENGINEERS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Emphasis of Matter

We draw your attention to Clause-C.5 to the Significant Accounting Policies to the Audited Financial statement which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our report is not modified in respect of this matter.

#### Key audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>impairment of Investment in Joint Venture In terms of option of Deemed Cost as per Ind-AS 101 'First Time Adoption of Indian Accounting Standards' the Company has valued its investments in joint Venture amounting to Rs. 19600000 as on 31st March, 2020 at cost.</p>	<p>We have performed the following processes in relation to Management's judgement in identification of impairment of value of investment in Joint Venture;</p> <p>1. We have obtained representation from the Management regarding indication of likely impairment loss in respect of Investments made in Joint Venture and process of estimation of recoverable amount.</p>

### Key Audit Matter

#### Warranty obligation involves critical estimates.

This estimate has a high inherent uncertainty as it involves management judgement by making assumption based on past experience.

Company is estimating provision for warranty Rs. 8877804 at 1% of total revenue from Machine sold.

### How the matter was addressed in our audit

2. In case of a joint Venture having material value under investment, in respect of which no observable inputs were available we have referred to the valuation obtained by the Management regarding its Value in Use and tested and discussed the assumptions used in the process of valuation with the management to ensure that no impairment provision against the same is required.

3. Our Audit process did not identify any requirement of provisioning of impairment in the value of investment in Subsidiaries

#### Principal Audit Procedures

1. We have obtained representation from the management regarding assumption and estimation of Warranty obligation.

2. Performed analytical procedures and test of details for reasonableness of management estimation.

3. Reviewed the management's assumption and estimated efforts on these uncertainty.

4. Our audit process did not identify any change required to management's position on these uncertainty.

### Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

2. As required by Section 143(3) of the Act, based on our audit we report that

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. The company has not transferred the unpaid dividend RS. 378101, required to be transferred to the investor Education and Protection Fund.

Place: Ahmedabad

Date: 26/06/2020

**FOR PANKAJ K. SHAH ASSOCIATES**  
**Firm Registration No. 107352W**  
**CHARTERED ACCOUNTANTS**

**(PANKAJ K. SHAH)**  
**Partner**  
**MRN : 34603**

**"Annexure A" to the independent Auditors' Report"**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rajoo Engineers Limited of even date)**

1. In respect of the Company's fixed asset
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. As explained to us, the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book's records and the physical fixed assets have been noticed.
  - c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. The physical verification of inventory has been conducted at reasonable intervals by the management. Due to COVID 19 lockdown situation, we could not perform sufficient Audit procedures to ensure the valuation and verification of inventory as on 31st March 2020.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended by the Central Government of India, maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Companies Act and is of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the records of the company and the explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, income-Tax, Custom Duty, Goods and Service Tax Act, Cess and other material statutory dues, as applicable to it to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us and record of the Company disputed amount payable in respect of Income tax, sales tax & Custom and Excise Duty and that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below:

Name of Statute	Nature of Dues	Disputed Amount Rs.	Period to which the amount Relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	291220	A.Y. 2012-13	CIT (A) – III, Rajkot
Income Tax Act, 1961	Protective Demand	86422130	A.Y. 2014-15	CIT (A) – III, Rajkot

**"Annexure A" to the independent Auditors' Report"**

8. in our opinion and according to the information and explanations given to us. the Company has not defaulted in the repayment of dues to any financial institutions and banks.

9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid in accordance with the provisions of section 197 read with Schedule V to the Companies Act.

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. According to the information and explanations given to us and on the basis of our examination of the record of the company, in our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made any preferential allotment or private placement of shares during the year under review.

15. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with the company. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the order are not applicable to the Company and hence not commented upon.

Place: Ahmedabad

Date: 26/06/2020

**FOR PANKAJ K. SHAH ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**Firm Registration No. 107352W**

**(PANKAJ K. SHAH)**

**Partner**

**MRN : 34603**

**UDIN : 20034603AAAACE7908**

### **"Annexure B" to the independent Auditors' Report"**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rajoo Engineers Limited of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of RAJOO ENGINEERS LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmedabad  
Date: 26/06/2020

**FOR PANKAJ K. SHAH ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 107352W**  
  
**(PANKAJ K. SHAH)**  
**Partner**  
**MRN : 34603**  
**UDIN : 20034603AAAACE7908**

## BALANCE SHEET AS ON 31st MARCH, 2020

Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Amount Rs.		Amount Rs.
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1	415927205		447128297
Capital Work-in-Progress		15608624		14752101
Intangible assets		18347127		21236999
Intangible assets under development		0		0
<b>Financial Assets</b>				
Investments	2	19672979		19770114
Deposits	3	4479896		5178361
Other Non-Current Financial Assets		0		0
Other Non-current assets	4	653400		664374
		<b>474689231</b>		<b>508730246</b>
<b>Current assets</b>				
<b>Inventories</b>				
Financial Assets	5	605040078		408863342
Investments		0		0
Trade receivables	6	118252784		157001288
Cash and cash equivalents	7	42096112		15734905
Other Bank Balances	8	58718010		498923
Loans	9	893492		247107
Other Financial Assets	10	162615		135356
Other Current Assets	11	110236242		181627315
		<b>935399333</b>		<b>764108237</b>
		<b>1410088564</b>		<b>1272838483</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	12	61530750		61530750
Other Equity	13	614268093		598963887
		<b>675798843</b>		<b>660494637</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	14	41856229		69974581
Deposits		0		0
<b>Provisions</b>				
Deferred tax liabilities (Net)	15	38937620		40080890
Other Non Current Liability		0		0
		<b>80793849</b>		<b>110055471</b>

**BALANCE SHEET AS ON 31st MARCH, 2020**

Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Amount Rs.		Amount Rs.
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	16	18637474		104628373
Trade payables	17	301291428		195683295
Other Financial Liabilities	18	25697995		19201754
Other Current Liabilities	19	277932393		140976901
Provisions	20	27258223		22698930
Income Tax Liability (Net)		2678360		19099121
<b>Total current liabilities</b>		<b>653495872</b>		<b>502288374</b>
<b>Total Liabilities</b>		<b>734289721</b>		<b>612343846</b>
<b>Total Equity and Liabilities</b>		<b>1410088564</b>		<b>1272838483</b>

Significant Accounting Policies and The accompanying Notes 1 to 37 are an integral Part of the Standalone Financial Statements

As per our report of even date

For and on behalf of the Board

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(U. K. Doshi)  
Executive Director  
DIN :00174486

(Pankaj K Shah)  
Partner  
MRN : 034603  
UDIN : 20034603AAAACE7908

(J.T. Jhalavadia)  
C.F.O.  
Date : 26th June, 2020  
Place : Veraval (Shapar)

(Vijay R. Jadeja)  
Company Secretary  
MRN : A31035

Date : 26th June, 2020  
Place : Ahmedabad

**Statement of profit and loss for the year ended 31st March, 2020**

Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Amount Rs.		Amount Rs.
<b>Income</b>				
Revenue from operations	21	935495636		1224617239
Other Income	22	1446313		10607976
<b>Total Income</b>		<b>936941949</b>		<b>1235225214</b>
<b>EXPENSES</b>				
Cost of Material Consumed		678004158		585743513
Changes in Inventories	23	-162935802		135653741
Employee Benefits Expense	24	124231016		123074612
Finance Costs	25	20850259		22710834
Depreciation / Amortisation of Expense	1	37763958		37503875
Other Expenses	26	223042126		237969843
<b>Total Expenses</b>		<b>920955714</b>		<b>1142656418</b>
<b>Profit Before Tax</b>		<b>15986235</b>		<b>92568796</b>
<b>Tax Expenses</b>				
Current Tax		2678360		19099121
Mat Credit Entitlement		-219397		-4341968
Deferred Tax		-1143270		-1069393
<b>Profit after tax</b>		<b>14670542</b>		<b>78881036</b>
<b>Other comprehensive income:</b>				
i. Items that will not be reclassified to Statement of Profit and Loss		439218		-2706964
ii. Items that will be reclassified to Statement of Profit and Loss				
<b>Total comprehensive income for the year</b>		<b>15109760</b>		<b>76174072</b>
<b>Earnings per equity share of face value of Rs. 1 each</b>				
Basic (in Rs.)		0.24		1.28
Diluted (in Rs.)		0.24		1.28

Significant Accounting Policies and The accompanying Notes 1 to 37 are an integral Part of the Standalone Financial Statements

As per our report of even date

For and on behalf of the Board

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(U. K. Doshi)  
Executive Director  
DIN : 00174486

( Pankaj K Shah )  
Partner  
MRN : 034603  
UDIN : 20034603AAAACE7908

(J.T. Jhalavadia)  
C.F.O.  
Date : 26th June, 2020  
Place : Veraval (Shapar)

(Vijay R. Jadeja)  
Company Secretary  
MRN : A31035

Date : 26th June, 2020  
Place : Ahmedabad

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Amount Rs.	Amount Rs.
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax as per Statement of Profit and Loss</b>	15986235	92568796
Adjusted for:		
(Profit) / Loss on Sale / Discard of Assets (Net)	37037	259252
Depreciation / Amortisation and Depletion Expense	37763958	37503875
Unrealised Loss / (Gain) on Exchange Difference	-3074467	-21875
Unrealised (Gain) / Loss of Fair Value of Investment	97135	254931
Dividend Income	-470	-4903670
Interest Income	-457091	-3879219
Income Tax Refund	194446	933241
Finance costs	20850259	22710834
<b>Operating Profit before Working Capital Changes</b>	<b>71397042</b>	<b>145426165</b>
Adjusted for:		
Inventories	-196176736	143010102
Trade receivables	41822971	-122484921
Other Current Assets / Receivables	72085481	66902778
Trade payables	105608133	-69592137
Other Current Liability / Payables	148011026	-216118529
<b>Cash Generated from Operations</b>	<b>242747917</b>	<b>-52856541</b>
Taxes Paid (Net)	-19099121	-41076866
<b>Net Cash flow from Operating Activities</b>	<b>223648796</b>	<b>-93933407</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible and intangible assets	-4716555	-29287675
Proceeds from disposal of tangible and intangible assets	150000	186800
Net cash flow for other financial assets	-58219087	90527840
Interest Income	457091	3879219
Dividend Income from Joint Venture	0	4900000
Sale proceeds from Investment	0	0
Dividend Income from Others	470	3670
<b>Net Cash flow (Used in) Investing Activities</b>	<b>-62328081</b>	<b>70209854</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Share Capital	0	0
Proceeds from Long Term Borrowings	-28118352	32565971
Short Term Borrowings (Net)	-85990900	2364247
Dividends Paid (Including Dividend Distribution Tax)	0	-18544600
Interest Paid	-20850259	-22710834
<b>Net Cash flow from/(Used in) Financing Activities</b>	<b>-134959511</b>	<b>-6325216</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>26361207</b>	<b>-30048770</b>
<b>Opening balance of Cash and Cash Equivalents</b>	15734905	45783675
<b>Closing balance of Cash and Cash Equivalents</b>	42096112	15734905

Significant Accounting Policies and The accompanying Notes 1 to 37 are an integral Part of the Standalone Financial Statements

As per our report of even date

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

( Pankaj K Shah )  
Partner  
MRN : 034603  
UDIN : 20034603AAAACE79088  
Date : 26th June, 2020  
Place : Ahmedabad

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(J.T. Jhalavadia)  
C.F.O.  
Date : 26th June, 2020  
Place : Veraval (Shapar)

For and on behalf of the Board

(U. K. Doshi)  
Executive Director  
DIN :00174486

(Vijay R. Jadeja)  
Company Secretary  
MRN : A31035

**STATEMENT OF CHANGES IN EQUITY**

AS AT 31ST MARCH, 2019	EQUITY SHARE CAPITAL			OTHER EQUITY			TOTAL
	Issued, Subscribed & Paid up Capital	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other comprehensive income (OCI)	
Balance at the beginning of the reporting period	61530750	2625456	118879163	38537443	381622731	-1668707	601526836
Total Comprehensive income for the year	0	0	0	0	78881036	-2706964	76174072
Dividends	0	0	0	0	-18544600	0	-18544600
Earlier year income Tax Refund	0	0	0	0	933241	0	933241
IND As effect of Leave Encashment	0	0	0	0	405088	0	405088
<b>Balance at the end of the reporting period</b>	<b>61530750</b>	<b>2625456</b>	<b>118879163</b>	<b>38537443</b>	<b>443297496</b>	<b>-4375671</b>	<b>660494637</b>

AS AT 31ST MARCH, 2020	EQUITY SHARE CAPITAL			OTHER EQUITY			TOTAL
	Issued, Subscribed & Paid up Capital	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other comprehensive income (OCI)	
Balance at the beginning of the reporting period	61530750	2625456	118879163	38537443	443297496	-4375671	660494637
Total Comprehensive income for the year	0	0	0	0	14670542	439218	15109760
Earlier year income Tax Refund	0	0	0	0	194446	0	194446
<b>Balance at the end of the reporting period</b>	<b>61530750</b>	<b>2625456</b>	<b>118879163</b>	<b>38537443</b>	<b>458162484</b>	<b>-3936453</b>	<b>675798843</b>

As per our report of even date

For and on behalf of the Board

 For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

 (R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

 (U. K. Doshi)  
Executive Director  
DIN :00174486

 ( Pankaj K Shah )  
Partner  
MRN : 034603  
UDIN : 20034603AAAACE7908

 (J.T. Jhalavadia)  
C.F.O.  
Date : 26th June, 2020  
Place : Veraval (Shapar)

 (Vijay R. Jadeja)  
Company Secretary  
MRN : A31035

 Date : 26th June, 2020  
Place : Ahmedabad

## Significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2020

### A Corporate Information

Rajoo Engineers Ltd. (The Company) is a public limited Company incorporated in India. The Company's shares are listed on Bombay stock exchange in India. The company is mainly engaged in the manufacturing and selling a reputed brand of Plastic Processing Machineries and Post Extrusion Equipment. The company caters to both domestic and international markets.

