

RAINBOW

RAINBOW PAPERS LIMITED

23rd ANNUAL REPORT 2008-'09

...creating wealth from waste



An ISO 9001, 14001 & OHSAS 18001 Certified Company

www.reportjunction.com

RAINBOW...the road ahead

To achieve sustainable growth, we have a roadmap with our clear goals :

- Maximizing return to stakeholders while keeping in mind our overall responsibilities.
- Be a good workplace wherein our people remain motivated and inspired.
- Create a One stop shop for fulfilling the requirements of various kinds of Paper.
- Nurturing a winning network of partners and building mutual loyalty.
- Being a responsible global citizen that makes a difference.



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COMPANY INFORMATION

BOARD OF DIRECTORS

• SHRI RADHESHYAM N. GOENKA	:	EXECUTIVE DIRECTOR
• SHRI AJAY R. GOENKA	:	CHAIRMAN & MANAGING DIRECTOR
• SMT. SANGEETA A. GOENKA	:	EXECUTIVE DIRECTOR
• SHRI O.P. GOYAL	:	WHOLE TIME DIRECTOR (Upto 8th October, 2008)
• SHRI ASHWIN GOSWAMI	:	WHOLE TIME DIRECTOR (Upto 30th June, 2009)
• SHRI GOKULDAS P. KOTHARI	:	WHOLE TIME DIRECTOR (w.e.f. 30th June, 2009)
• SHRI MAHENDRA A. JINDAL	:	DIRECTOR
• SHRI CHAMPAKLAL M. SHAH	:	DIRECTOR
• SHRI KALPESH J. OSWAL	:	DIRECTOR
• SHRI SHANKARLAL J. 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
- DENA BANK
- BANK OF INDIA

REGISTERED OFFICE

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North Gujarat. INDIA

REGISTRAR & SHARE TRANSFER AGENTS

PINNACLE SHARES REGISTRY PRIVATE LIMITED
Near Ashoka Mills, Naroda Road,
Ahmedabad - 380 025
Tel: 079 - 22204226, 22200338
Fax: 079 - 22202963



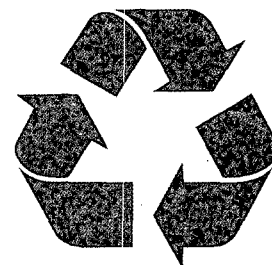
a stitch in time...

Production is taking what nature has to offer us and convert it to a form required for our use.

Productivity, however is using nature's resources judiciously and create forms we require.

At Rainbow we work towards conserving our environment. Our primary source of raw material is not the forest but waste paper. On one hand we save the forests by recycling paper and on the other we also prevent unnecessary pollution the waste paper would have caused had it not been put into effective use.

Hence, we rightly claim "Creating Wealth from Waste."



Recycled

Rainbow Papers Ltd was established in 1981 as a small creping & dyeing unit. Today it has a global company with a production capacity of 550 TPD.

