

**ANNEXURE 'D' TO THE DIRECTORS' REPORT  
CORPORATE GOVERNANCE**

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

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

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

The main objectives of Corporate Governance are:

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

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

**2. BOARD OF DIRECTORS:**

**A) COMPOSITION OF THE BOARD:-**

The Company's Board of Directors comprises of Nine Directors. There are five Executive Directors on the Board of the Company, namely, Mr. C. N. Doshi (Chairman and Managing Director), Mr R. N. Doshi (Joint Managing Director), Mr. K. P. Aghera, (Whole Time Director), Mr. J. P. Aghera (Whole Time Director) and Mr. Sunil Jain (Executive Director), There are four non executive Directors namely Mr. Ramesh A. Shah, Mr. Kishor R. Doshi, Mr. Mahasukh S. Mehta and Mr. Manharlal V. Kamdar.

**B) MEETINGS:-**

Since the beginning of the financial year 2007-08, till the date of end of the financial year, a total of 11 Board Meetings were held on the following dates viz., 30<sup>th</sup> June, 2007, 15<sup>th</sup> July, 2007, 31<sup>st</sup> July, 2007, 10<sup>th</sup> August 2007, 30<sup>th</sup> September, 2007, 25<sup>th</sup> October, 2007, 30<sup>th</sup> October, 2007, 5<sup>th</sup> January, 2008, 31<sup>st</sup> January, 2008, 28<sup>th</sup> February, 2008 and 22<sup>nd</sup> March, 2008.

All Directors, except Mr. Sunil B. Jain, Mr. Manharlal V. Kamdar and Mr. Gopaliah Harish have attended the last Annual General Meeting held on 28<sup>th</sup> September, 2007.

Name of Director	Designation	Number of Shares held in Company	Directorship in all Public Limited Companies #	Membership in Committee in all public limited Companies #	Chairmanship of Committee in all Public limited Companies #
Mr. C. N. Doshi	Chairman & Managing Director	269100	02	Nil	Nil
Mr. R. N. Doshi	Joint Managing Director	286820	02	Nil	Nil
Mr. K. P. Aghera	Whole-Time Director	46490	02	Nil	Nil
Mr. J. P. Aghera	Whole-Time Director	41200	01	Nil	Nil
Mr. Sunil B. Jain	Executive Director	1700	01	Nil	Nil
Mr. Ramesh A. Shah	Non-executive & Independent	Nil	01	01	01
Mr. Kishor R. Doshi	Non-executive & Independent	2200	01	01	01
Mr. Mahasukh S. Mehta	Non-executive & Independent	700	01	01	01
Mr. Manharlal V. Kamdar	Non-executive & Independent	Nil	01	01	Nil

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

### 3. REMUNERATION TO DIRECTORS:

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

Name of Director	Category	Designation	Salary (Rs. per annum)	Perquisites (Rs. per annum)	Options under the Employee Stock Option Scheme*
Mr. C. N. Doshi	Executive	Chairman & Managing Director	24,00,648/-	96,543/-	Nil
Mr. R. N. Doshi	Executive	Joint Managing Director	18,02,353/-	32,422/-	Nil
Mr. K. P. Aghera	Executive	Whole-Time Director	12,00,348/-	11,857/-	Nil
Mr. J. P. Aghera	Executive	Whole-Time Director	12,00,348/-	7,477/-	Nil
Mr. Sunil B. Jain	Executive	Executive Director	3,52,872/-	Nil	Nil
<b>Total</b>			<b>69,56,569/-</b>	<b>1,48,299/-</b>	

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

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

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

**a) INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS:**

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

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

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

**b) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

There have been no materially significant related party transaction, pecuniary transaction or relationships between Rajoo Engineers Limited and its directors for the year ended on 31<sup>st</sup> March, 2008 that may have a potential conflict with the interests of the Company at large.

**c) COMPOSITION OF VARIOUS COMMITTEES:-**

**AUDIT COMMITTEE :**

**a) Composition:-**

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

**b) Terms of Reference:**

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

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

**c) MEETINGS OF THE COMMITTEE:-**

Total five meetings of the Committee were held during the year 2007-2008

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

**SHAREHOLDERS' GRIEVANCE COMMITTEE:**

**a) Terms of Reference:-**

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

**b) Composition:-**

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

**c) Meetings of Committee:-**

Total Six meetings of the Committee were held during the year 2007-2008

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

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

**REMUNERATION COMMITTEE****a) COMPOSITION:**

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

**b) TERMS OF REFERENCE:**

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

**c) MEETINGS OF COMMITTEE:**

The Committee held its Meeting during the year on 09/05/2007, 17/10/2007, 11/12/2007 & 22/03/2008

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

**COMMUNICATION TO SHAREHOLDERS:**

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

**GENERAL BODY MEETINGS:**

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

Financial Year	Date	Time	Venue
2006-2007	28th September, 2007	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.
2005-2006	15th September, 2006	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.
2004-2005	15th September, 2005	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.

**SHAREHOLDER INFORMATION**

Registered Office:

**Rajoo Engineers Limited,**

Junagadh Road, Manavadar, District Junagadh.

