


RAINBOW

RAINBOW
RAINBOW PAPERS LIMITED

Report  junction.com

22nd ANNUAL REPORT 2007-'08

An ISO 9001, 14001 & OHSAS 18001 Certified Company www.reportjunction.com

The background image shows a paper mill with large rolls of paper and industrial machinery. A red dotted pattern is in the top left corner, and a red diagonal line runs from the top right to the bottom left. The company name is centered in the upper half.

RAINBOW
RAINBOW PAPERS LIMITED

Report



Junction



Foreword

The year gone has been a year robust with challenges and opportunities. Both have been approached with equal positivity and zest by your company.

The year has also been a year of fortifying our foundation for creating a reverberant tomorrow. The pursuit of excellence and purpose brought resilience in face of challenges and enthusiasm for opportunities. Our strength - our people, our ethics and values set the pace for future growth.

We showcase a proud past and measure success with our endeavour to consistently increasing and delivering value to our shareholders.

COMPANY INFORMATION

BOARD OF DIRECTORS

- SHRI RADHESHYAM N. 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 C. M. SHAH : DIRECTOR
- SHRI KALPESH OSWAL : DIRECTOR
- SHRI SHANKARLAL HEDA : DIRECTOR

COMPANY SECRETARY

SMT. RUNEL RATHI

AUDITORS

M/S. PRAVIN M. SHAH & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD.

BANKERS

- INDIAN OVERSEAS BANK
- CORPORATION BANK
- UNION BANK OF INDIA
- ALLAHABAD BANK
- AXIS BANK

REGISTRAR & SHARE TRANSFER AGENTS

PINNACLE SHARES REGISTRY PRIVATE LIMITED
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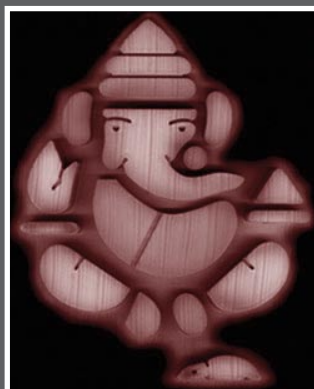
WORKS

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GLIMPSSES INTO THE PAST YEAR....

“ Rainbow today is truly a ‘glocal’ company. Which means we *think globally and act locally*. Rainbow is rapidly increasing its international presence and is currently exporting 30% of its production. We have always used high quality imported waste and have been awarded the second highest importers at ICD, Sabarmati for the current year which makes it 4 years in a row. Rainbow also was awarded the Gujarat Logistics Award-2007 in International Supply Chain by Times Group. We have undertaken major expansion to increase our production capacity by 300% ”



Top Left: our global partners; Left: our MD Shri Ajay Goenka with CM Shri Narendra Modi; Bottom Left: Rainbow stall at PaperEx 2007 which won National Commendation: Best Concept & Design



We entered into an MOU of Rs 102 crores with the Gujarat Govt. at the Vibrant Gujarat Summit in the last financial year. This year we undertook major expansion and have fulfilled the MOU. We have also increased our exports and are currently exporting 30% of our production. Rainbow meets the International Standards in terms of quality which is why our products are sought after both in the domestic as well as international markets. We participated in trade fairs such as Paper Arabia '07, Dubai; PaperEx '07, India; Asian Paper '08 to strengthen our relations with our existing clientele and also to develop new markets for our products. RAINBOW was also awarded the National Commendation-Best Concept & Design.



PAPEREX 2007, DELHI



FROM THE MD'S DESK



AJAY GOENKA, MD

The role of the paper industry in socio-economic development of the country is well documented. As a yardstick of development the per capita consumption of paper is generally considered as a benchmark of a country's modernization. The demand for paper in India is growing at 6-7% per annum, led by the government's literacy program and enhanced spending on education, expanding manufacturing activity, phenomena such as PPO (printing process outsourcing)...developed nations do not expect to grow beyond 2-2.5% in the same timeframe. India's current low per capita consumption (7kgs compared to 322 kgs in North America and world average of 53 kgs) and burgeoning demand offers high growth potential for paper manufacturers. In such a situation RAINBOW has its future well carved out.

At RAINBOW, the one thing constant is 'growth'. It has been the guiding force behind all our activities. Our philosophy is very simple. We analyse each stage of our operations and devise policies to outdo it. Growth in production capacity is coupled with a similar growth in human resources, processes and optimizing of operations.

The past, present and future Industry scenarios reflect that there was and will continue to be a demand surplus situation in the paper industry. Naturally this led to major expansion plans being undertaken throughout the industry. However, studies indicate that even after the completion of all the proposed capacity expansions there will still be a shortfall of around a million tonne by the year 2010. Newsprint Industry alone is projected to have a shortfall of 0.6 million tonnes in 2010. This is where we come in. RAINBOW purchased new production lines which will enhance the capacity to 550 TPD in the first phase and erection is likely to be completed by Sept 2008. These lines hold multifunctional capabilities for manufacturing of various varieties of paper such as Newsprint, Writing & Printing Paper, Online Coated Papers and Copier Paper.

Once these lines are commissioned we will be well-equipped to bridge the gap arising in any of these varieties of paper. We have also commissioned a 10 MW Cogeneration Captive power plant in addition to our existing 5 MW Cogeneration power plant. An expansion on such a scale has only been possible owing to our exemplary team of professionals.

Much as we pride ourselves on the increasing demand of our products, our increasing production, process efficiencies, quality output, increasing turnover, operational improvement we also pride ourselves on our human wealth who are the pillars of our success. Our steady progression has largely been owing to our team's dedication towards product enhancement and their commitment towards our customers. And the numbers speak for themselves. This year the turnover is Rs.200.03 crores as compared to Rs.180 crores of the previous year.

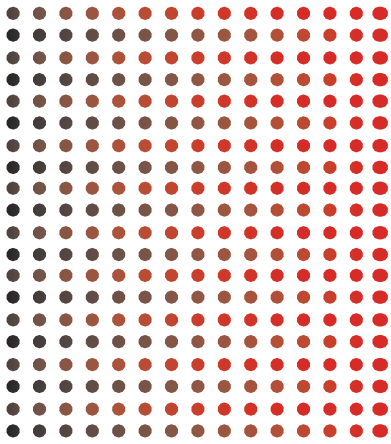
Within the organization also many positive changes have taken place. The Enterprise Resources Planning (ERP) Project is halfway through and will be implemented in 2-3 months. This will benefit production scheduling as well as timely deliveries. It will help in enhancing overall efficiencies not only in production

but in all walks of business like accounting, customer followup, human resource planning, maintenance scheduling and realtime data access.

On the social front also RAINBOW has been very active. In the field of education and it has sponsored auditoriums and computer labs in various schools. These were inaugurated by Astronaut Ms. Sunita Williams when she was on a short visit to India and she also felicitated our Chairman Shri Radheshyamji N. Goenka for the same. RAINBOW has also undertaken water harvesting which has led to an increase in the water level in the fields surrounding our plants.

All of this has been possible only because of the trust and support of our shareholders who have shown constant faith in us. In turn, RAINBOW is proud of its consistent growth in creating value for shareholders. The ambitious growth plan that we have undertaken, holds the potential to catapult our company into a very strong position in the Indian Paper Industry and thus enhancing value for our shareholders. Our expansion plans are well on schedule and now we intend to be vigilant in exploring new ways to grow and bring better value to the company.

AJAY GOENKA
MANAGING DIRECTOR



PROPOSED PAPER MACHINE