

Annexure 'C' Report On Corporate Governance

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

1. Company's Philosophy on Corporate Governance:

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

The main objectives of Corporate Governance are:

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

The Company is committed to following high standards of transparency, 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 ten Directors. There are five Executive Directors on the Board of the Company, namely, Mr. C. N. Doshi (Chairman) Mr. R. N. Doshi (Managing Director), Mr. Sunil B Jain, Mr. Amit R. Shah and Ms. Khushboo C. Doshi (Executive Directors). There are five non-executive Independent Directors namely Mr. Ramesh A. Shah, Mr. Kishor R. Doshi, Mr. Mahasukh S. Mehta, Mrs. Prabha Vaja and Mr. Rajendra G. Vaja.

B. Meetings:-

During the year under report, there were total Twelve Board Meetings held.

All Directors, except Mr. Sunil B Jain have attended the last Annual General Meeting held on 28th July, 2011. Details of Shareholding /committee membership of Directors of the Company as on 31st March, 2012:

Details of Shareholding /committee membership of Directors of the Company as on 31st March, 2012

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	3237000	02	Nil	Nil
Mr. R. N. Doshi	Managing Director	3600200	02	Nil	Nil
Mr. Sunil B. Jain	Executive Director	17000	01	Nil	Nil
Mr. Amit R. Shah	Executive Director	285402	01	Nil	Nil
Ms. Khushboo C. Doshi	Executive Director	1594000	01	Nil	Nil
Mr. Ramesh A. Shah	Non-executive & Independent	Nil	01	03	01
Mr. Kishor R. Doshi	Non-executive & Independent	22000	01	03	01
Mr. Mahasukh S. Mehta	Non-executive & Independent	5000	01	03	01
Mrs. Prabhaven Vaja	Non-executive & Independent	46000	01	01	Nil
Mr. Rajendra G. Vaja	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 herein under.

Name of Director	Category	Designation	Salary (Rs. per annum)	Perquisites (Rs. per annum)	Options under the Employee Stock Option Scheme*
Mr. C. N. Doshi	Executive & Non-independent	Chairman	33,93,516	1,17,155	Nil
Mr. R. N. Doshi	Executive & Non-independent	Managing Director	32,99,208	17,235	Nil
Mr. Sunil B. Jain	Executive & Non-independent	Executive Director	27,90,456	Nil	Nil
Mr. Amit R. Shah	Executive & Non-independent	Executive Director	20,40,000	Nil	Nil
Ms. Khushboo C. Doshi	Executive & Non-independent	Executive Director	1,91,709	Nil	Nil
Total			1,17,14,889	1,34,390	Nil

- The Company does not have any Employee Stock Option Scheme at present. Further, the Company has not paid any salary or perquisites to its non-executive Directors. However, the Company has paid sitting fees to its non-executive independent Directors as under

Name of Director	Category	Sitting fees (Rs)
Mr. Ramesh A. Shah	Independent & Non-executive	4000
Mr. Kishor R. Doshi	Independent & Non-executive	4000
Mr. Mahasukh S. Mehta	Independent & Non-executive	4000
Mrs. Prabha R. Vaja	Independent & Non-executive	4000
Mr. Rajendra G. Vaja	Independent & Non-executive	2000

1. Information placed before the Board of Directors:

The Company circulates along with 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 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.

2. Materially significant related party transactions:

There have been no materially significant related party transaction, pecuniary transaction or relationships between Rajoo Engineers Limited and its directors for the year ended on 31st March, 2012 that may have a potential conflict with the interests of the Company at large.

3. Composition of Various Committees:-

Audit Committee:

a) Composition:-

Audit Committee consisted of five members namely Mr. Ramesh A. Shah, Mr. Kishor R. Doshi, Mr. Mahasukh S. Mehta, Mrs. Prabha R. Vaja and Mr. Rajendra G. Vaja. 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 2011-12

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
Mrs. Prabha R. Vaja	Member	05
Mr. Rajendra G. Vaja	Member	02

Shareholders' Grievance Committee:

a) Terms of Reference:-

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

b) Composition:-

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

c) Meetings of Committee:-

Total Six meetings of the Committee were held during the year 2011-12

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

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

Remuneration Committee:

a. Composition:-

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

b. Terms of Reference:-

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

c. Meetings of Committee:-

The Committee has held four Meetings during the year 2011-12

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
2010-2011	28th July, 2011	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.
2009-2010	20th August, 2010	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.
2008-2009	10th August, 2009	11:00 a.m.	Junagadh Road, Manavadar, District Junagadh.

