

MD	✓	BKC	✓
CS	✓	Y	NA
RO	✓		NA
TRA	NA		✓
AGM	✓	SH	✓
YE	✓		✓

TWELFTH ANNUAL REPORT 1997-98

THE STOCK EXCHANGE
BOMBAY

7 APR 1999

No.

RESEARCH, STATISTICS
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Rainbow
PAPERS LTD.

2011





SHREE GANESHAY NAMAH

RAINBOW PAPERS LIMITED**1997-98****BOARD OF DIRECTORS**

RADHESHYAM GOENKA

- Chairman and Managing Director,

AJAY GOENKA

- Managing Director

SANGEETA GOENKA

HEMANT C. MEHTA

P. B. UMESH

V. M. PATEL

- (Nominee of GILC)

COMPANY SECRETARY

KAMLESH J. SHAH

AUDITORS

PRAVIN M. SHAH & CO.,

5, Ratn Apartments,

B/h. Dena Bank,

Opp. Mayor's Bungalow,

Law Garden,

Ahmedabad - 380 006.

BANKERS

STATE BANK OF INDIA,

Laghu Udyog Branch,

Ahmedabad.

REGISTERED OFFICE

16, Bhadr-raj Chambers,

Swastik Char Rasta,

Navrangpura,

Ahmedabad - 380 009.

WORKS

1423, Village Rajpur, Dist. Mehsana.

1453, Village Rajpur, Dist. Mehsana.

158/159, GVM, Odhav, Ahmedabad.

250, Village Lamba, Dist. Jamnagar.

769, 770, 771, Village Dhank, Dist. Rajkot.



RAINBOW PAPERS LIMITED

Registered Office : 16, Bhadr-raj Chambers, Swastik Char Rasta, Navrangpura, Ahmedabad - 380 009.

NOTICE

NOTICE is hereby given that the TWELFTH Annual General Meeting of the Members of **RAINBOW PAPERS LIMITED** will be held on Tuesday, the 29th September, 1998 at 11.00 A.M. at 158/159, Gujarat Vepari Mahamandal Sahakari Audyogik Vasahat Ltd., Odhav, Ahmedabad 382 415, to transact the following business :

ORDINARY BUSINESS :

- (1) To receive consider and adopt the Audited Balance Sheet as at 31st March, 1998, and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- (2) To appoint a Director in place of Smt. Sangeeta Goenka who retires by rotation and being eligible offers herself for re-appointment.
- (3) To appoint Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

PLACE : AHMEDABAD
DATE : 15-07-1998

By Order of the Board of Directors
(KAMLESH J. SHAH)
COMPANY SECRETARY

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (2) The Register of Members and the Share Transfer Books of Equity Shares of the Company will remain closed from Wednesday, the 16th September, 1998 to Tuesday, the 29th September, 1998, (both days inclusive).
- (3) Shareholders seeking any information with regard to Accounts are requested to write to the Company at least Seven days in advance to enable the Management to keep the information ready.
- (4) In accordance with the provisions of Section 205(A) of the Companies Act, 1956, the Company has transferred un-claimed Dividend to the General Revenue Account of the Central Government for the Financial Year 1993-94. The concern members may therefore submit their claims in the prescribed form to the Registrar of Companies, Gujarat. Members who have not received Dividend for the Financial Year 1994-95, may immediately write to the Registered Office of the Company.
- (5) Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.

PLACE : AHMEDABAD
DATE : 15-07-1998.

By Order of the Board of Directors,
(KAMLESH J. SHAH)
COMPANY SECRETARY

DIRECTORS' REPORT

TO
THE MEMBERS,
RAINBOW PAPERS LIMITED,

Your Directors have pleasure in presenting the 12th Annual Report together with the Audited Statement of Annual Accounts for the year ended 31st March, 1998 and the Auditor's Report thereon.

FINANCIAL RESULTS :

(Rupees)

	Year ended 31.03.98	Year ended 31.03.97
Profit before Interest,		
Depreciation and Taxation	3,62,47,665	3,70,21,127
Less : Interest	1,26,77,812	1,49,31,465
Depreciation	1,63,33,221	1,32,78,584
Provision for Taxation	6,00,000	12,00,000
Net Profit after Taxation	66,36,632	76,11,078
Add : Provision not required and hence written back	-	14,18,000
Net profit for the year	66,36,632	90,29,078
Profit brought forward	87,60,415	77,39,425
Net Surplus available for appropriations	1,53,97,047	1,67,68,503

Appropriations :

Proposed Dividend	-	27,34,625
Corporate Tax on Dividend	-	2,73,463
Transfer to General Reserve	20,00,000	50,00,000
Surplus carried forward to Balance Sheet	1,33,97,047	87,60,415

DIVIDEND:

In view of the lower operating Profits for the year under review, your Directors do not recommend a dividend for the year ended 31st March, 1998.

BUSINESS OPERATIONS:

The Business performance of the Company during the year under review, was satisfactory though depressed market conditions prevailed in Paper Industry. The Company achieved total turnover of Rs.5747.52 lakhs for the year 1997-98 as against Rs.4723.93 lakhs in the previous year. The Company earned a Net Profit of Rs.66.37 lakhs which was down compared to last year due to increased burden on account of higher interest, increase in cost of Power, Coal and Raw-materials etc., which had adverse impact on the profitability for the year under review.