### B Significant Accounting Policies

#### B.1 Basis of Preparation of Financial Statements

**Statement of Compliance with Indian Accounting Standards (IND AS):** The financial statements have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

#### B.2 Summary of Significant Accounting Policies

##### B.2.1 Property, Plant and Equipment

Property, Plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets

Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on Property, plant and equipment is provided on Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history or replacement, anticipated technological changes, manufacturer's warranties and maintenance support.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II.

Assets description	Useful life as per management (as technically assessed)	Useful life under schedule II
Office buildings	30 years	60 years
Plant and machinery	10 – 15 Years	15 years

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

##### B.2.2 Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

## Significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2020

### B.2.3 Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss.

The company has recognized the research & development expenditure incurred for the development, modification, upgradation of plastic processing machinery and spares manufacturing. The capital expenditure is recognized and included in the cost of Plant & Machinery and Computer in the Balance sheet and Revenue expenditure is charged to Statement of Profit and Loss Account as detailed here;

(Rs. In lakhs)

Sr. No.	Particulars	2019-20	2018-19
1	Capital Expenditure	0.00	0.00
2	Revenue Expenditure	90.41	127.02
	<b>Total</b>	<b>90.41</b>	<b>127.02</b>

### B.2.4 Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, consumable and other products are determined on weighted average basis.

### B.2.5 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### B.2.6 Employee Benefits Expense

#### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

#### Post-Employment Benefits

##### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

## Significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2020

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### Other Long-term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulations of leave. The Company determines the liability for such accumulated leaves using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.

The Leave Encashment liability amount is contributed to the fund managed by LIC exclusively for Leave Encashment payment to the employees.

### B.2.7 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

#### - Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### - Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period

### B.2.8 Foreign currencies transactions

The functional currency of the company is the Indian Rupee. These financial statements are presented in Indian Rupees.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Gain or losses upon settlement of foreign currency transactions are recognized in the statement of profit and loss for the period in which the transaction is settled.

### B.2.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

#### - Sale of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

#### - Income from services

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

**Significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2020****- Other Income****- Interest income**

Interest income from a financial asset is recognized using effective interest rate method.

**- Dividend Income**

Dividend income on investments is recognized when the right to receive dividend is established.

**B.2.10 Financial instruments****B.2.10.1 Financial Assets****- Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

**- Subsequent measurement****- Financial assets carried at amortized cost (AC)**

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**- Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**- Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**- Investment in subsidiaries, Associates and Joint Ventures**

The Company has accounted for its investments in joint venture at cost.

**- Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**B.2.10.2 Financial Liabilities****- Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

**- Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**B.2.11 Fair Value Measurement**

The Company measures financial instruments at fair value at each balance sheet date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## Significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2020

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### C Critical Accounting Judgements and Key Sources of Estimation Uncertainty

#### C.1 Useful lives and residual values of property, plant and equipment

Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

#### C.2 Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

#### C.3 Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

#### C.4 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

#### C.5 Global Health Pandemic on COVID-19.

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 3rd May, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

**Significant Accounting Policy to the Audited Financial statement for the year ended on 31st March, 2020**

Further, Company has started Manufacturing India's first MasCon<sup>®</sup> - Fully automatic N-95 Mask making machines along with FabrEX<sup>®</sup> Melt Blown Fabric Making Machine.

In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Trade receivable etc. the Company has considered internal and external information. The Company has performed sensitivity analysis on the basis of internal and external information/indicators of future economic conditions, the Company expects to recover the carrying amount of the assets.

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**
**1. PROPERTY, PLANT & EQUIPMENT**

Particulars	<----- GROSS BLOCK ----->			As at 31.03.2020
	As at 01.04.2019	Addition during the Year	Deduction / Sold during the year	
<b>TANGIBLE ASSETS</b>				
LAND	36158933	0	0	36158933
BUILDING	160442163	0	0	160442163
SITE DEVELOPMENT	457899	0	0	457899
PLANT & MACHINERY	325731484	3764659	0	329496142
SOLAR POWER PLANT	15499360	0	0	15499360
SOLAR EQUIPMENT	111602	0	0	111602
ELECTRIFICATION	11011144	0	0	11011144
OFFICE EQUIPMENT	23807521	95372	0	23902893
FURNITURE AND FIXTURE	17063666	0	0	17063666
FIRE FIGHTING EQUIPMENT	131859	0	0	131859
COMPUTER	45133638	0	41130	45092508
VEHICLES	42889392	0	724895	42164497
<b>TOTAL - A</b>	<b>678438660</b>	<b>3860031</b>	<b>766025</b>	<b>681532666</b>
<b>INTANGIBLE ASSETS</b>				
GOODWILL (MERGER)	5661285	0	0	5661285
SOFTWARE	12197657	0	0	12197657
TRADEMARK & PATENT	36143000	0	0	36143000
<b>TOTAL - B</b>	<b>54001942</b>	<b>0</b>	<b>0</b>	<b>54001942</b>
<b>TOTAL - [A + B]</b>	<b>732440602</b>	<b>3860031</b>	<b>766025</b>	<b>735534608</b>
CAPITAL - WORK IN PROCESS	14752101	2813820	1957296	15608624

Particulars	DEPRECIATION / AMORTIZATION / DEPLETION			As at 31.03.2020
	As at 01.04.2019	Addition / Adjustment during the Year	Deduction / Sold during the year	
<b>TANGIBLE ASSETS</b>				
LAND	0		0	0
BUILDING	38520039	4392115	0	42912154
SITE DEVELOPMENT	289454	24269	0	313723
PLANT & MACHINERY	97339057	19597285	0	116936341
SOLAR POWER PLANT	584942	669291	0	1254233
SOLAR EQUIPMENT	13013	21204	0	34217
ELECTRIFICATION	7163078	477131	0	7640209
OFFICE EQUIPMENT	18526202	2167298	0	20693500
FURNITURE AND FIXTURE	11022532	774919	0	11797451
FIRE FIGHTING EQUIPMENT	75491	5408	0	80899
COMPUTER	39429537	2641564	12503	42058598
VEHICLES	18347019	4103602	566485	21884136
<b>TOTAL - A</b>	<b>231310363</b>	<b>34874086</b>	<b>578988</b>	<b>265605461</b>
<b>INTANGIBLE ASSETS</b>				
GOODWILL (MERGER)	2138707	0	0	2138707
SOFTWARE	1896119	1158776	0	3054895
TRADEMARK & PATENT	28730117	1731096	0	30461213
<b>TOTAL - B</b>	<b>32764943</b>	<b>2889872</b>	<b>0</b>	<b>35654815</b>
<b>TOTAL - [A + B]</b>	<b>264075306</b>	<b>37763958</b>	<b>578988</b>	<b>301260276</b>

**CAPITAL - WORK IN PROCESS**

Particulars	NET BLOCK	As at
	As at	31-03-2019
<b>TANGIBLE ASSETS</b>		
LAND	36158933	36158933
BUILDING	117530009	121922124
SITE DEVELOPMENT	144176	168445
PLANT & MACHINERY	212559801	228392427
SOLAR POWER PLANT	14245127	14914418
SOLAR EQUIPMENT	77385	98589
ELECTRIFICATION	3370935	3848066
OFFICE EQUIPMENT	3209393	5281319
FURNITURE AND FIXTURE	5266215	6041134
FIRE FIGHTING EQUIPMENT	50960	56368
COMPUTER	3033910	5704101
VEHICLES	20280361	24542373
<b>TOTAL - A</b>	<b>415927205</b>	<b>447128297</b>

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**
**INTANGIBLE ASSETS**

GOODWILL (MERGER)	3522578	3522578
SOFTWARE	9142762	10301538
TRADEMARK & PATENT	5681787	7412883
<b>TOTAL - B</b>	<b>18347127</b>	<b>21236999</b>
<b>TOTAL - [A + B]</b>	<b>434274332</b>	<b>468365296</b>
<b>CAPITAL - WORK IN PROCESS</b>	<b>15608624</b>	<b>14752101</b>

**2. Non-current Investments**

Particulars	As At 31-03-2020		As At 01-04-2019	
	UNIT	AMOUNT	UNIT	AMOUNT
<b>Investment measured at Cost</b>				
In Equity shares of Joint Venture Company				
<b>Unquoted, Fully Paid up</b>				
Rajoo Bausano Extrusion Pvt. Ltd.	1960000	19600000	1960000	19600000
<b>Total Investment measured at Cost</b>		<b>19600000</b>		<b>19600000</b>
<b>Investments measured at Fair Value through Profit and Loss Account</b>				
In Equity shares				
<b>Unquoted, Fully Paid up</b>				
BPL Engineering Limited	2500	0	2500	0
<b>Quoted, Fully Paid up</b>				
Windsor Machines Limited of	470	4019	470	32994
Kabra Extrusion Technic Limited of	1600	68960	1600	137120
<b>Total Investments measured at Fair Value through Profit &amp; Loss Account</b>		<b>72979</b>		<b>170114</b>
<b>TOTAL NON-CURRENT INVESTMENTS</b>		<b>19672979</b>		<b>19770114</b>

**2.10 Category-wise Non-current investment**

Particulars	As At 31-03-2020		As At 31-03-2019	
	AMOUNT Rs.		AMOUNT Rs.	
Investment measured at Cost	19600000		19600000	
Investments measured at Fair Value through Profit & Loss Account	72979		170114	
<b>TOTAL NON-CURRENT INVESTMENTS</b>	<b>19672979</b>		<b>19770114</b>	

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**
**3. LOANS**

(Unsecured, Considered good unless otherwise stated)

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Security Deposits</b>		
Utility Service Deposit	3597040	4280523
Gas Cylinder Deposit	205756	205756
Sales Tax Deposit	0	0
Other Deposit	582100	597082
Ahmedabad Office Maintenance Deposit	95000	95000
Ashray Home Owners Maintenance Deposit	0	0
<b>Total</b>	<b><u>4479896</u></b>	<b><u>5178361</u></b>

**4. OTHER NON-CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Capital Advances	653400	664374
Unamortized Expenses	0	0
<b>Total</b>	<b><u>653400</u></b>	<b><u>664374</u></b>

**5. INVENTORIES**

(Cost or net realizable value, whichever is lower)

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Raw Materials &amp; Components</b>		
Indigenous	254186545	252847877
Imported	56639500	32316737
Testing Materials	3869827	3683859
Consumable Stores	24534177	17269437
Scrap	0	0
Stock in Process	233918681	93324149
Stationery	550077	421284
Finished Goods	31341270	9000000
<b>Total</b>	<b><u>605040078</u></b>	<b><u>408863342</u></b>

