

19th ANNUAL REPORT
2004-2005



Innovation in Quality & Value

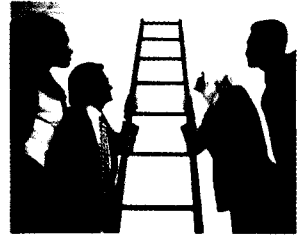
R

Reliable



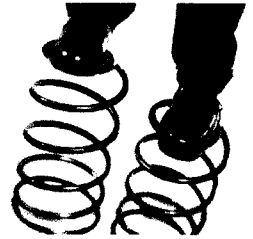
A

Ambitious



I

Innovative



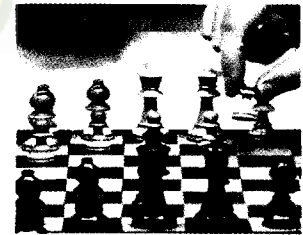
N

Nature Friendly



B

Brilliant

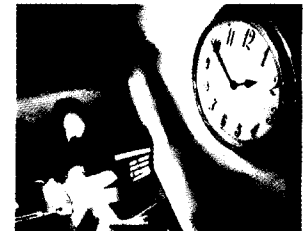


O

Outstanding



Workaholic



Rainbow - The Curve of Quality





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Company Information

BOARD OF DIRECTORS

SHRI RADHESHYAM GOENKA	: CHAIRMAN & MANAGING DIRECTOR
SHRI AJAY R. GOENKA	: MANAGING DIRECTOR
SMT. SANGEETA A. GOENKA	: EXECUTIVE DIRECTOR
SHRI O.P. GOYAL	: WHOLE TIME DIRECTOR
SHRI MAHENDRA JINDAL	: DIRECTOR
SHRI MITESH SHAH	: DIRECTOR
SHRI C. M SHAH	: DIRECTOR
SHRI KALPESH OSWAL	: DIRECTOR

COMPANY SECRETARY

MRS. RUNEL U. RATHI

AUDITORS

M/s. PRAVIN M SHAH & COMPANY,
CHARTERED ACCOUNTANTS
LAW GARDEN, AHMEDABAD.

BANKERS

INDIAN OVERSEAS BANK,
KALUPUR, AHMEDABAD.

CORPORATION BANK,
AHMEDABAD.

REGISTERED OFFICE

801, AVDHESH HOUSE, OPP. SHRI GOVIND GURUDWARA,
SARKHEJ-GANDHINAGAR HIGHWAY, THALTEJ, AHMEDABAD-380 054
Phone Nos: [079] 26855515, 26855714, 26855716, 55324741 Fax No.: [079] 26855712
Email : mcote@icenet.co.in Website : www.rainbowpapers.com

WORKS

Paper Plant

1453, VILLAGE RAJPUR,
TAL: KADI,
DIST. MEHSANA
NORTH GUJARAT

Coating Plant

1423, VILLAGE RAJPUR,
TAL: KADI,
DIST. MEHSANA
NORTH GUJARAT

Wind Mills

(1) 250, VILLAGE LAMBA, DIST. JAMNAGAR
(2) 769/770/771, VILLAGE DHANK, DIST. RAJKOT.

REGISTRAR & SHARE TRANSFER AGENTS

M/s. PINNACLE SHARES REGISTRY PRIVATE LIMITED,
NEAR ASHOKA MILLS, NARODA ROAD, AHMEDABAD 380 025
Phone No. [079] 2220466, 22200591 Fax No. [079] 22202963

Rainbow Papers Limited



Overview

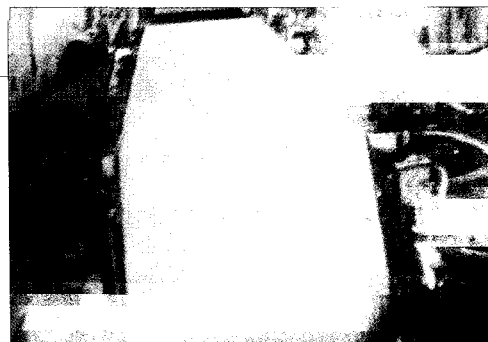
Rainbow Papers Limited was incorporated on 4th July, 1986 as a Private Limited Company under the name of M/s. Rainbow Pigment Pvt. Ltd., it was converted into Paper Manufacturing Company in 1989 since then the company is engaged in the business of manufacturing and selling of paper and paper products. Thereafter the Company came out with a public issue on 11th June 1991 and was converted into Public Limited Company as RAINBOW PAPERS LIMITED.