ABOUT US

Listings

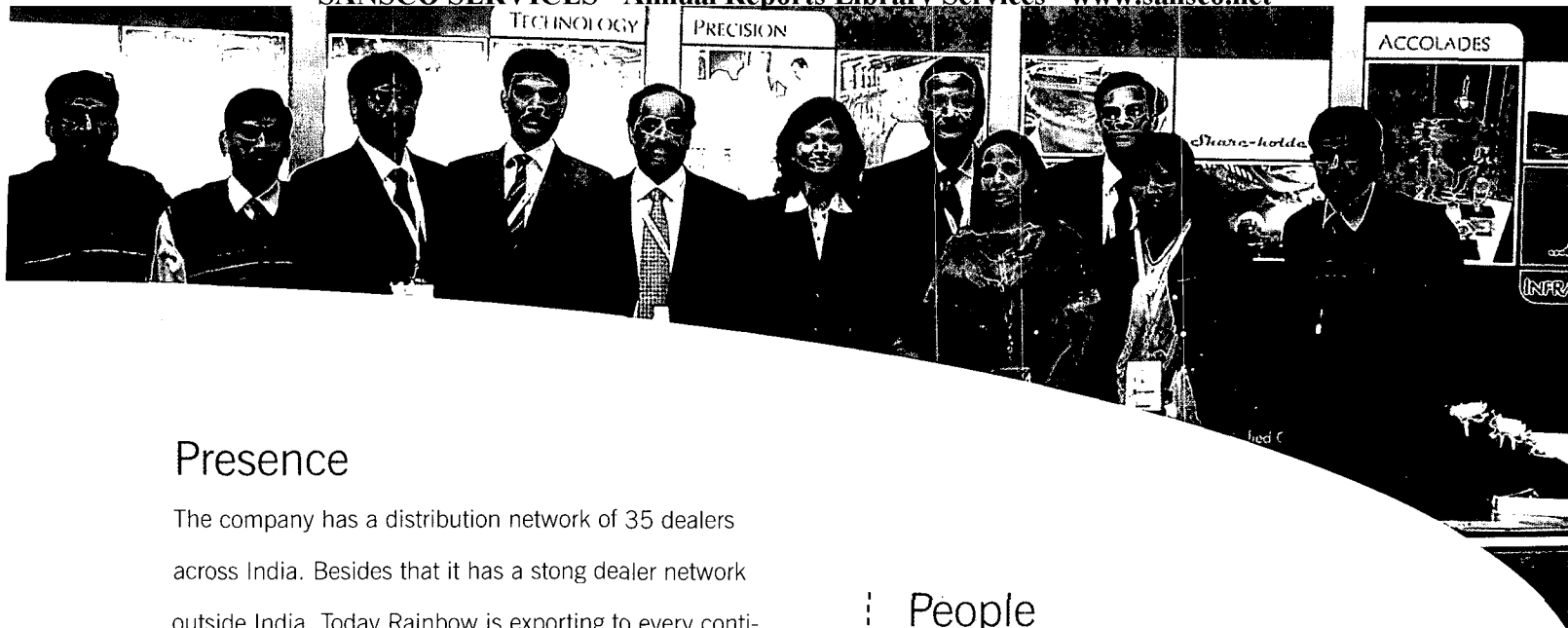
The Company's shares are listed on the Bombay Stock Exchange (scrip code-523523) and the Ahmedabad Stock Exchange (scrip code-47890) in India. Application has been made for listing in the National Stock Exchange,

Products

The company has a production capacity of 198000 TPA

Product Range includes:

- Writing & Printing Paper
- Newsprint Paper
- Duplex Boards
- Coated Paper & Board
- Colour Paper & Board
- Crepe Paper
- Poster Paper



Presence

The company has a distribution network of 35 dealers across India. Besides that it has a strong dealer network outside India. Today Rainbow is exporting to every continent across the globe thus achieving its goal of having a global presence.

Environment

Rainbow is an ISO 14001 Certified Company.

We are strongly committed to working towards a greener tomorrow. More than 90% of our production is based on recycled fibre. We use the waste paper generated from everyday activities as a raw material to manufacture our paper. This leaves the forests untouched as well as provides an effective use for paper scrap. We even recycle and reuse more than 80% of water. Rainbow also has integrated effluent treatment plants. The residue sludge is then converted into boards. We recycle whatever we feel can be reused or recycled. The fly ash - a residue of power generation is also used by us to manufacture bricks which can be used by the cement industry. Over the years we have worked towards better efficiency to reduce the energy and water consumption per unit of output.

People

We consider our people our biggest asset. We have a strong core team of experienced and qualified professionals who are the driving force behind our business operations. Increasing transparency in our working environment has led to a high level of vibrance and high level of involvement in our managers and our workforce. We also give strong attention to the well-being of our workers and have undertaken many precautionary measures to ensure their health and safety.

Technology

To supplement our 550 TPD production Rainbow has:

- 15 MW cogeneration captive power plant
- Fully equipped paper testing laboratory
- Advanced Quality Control Systems
- Effluent Treatment Plants
- Krofta for water recycling
- Strong IT infrastructure



ISO 9001:2000
Cert No: CI/8420

ISO 9001
QUALITY
MANAGEMENT



063



ISO 14001:2004
Cert No: CI/8420

ISO 14001
ENVIRONMENTAL
MANAGEMENT



063



OHSAS 18001:1999
Cert No: CI/8420

OHSAS 18001
WORKER'S HEALTH
& SAFETY

CHAIRMAN'S MESSAGE



MR. AJAY GOENKA
Chairman & Managing Director

Dear Shareholders,

“
With “**CONSTANT
GROWTH, INNOVATION
& DEVELOPMENT**” as our
*motto Rainbow has accepted
and faced its set of challenges
with aplomb.*”

2008 -2009, an elemental year which witnessed robust growth in the first half and an unprecedented global downturn in the second half. The year has been marked with stiff challenges on account of both industrial and economic factors, However this year has also given every company a chance to test its strength to the core and develop a long term focused outlook.