**6. TRADE RECEIVABLE**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Secured</b>		
Others	0	0
Outstanding exceeding Six Months	0	0
<b>Unsecured, Considered Goods</b>		
Others	76213867	141622584
Outstanding exceeding Six Months	42038917	15378704
<b>Unsecured, Dobuffull</b>		
Others	0	0
Outstanding exceeding Six Months	0	0
<b>Total</b>	<b><u>118252784</u></b>	<b><u>157001288</u></b>

## Notes to the Audited Financial Statements for the year ended on 31st March, 2020

### 7. Cash & Cash Equivalents

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Cash on Hand	1041265	1075348
Balance with Bank	41054847	14659557
<b>Total</b>	<b><u>42096112</u></b>	<b><u>15734905</u></b>

**7.01 Balance with Bank includes Rs. 3040514 (Previous Year Rs. 3044714) towards unclaimed dividend**

### 8. Other Bank Balances

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Deposits held with Bank	58718010	498923
<b>Total</b>	<b><u>58718010</u></b>	<b><u>498923</u></b>

**8.01 Deposits held with banks to the extent Rs. 18718010 (Previous Year Rs. 498923) held as margin money.**

**8.02 Deposits held with banks Rs. 40000000 (previous year Rs. NIL) with maturity more than 3 Months but less than 12 Months**

### 9.00 Loans

(Unsecured, Considered good unless otherwise stated)

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Loans to Employees	893492	247107
<b>Total</b>	<b><u>893492</u></b>	<b><u>247107</u></b>

### 10.00 Other Financial Assets

(Unsecured, Considered good unless otherwise stated)

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Accrued Interest	162615	135356
<b>Total</b>	<b><u>162615</u></b>	<b><u>135356</u></b>

### 11.00 Other Current Assets

(Unsecured, Considered good unless otherwise stated)

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Receivable from</b>		
Income Tax Authority	20994843	36337775
Sales Tax Authority	7219108	7219108
GST / Excise / Service Tax	18089434	64646843
Export Incentives Receivable	21183098	23515685
Prepaid Custom Duty	9941871	3608502
Prepaid Insurance / Expenses	6807760	9972433
Advance to Suppliers	23376190	31520656
Advance to Employees	60098	0
Other Advances	2563840	4806312
<b>Total</b>	<b><u>110236242</u></b>	<b><u>181627315</u></b>

## Notes to the Audited Financial Statements for the year ended on 31st March, 2020

### 12. Equity Share Capital

Particulars		As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Authorised Share Capital</b>			
Equity Share of Rs. 1 Each	77000000	77000000	77000000
<b>Issued, Subscribed &amp; Paid up Capital</b>			
Issued, Subscribed & Paid up Capital			
Equity Share of Rs. 1 Each	61530750	61530750	61530750
	<b>Total</b>	<b>61530750</b>	<b>61530750</b>

### 12.10 The reconciliation of the number of shares outstanding :

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Equity Share at the beginning of the year	61530750	61530750
Add : Issued during the year	0	0
<b>Equity Share at the end of the year</b>	<b>61530750</b>	<b>61530750</b>

### 12.20 Terms/rights attached to Equity Shares

**12.21** The Company has only one class of issued Equity Shares having a par value of Rs. 1 per share. Each shareholder is eligible for one vote per share held.

**12.22** In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the company after distribution of all preferential amounts, in proportion of their shareholding.

### 12.30 The details of shareholders holding more than 5% shares

Particulars	No. of Share	As at 31/03/2020 % of Holding	No. of Share	As at 31/03/2019 % of Holding
Devyani Chandrakant Doshi	5862560	9.53%	5862560	9.53%
Khushboo Chandrakant Doshi	4867042	7.91%	4867042	7.91%
Pallav Kishorbhai Doshi	4826609	7.84%	4826609	7.84%
Rifa Rajesh Doshi	4513440	7.34%	4513440	7.34%
Nita Kishorbhai Doshi	3884600	6.31%	3884600	6.31%
Kruti Rajeshbhai Doshi	3144132	5.11%	3144132	5.11%

### 12.40 In the Period of five years immediately preceding 31st March, 2020

The Company has not issued Bonus shares and bought back any equity shares during the period of five years immediately preceding the Balance sheet date. However the Company has allotted 21318000 equity shares for consideration other than cash pursuant to the scheme of amalgamation during F.Y. 2013-14.

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**
**13 Other Equity**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Capital Reserve</b>		
Opening Balance	2625456	2625456
Add : Addition During the year	0	0
	<b>2625456</b>	<b>2625456</b>
<b>Securities Premium</b>		
Opening Balance	118879163	118879163
Add : Addition During the year	0	0
	<b>118879163</b>	<b>118879163</b>
<b>General Reserve</b>		
Opening Balance	38537443	38537443
Add : Transferred from Retained Earning	0	0
	<b>38537443</b>	<b>38537443</b>
<b>Retained Earning</b>		
Opening Balance	443297496	381622731
Add : Profit for the year	14670542	78881036
	<b>457968038</b>	<b>460503767</b>
<b>Less: Appropriations</b>		
Dividend on Equity Shares	0	15382688
Divided Distribution Tax	0	3161912
Ind As Effect of Leave Encasement	0	-405088
Income Tax Refund	-194446	-933241
	<b>458162484</b>	<b>443297496</b>
<b>Other Comprehensive Income(OCI)</b>		
Opening Balance	-4375671	-1668707
Add : Movement in OCI (net) during the year	439218	-2706964
	<b>-3936453</b>	<b>-4375671</b>
	<b>614268093</b>	<b>598963887</b>

**14. Borrowing - Non Current**

Particulars	Non-Current AMOUNT Rs.	As At 31-03-2020 Current AMOUNT Rs.	Non-Current AMOUNT Rs.	As At 31-03-2019 Current AMOUNT Rs.
<b>Secured - at Amortized Cost</b>				
Term Loan from Bank	41856229	20867592	69974581	13680000
	<b>41856229</b>	<b>20867592</b>	<b>69974581</b>	<b>13680000</b>

1. Above facility is secured against pari passu charged on entire current assets, both present and future and movable fixed assets of the company secured by way of hypothecation.
2. It is further secured by equitable mortgage of immovable properties being Industrial Land and Building situated at Manavadar and Veraval (Shapar). Further it is also secured by way of hypothecation of Plant and Machinery of the company both present and future.
3. It is also secured by irrevocable personal gurantee of Mr. Rajesh Doshi

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**
**15 Deferred Tax Liability (Net)**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Opening Balance	40080890	41150283
Charge / (Credit) to Statement of Profit & Loss	-1143270	-1069393
At the end of year	<b>38937620</b>	<b>40080890</b>

**16 Borrowing - Current**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Secured - at Amortized Cost</b>		
Loan Repayable on Demands		
From Bank	18637474	104628373
	<b>18637474</b>	<b>104628373</b>

(Secured against pari pasu charge over entire Current Assets, both present and future, secured by way of hypothecation and equitable mortgage of Factory Land & Building at Manavadar and Veraval (Shapar), Rajkot and Commercial Property at Brooklyn Tower, Ahmedabad. Further, Secured by way of hypothecation of plant & machinery of the Company both present and future.)

**17 Trade Payable**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Micro, Small and Medium Enterprises	78582264	78272338
Others	222709164	117410958
	<b>301291428</b>	<b>195683295</b>

**18 Other Financial Liability**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Current maturities of Long Term Debt (Refer Note no. 14)	20867592	13680000
Trade Payable for Capital Goods	140229	344597
Unclaimed Dividend	3040514	3044714
Security Deposit	1649660	2132443
	<b>25697995</b>	<b>19201754</b>

**19 Other Current Liability**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Advance Received against Orders	274202262	134439843
T.C.S. Payable	0	2889
T.D.S. Payable	1015312	2216533
Professional Tax Payable	54230	42300
GST Payable	2660589	4275336
	<b>277932393</b>	<b>140976901</b>

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**
**20 Provisions - Current**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Provisions for Employee Benefits		
Salaries	8117411	9876483
Bonus to Staff	3474490	1568188
Provident Fund	852183	853055
Leave Encasement	0	0
Other provisions		
Audit Fees	135000	135000
Royalty on Sales	370220	1725080
Selling Commission	8354682	1037570
Telephone Expenses	0	0
Other Expenses	2266753	942690
Warranty	3037238	6332671
Dividend Distribution Tax	0	30359
Clearing & Forwarding Expenses	650246	197834
	<b>27258223</b>	<b>22698930</b>

**21.00 Revenue From Operations**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Sale of Products		
Domestic	334392264	764249019
Exports	524458102	410697414
	<b>858850365</b>	<b>1174946432</b>
Sale of Services		
Domestic	3355530	3991534
Exports	852041	604672
	<b>4207570</b>	<b>4596206</b>
Other operating Revenue		
Excess Provision of Warranty W/off	0	3811217
Deposit Forefeited	34384568	3481275
Net Foreign Exchange Difference	34435	1742596
Net gain from expenses recovered	11268701	7625818
Export Incentives	24839587	16203215
Solar Power Income	1910409	1520726
Excise Refund	0	10689753
	<b>72437700</b>	<b>45074601</b>
<b>Total Revenue from Operation</b>	<b>935495636</b>	<b>1224617239</b>

## Notes to the Audited Financial Statements for the year ended on 31st March, 2020

### 22 Other Income

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Interest</b>		
Bank Deposits	457091	3879219
Other Financial Assets carried at Amortized Cost	31944	38132
Others	380046	1641138
	<b>869081</b>	<b>5558489</b>
<b>Dividend Income</b>		
Gain on Financial Assets	470	4903670
	-97135	-254931
<b>Other Non - Operating Income</b>		
Net Gain / (Loss) on sale of Fixed Assets	-37037	-259252
Excess Provision of Income Tax W/off	-15066	0
Rent Income	726000	660000
	<b>1446313</b>	<b>10607976</b>

### 23.00 Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Inventories (at close)</b>		
Finished Goods	31341270	9000000
Work-in-Progress	233918681	93324149
<b>Total Inventories (at close)</b>	<b>265259951</b>	<b>102324149</b>
<b>Inventories (at commencement)</b>		
Finished Goods	9000000	9000000
Work-in-Progress	93324149	228977890
<b>Total Inventories (at commencement)</b>	<b>102324149</b>	<b>237977890</b>
<b>Changes In Inventories</b>	<b>-162935802</b>	<b>135653741</b>

### 24.00 Employee Benefits Expense

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Salaries and Wages	111904959	109101758
Contribution to Provident Fund and Other Funds	7863744	8066837
Staff Welfare Expenses	4462313	5906017
	<b>124231016</b>	<b>123074612</b>

### 25.00 Finance Cost

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Interest Expenses Paid</b>		
Bank	16577699	19776331
Others	1552700	379248
Bank Commission / Charges	2408018	2239916
(Gain) / Loss on Foreign Currency Transaction	311842	315339
	<b>20850259</b>	<b>22710834</b>

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**

**26 Other Expenses**

Particulars	As At 31-03-2020	As At 31-03-2019
	AMOUNT Rs.	AMOUNT Rs.
Packing Materials Consumed	10280304	8324321
Power & Fuel	16413601	15535600
Labour Charges	17019989	17860701
Machinery repairs & Maintenance	2514219	2613553
Building repairs & Maintenance	497572	1419832
Others repairs & Maintenance	4716215	4621227
Clearing & Forwarding Charges	3979729	5434259
Freight and Cartage	13866562	11139970
Insurance	3987467	3753802
Rent, Rates & Taxes	163901	139194
Postage and Telephone	812284	953900
Stationery & Printing	283758	643256
Advertisement & Sales Promotion Expense	35135308	34444531
Commission - Domestic	1631437	5251040
Commission - Overseas	13553908	11797830
Legal & Professional Fees	4929005	4644353
Donation	748770	146802
CSR Expense	615745	5588797
Travelling Expenses - Domestic	6162901	7624977
Travelling Expenses - Foreign	15054097	13915023
Travelling Expenses - Business Promotion	2252058	1481589
Sales Tax Paid	298525	0
GST, Excise & Service Tax Expenses	484559	473020
Penalty Exp	0	0
Computer Maintenance & Other Expenses	4159527	4440816
Income Tax Expenses	0	292965
Payment to Auditors	150000	150000
Bad debts Written off	99689	1806985
Royalty Expense	412738	2286243
Warranty Expenses	8877804	10281926
Job Work Charges	25562155	28456876
Consultancy and contractors expenses	8739729	7103093
Research & Development	9041326	12702383
Miscellaneous Expense	10442242	12406238
Prior year Expenditure	155000	234742
	<b>223042126</b>	<b>237969843</b>