Divisions of Company

The Company's set up is detailed as under:

1. Paper Plant

The paper plant is engaged in the manufacturing of various varieties of packaging papers i.e. Duplex Paper & Board, Kraft Paper & Board, Poster Paper, Crepe paper etc.



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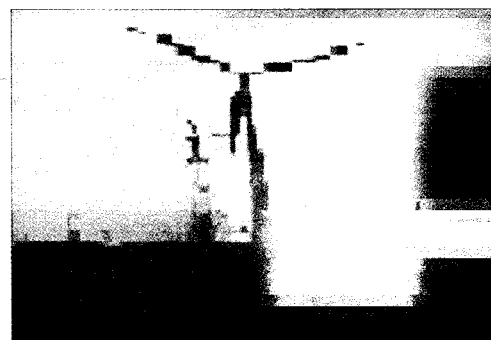


2. Coating Plant

Master Cote, is a brand name, under which the Company is manufacturing Art & Chromo Paper, Art Card Paper, Cast Coated Paper & Board, Fluorescent Paper. The Coated Paper manufactured by the said plant is useful for quality printing.

3. Wind Energy Plant

The Company is having Wind Mills at two sites Lamba, Tal.: Kalyanpur, Dist : Jamnagar with a capacity of 0.450 MW and at Dhank, Tal.: Upleta, Dist: Rajkot with a capacity of 0.630 MW.

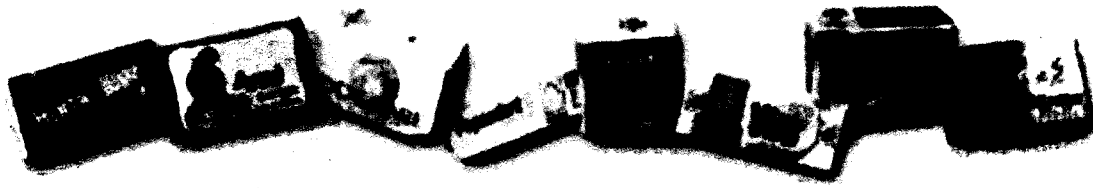




End use of Products

The paper products of the company have wide application for industrial use. The products are used for packaging purpose for number of industrial products as well as for number of consumer products. The products are mainly used in preparation of Cartoon, Packaging, Match Boxes, Book Cover, Greeting Cards, Envelopes, High Quality Posters, Playing Cards, Calendars, Magazines, Fancy Gift Bags, Display Boards, Hoardings, Stickers etc...

rainbow papers used in packaging of such fine products...

