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14th
ANNUAL REPORT
1999-2000



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performances...



Regd. Office: 801, Avdhesh House, Opp. Shri Govind Gurudwara, Four Way, Thaltej, Ahmedabad-380 054.

**UNAUDITED FINANCIAL RESULTS (PROVISIONAL)
FOR THE QUARTER ENDED ON 30th JUNE - 2000.
(Approved by the Board of Directors on 29-07-2000.)**

Particulars	Quarter ended 30-06-2000 (Unaudited)	Corresponding Quarter ended 30-06-1999 (Unaudited)	Accounting Year ended 31-03-2000 (Unaudited)
Net Sales/Income from Operations	1878.15	1376.88	6598.37
Total Expenditure	1663.68	1227.46	5919.01
Interest	52.34	58.99	200.62
Gross Profit after Interest but before Depreciation abd Taxation	162.13	90.43	478.74
Depreciation	104.12	66.58	415.88
Provision for Taxation	-----	-----	-----
Net Profit	58.01	23.85	56.86
Paid-up Equity Share Capital	546.92	546.92	546.92
Reserves excluding Revaluation Reserves			1135.85

NOTES.

1. Provisio for taxation, if any, will be made at the end of the year.
2. The Company had carried out Modernisation based on Information Technology in the previous year and the Company is hopeful of improvement in future production and sales.

Place : Ahmedabad.
Date : 29-07-2000

For, Rainbow Papers Ltd.
(AJAY GOENKA)
MG. DIRECTOR





FOURTEENTH ANNUAL REPORT 1999-2000

BOARD OF DIRECTORS

RADHESHYAM GOENKA	-	Chairman and Managing Director,
AJAY GOENKA	-	Managing Director
SANGEETA GOENKA		
HEMANT C. MEHTA		
KAMLESH J. SHAH		
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,
Specialised Commercial Branch,
Ahmedabad.

REGISTERED OFFICE

801, Avdhesh House,
Opp. Shri Govind Gurudwara,
Gandhinagar-Sarkhej Highway,
Thaltej,
Ahmedabad - 380 054.

WORKS

1453, Village Rajpur, Dist. Mehsana.
1423, Village Rajpur, Dist. Mehsana.
158/159, GVM, Odhav, Ahmedabad.
250, Village Lamba, Dist. Jamnagar.
769, 770, 771, Village Dhank, Dist. Rajkot.



Registered Office : 801, Avdhesh House. Opp. Shri Govind Gurudwara, Gandhinagar-Sarkhej Highway, Thaltej, Ahmedabad - 380 054.

NOTICE

NOTICE is hereby given that the FOURTEENTH Annual General Meeting of the Members of RAINBOW PAPERS LIMITED will be held on Saturday, the 16th September, 2000 at 11.00 A.M. at 801, Avdhesh House, Opp. Shri Govind Gurudwara, Gandhinagar-Sarkhej Highway, Thaltej, Ahmedabad 380 054. to transact the following business :

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date and the Report 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.

SPECIAL BUSINESS

- (4) **To consider and, if thought fit to pass, with or without modification(s) the following resolution as a Special Resolution :**

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable, the Articles of Association of the Company be and are hereby altered as under :

After Article 66, a new Article 66 (a) be inserted as under :

66(a) NOMINATION :

Notwithstanding anything stated in Article 66, a Holder or Joint Holder of Shares or Debentures may nominate in accordance with provisions of Section 09 A of the Companies Act, 1956 and in the manner prescribed thereunder, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of such holders. Any nomination so made shall be dealt with by the Company in accordance with provisions of Section 109B of the Companies Act, 1956.

- (5) **To consider and, if thought fit to pass, with or without modification(s) the following resolution as an Ordinary Resolution :**

"RESOLVED THAT pursuant to Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such permissions and approvals as may be required, consent be and is hereby accorded to the Board of Directors of the Company to restructure the various units of the Company, as the Board may consider appropriate, whether it be through a Scheme of Re-arrangement or transfer/sell of assets and/or otherwise dispose of any Unit in whole or in part to one or more persons or entities at such price and on such terms and conditions and in such manner as may be decided by the Board of Directors of the Company including the receipt of the consideration therefor in cash or in kind and partly in cash and partly by Shares and/or Debentures or any other securities or in any other manner and with powers to the Board of Directors to finalise the means, methods or modes in respect thereof and to finalise and execute all required documents and to do all such other acts, deeds, matters and things as may be deemed necessary and expedient in their discretion for completion of the transaction incidental to the above."

PLACE : AHMEDABAD

DATE : 05-08-2000

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

NOTES :-

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
- (2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
- (3) The Register of Members and the Share Transfer Books of Equity Shares of the Company was closed from Thursday, the 6th July, 2000 to Tuesday, the 18th July, 2000, (both days inclusive).