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**
**27 Taxation**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>A. Tax expense recognised in the statement of Profit and Loss:</b>		
Current Tax	2678360	19099121
Mat Credit Entitlement	-219397	-4341968
Deferred Tax	-1143270	-1069393
<b>Total Income Tax recognised in the current year</b>	<b>1315693</b>	<b>13687760</b>
<b>B. The income tax expenses for the year can be reconciled to the accounting profit as follows:</b>		
Profit before Tax	15986235	92568796
Applicable Tax Rate	0.2600	0.2782
Computed Tax Expenses	4156421	25752639
Tax Effect of		
Expenses Disallowed	12744097	14382037
Exempted Income	0	-1364201
Additional Allowances	-14583625	-23607525
Other	142070	-405797
Mat Credit Entitlement	219397	4341968
<b>Current Tax Provisions</b>	<b>2678360</b>	<b>19099121</b>
<b>Mat Credit Entitlement</b>	<b>-219397</b>	<b>-4341968</b>
Incremental Deferred Tax Liability / (Assets) on account of		
Tangible and Intangible Assets	1664145	-699634
Financial Assets and Other Items	-2807415	-369758
<b>Deferred Tax Provisions</b>	<b>-1143270</b>	<b>-1069393</b>
<b>Tax Expenses recognised in Statement of Profit and Loss</b>	<b>1315693</b>	<b>13687760</b>
<b>Effective Tax Rate</b>	<b>8.23%</b>	<b>14.79%</b>

**28.00 Disclosure Pursuant To Ind As - 19 "Employee Benefits"**
**28.01 Gratuity:**

Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by life Insurance Companies under their respective Group Gratuity Schemes

**28.02 Leave Encashment:**

Liabilities with regard to the Leave Encashment are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by life Insurance Companies under their respective Leave Encashment Schemes

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**
**28.03 Reconciliation of opening and closing balances of Defined Benefit Obligation**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Present value of obligations as at beginning of year</b>	<b>25314724</b>	<b>20299849</b>
Interest cost	1898604	1668489
Current Service Cost	2421521	2244951
Benefits Paid	-1534897	-1605529
Actuarial (gain)/ loss on obligations	-439218	2706964
<b>Present value of obligations as at end of year</b>	<b>27660734</b>	<b>25314724</b>

**28.04 Reconciliation of opening and closing balances of fair value of Plan Assets**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Fair value of plan assets at beginning of year</b>	<b>27864995</b>	<b>21298481</b>
Expected return on plan assets	1838186	1716262
Contributions	0	6455781
Benefit Paid	-1534897	-1605529
Actuarial (gain)/ loss on Plan Assets	0	0
<b>Fair value of plan assets at End of year</b>	<b>28168284</b>	<b>27864995</b>

**28.05 Reconciliation of fair value of Assets and Obligations**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Fair value of plan assets at End of year	28168284	27864995
Present value of obligations as at end of year	27660734	25314724
Amount recognized in Balance Sheet Surplus/(Deficit)	507550	2550271

**28.06 Expenses recognized during the year**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>In Income Statement</b>		
Interest cost	1898604	1668489
Current Service Cost	2421521	2244951
Return on Plan Assets	-1838186	-1716262
<b>Net Cost</b>	<b>2481939</b>	<b>2197178</b>
<b>In Other Comprehensive Income</b>		
Actuarial (Gain) / Loss	-439218	2706964
<b>Net (Income) / Expenses recognised in OCI</b>	<b>-439218</b>	<b>2706964</b>

**29.00 Payment to Auditors**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Statutory Audit Fees	150000	150000
	<b>150000</b>	<b>150000</b>

**30.00 Corporate Social Responsibility (CSR)**

**30.01** CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 2477670 (Previous Year Rs. 2332221)

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**
**30.02 Expenditure related to Corporate Social Responsibility is Rs. 615741 (Previous Year Rs. 5588796).**
**30.03 Details of Amount spent towards CSR given below:**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Promoting Education</b>	1000	343690
Health care and Medical Facilities and Eradicating Malnutrition	491741	2818955
Old Age Home	0	2233700
Promoting Sports	51000	0
Ensuring environment sustainability and Conserving Natural Resources	51000	110000
Eradicating Malnutrition and hunger	21000	82451
<b>Total CSR Activity</b>	<b>615741</b>	<b>5588796</b>

**31.00 Earnings Per Share (EPS)**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Net Profit after Tax as per Statement of Profit and Loss	14670542	78881036
Attributable to Equity Shareholders		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	61530750	61530750
<b>BASIC EPS</b>	<b>0.24</b>	<b>1.28</b>
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	61530750	61530750
<b>Diluted EPS</b>	<b>0.24</b>	<b>1.28</b>

**32.00 Related Party Disclosure**

32.01 As per Ind AS 24, the disclosures of transactions with the related parties are given below:

**32.02 List of related parties where control exists and also related parties with whom transactions have taken place and relationships**

Name	Relationship
Shri Rajesh N. Doshi	Key Management Personnel
Shri Sunil Jain	Key Management Personnel
Ms. Khushboo C. Doshi	Key Management Personnel
Mr. Utsav K. Doshi	Key Management Personnel
Mr. J. T. Zalawadia	Key Management Personnel
Mr. Vijay Jadeja	Key Management Personnel
Rajoo Bausano Extrusion Pvt. Ltd.	Joint Venture
Rajoo Innovation Centre LLP	Associate Concern
Essen Speciality Disposable LLP	Associate Concern
Starpack International	Associate Concern
Essen Speciality Films Pvt. Ltd.	Associate Concern
Rajoo Eng Ltd Employees Gratuity Fund	Employees Benefit Plans
Rajoo Eng Ltd Employees Leave Enachment	Employees Benefit Plans
Ruby Jain	Relative of KMP
Karishma Doshi	Relative of KMP

**Notes to the Audited Financial Statements for the year ended on 31st March, 2020**
**32.03 Transactions during the year with related parties**

Nature of Transaction (Excluding Reimbursements)	Key Management Personnel	Joint Venture	Associates Concern	Post Employee Benefit Plans	Relatives of KMP
Purchase	0	156655	141683	0	0
Sale & Service	0	42058651	3003461	0	0
Remuneration	14703484	0	0	0	0
Commission	0	0	786974	0	0
Rent Paid	75000	0	0	0	1200000
Post Employee Benefit Paid	0	0	0	0	0
Professional Fees	4800000	0	0	0	0
Net Payables / (Receivable)	1356983	3204440	1396665	0	90000

**32.04 Disclosure in Respect of Major Related Party Transactions during the year**

Nature of Transaction (Excluding Reimbursements)	Relationship	As at 31/03/2020 Amount Rs.	As at 31/03/2019 Amount Rs.
<b>Purchase of Goods</b>			
Rajoo Bausano Extrusion Pvt. Ltd.	Joint Venture	156655	2125
Rajoo Innovation Centre LLP	Associates Concern	69502	1368062
Essen Speciality Disposable LLP	Associates Concern	0	11886822
Essen Speciality Films Pvt. Ltd.	Associates Concern	72181	24445
<b>Sale &amp; Service</b>			
Rajoo Bausano Extrusion Pvt. Ltd.	Joint Venture	42058651	55277287
Rajoo Innovation Centre LLP	Associates Concern	1108187	33255
Essen Speciality Films Pvt. Ltd.	Associates Concern	627141	20272395
Essen Speciality Disposable LLP	Associates Concern	1305777	62756459
<b>Sales Return</b>			
Rajoo Innovation Centre LLP	Associates Concern	12744	0
Essen Speciality Disposable LLP	Associates Concern	19307	0
Essen Speciality Films Pvt. Ltd.	Associates Concern	5593	0
<b>Jobwork Charges Paid</b>			
Rajoo Innovation Centre LLP	Associates Concern	0	2328500
<b>Rent Paid</b>			
Mr. Utsav K. Doshi	Key Management Personnel	75000	300000
Karishma Doshi	Relatives of KMP		0
Ruby Jain	Relatives of KMP	1200000	1200000
<b>Selling Commission Paid</b>			
Starpack International	Associates Concern	786974	
<b>Professional Fees Paid</b>			
Shri Sunil Jain	Key Management Personnel	4800000	4800000
<b>Remuneration paid</b>			
Shri Rajesh N. Doshi	Key Management Personnel	6896749	6873489
Ms. Khushboo C. Doshi	Key Management Personnel	3495156	3472320
Mr. Utsav K. Doshi	Key Management Personnel	2959680	2903370
Mr. J. T. Zalawadia	Key Management Personnel	850524	836598
Mr. Vijay Jadeja	Key Management Personnel	501375	455622
<b>Employee Benefit Paid</b>			
Rajoo Eng Ltd Employees Gratuity Fund	Employee Benefit Plans	0	3640359
Net Payables / (Receivable)			
Shri Rajesh N. Doshi	Key Management Personnel	335660	69413
Shri Sunil Jain	Key Management Personnel	720000	360000
Ms. Khushboo C. Doshi	Key Management Personnel	125060	170095

## Notes to the Audited Financial Statements for the year ended on 31st March, 2020

### 32.04 Disclosure in Respect of Major Related Party Transactions during the year

Mr. Utsav K. Doshi	Key Management Personnel	176263	155860
Rajoo Bausano Extrusion Pvt. Ltd.	Joint Venture	3204440	0
Essen Speciality Disposable LLP	Associates Concern	-9882	-47200000
Essen Speciality Films Pvt. Ltd.	Associates Concern	4500	0
Starpac International	Associates Concern	186973	0
Rajoo Innovation Centre LLP	Associates Concern	1215074	0
Ruby Jain	Relatives of KMP	90000	90000

### 33 Contingent Liability and Commitment

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Contingent Liability</b>		
A. Claim against the company / disputed liabilities not acknowledged as debt	86503386	86503386
B. Guarantees		
I. Guarantees to Bank and Financial Institution against Credit Facilities extended to third parties and other Guarantees	0	0
II. Performance Guarantees	46693400	0
III. Outstanding Guarantees furnished to Bank or financial institution including in respect of Letter of Credit	47358645	0
C. Other Money for which the company is contingent liable	0	0
I. Pending C-Form	1763956	2641110
II. Liability in respect of bills discounted with Banks (Including third party bills discounting)	28021844	1617561
III. Customs Duty Obligations towards EPCG License	30402115	30402115
<b>Commitment</b>		
A. Estimated amount of contract remaining to be executed on capital account and not provided for (Net of Advances)	0	0
B. Other Commitment	0	0

### 34.00 FINANCIAL INSTRUMENTS

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted Equity Shares is measured at quoted price or NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

#### Fair value measurement hierarchy:

Particulars	As at 31/03/2020		As at 31/03/2019	
	Carrying Amount	Level of input used in Level 1	Carrying Amount	Level of input used in Level 1
<b>Financial Assets</b>				
<u>At Amortized Cost</u>				
Loans	5373388	0	5425468	0
Trade receivables	118252784	0	157001288	0
Cash and cash equivalents	42096112	0	15734905	0
Other Bank Balances	58718010	0	498923	0
Other Financial Assets	162615	0	135356	0
<b><u>At FVTPL</u></b>				
Investments	19600000	72979	19600000	170114

## Notes to the Audited Financial Statements for the year ended on 31st March, 2020

Particulars	As at 31/03/2020		As at 31/03/2019	
	Carrying Amount	Level of input used in Level 1	Carrying Amount	Level of input used in Level 1
<b>Financial Liabilities</b>				
At Amortized Cost	60493703	0	174602954	0
Borrowings	301291428	0	195683295	0
Trade Payables	25697995	0	19201754	0
Other Financial Liabilities				

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

### 35.00 Financial risk management objectives and policies

the company's principle financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivable and cash and cash equivalents that are derived directly from its operations.