TECHNOLOGY UP-GRADATION-CUM-MODERNISATION AT PAPER PLANT :

Your Directors have pleasure to inform you that the Company has undertaken Technology upgradation-cum-Modernisation at Paper Plant. Under this programme, the Company is installing "QUALITY PLUS SYSTEM" from M/s. Honeywell

Measurex Asia Inc. U.S.A. as well as other equipments which will give the benefits like lower consumption of Raw-materials and Power & Fuel, Higher Finished Production, Efficiency in working hours and reduction in Pollution problems. All these benefits will have direct impact on increase of production and in turn higher turnover and better profitability. Due to ongoing modernisation, your Company will also get the benefit of Sales-tax Incentive for "CAPITAL INVESTMENT INCENTIVES" for Modernisation for existing industrial units under Incentive Scheme-1995-2000 of Government of Gujarat and the proposal for Modernisation has been approved by the Office of the Industries Commissioner, Gandhinagar.

The Cost of Project for Modernisation will be Rs.548 lakhs and the GLIC Ltd., has sanctioned a Term Loan of Rs.490 lakhs under E.F.S. to meet the cost of Modernisation and balance funds will be met from Internal Accruals. The work of Modernisation is in full swing and the Quality Plus System and other equipments are under installation and expected that the Modernisation project will be completed by September 1998.

FINANCE:

During the year, your Company carried out modifications in Paper plant for which GLIC Ltd., sanctioned and disbursed a Term Loan of Rs.150 lacs under E.R.S. The Company re-paid Rs.184.98 lakhs towards the due installments of various Term Loans to Financial Institution and Bank.

DIRECTORS:

In accordance with the requirement of the Companies Act, 1956 and Articles of Association of the Company, Smt. Sangeeta Goenka retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

PARTICULARS OF EMPLOYEES:

The Information required as per Sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended 31st March, 1998 is Nil.

PUBLIC DEPOSITS:

The Company has not accepted any Deposits from public within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

INSURANCE:

Adequate Insurance cover has been taken for Properties and Assets of the Company including Buildings, Plant & Machineries and stocks.

AUDITORS:

The auditors of the Company, M/s. Pravin M. Shah & Co., Chartered Accountants retire at this Annual General Meeting and are eligible for re-appointment. You are requested to appoint Auditors to hold office until the next Annual General Meeting and fix their remuneration.

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.:

Additional information as required in terms of the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 regarding conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo is annexed herewith and forms part of this report.

ACKNOWLEDGMENT:

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the Financial Institutions, Banks, State Governments and Shareholders. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company for the Company's success.

REGISTERED OFFICE :

16, Bhadr-raj Chambers,
Near Swastik Char Rasta,
Navrangpura,
AHMEDABAD - 380 009

For and on behalf of the Board

RADHESHYAM GOENKA
Chairman & Mg. Director

Date : 15th July, 1998.

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31-3-1998 ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

- (i) Energy conservation measures taken : The Company has installed Invertors and other energy conservation equipments to bring down per unit cost of energy consumption.
- (ii) Additional investment and proposal, if any being implemented for reduction of consumption of energy. : Additional Investment is being made in phase manner at every stage of production to reduce energy cost.
- (iii) Impact of measures at (i) & (ii) above for the reduction of energy consumption & consequent current impact on the cost of production of goods : The above Investment will give results in savings of electricity, coal consumption and will increase production during current financial year
- (iv) Total Energy Consumption and energy consumption for unit of production as per Form A. : Please see Form - A, annexed herewith.

FORM A

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	31.03.98	31.03.97
Power & Fuel Consumption :		
1. Electricity		
(a) Purchased		
Units (Kwh)	13918862	11558715
Total Amount (Rs.)	51505443	35136786
Rate / Unit	3.70	3.04
(b) Own Generation		
(i) Through Diesel Generator		
Units	208460	53120
Units per ltr. of Diesel Oil	3.21	2.53
Cost/Unit	3.27	3.60
2. Coal		
Quantity (Tons)	9472.580	8211.553
Total Cost (Rs.)	118,93,919	90,70,344
Average Rate (Rs.)	1255	1104
3. Furnace Oil		
Quantity (K.ltrs.)	614.900	543.325
Total Amount (Rs.)	4006316	3609724
Average Rate (Rs.)	6.52	6.64
4. Others/Internal Generation		
Fire Wood		
Quantity (Tons)	62.131	97.300
Total Cost (Rs.)	54675	74360
Rate/Unit (Rs.)	880	764
Consumption per Unit of Production :		
Product (with details) Unit	24569MT	21329 MT
Electricity (Kwh/Tons)	566 Unit/T	541 Units/T
Furnace Oil (Kls/Tons)	78.6 Ltrs./T	75.8 Ltrs./T
Steam Coal (Tons/Tons)	553Kg/T	580 Kg./T
Fire Wood (Tons/Tons)	58Kg./T	100 Kg./T