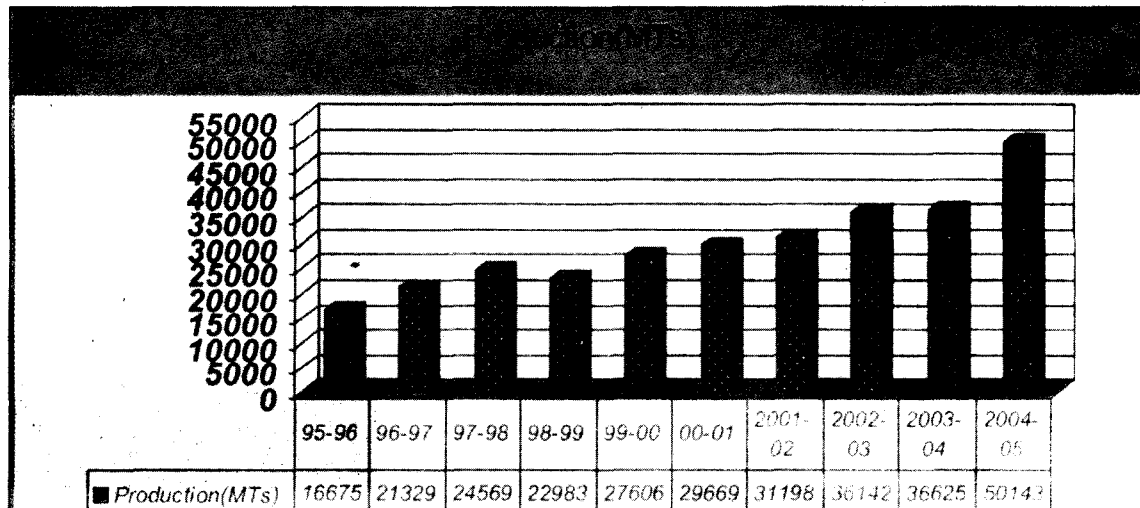


Export Turnover

The Company has entered in the export market and is regularly exporting its product to Iran, Malaysia, Bangladesh, Nairobi-Kenya, Dubai, Egypt etc. The Export turnover recorded for the Financial Year 2004-2005 is Rs. 553.24 lacs.

Significant Developments

The Company had taken up the modernization and upgradation project in the last Financial Year which included the setting up of one additional paper machine of Japanese Technology which has enabled the company to enhance its production capacity from 48,000 M.T. to 70,000 M.T. and has also contributed in improving the quality of its products. Besides, various new varieties of products have also been introduced in the existing range of products.



Rainbow Papers Limited



The company has also set up its own Captive Power Plant of 5 M.W. to meet the requirement of power which is one of the major input in the production process. The Power Plant provides constant and regular supply of power and has also contributed in substantial saving in power cost. Among other projects, the company has also set up 2 Nos of De-inking lines which has been imported from Kadant Lamort, France. This De-inking Plant has also contributed in drastic reduction of cost and has enabled to provide better quality of products.



Future Planning

The Company at present is manufacturing all varieties of paper other than printing and writing paper. The Company is exploring all possibilities of setting up plant for manufacturing printing and writing paper shortly. After this, Rainbow will be the only company in Gujarat where all kinds of paper will be available. The manufacturing of Printing and writing paper is backward cum forward integration, since part of the paper will be consumed by the coating plant of the company. The Company is having enough power and infrastructure is also readily available and therefore the cost of putting plant for Printing and Writing paper will be comparatively lower.



Notice

NOTICE is hereby given that the NINETEENTH Annual General Meeting of the Members of M/s.RAINBOW PAPERS LIMITED will be held on THURSDAY, the 29th Day of SEPTEMBER, 2005 at 11.00 A.M. at 8th Floor, Avdhesh House, Opp. Shri Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad- 380 054 to transact the following business. :

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2005 and Profit and Loss Account for the year ended on that date together with Directors' and the Auditors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2005 on the Equity Shares of the Company.
3. To appoint a Director in place of Shri Mahendra Jindal who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Mitesh Shah who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s.Pravin M. Shah & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at a remuneration to be decided mutually between the Audit Committee and the Board of Directors and Auditors plus reimbursement of out of pocket expenses as incurred."

Special Business

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Shri Kalpesh Oswal who has been appointed as an Additional Director of the company by the Board of Directors with effect from 29th March, 2005 pursuant to Article 137 of Articles of Association and holds office up to date of this Annual General Meeting by reason of the provision of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing, proposing the candidature for the office of Director, in accordance with the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company and that the period of office of the Director shall be liable to determination by retirement by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 269, 198 and 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the reappointment of Smt. Sangeeta Goenka as an Executive Director of the Company with effect from 15th November, 2005 for a period of three years on a remuneration and other terms and conditions as sanctioned by the Remuneration Committee and approved by the Board of Directors of the Company and as contained in the Draft agreement placed before the meeting and initialed by the Chairman for identification."

"FURTHER RESOLVED THAT the Board of Directors are, hereby, authorized to enter into the said agreement with such modifications or amendments as may be made by the members and as are acceptable to Smt. Sangeeta Goenka within the limits of Provisions of Schedule XIII of the Companies Act, 1956."

Rainbow Papers Limited



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

"RESOLVED THAT pursuant to the provisions of Sections 269, 198 and 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the reappointment of Shri O.P.Goyal as the Whole Time Director of the Company with effect from 1st November, 2005 for a period of three years on a remuneration and other terms and conditions as sanctioned by the Remuneration Committee and approved by the Board of Directors of the Company and as contained in the Draft agreement placed before the meeting and initialed by the Chairman for identification."

"FURTHER RESOLVED THAT the Board of Directors are, hereby, authorized to enter into the said agreement with such modifications or amendments as may be made by the members and as are acceptable to Shri O.P.Goyal within the limits of Provisions of Schedule XIII of the Companies Act, 1956."