The Company's senior management oversees the management of these risks. The senior professional working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies. In response to the pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below

### 35.01 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market prices comprises three type of risk currency rate risk interest rate risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and position as at reporting date, The analysis assesses the impact of movements in market variable on the carrying values of gratuity and other post- retirement obligations, provisions and the non-financial assets and liabilities. The sensitivity of the relevant profit and Loss item and equity is the effects of the assumed changes in the respective market risks. This based on the financial assets and financial liabilities held as of March 31,

## Notes to the Audited Financial Statements for the year ended on 31st March, 2020

### Foreign Currency Risk

The following table shows foreign currency exposures in USD and EURO on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

Particulars	As At 31-03-2020		As At 31-03-2019	
	USD	EURO	USD	EURO
Trade and other Payable	2095251	1034441	353964	134645
Trade and other Receivable	-1167501	-81664	-625475	-13299
<b>Net Exposure</b>	<b><u>927750</u></b>	<b><u>952778</u></b>	<b><u>-271511</u></b>	<b><u>121347</u></b>

Sensitivity analysis of 5% change in exchange rate at the end of reporting period net of hedges

Particulars	As At 31-03-2020		As At 31-03-2019	
	USD	EURO	USD	EURO
<b>5% Depreciation in INR</b>				
Impact on Equity	0	0	0	0
Impact on P&L	-3496964	-3956390	939038	-471447
Total	<b><u>-3496964</u></b>	<b><u>-3956390</u></b>	<b><u>939038</u></b>	<b><u>-471447</u></b>
<b>5% Appreciation in INR</b>				
Impact on Equity	0	0	0	0
Impact on P&L	3496964	3956390	-939038	471447
Total	<b><u>3496964</u></b>	<b><u>3956390</u></b>	<b><u>-939038</u></b>	<b><u>471447</u></b>

### Interest Rate Risk

The exposure of the company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows:

Particulars	As At 31-03-2020	As At 31-03-2019
	AMOUNT Rs.	AMOUNT Rs.
<b>Loans</b>		
Long Term Borrowing	62723821	83654581
Short Term Borrowing	18637474	104628373
<b>Total</b>	<b><u>81361295</u></b>	<b><u>188282954</u></b>

### Impact on Interest Expenses for the year on 1% change in Interest rate

<b>UP MOVE</b>		
Impact on Profit & Loss	-813613	-1882830
<b>DOWN MOVE</b>		
Impact on Profit & Loss	813613	1882830

### 35.02 Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally secured through Letters of Credit and advance payments.

## Notes to the Audited Financial Statements for the year ended on 31st March, 2020

### 35.03 Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

### 35.04 Financing arrangements

The Company had access to following Financing arrangement facilities at end of reporting period:

Particulars	As At 31-03-2020	As At 31-03-2019
	AMOUNT Rs.	AMOUNT Rs.
Cash & Cash Equivalent	42096112	15734905
Undrawn Credit Facility Expire within 1 Year	87310482	75371627
	<b>129406593</b>	<b>91106532</b>

### Contractual maturity patterns of borrowings

Particulars	As At 31-03-2020		As At 31-03-2019	
	0.1 Year	1-5 Years	0.1 Year	1-5 Years
Long term borrowings (Including current maturity of long term debt)	0	62723821	0	83654581
Short Term Borrowing	18637474	0	104628373	0
<b>Total</b>	<b>18637474</b>	<b>62723821</b>	<b>104628373</b>	<b>83654581</b>

**36.00** As per Ind/ AS 108-"Operating Segment", segment information has been provided under the notes to Consolidated Financial Statement.

**37.00** The Previous period figures have been re-grouped/re-classified wherever required to confirm to current year classification

As per our report of even date	For and on behalf of the Board	
For, Pankaj K Shah Associates Chartered Accountants FRN : 107352W	(R. N. Doshi) Chairman / Managing Director DIN : 00026140	(U. K. Doshi) Executive Director DIN : 00174486
( Pankaj K Shah ) Partner MRN : 034603 UDIN : 20034603AAAACE7908	(J.T. Jhalavadia) C.F.O.	(Vijay R. Jadeja) Company Secretary MRN : A31035
Date : 26th June, 2020 Place : Ahmedabad	Date : 26th June, 2020 Place : Veraval (Shapar)	

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of,  
**Rajoo Engineers Limited**

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated financial statements of **M/s. RAJOO ENGINEERS LIMITED**, ("the Company") and its Jointly Controlled Entity (collectively referred as to "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated statement of Cash Flows for the year then ended, and Notes to the Consolidated financial statement including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March 2020, the Consolidated profits (including other comprehensive income), Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit of the Consolidated Financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit matter to be communicated in our Report.

##### Key Audit Matter

##### Impairment of Investment in Joint Venture

In terms of option of Deemed Cost as per Ind-AS 101 'First Time Adoption of Indian Accounting Standards' the Company has valued its investments in Joint Venture amounting to Rs. 19600000 as on 31st March, 2020 at cost.

##### How the matter was addressed in our audit

We have performed the following processes in relation to Management's Judgment in identification of impairment of value of Investment in Joint Venture;

1. We have obtained representation from the Management regarding indication of likely impairment loss in respect of Investments made in Joint Venture and process of estimation of recoverable amount.
2. In case of a Joint Venture having material value under Investment, in respect of which no observable inputs were available, we have referred to the valuation obtained by the Management regarding its Value in Use and tested and discussed the assumptions used in the process of valuation with the management to ensure that no impairment provision against the same is required.
3. Our Audit process did not identify any requirement of provisioning for impairment in the value of Investment in Subsidiaries

**Warranty Obligation involves critical estimates.**

This estimate has a high inherent uncertainty as it involves management judgement by making assumption based on past experience.

Company is estimating provision for warranty Rs. 8877804 at 1% of total revenue from Machine sold.

**Principal Audit Procedures.**

1. We have obtained representation from the Management regarding assumption and estimation of Warranty obligation.
2. Performed analytical procedures and test of details for reasonableness of management estimation.
3. Reviewed the management's assumption and estimated efforts on these uncertainties.
4. Our audit process did not identify any change required to management's position on these uncertainties.

**Information Other than the Consolidated Financial Statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the Consolidated financial statement and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including other comprehensive income), Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective board of Directors of the Companies included in the Group are responsible maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Company as aforesaid

In preparing the Consolidated Financial statement, the respective board of directors of the company included in the group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

#### **We also:**

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
  
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
  
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  
- Obtain Sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for the audit opinion.

Materiality is the magnitude of misstatements in the Consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements of Rajoo Bausano Extrusion Pvt. Ltd. a jointly controlled entity whose audited financial statements reflect total assets of Rs. 2320.64 lacs as at March, 31, 2020, total revenue of Rs. 1129.99 lacs for the year then ended on that date. These Audited financial statements have been furnished to us and our opinion is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statement and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

#### **Report on Other Legal and Regulatory Requirements:**

1. As required by section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the aforesaid consolidated financial statements;

b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income) the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

e) On the basis of written representations received from the directors of the company as on March 31, 2020 taken on record by the Board of Directors of the company and the Reports of statutory auditor of its Jointly controlled company, none of the directors of the group company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on Auditor Report of the company and its jointly controlled company.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The consolidated financial statements disclosed the impact of pending litigations on its Consolidated financial position of the Group;

b) The Group does not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

C) The company has not transferred the unpaid dividend Rs. 378101, required to be transferred, to the Investor Education and Protection Fund.

Place: Ahmedabad  
Date: 10/08/2020

**FOR PANKAJ K. SHAH ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN : 107352W**

**(PANKAJ K. SHAH)**  
**Partner**  
**MRN : 034603**  
**UDIN : 20034603AAAADA5899**

## **"Annexure A" to the Independent Auditor's Report**

**(Referred to in paragraph 1(f) under "Report on other Legal and Regulatory requirements" Section of our Report to the members of the RAJOO ENGINEERS LIMITED of even date)**

**Report on the Internal Financial control with reference to financial statements under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/S. RAJOO ENGINEERS LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for Internal Financial control over Financial Reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 10/08/2020  
Place: Ahmedabad

**FOR PANKAJ K. SHAH ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN : 107352W**

**(PANKAJ K. SHAH)**  
**Partner**

**MRN : 034603**  
**UDIN : 20034603AAAADA5899**

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars		As at 31st March, 2020 Amount Rs.	As at 31st March, 2019 Amount Rs.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	419273890	449055800
Capital Work-in-Progress	1	15608624	14752101
Intangible assets	1	19524911	21491192
Intangible assets under development		0	0
<b>Financial Assets</b>			
Investments	2	72979	170114
Deposits	3	5334962	5183261
Other Non-Current Financial Assets		0	0
Other Non-current assets	4	653400	664374
		<b>460468766</b>	<b>491316841</b>
<b>Current assets</b>			
<b>Inventories</b>			
Financial Assets	5	662096003	461232433
Investments	6	7907760	15514252
Trade receivables	7	129883733	163585156
Cash and cash equivalents	8	50142060	17295518
Other Bank Balances	9	58718010	498923
Loans	10	922892	428335
Other Financial Assets	11	564541	135356
Other Current Assets	12	133651483	197182962
		<b>1043886483</b>	<b>855872935</b>
		<b>1504355249</b>	<b>1347189776</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	61530750	61530750
Other Equity	14	644757606	628782689
		<b>706288356</b>	<b>690313439</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	41856229	69974581
Deposits	16	134334	134334
Provisions		0	0
Deferred tax liabilities (Net)	17	39080905	40151590
Other Non Current Liability		0	0
		<b>81071468</b>	<b>110260504</b>

### CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Amount Rs.		Amount Rs.
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	18	18637474		104628373
Trade payables	19	303840017		197244100
Other Financial Liabilities	20	25720839		19279657
Other Current Liabilities	21	338005997		181143562
Provisions	22	28052880		24867101
Income Tax Liability (Net)		2738217		19453040
<b>Total current liabilities</b>		<b>716995425</b>		<b>546615832</b>
<b>Total Liabilities</b>		<b>798066893</b>		<b>656876337</b>
<b>Total Equity and Liabilities</b>		<b>1504355249</b>		<b>1347189776</b>

Significant Accounting Policies and The accompanying Notes 1 to 35 are an integral Part of the Consolidated

As per our report of even date

For and on behalf of the Board

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(U. K. Doshi)  
Executive Director  
DIN :00174486

( Pankaj K Shah )  
Partner  
MRN : 034603

(J.T. Jhalavadia)  
C.F.O.  
Date : 10th August, 2020  
Place : Veraval (Shapar)

(Vijay R. Jadeja)  
Company Secretary  
MRN : A31035

Date : 10th August, 2020  
Place : Ahmedabad

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Amount Rs.		Amount Rs.
<b>Income</b>				
Revenue from operations	23	988867632		1317427015
Other Income	24	3314633		11958763
<b>Total Income</b>		<b>992182265</b>		<b>1329385778</b>
<b>EXPENSES</b>				
Cost of Material Consumed		720776900		653433350
Changes in Inventories	25	-167806221		142032104
Employee Benefits Expense	26	130975718		129102165
Finance Costs	27	20962147		22862034
Depreciation / Amortisation of Expense	1	38166534		37781110
Other Expenses	28	232403432		249582982
<b>Total Expenses</b>		<b>975478509</b>		<b>1234793745</b>
<b>Profit Before Tax</b>		<b>16703756</b>		<b>94592032</b>
<b>Tax Expenses</b>				
Current Tax		2738217		19453040
Mat Credit Entitlement		-219397		-4341968
Deferred Tax		-1070685		-924277
<b>Profit after tax</b>		<b>15255620</b>		<b>80405237</b>
<b>Other comprehensive income:</b>				
i. Items that will not be reclassified to Statement of Profit and Loss		524998		-2609118
ii. Items that will be reclassified to Statement of Profit and Loss				
<b>Total comprehensive income for the year</b>		<b>15780618</b>		<b>77796119</b>
<b>Earnings per equity share of face value of Rs. 1 each</b>				
Basic (in Rs.)		0.25		1.31
Diluted (in Rs.)		0.25		1.31

Significant Accounting Policies and The accompanying Notes 1 to 35 are an integral Part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(U. K. Doshi)  
Executive Director  
DIN : 00174486

( Pankaj K Shah )  
Partner  
MRN : 034603

(J.T. Jhalavadia)  
C.F.O.  
Date : 10th August, 2020  
Place : Veraval (Shapar)