Shareholder information:

Registered Office:

Junagadh Road, Manavadar, District Junagadh.

Plant Location:

1. Survey No 210, Plot No 1, Industrial Area, Shapar-Veraval, Dist. Rajkot-360 024

Annual General Meeting:

The 25th Annual General Meeting (AGM) of the Company will be held on Friday, 17th August, 2012, at 11-00 a.m. at registered office of the Company, Junagadh Road, Manavadar (Dist. Junagadh)

Financial Calender (Tentative):

- | | | |
|--|---|------------------------------|
| 1. Annual General Meeting | : | 17th August, 2012. |
| 2. Results for Quarter ending 30th June, 2012 | : | First week of August, 2012 |
| 3. Results for Quarter ending 30th September, 2012 | : | First week of November, 2012 |
| 4. Results for Quarter ending 31st December, 2012 | : | First week of February, 2013 |
| 5. Results for Quarter ending 31st March, 2013 | : | Last week of May, 2013 |

Dates of Book Closure:

The Company's transfer books will be closed from 9th August, 2012 to 16th August, 2012 (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,

Stock Code:

Stock Exchange	Stock Code
The Bombay Stock Exchange Ltd	522257
NSDL/CDSL Code	
ISIN	INE535F01024

Stock Market Data

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

2011-2012			2010-2011		
Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
Apr 11	20.50	14.18	Apr 10	14.23	10.07
May 11	18.90	13.10	May 10	13.44	10.41
Jun 11	18.45	14.35	Jun 10	13.90	11.00
Jul 11	17.85	13.00	Jul 10	21.45	11.90
Aug 11	17.25	11.10	Aug 10	23.35	14.25
Sep 11	13.80	9.60	Sep 10	15.90	12.60
Oct 11	10.80	9.75	Oct 10	14.60	12.60
Nov 11	11.00	9.10	Nov 10	14.42	12.25
Dec 11	9.85	6.43	Dec 10	14.30	11.79
Jan 12	11.50	7.45	Jan 11	14.10	10.91
Feb 12	11.80	9.00	Feb 11	12.30	9.22
Mar 12	9.89	7.55	Mar 11	16.00	10.00

Registrar and Transfer Agents

Company has appointed Registrar and Transfer Agent. The name and address is as follow:

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

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

2. 303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, B/h Shoppers Plaza II, Off C G Road, Ahmedabad-380009
Phone : 079 - 2646 5179 Email : ahmedabad@linkintime.co.in

Share Transfer System

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

Distribution Schedule as on 31st March, 2012

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	2108	36.33	489833	1.33
0501 - 1000	2243	38.66	2182422	5.94
1001 - 2000	661	11.39	1230651	3.35
2001 - 3000	177	3.05	492161	1.34
3001 - 4000	119	2.05	451397	1.23
4001 - 5000	87	1.50	424638	1.16
5001 - 10000	173	2.98	1389866	3.79
Above 10000	234	4.04	30059782	81.86
Total	5802	100.00	36720750	100.00

Dematerialization of shares:

The Company had signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to offer depository services to its shareholders. As on 31st March, 2012, total 3,37,02,580 equity shares have been dematerialized. Out of these shares dematerialized, 2,66,81,011 equity shares and 70,21,569 equity shares have been dematerialized with NSDL and CDSL respectively, representing approx. 91.78% 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.

Website of the Company

In terms of Clause 54 of the Listing agreement, the Company is maintaining fully functional website www.rajoo.com. Investors can visit the website and can easily access the information such as Quarterly Financial Results, Annual Reports, Corporate Governance Reports, details of the business of the Company, Investors relations mechanism, details about the management of the Company, etc.

Address for Correspondence

Mr. Pravin K. Joshi
Compliance Officer
"Rajoo Avenue", Survey No. 210, Plot No. 1, Industrial Area, Veraval (Shapar) Rajkot
Ph. No.: +91 97129 52701/97129 62704/97129 32706

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.

Date:- 29/05/2012
Place:- Veraval (Shapar), Rajkot

(C. N. DOSHI)
Chairman

(R. N. DOSHI)
Managing Director

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

We have reviewed financial statements and cash flow statements for the financial year 2011-12 ended on 31st March, 2012, 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:- 29/05/2012
Place:- Veraval (Shapar), Rajkot

(C. N. DOSHI)
Chairman

(R. N. DOSHI)
Managing Director