BY ORDER OF THE BOARD OF DIRECTORS,

PLACE : AHMEDABAD

DATE : AUGUST 24, 2005

(RUNEL RATHI)
COMPANY SECRETARY

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote, instead of himself and a proxy need not be a member of the Company. The proxy form, in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Members/proxies should bring the Annual Report and Attendance Slip duly filled in for attending the meeting.
3. The Explanatory Statement in respect of Item Nos. 6, 7 and 8 pursuant to Section 173 [2] of the Companies Act, 1956 are annexed herewith.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 15th day of September, 2005 to Thursday the 29th day of September, 2005. (both days inclusive).
5. Members holding shares in physical form are requested to notify the change in addresses, their Pin code numbers, E-mail addresses and telephone numbers, if any to the company at its Registered office or to M/s. Pinnacle Share Registry Pvt. Ltd - Registrar & Share Transfer Agents by quoting their folio numbers. Members holding shares in electronic mode may update such details with their respective Depository Participants. [DP]
6. Pursuant to Section 205 A of the Companies Act, 1956 read with Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, all unclaimed dividends up to and including the dividend for the year ended March 31, 1997 were transferred within the prescribed time to the General Revenue Account of the Central Government. Members who have not encashed/claimed the dividend warrants for the said period are requested to approach the Registrar of Companies, Gujarat, CGO Complex, Opp. Rupal Park Society, Naranpura, Ahmedabad - 380 013.



Rainbow Papers Limited

Members who have not yet encashed the dividend warrant (for the F.Y. 2002-2003 and thereafter) are requested to make their claims to the company and may note that if the same are not claimed within a period of seven years from the date of the dividend warrant, the amount so unclaimed will be transferred to the Investor Education and Protection Fund [IEPF].

7. The dividend as recommended by the Board, if sanctioned at the meeting will be paid within 30 days from the date of Annual General Meeting to those members whose names stand registered on the Company's Register of Members :
 - [a] as Beneficial owners as at the end of business on 14th September, 2005 as per the data to be furnished by M/s.Pinnacle Share Registry Pvt. Ltd in respect of the shares held in electronic form, and
 - [b] as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 14th September, 2005.
8. Members of the Company who have multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificates to the Registrar & Share Transfer Agents M/s.Pinnacle Share Registry Pvt. Ltd or to the Registered Office of the Company for consolidation of all such shareholdings into one account to facilitate better service.
9. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their questions to the Secretary of the Company so as to reach atleast seven days before the date of the meeting, so that the information may be made available at the meeting, to the best extent possible.
10. The draft agreement for reappointment of Smt. Sangeeta Goenka and Shri O.P.Goyal as Directors is open for inspection during working hours between 3.00 to 5.00 p.m. at the Registered Office of the company.
11. In terms of Clause 49 of the Listing Agreement with the Stock Exchange, a brief resume of the retiring Directors, who are proposed to be appointed/reappointed at this meeting is as under :

Name	Date of Birth	Date of Appointment	Experience	Name of Directorship in other Company	Committee Membership
1. Mitesh Shah	29.07.1959	03.03.2003	Professional	Kalptaru Papers Ltd Amrapali Developers Ltd D.H.S. Infrastructure Pvt. Ltd	Member-Remuneration committee
2. Mahendra Jindal	18.04.1961	03.03.2003	Professional	Shanti Metals Pvt. Ltd Raksha Marketing Pvt. Ltd.	Chairman-Shareholders/ Investors Grievance Committee Chairman-Audit Committee
3. Kalpesh Oswal	26.05.1980	29.03.2005	Professional	Oswal Shares & Securities Ltd Zaveri Oswal Commodities Pvt. Ltd	NIL
4. Sangeeta Goenka	06.04.1961	21.08.1993	Industrialist	NIL	Member - Shareholders/ Investors Grievance Committee
5. O. P. Goyal	09.03.1945	30.07.2002	Professional	NIL	Chairman- Remuneration committee Member-Audit committee

BY ORDER OF THE BOARD OF DIRECTORS,

PLACE : AHMEDABAD
DATE : AUGUST 24, 2005

(RUNEL RATHI)
COMPANY SECRETARY