(Vijay R. Jadeja)  
Company Secretary  
MRN : A31035

Date : 10th August, 2020  
Place : Ahmedabad

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	As at 31st March, 2020 Amount Rs.	As at 31st March, 2019 Amount Rs.
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax as per Statement of Profit and Loss</b>	16703756	94592032
Adjusted for:		
(Profit) / Loss on Sale / Discard of Assets (Net)	10815	259252
Other Adjustment	-248186	0
Depreciation / Amortisation and Depletion Expense	38166534	37781110
Unrealised Loss / (Gain) on Exchange Difference	-3074467	-21875
Unrealised (Gain) / Loss of Fair Value of Investment	-396411	-321662
Dividend Income	-163570	-5426825
Interest Income	-996143	-4130258
Income Tax Refund	194446	933241
Finance costs	21019484	22862034
	<b>71216257</b>	<b>146527049</b>
<b>Operating Profit before Working Capital Changes</b>		
Adjusted for:		
Inventories	-200863571	127114211
Trade receivables	36775890	-116936676
Other Current Assets / Receivables	63991988	72583911
Trade payables	106595917	-75024826
Other Current Liability / Payables	166023208	-205390844
<b>Cash Generated from Operations</b>	<b>243739688</b>	<b>-51127173</b>
Taxes Paid (Net)	-19453040	-46806783
<b>Net Cash flow from Operating Activities</b>	<b>224286649</b>	<b>-97933956</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible and intangible assets	-7632454	-29691517
Proceeds from disposal of tangible and intangible assets	346773	186800
Net cash flow for other financial assets	-58219087	90527840
Interest Income	996143	4130258
Dividend Income from Joint Venture	0	5423155
Net Change in Investment	8104938	113845
Dividend Income from Others	163570	3670
<b>Net Cash flow (Used in) Investing Activities</b>	<b>-56240117</b>	<b>70694051</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Enquiry Share Capital	0	0
Proceeds from Long Term Borrowings	-28189606	32565971
Short Term Borrowings (Net)	-85990900	2364247
Dividends Paid (Including Dividend Distribution Tax)	0	-24442125
Interest Paid	-21019484	-22862034
<b>Net Cash flow (Used in) Financing Activities</b>	<b>-135199989</b>	<b>-12373941</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>32846543</b>	<b>-39613847</b>
<b>Opening balance of Cash and Cash Equivalents</b>	17295518	56909364
<b>Closing balance of Cash and Cash Equivalents</b>	50142060	17295518

Significant Accounting Policies and The accompanying Notes 1 to 35 are an integral Part of the Consolidated Financial Statements.

As per our report of even date

For, Pankaj K Shah Associates  
Chartered Accountants  
FRN : 107352W

( Pankaj K Shah )  
Partner  
MRN : 034603

Date : 10th August, 2020  
Place : Ahmedabad

(R. N. Doshi)  
Chairman / Managing Director  
DIN : 00026140

(J.T. Jhalavadia)  
C.F.O.  
Date : 10th August, 2020  
Place : Veraval (Shapar)

For and on behalf of the Board

(U. K. Doshi)  
Executive Director  
DIN : 00174486

(Vijay R. Jadeja)  
Company Secretary  
MRN : A31035

**STATEMENT OF CHANGES IN EQUITY**

AS AT 31ST MARCH, 2019	EQUITY SHARE CAPITAL			OTHER EQUITY			TOTAL
	Issued, Subscribed & Paid up Capital	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other comprehensive income (OCI)	
Balance at the beginning of the reporting period	61530750	2625456	118879163	38537443	415898684	-1668707	635802789
Total Comprehensive income for the year	0	0	0	0	80405236	-2609118	77796118
Dividends	0	0	0	0	-24442125	0	-24442125
Earlier year income Tax Refund	0	0	0	0	933241	0	933241
IND As effect of Leave Encashment	0	0	0	0	223416	0	223416
<b>Balance at the end of the reporting period</b>	<b>61530750</b>	<b>2625456</b>	<b>118879163</b>	<b>38537443</b>	<b>473018452</b>	<b>-4277825</b>	<b>690313439</b>

AS AT 31ST MARCH, 2020	EQUITY SHARE CAPITAL			OTHER EQUITY			TOTAL
	Issued, Subscribed & Paid up Capital	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other comprehensive income (OCI)	
Balance at the beginning of the reporting period	61530750	2625456	118879163	38537443	473018452	-4277825	690313439
Total Comprehensive income for the year	0	0	0	0	15255620	524998	15780618
Earlier year income Tax Refund	0	0	0	0	194446	0	194446
IND As effect of Leave Encashment	0	0	0	0	-147	0	-147
<b>Balance at the end of the reporting period</b>	<b>61530750</b>	<b>2625456</b>	<b>118879163</b>	<b>38537443</b>	<b>488468371</b>	<b>-3752827</b>	<b>706288356</b>

As per our report of even date

 For, Pankaj K Shah Associates  
 Chartered Accountants  
 FRN : 107352W

 ( Pankaj K Shah )  
 Partner  
 MRN : 034603

 Date : 10th August, 2020  
 Place : Ahmedabad

 (R. N. Doshi)  
 Chairman / Managing Director  
 DIN : 00026140

 (J.T. Jhalavadia)  
 C.F.O.  
 Date : 10th August, 2020  
 Place : Veraval (Shapar)

For and on behalf of the Board

 (U. K. Doshi)  
 Executive Director  
 DIN :00174486

 (Vijay R. Jadeja)  
 Company Secretary  
 MRN : A31035

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020

### A Group Information

The consolidated financial statements comprise financial statement of Rajoo Engineers Limited and its Joint Venture Entity hereinafter referred as "The Group".

#### Group Structure:

Name of The Company	Country of Incorporation	Share Holding as at	
		31.03.2020	31.03.2019
<b>Jointly Controlled Entity</b>			
Rajoo Bausano Pvt. Ltd.	India	49.00%	49.00%

### B Significant Accounting Policies

#### B.1 Basis of Preparation of Financial Statements

**Statement of Compliance with Indian Accounting Standards (IND AS):** The Consolidated financial statements have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

#### B.2 Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis.  
Investments in joint operations are accounted using the Proportionate Consolidation Method as per Ind AS 111 – Joint Arrangements.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

All other significant accounting policies are set out under "Significant Accounting Policies" as given in the Company's Standalone financial statements.

### C. Critical Accounting Judgements and Key Sources of Estimation Uncertainty on Global Health Pandemic on COVID -19.

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the Group companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 3rd May, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Group Company's assets such as Investments, Loans, intangible assets, Trade receivable etc. the Group has considered internal and external information. The Group has performed sensitivity analysis on the basis of internal and external information/indicators of future economic conditions, the Group expects to recover the carrying amount of the assets.

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020**
**1. PROPERTY, PLANT & EQUIPMENT**

Particulars	<----- GROSS BLOCK ----->			
	As at 01.04.2019	Addition during the Year	Deduction / Sold during the year	As at 31.03.2020
<b>TANGIBLE ASSETS</b>				
LAND	36158933	0	0	36158933
BUILDING	160442163	679880	0	161122043
SITE DEVELOPMENT	457899	0	0	457899
PLANT & MACHINERY	326470144	3764659	0	330234803
SOLAR POWER PLANT	15499360	0	0	15499360
SOLAR EQUIPMENT	111602	0	0	111602
ELECTRIFICATION	11262669	1036616	0	12299285
OFFICE EQUIPMENT	23923933	95372	0	24019305
FURNITURE AND FIXTURE	17914998	139790	0	18054788
FIRE FIGHTING EQUIPMENT	132154	0	0	132154
COMPUTER	45375689	104370	41130	45438929
VEHICLES	44028424	0	1092100	42936324
<b>TOTAL - A</b>	<b>681777968</b>	<b>5820687</b>	<b>1133230</b>	<b>686465426</b>
<b>INTANGIBLE ASSETS</b>				
GOODWILL (MERGER)	5661285	0	0	5661285
SOFTWARE	12574883	955243	0	13530126
TRADEMARK & PATENT	36143000	0	0	36143000
<b>TOTAL - B</b>	<b>54379168</b>	<b>955243</b>	<b>0</b>	<b>55334411</b>
<b>TOTAL - [A + B]</b>	<b>736157137</b>	<b>6775930</b>	<b>1133230</b>	<b>741799837</b>
CAPITAL - WORK IN PROCESS	14752101	2813820	1957296	15608624

Particulars	DEPRECIATION / AMORTIZATION / DEPLETION			
	As at 01.04.2019	Addition during the Year	Deduction / Sold during the year	As at 31.03.2020
<b>TANGIBLE ASSETS</b>				
LAND	0	0	0	0
BUILDING	38520040	4414527	0	42934567
SITE DEVELOPMENT	289454	24269	0	313723
PLANT & MACHINERY	97582546	19630357	0	117212903
SOLAR POWER PLANT	584942	669291	0	1254233
SOLAR EQUIPMENT	13013	21204	0	34217
ELECTRIFICATION	7262102	568524	0	7830626
OFFICE EQUIPMENT	18628362	2190423	0	20818785
FURNITURE AND FIXTURE	11352291	847706	0	12199996
FIRE FIGHTING EQUIPMENT	75491	5408	0	80899
COMPUTER	39615487	2701753	12503	42304737
VEHICLES	18798441	4171548	763139	22206850
<b>TOTAL - A</b>	<b>232722168</b>	<b>35245010</b>	<b>775642</b>	<b>267191536</b>
<b>INTANGIBLE ASSETS</b>				
GOODWILL (MERGER)	2138707	0	0	2138707
SOFTWARE	2019152	1190428	0	3209580
TRADEMARK & PATENT	28730117	1731096	0	30461213
<b>TOTAL - B</b>	<b>32887976</b>	<b>2921524</b>	<b>0</b>	<b>35809500</b>
<b>TOTAL - [A + B]</b>	<b>265610144</b>	<b>38166534</b>	<b>775642</b>	<b>303001036</b>

**CAPITAL - WORK IN PROCESS**

Particulars	NET BLOCK	
	As at 31-03-2020	As at 31-03-2019
<b>TANGIBLE ASSETS</b>		
LAND	36158933	36158933
BUILDING	118187476	121922123
SITE DEVELOPMENT	144176	168445
PLANT & MACHINERY	213021900	228887598
SOLAR POWER PLANT	14245127	14914418
SOLAR EQUIPMENT	77385	98589
ELECTRIFICATION	4468659	4000567
OFFICE EQUIPMENT	3200520	5295571
FURNITURE AND FIXTURE	5854792	6562707
FIRE FIGHTING EQUIPMENT	51255	56663
COMPUTER	3134192	5760202
VEHICLES	20729474	25229983
<b>TOTAL - A</b>	<b>419273890</b>	<b>449055800</b>

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020**
**INTANGIBLE ASSETS**

GOODWILL (MERGER)	3522578	3522578
SOFTWARE	10320546	10555731
TRADEMARK & PATENT	5681787	7412883
<b>TOTAL - B</b>	<b>19524911</b>	<b>21491192</b>
<b>TOTAL - [A + B]</b>	<b><u>438798801</u></b>	<b><u>470546991</u></b>
<b>CAPITAL - WORK IN PROCESS</b>	<b>15608624</b>	<b>14752101</b>

**2. Non-current Investments**

Particulars	As At 31-03-2020		As At 01-04-2019	
	UNIT	AMOUNT Rs.	UNIT	AMOUNT Rs.
<b>Investment measured at Fair Value through Profit and Loss Account</b>				
In Equity shares				
<b>Unquoted, Fully Paid up</b>				
BPL Engineering Limited	2500	0	2500	0
<b>Quoted, Fully Paid up</b>				
Windsor Machines Limited	470	4019	470	32994
Kabra Extrusion Technic Limited	1600	68960	1600	137120
<b>Total Investments measured at Fair Value through Profit &amp; Loss Account</b>		<b><u>72979</u></b>		<b><u>170114</u></b>

**2.10 Category wise Non current investment**

Particulars	As At 31-03-2020		As At 31-03-2019	
	AMOUNT Rs.		AMOUNT Rs.	
Investment measured at Cost	0		0	
Investments measured at Fair Value through Profit & Loss Account	72979		170114	
	<b><u>72979</u></b>		<b><u>170114</u></b>	

**3. LOANS**

(Unsecured, Considered good unless otherwise stated)

Particulars	As At 31-03-2020		As At 31-03-2019	
	AMOUNT Rs.		AMOUNT Rs.	
<b>Security Deposits</b>				
Utility Service Deposit	4110086		4280523	
Gas Cylinder Deposit	205756		195675	
Sales Tax Deposit	0		0	
Other Deposit	924120		601982	
Ahmedabad Office Maintenance Deposit	95000		0	
Ashray Home Owners Maintenance Deposit	0		95000	
<b>Total</b>	<b><u>5334962</u></b>		<b><u>5183261</u></b>	