With “CONSTANT GROWTH, INNOVATION & DEVELOPMENT” as our motto Rainbow has accepted and faced its set of challenges with aplomb. With the erection of a new production line which has enhanced the total production capacity to 550 TPD and introduced a completely new product line i.e Newsprint , Cream wove & Writing & Paper in our kitty, we are soon to achieve our goal of making Rainbow a one stop solution for all paper requirements.

This marks a successful completion of the first phase of the expansion project. The Company is now in the process of the second phase of expansion which will involve the installment of another paper machine with production capacity of 350 TPD and a 30 MW Captive Power Plant. The estimated project cost for the same will be around Rs. 327 crores.

Much as we pride ourselves on the increasing demand of our products, our increased production, process efficiencies, quality output, increasing turnover, operational improvement, we pride ourselves on our human wealth which is the pillar to our success. All of this has been possible because of aggressive marketing efforts, proactive after sales services & sustained supply of raw material at affordable prices. This has been the result of well coordinated teamwork and high levels of enthusiasm and motivation among every single employee.

As we move forward and look beyond the slowdown, our mission remains very clear—enhancement of capacities, review of manufacturing practices, efficient energy management, optimization of supply chain, continuous enhancement in productivity, etc – to make “us” more efficient and effective. Also, working closely with customers to develop customized business solutions and an innovation-led approach catering to an array of user-industries will sustain business in the long run.

Further, now is a good opportunity for all manufacturers and service providers to introspect in terms of skill-set development, productivity enhancement and applying lean management techniques to provide a more ‘value adding experience’ of consumption where paper makes an integral part of the product.

Our CSR initiatives have always been high on our agenda. We strive to fulfill our duty as corporate citizens. Some of our initiatives include sponsoring child education, adult literacy, setting up of computer labs in schools located in neighboring villages etc. Another initiative the company has undertaken sponsoring of medicines and treatment of pregnant ladies in the neighboring villages of Jhulasan and Nandasan. This will result in improvement of the health and general wellbeing of both the mother and the child.

Rainbow is rather fortunate to have a strong support from all its stake holders be it the customers, vendors, banks, financial institutions, employees and all the shareholders. With your continuous support and guidance, Rainbow will be able to achieve new milestones and progress and success and come firm upon its target to enhance stakeholder value in the years to come.

AJAY GOENKA
Chairman & Managing Director

FINANCIAL HIGHLIGHTS

PAST 5 YEARS HIGHLIGHTS

		2008-'09	2007-'08	2006-'07	2005-'06	2004-'05
OPERATING RESULTS						
TURNOVER	Rs./lacs	24411	20003	18004	14374	11869
GROSS PROFIT	Rs./lacs	4199	2975	2365	1479	926
DEPRECIATION	Rs./lacs	2496	1185	1009	742	673
TAXATION	Rs./lacs	29	5	102	65	20
DEFERRED TAX	Rs./lacs	-687	501	427	93	73
NET PROFIT	Rs./lacs	2361	1284	827	579	160
DIVIDEND	Rs./lacs	115	115	88	88	77
FINANCIAL POSITION						
GROSS BLOCK	Rs./lacs	41935	27361	13980	10437	8801
DEPRECIATION	Rs./lacs	8071	5575	4393	3871	3135
NET BLOCK	Rs./lacs	33864	21786	9587	6566	5666
PAID UP CAPITAL	Rs./lacs	721	721	547	547	547
RESERVE & SURPLUS	Rs./lacs	7578	5327	2519	1797	1306
CONVERTIBLE WARRANTS	Rs./lacs	0	0	2100	0	0
NET WORTH	Rs./lacs	8299	6048	5166	2344	1853
CORPORATE DEPOSITS-PROMOTERS	Rs./lacs	1476	1328	113	233	270
BORROWINGS	Rs./lacs	26807	14117	6955	4377	3744
CAPITAL EMPLOYED	Rs./lacs	36582	21493	12234	6954	5867
SOME SELECTED RATIOS						
EARNING PER SHARE	Rs.	33	20	15	11	3
(RS. 10)(BASIC)						
BOOK VALUE PER SHARE	Rs.	115	84	56	43	34
DIVIDEND (EQUITY SHARES)	%	16	16	16	16	14