- (4) Information u/s 205 A, read with the Companies Unpaid Dividend (Transfer to General revenue Account of the Central Government) rules 1978 as amended is given below :
- (i) Pursuant to Section 205 of the Companies Act, 1956 all unclaimed / unpaid dividends upto the Financial Year ended 31-03-95 have been transferred to General Revenue Account of the Central Government. Shareholders who have not yet encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Gujarat, R.O.C. Bhavan, Opp. Rupal Park, Naranpura, Ahmedabad, by submitting an application in the prescribed form.
- (ii) Consequent upon amendment in Section 205-A of the Companies Act, 1956 and introduction of Section 205-C by the Companies Amendment Act, 1999 the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set-up by the Government of India and no payment shall be made in respect of any such claims by the fund.
- Members who have not encashed their Dividend Warrants for the Financial Year 1995-96 and 1996-97 are requested to make their claims to the Company accordingly.
- (5) 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.
- (6) Shareholders are requested to kindly bring their copy of Annual Report to the Annual General Meeting.
- (7) Shareholders are requested to intimate the Change of Address at the Registered Office of the Company quoting their Folio Number.
- (8) The Company's security is listed at Ahmedabad and Mumbai Stock Exchange. The Company has paid Annual Listing Fees to both Stock Exchanges for the Financial Year 2000-2001.

PLACE : AHMEDABAD
DATE : 05-08-2000

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.4

The Companies (Amendment) Act, 1999 has inter alia made a provision through Section 1956-A whereby a holder or joint holder of Shares or Debentures can nominate a person to whom all the rights in the shares or debentures of the Company shall vest in the event of the death of such holder/s. Such nominee can elect either to be registered himself as the holder of shares or debentures or make such transfer of the shares or debentures as the deceased holder/s of the shares or debentures could have made. It is therefore proposed to incorporate the provisions of Section 109-A and 109-B of the Companies Act, 1956 in the Articles of Association of the Company.

A Copy of the Articles of Association of the Company together with the proposed alteration is open for inspection by the members of the Company at the Registered Office of the Company.

None of the Directors of the Company is concerned or interested in the resolution.

ITEM NO.5

The Management of the Company is desirous of re-structuring the existing set up to have better control and workings of various manufacturing divisions. As per the Management perception the said arrangement will improve the workings of various units with inflow of new funds and will help in upgrading the existing units.

Since the re-structuring of units may amount to the disposal of the undertaking of the Company, in terms of Section 293(1) (a) of the Companies Act, 1956, your approval is being sought to the Board for restructuring. Accordingly the resolution is commended for your acceptance.

None of the Directors of the Company is interested in this resolution.

PLACE : AHMEDABAD
DATE : 05-08-2000

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 14th Annual Report together with the Audited Statement of Annual Accounts for the year ended 31st March, 2000 and the Auditor's Report thereon.

FINANCIAL RESULTS :

	(Rupees)	
	Year ended 31.03.2000	Year ended 31.03.99
Profit before Interest, Depreciation and Taxation	6,42,86,862	2,96,21,449
Less : Interest	1,91,82,567	1,07,35,665
Depreciation	4,00,59,128	1,72,67,449
Provision for Taxation	6,00,000	2,00,000
Net Profit after Taxation	44,45,167	14,18,335
Add : Provision not required and hence written back	28,380	3,60,027
Less : Short Provisions written off	46,581	970
Net profit for the year	44,26,966	17,77,392
Profit brought forward	1,46,74,439	1,33,97,047
Net Surplus available for appropriations	1,91,01,405	1,51,74,439
Appropriations :		
Transfer to General Reserve	25,00,000	5,00,000
Surplus carried forward to Balance Sheet	1,66,01,405	1,46,74,439

DIVIDEND :

In view of the inadequate Profits for the year under review, your Directors do not recommend any dividend for the year ended 31st March, 2000.

BUSINESS OPERATIONS:

The Business performance of the Company during the year has been encouraging. For the year under review, Turnover increased from Rs.5140.41 lacs to Rs.6582.61 lacs compared to last year which shows an increase by about 28.06%. The Company earned Profit after Tax of Rs.44.45 lacs which was up from Rs.14.18 lacs showing increase by 213.47%. The performance has been improved in view of installation of Quality Plus System under Technical Up-gradation-cum-Modernisation Programme.

On the export turnover, your Directors have pleasure to inform you that during the year, your Company exported Papers to East Africa and is also getting enquiries from other Countries. Your Directors are concentrating to increase exports turnover during the current Financial Year and are hopeful to receive export orders.

YEAR IN PROSPECTS:

During the first quarter of the current Financial Year, your Company has developed customer oriented products, which has boosted the sales and profitability of the Company. Your Directors are successful in their efforts to satisfy customer needs, improving on customer services, thrust in exports and overall upgradation of the quality of all our products. The efforts made in product development has resulted in numerous inquiries from foreign buyers as well as bulk orders from Country Dealers. Your Directors are hopeful for better performance during the current Financial Year.

FINANCE:

During the year under review, your Company has installed additional FBC Boiler and other Balancing Equipments. The GILC Ltd., had disbursed Term Loan of Rs.259.01/- lacs under EFS to meet the cost of Boiler and other equipments. During the year, your Company re-paid Rs.292.55 lacs to the Financial Institution and Bank towards the due instalments and there is no defaults.

STATUS OF Y2K COMPLIANCE:

Your Directors are pleased to report that all the internal systems and processes of the Company successfully passed the threat of risks associated with the Y2K issue and no business operations were disrupted.