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020**
**4. OTHER NON-CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Capital Advances	653400	664374
Unamortized Expenses	0	0
<b>Total</b>	<b><u>653400</u></b>	<b><u>664374</u></b>

**5. INVENTORIES**

(Cost or net realizable value, whichever is lower)

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Raw Materials &amp; Components</b>		
Indigenous	279242422	266038176
Imported	64619153	52511366
Testing Materials	4976180	4616701
Consumable Stores	24639243	17382199
Scrap	0	0
Stock in Process	233918681	108189286
Stationery	550077	421284
Finished Goods	54150247	12073420
<b>Total</b>	<b><u>66296003</u></b>	<b><u>461232433</u></b>

**6. CURRENT INVESTMENT** (Cost or net realisable value, whichever is lower)

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Investments measured at Fair Value through Profit and Loss Account</b>		
<b>In Mutual Fund</b>		
<b>Quoted</b>		
Axis Treasury Advantage Fund	0	7118224
Axis Liquid Opportunity Fund	3843771	6638319
Axis Fixed Income Opportunity Fund	1832037	1757709
Axis Arbitrade Fund	2231951	0
<b>Total</b>	<b><u>7907760</u></b>	<b><u>15514252</u></b>

**7.00 TRADE RECEIVABLE**

(Unsecured, Considered good unless otherwise stated)

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Other	85573833	144101942
Outstanding exceeding Six Months	44309900	19483214
<b>Total</b>	<b><u>129883733</u></b>	<b><u>163585156</u></b>

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020**
**8. Cash & Cash Equivalents**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Cash on Hand	1062752	1835412
Balance with Bank	49079309	15460106
	<b>50142060</b>	<b>17295518</b>

8.10 Balance with Bank includes Rs. 3040514 (Previous Year Rs. 3044714) towards unclaimed dividend

**9.00 Other Bank Balance**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Deposits held with Bank	58718010	498923
	<b>58718010</b>	<b>498923</b>

9.10 Deposits held with banks to the Rs18718010 (Previous Year Rs. 498923) held as margin money.

9.20 Deposits held with banks Rs. Nil (Previous Year Rs.40000000) with maturity more than 3 months but less than 12 months

**10.00 Loans (unsecured, Considered good unless otherwise stated)**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Loan to Employees	922892	428335
	<b>922892</b>	<b>428335</b>

**11.00 Other Financial Assets  
(Unsecured, Considered good unless otherwise stated)**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Accrued interest	564541	135356
	<b>564541</b>	<b>135356</b>

**12.00 Other Current Assets  
(Unsecured, Considered good unless otherwise stated)**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Receivable form</b>		
Income Tax Authority	21324391	37850896
Sales Tax Authority	8030001	8030001
GST/Excise / Service Tax	29494829	76219437
Export Incentives Receivable	21183098	23515686
Prepaid Custom Duty	10865331	4334026
Prepaid Insurance / Expense	6827525	10010271
Advance to Suppliers	33290380	32420541
Advance to Employees	60098	0
Other Advances	2575830	4802104
	<b>133651483</b>	<b>197182962</b>

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020

### 13. Equity Share Capital

Particulars	UNIT	As At 31-03-2020 AMOUNT Rs.	UNIT	As At 31-03-2019 AMOUNT Rs.
<b>Authorised Share capital</b>				
Equity Share of Rs. 1 Each	77000000	77000000	77000000	77000000
<b>Issued, Subscribed &amp; Paid up Capital</b>				
Equity Share of Rs. 1 Each	61530750	61530750	61530750	61530750
	<b>Total</b>	<b>61530750</b>		<b>61530750</b>

### 13.10 The reconciliation of the number of shares outstanding :

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Equity Share at the beginning of the year	61530750	61530750
Add : Issued during the year	0	0
<b>Equity Share at the end of the year</b>	<b>61530750</b>	<b>61530750</b>

### 13.20 Terms/rights attached to Equity Shares

**13.21** The Company has only one class of issued Equity Shares having a par value of Rs. 1 per share. Each shareholder is eligible or one vote per share held.

**13.22** In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the company after distribution of all preferential amounts, in proportion of their shareholding.

### 13.30 The details of shareholders holding more than 5% shares

Particulars	No. of Share	As at 31/03/2020 % of Holding	No. of Share	As at 31/03/2019 % of Holding
Devyani Chandrakant Doshi	5862560	9.53%	5862560	9.53%
Khushboo Chandrakant Doshi	4867042	7.91%	4867042	7.91%
Pallav Kishorbhai Doshi	4826609	7.84%	4826609	7.84%
Rifa Rajesh Doshi	4513440	7.34%	4513440	7.34%
Nita Kishorbhai Doshi	3884600	6.31%	3884600	6.31%
Kruti Rajeshbhai Doshi	3144132	5.11%	3144132	5.11%

### 13.40 In the Period of five years immediately preceding 31st March, 2020

The Company has not issued Bonus shares and bought back any equity shares during the period of five years immediately preceding the Balance sheet date. However the Company has allotted 21318000 equity shares for consideration other than cash pursuant to the scheme of amalgamation during F.Y. 2013-14.

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020**
**14 Other Equity**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Capital Reserve</b>		
Opening Balance	2625456	2625456
Add : Addition During the year	0	0
	<b>2625456</b>	<b>2625456</b>
<b>Securities Premium</b>		
Opening Balance	118879163	118879163
Add : Addition During the year	0	0
	<b>118879163</b>	<b>118879163</b>
<b>General Reserve</b>		
Opening Balance	38537443	38537443
Add : Transferred from Retained Earning	0	0
	<b>38537443</b>	<b>38537443</b>
<b>Retained Earnings</b>		
Opening Balance	473018452	415898683
Add : Profit for the year	15255620	80405237
	<b>488274072</b>	<b>496303920</b>
<b>Less: Appropriations</b>		
Dividend on Equity Shares	0	20655213
Divided Distribution Tax	0	3161912
Ind As Effect of Leave Encasement	147	-223416
Income Tax Refund	-194446	-933241
	<b>488468371</b>	<b>473018452</b>
<b>Other Comprehensive Income(OCI)</b>		
Opening Balance	-4277825	-1668707
Add : Movement in OCI (net) during the year	524998	-2609118
	<b>-3752827</b>	<b>-4277825</b>
	<b>644757606</b>	<b>628782689</b>

**15. Borrowing - Non Current**

Particulars	Non-Current AMOUNT RS.	As At 31-03-2020 CURRENT AMOUNT RS.	Non-Current AMOUNT RS.	As At 31-03-2019 CURRENT AMOUNT RS.
<b>Secured - at Amortized Cost</b>				
Term Loan from Bank	41856229	20867592	69974581	13680000
	<b>41856229</b>	<b>20867592</b>	<b>69974581</b>	<b>13680000</b>

1. Above facility is secured against pari passu charged on entire current assets, both present and future and movable fixed assets of the company secured by way of hypothecation
2. It is further secured by equitable mortgage of immovable properties being industrial Land and Building situated at Manavadar and Veraval (Shapar), Further it is also secured by way of hypothecation of Plant and Machinery of the company both present and future
3. It is also secured by irrevocable personal gurantee of Mr. Rajesh Doshi

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020**
**16 Deposits**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Deposits from Corporates	134334	134334
	<b>134334</b>	<b>134334</b>

**17 Deferred Tax Liability (Net)**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Opening Balance</b>	<b>40151590</b>	<b>41075866</b>
Charge / (Credit) to Statement of Profit & Loss At the end of year	-1070685	-924277
	<b>39080905</b>	<b>40151590</b>

**18 Borrowing - Current**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Secured - at Amortized Cost Loan Repayable on Demands From Bank	18637474	104628373
	<b>18637474</b>	<b>104628373</b>

(Secured against pari pasu charge over entire Current Assets, both present and future, secured by way of hypothecation and equitable mortgage of Factory Land & Building at Manavadar and Veraval (Shapar), Rajkot. Further, Secured by way of hypothecation of plant & machinery of the Company both present and future)

**19 Trade Payble**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Micro, Small and Medium Enterprises	80647536	78272338
Other	223192482	118971763
	<b>303840017</b>	<b>197244100</b>

**20 Other Financial Liability**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Current maturities of Long Term Debt (Refer Note no.15)	20867592	13680000
Trade Payable for Capital Goods	140229	344597
Unclaimed Dividend	3040514	3044714
Security Deposits	1672505	2210346
	<b>25720839</b>	<b>19279657</b>

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020**
**21.00 Other Current Liability**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Advance Received against Order	334204702	173727257
T.C.S. Payable	0	2889
T.D.S. Payable	1083996	2706835
Professional Tax Payable	54230	44579
GST Payable	2663069	4662002
	<b><u>338005997</u></b>	<b><u>181143562</u></b>

**22.00 Provisions - Current**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Provisions for Employee Benefits</b>		
Salaries	8577687	10283612
Bonus to Staff	3474490	1568188
Provident Fund	897460	901302
Leave Encasement	0	0
<b>Other provisions</b>		
Audit Fees	147250	165870
Royalty on Sales	370220	1725080
Selling Commission	8354682	1037570
Telephone Expenses	0	0
Other Expenses	2272030	942690
Warranty	3308814	8014596
Dividend Distribution Tax	0	30359
Clearing & Forwarding Expenses	650246	197834
	<b><u>28052880</u></b>	<b><u>24867101</u></b>

**23.00 Revenue From Operations**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Sale of Products</b>		
Domestic	362104541	853924247
Exports	548845034	410697414
	<b><u>910949574</u></b>	<b><u>1264621660</u></b>
<b>Sale of Services</b>		
Domestic	3790595	3991534
Exports	852041	604672
	<b><u>4642635</u></b>	<b><u>4596206</u></b>
<b>Other operating Revenue</b>		
Excess Provision of Warranty W/off	0	3811217
Deposit Forefeited	34384568	3481275
Net Foreign Exchange Difference	693537	3572089
Net gain from expenses recovered	11352921	7625989
Export Incentives	24933986	17508099
Solar Power Income	1910409	1520726
Excise Refund	0	10689753
	<b><u>73275422</u></b>	<b><u>48209148</u></b>
<b>Total Revenue from Operation</b>	<b><u>988867632</u></b>	<b><u>1317427015</u></b>

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020

### 24 Other Income

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Interest		
Bank Deposits	996143	4130258
Other Financial Assets carried at Amortized Cost	31944	38132
Others	380046	1641138
	<b>1408133</b>	<b>5809528</b>
<b>Dividend Income</b>	163570	5426825
Gain on Financial Assets	396411	321662
Other Non - Operating Income		
Net Gain / (Loss) on sale of Fixed Assets	-10815	-259252
Excess Provision of Income Tax W/off	-15066	0
Miscellaneous Credits	58400	0
Rent Income	1314000	660000
	<b>3314633</b>	<b>11958763</b>

### 25.00 Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Inventories (at close)</b>		
Finished Goods	54150247	12073420
Work-in-Progress	233918681	108189286
	<b>288068928</b>	<b>120262707</b>
<b>Inventories (at commencement)</b>		
Finished Goods	12073420	12073420
Work-in-Progress	108189286	250221391
	<b>120262707</b>	<b>262294811</b>
<b>Changes In Inventories</b>	<b>-167806221</b>	<b>142032104</b>

### 26.00 Employee Benefits Expense

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Salaries and Wages	118354260	114672420
Contribution to Provident Fund and Other Funds	8026118	8340524
Staff Welfare Expenses	4595340	6089221
	<b>130975718</b>	<b>129102165</b>

### 27.00 Finance Cost

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Interest Expenses Paid</b>		
Bank	16577699	19776331
Others	1555179	498990
Bank Commission / Charges	2517427	2271374
(Gain) / Loss on Foreign Currency Transaction	311842	315339
	<b>20962147</b>	<b>22862034</b>