**PLANT LOCATION**

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

2) Suvey No 210, Plot No 1, Industrial Area, Veraval (Shapar), Dist. Rajkot-360 002. (Gujarat)

**ANNUAL GENERAL MEETING**

The 21st Annual General Meeting (AGM) of the Company will be held on Wednesday, 24<sup>th</sup> September, 2008 at 11-00 A.M. at registered office of the Company, Junagadh Road, Manavadar (Dist. Junagadh)

**FINANCIAL CALENDER (TENTATIVE)**

- |  |                                    |
|--|------------------------------------|
| 1. Annual General Meeting                                      | : 24 <sup>th</sup> September, 2008 |
| 2. Results for Quarter ending 30 <sup>th</sup> June, 2008      | : Last week of July, 2008          |
| 3. Results for Quarter ending 30 <sup>th</sup> September, 2008 | : Last week of October, 2008       |
| 4. Results for Quarter ending 31 <sup>st</sup> December, 2008  | : Last week of January, 2009       |
| 5. Results for Quarter ending 31 <sup>st</sup> March, 2009     | : Last week of June, 2009          |

**DATES OF BOOK CLOSURE**

The Company's transfer books will be closed from Tuesday, 9<sup>th</sup> September, 2008 to Tuesday, 23<sup>rd</sup> September, 2008 (both days inclusive) for purpose of Annual General Meeting and for the purpose of entitlement of Final dividend.

**STOCK EXCHANGE LISTING**

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

**STOCK CODE**

Stock Exchange	Stock Code
The Saurashtra Kutch Stock Exchange Ltd	RAJOO
The Ahmedabad Stock Exchange Ltd	47821
The Bombay Stock Exchange Ltd	22257
NSDL/CDSL Code	
ISIN No	INE535F01016

**STOCK MARKET DATA**

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

BSE					
2007-08			2006-07		
Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
Apr 07	62.90	50.00	Apr 06	58.25	41.00
May 07	67.90	55.00	May 06	59.25	44.00
Jun 07	81.00	63.75	Jun 06	46.75	34.00
Jul 07	69.00	55.20	Jul 06	57.50	38.10
Aug 07	62.85	52.25	Aug 06	52.45	43.35
Sep 07	59.90	50.00	Sep 06	50.20	40.10
Oct 07	62.95	44.10	Oct 06	50.00	41.60
Nov 07	59.85	43.50	Nov 06	63.00	44.00
Dec 07	104.65	48.10	Dec 06	52.40	44.15
Jan 08	157.00	95.00	Jan 07	58.00	51.00
Feb 08	110.10	72.55	Feb 07	68.95	52.30
Mar 08	79.10	50.70	Mar 07	57.00	48.60

**REGISTRAR AND TRANSFER AGENTS:**

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

**Intime Spectrum Registry Limited,**

C-13, Pannalal Silk Mill compound, L.B.S. Marg, Bhandup(W), Mumbai- 400 078

**SHARE TRANSFER SYSTEM:**

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

No. of Equity Share Held (Range)	No. of Shareholders	% to total Shareholders	No. of Shares held	% to total share held
Upto 500	3474	88.89	478798	15.54
500 - 1000	205	5.25	170761	5.54
1001 - 2000	91	2.33	141020	4.58
2001 - 3000	31	0.79	79572	2.58
3001 - 4000	29	0.74	100814	3.27
4001 - 5000	11	0.28	51699	1.68
5001 - 10000	32	0.82	237709	7.72
Above 10000	35	0.90	1820627	59.09
	<b>3483</b>	<b>100.00</b>	<b>3081000</b>	<b>100.00</b>

**DEMATERIALIZATION OF SHARES:**

The Company had signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to offer depository services to its shareholders. As on 31<sup>st</sup> March, 2008, total 25,06,383 equity shares have been dematerialized. Out of these shares dematerialized, 23,35,983 equity shares and 4,74,617 equity shares have been dematerialized with NSDL and CDSL respectively, representing approx. 84.60 % of total issued share capital of the Company. Members are requested to dematerialize their shares as early as possible, if not yet dematerialized, so as to get benefits of electronic & paperless trading of equity shares.

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

**ADDRESS FOR CORRESPONDENCE:**

Mr. PRAVIN JOSHI  
COMPLIANCE OFFICER

**Rajoo Engineers Ltd**

Junagadh Road, MANAVADAR-362 630. (Gujarat)

PH. NO. : 91 +2874 +221175/221176

FAX NO.: 91 +2874 +221326

**DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT (Clause 49(l)(d))**

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

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

Place:- Veraval (Shapar), Rajkot

Date:- 30/06/2008

Sd/-  
(C. N. DOSHI)  
Chairman & Managing Director

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

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

We have reviewed financial statements and cash flow statements for the financial year 2007-2008 ended on 31<sup>st</sup> March, 2008, and to the best of our knowledge and belief:

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

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

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

Date: 30/06/2008  
Place: Veraval (Shapar), Rajkot

Sd/-  
(C. N. DOSHI)  
Chairman & Managing Director

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



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To The Members of Rajoo Engineers Limited**

We have examined the compliance of conditions of Corporate Governance by Rajoo Engineers Limited, for the year ended on 31<sup>st</sup> March 2008 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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

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

We state in respect of investor grievances received during the year ended on 31<sup>st</sup> March 2008, no investor grievances are pending against the company exceeding one month as per records maintained by the Company which are presented to shareholders/investor grievance committee.

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

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

Sd/-  
(M. N. Manvar)  
Proprietor  
Membership No. 36292

Date: 30/06/2008  
Place: Veraval (Shapar), Rajkot