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020**
**28.00 Other Expenses**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Packing Materials Consumed	10280304	8325613
Power & Fuel	16861779	15854255
Labour Charges	17019989	17860701
Machinery repairs & Maintenance	2534283	2811199
Building repairs & Maintenance	514658	1475479
Others repairs & Maintenance	4887963	4729160
Clearing & Forwarding Charges	4005927	5834388
Freight and Cartage	14382074	11610381
Insurance	4065701	3849911
Rent, Rates & Taxes	1692669	1092686
Postage and Telephone	860424	991985
Stationery & Printing	298460	736656
Advertisement & Sales Promotion Expense	37524186	35209058
Commission - Domestic	1777692	5251040
Commission - Overseas	13553908	11797830
Legal & Professional Fees	5645768	4846878
Donation	749750	146802
CSR Expense	615745	5588797
Travelling Expenses - Domestic	6920543	8071557
Travelling Expenses - Foreign	16155450	14948505
Travelling Expenses - Business Promotion	2252058	1481589
Sales Tax Paid	298525	0
GST, Excise & Service Tax Expenses	484559	473020
Penalty Exp	0	0
Computer Maintenance & Other Expenses	4174503	4447901
Income Tax Expenses	0	292965
Payment to Auditors	163475	184300
Bad debts Written off	99689	1806985
Royalty Expense	412738	4426943
Warranty Expenses	8815561	13464967
Job Work Charges	25797539	28986587
Consultancy and contractors expenses	8739729	7103093
Research & Development	9041326	12702383
Miscellaneous Expense	11621458	12944626
Prior year Expenditure	155000	234742
	<b><u>232403432</u></b>	<b><u>249582982</u></b>

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020**
**29.00 Earnings per Share (EPS)**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
Net Profit after Tax as per Statement of Profit and Loss		
Attributable to Equity Shareholder	15255620	80405237
Weighted Average number of Equity Shares used as denominator for Calculating Basic EPS	61530750	61530750
<b>Basic EPS</b>	<b>0.25</b>	<b>1.31</b>
Weighted Average number of Equity shares used as denominator for calculating Diluted EPS	61530750	61530750
<b>Diluted EPS</b>	<b>0.25</b>	<b>1.31</b>

**30.00 Contingent Liability and Commitment**

Particulars	As At 31-03-2020 AMOUNT Rs.	As At 31-03-2019 AMOUNT Rs.
<b>Contingent Liability</b>		
A. Claim against the company / disputed liabilities not acknowledged as debt	86503386	86503386
B. Guarantees		
I. Guarantees to bank and Financial institution against Credit Facilities extended to third parties and other Guarantees	0	0
II. Performance Guarantees	46693400	0
III. Outstanding Guarantees furnished to Bank or financial institution including in respect of Letter of Credit	47358645	0
C. Other Money for which the company is contingent liable	0	0
I. Pending C-Form	1763956	2641110
II. Liability in respect of bills discounted with Banks (Including third party bills discounting)	28021844	1617561
III. Customs Duty Obligations towards EPCG License	30402115	30402115
<b>Commitment</b>		
A. Estimated amount of contract remaining to be executed on capital account and not provided for (Net of Advances)	0	0
B. Other Commitment	0	0

## Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020

### 31.00 FINANCIAL INSTRUMENTS

#### Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted Equity Shares is measured at quoted price or NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

#### Fair value measurement hierarchy:

Particulars	As at 31/03/2020			As at 31/03/2019		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>						
<u>At Amortized Cost</u>						
Deposit	6257854	0	0	5611596	0	0
Trade receivables	129883733	0	0	163585156	0	0
Cash and cash equivalents	50142060	0	0	17295518	0	0
Other Bank Balances	58718010	0	0	498923	0	0
Other Financial Assets	564541	0	0	135356	0	0
<u>At FVTPL</u>						
Investments	0	7980738	0	0	15684366	0

Particulars	As at 31/03/2020			As at 31/03/2019		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Liabilities</b>						
<u>At Amortized Cost</u>						
Borrowings	60493703	0	0	174602954	0	0
Deposits	134334	0	0	134334	0	0
Trade Payables	303840017	0	0	197244100	0	0
Other Financial Liabilities	25720839	0	0	19279657	0	0

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

**Level 2:** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

#### 32.SEGMENT REPORTING:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

#### 1. Primary Segment Information:

#### 2. Secondary Segment Information:

Particulars	As At 31-03-2020	As At 31-03-2019
	AMOUNT Rs.	AMOUNT Rs.
<b>1. Segment Revenue - External Turnover</b>		
Within India	365895135	857915781
Outside India	549697074	411302085
<b>Total</b>	<b>915592210</b>	<b>1269217866</b>

**Notes to the Consolidated Audited Financial Statements for the year ended on 31st March, 2020**

**33.00 APPROVAL OF FINANCIAL STATEMENTS**

The Consolidated financial statements were approved for issue by the board of directors on August 10, 2020.

**34.00** All other notes to accounts are as given in the company's standalone financial statements

**35.00** Previous year's figures have been regrouped / reclassified wherever required to confirmed to current year classification.

As per our report of even date	For and on behalf of the Board	
For, Pankaj K Shah Associates Chartered Accountants FRN : 107352W	(R. N. Doshi) Chairman / Managing Director DIN : 00026140	(U. K. Doshi) Executive Director DIN : 000174486
( Pankaj K Shah ) Partner MRN : 034603	(J.T. Jhalavadia) C.F.O.	(Vijay R. Jadeja) Company Secretary MRN : A31035
Date : 10th August, 2020 Place : Ahmedabad	Date : 10th August, 2020 Place : Veraval (Shapar)	

## **Tributex** - Corporate Social Responsibility

### **Employee Health & Safety**

It has become imperative that we continuously take steps to ensure health and safety of all our employees.

The pandemic has changed the work culture and has compelled us to work remotely and adopt digital ways to improve business operations and employee performance. Work from home has been a new experience for everyone as it has modified the working processes right from a meeting to machine live demonstration. All this has now moved to virtual platforms.



Although the pandemic has shifted the perceptions of remote working however, it cannot be the long-term solution for all. There were massive losses in working hours but to prevent job losses immediate actions were taken.

With the government announcing relaxations to the nationwide lockdown, we have started heading to work places to ensure that manufacturing process does not stop during uncertain times.

In the the current situation, we have taken several preventive measures to ensure social distancing and good hygiene at the workplace for our employees eliminating all possibilities for the spread of COVID-19. social distancing & safeguarding themselves in conjunction with different NGOs through digital media.

### **Combating Corona**

As the Covid 19 outbreak continues across the globe, the significant economic slowdown has already been observed worldwide, which has impacted most of industries so as to us.

However, in the midst of such challenging times, your company has not overlooked it's responsibilities towards the Society, Environment & Employees.

We had come forward and supported the most vulnerable communities and front line corona worriers.

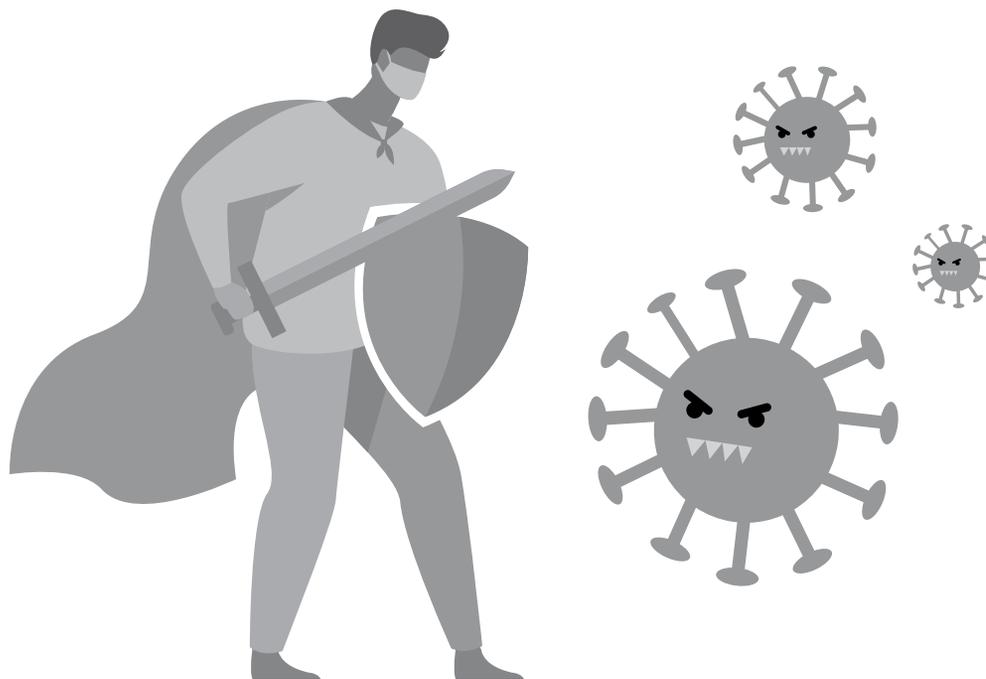
We stepped in by donating to the "PM Relief Fund" and by facilitating vital necessities like PPE kit , Mask, sanitizers, gloves, medicines, food to corona warriors and transportation & shelter to migrant labors to help them fight against corona.



### **Tributex** - Corporate Social Responsibility

In such a global crisis, we have also come forward to manufacture a mask making machine and PP melt blown non-woven fabric making line to support the Atma Nirbhar Abhiyaan and meet a need of the hour.

In order to combat the crisis, while the whole nation was under lockdown we channelized our approach to create awareness campaign on social distancing & safeguarding themselves in conjunction with different NGOs through digital media.



**Form No. MGT 11**  
**RAJOO ENGINEERS LIMITED**

CIN: L27100GJ1986PLC009212  
Regd. Office: Junagadh Road, Manavadar-362 630. Dist. Junagadh  
Plant location: Suvey No 210, Plot No 1, Industrial Area, Veraval (Shapar), Dist. Rajkot-360 024  
Phone: +91-97129-62704 / 52701/ 32706, Email: [rel@rajoo.com](mailto:rel@rajoo.com), Web: [www.rajoo.com](http://www.rajoo.com)

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :

Registered Address :

E.Mail Id :

Folio No./Client Id :

DP ID :

We being the member(s) holding of \_\_\_\_\_ shares of Rajoo Engineers Limited, hereby appoint:

Name: \_\_\_\_\_ Email: \_\_\_\_\_ Address \_\_\_\_\_  
\_\_\_\_\_  
Signature \_\_\_\_\_ Or failing him/her  
Name: \_\_\_\_\_ Email: \_\_\_\_\_ Address \_\_\_\_\_  
\_\_\_\_\_  
Signature \_\_\_\_\_ Or failing him/her  
Name: \_\_\_\_\_ Email: \_\_\_\_\_ Address \_\_\_\_\_  
\_\_\_\_\_  
Signature \_\_\_\_\_

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on the Wednesday, 30th September, 2020 at 11.00 A.M at Junagadh Road, Manavadar - 362630 Dist: Junagadh and at any adjournment thereof in respect of the following resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	TICK APPROPRIATELY
1 Adoption of Financial Statement for the year ended 31st March, 2020.	For/Against
2 Appointment of Director in place of Khushboo Chandrakant Doshi (DIN: 00025581) who is liable to be retired by rotation and, being eligible, offers herself for reappointment.	For/Against
3 Re-appointment of Laxman Rudabhai Ajagiya as an Independent Director	For/Against
4 Ratification of the remuneration of M/s. Shailesh Thaker & Associates, Cost Auditors of the Company.	For/Against

Signed this \_\_\_ day of \_\_\_ 2020

Signature of shareholder \_\_\_\_\_ Signature of Proxyholder \_\_\_\_\_

- 1 This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.  
\*\*2 This is only optional. Please put a 'v' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.  
3 Appointing proxy does not prevent a member from attending in person if he so wishes.  
4 In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Signature of the proxy holder(s)  
Affix Re. 1  
Revenue Stamp



## RAJOO ENGINEERS LIMITED

(CIN:L27100GJ1986PLC009212)

Registered Office:Junagadh Road, Manavadar - 362630 Dist :Junagadh. (Gujarat).  
Phone: +91-97129-62704/52701/32706 Email: rel@rajoo.com Web: www.rajoo.com

### ATTENDANCE SLIP

(To be presented at the entrance)

### **33RD ANNUAL GENERAL MEETING ON WEDNESDAY, SEPTEMBER 30, 2020 AT 11.00 A.M.**

Junagadh Road, Manavadar - 362630 Dist :Junagadh. (Gujarat).

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

- 1 Please fill this attendance slip and hand it over at the entrance of the Hall.
- 2 Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting .
- 3 Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

### **Venue of 33rd AGM**

