

NOTICE

NOTICE is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the members of M/s. RAINBOW PAPERS LIMITED will be held on **Monday, the 16th day of September, 2013, at 11.00 am**, at Ahmedabad Textiles Mills Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009, to transact the following business :

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with Directors' and the Auditors' Report thereon.
- 2) To declare Dividend on the Equity Shares of the Company, for the financial year ended on 31st March, 2013.
- 3) To appoint a Director in place of Shri Kantibhai Patel, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Rahul Maheshwari, who retires by rotation and being eligible, offers himself for re-appointment.
- 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 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Talati & Talati, Chartered Accountants, Ahmedabad (ICAI Reg. No. 110758W) be and are hereby re-appointed as Statutory 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 as may be decided by the Board of Directors as per the recommendation of the Audit Committee and reimbursement of out of pocket expenses actually incurred by them in connection with the Audit."

SPECIAL BUSINESS:

- 6) To consider, and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to and in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time-being in force, ("Act), read with Schedule XIII thereto and as recommended by Remuneration Committee and approved by the Board of Directors, consent of the Company be and is hereby accorded for reappointment and payment of remuneration to Shri Ajay R. Goenka as the Managing Director of the Company for a period of 5 (five) years from 21.8.2013 to 20.8.2018 (both days inclusive), on terms and conditions as set out in the draft agreement to be entered into between the Company and Shri Ajay R. Goenka, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the meeting, which agreement is hereby specifically approved with liberty to the Remuneration Committee and Board of Directors to alter, vary and modify, from time to time, the terms and conditions of the said appointment and/or agreement including review of remuneration annually and/or otherwise, in such manner as may be decided by them and agreed upon by Shri Ajay R. Goenka, and in accordance with the limits prescribed under Schedule XIII to the Companies Act, 1956 or any statutory amendment(s) and modification(s) thereto.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Shri Ajay R. Goenka as the Managing Director by way of salary, perquisites, commission and other allowances, shall not exceed 5% of the net profits of the Company computed in the manner as provided in Section 349 of the Companies Act, 1956 and 10% in aggregate for all the working directors of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the tenure of Shri Ajay R. Goenka, Managing Director of the Company, the remuneration, perquisites and other allowances shall be governed by the limits prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956, as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters or things and they may take such steps necessary, expedient or desirable in this regard.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 8th August, 2013

RUNEL RATHI
COMPANY SECRETARY

NOTES:

- a) 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.
- b) Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the meeting along with a copy of the Annual Report. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting.
- c) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold the shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the meeting.
- d) The Explanatory Statement in respect of Items No. 6 pursuant to Section 173 [2] of the Companies Act, 1956 is annexed herewith.
- e) The relevant details of director seeking appointments/re-appointments under Item No. 3 and 4 above, as required by Clause 49 of the Listing Agreements entered into with the BSE Limited and National Stock Exchange of India Limited are also annexed.
- f) The Register of Members and the Share Transfer Books of the Company will remain closed from 10th September, 2013 to 16th September, 2013 (both days inclusive).
- g) Members holding shares in physical form are requested to notify the change in addresses, their pin code numbers, email addresses and telephone numbers, if any, to the Company at its Registered office or to M/s. Sharepro Services (India) Private Limited - 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's].
- h) Members holding shares in physical form can avail of the nomination facility by filing Form 2B (in duplicate) with the Company or its Registrar & Share Transfer Agent which will be made available on request and in case of shares held in dematerialized form, the nomination has to be lodged with their DP's.
- i) Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Account will, as per Section 205C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF).

The details of unclaimed amounts are as follows:-

Year	Date of transfer to unclaimed account	Amount unclaimed as on 31.03.2013(Amount in INR)	Date of transfer of dividend
2005-06	26 th September, 2006	148320.00	3 rd November, 2013
2006-07	21 st September, 2007	147900.80	28 th October, 2014
2007-08	22 nd September, 2008	198596.80	29 th October, 2015
2008-09	23 rd September, 2009	235230.95	30 th October, 2016
2009-10	8 th July, 2010	193672.00	16 th August, 2017
2010-11	27 th September, 2011	199108.40	3 rd November, 2018
2011-12	27 th September, 2012	216798.80	3 rd November, 2019

The applicants / Members wishing to claim unclaimed dividend are requested to correspond with the Compliance Officer or Registrar and Share Transfer Agent of the Company i.e. **M/s. Sharepro Services (India) Pvt. Ltd.**

- j) The dividend as recommended by the Board, if approved by the members at the Annual General 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:
1. as Beneficial Owners as at the end of business on 9th September, 2013, as per the data to be furnished by **M/s. Sharepro Services (India) Pvt. Ltd.** in respect of the shares held in electronic form, and
 2. 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 10th September, 2013.
- j) 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. Sharepro Services (India) Pvt. Ltd.** or to the Registered Office of the Company for consolidation of all such shareholdings into one account to facilitate better service.
- k) 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 at least seven days before the date of the meeting, so that the information may be made available at the meeting, to the best extent possible.
- l) In all correspondences with the Company or with its Share Transfer Agents, members are requested to quote their folio number and in case their shares are held in the dematerialized form, they must quote their Client ID and their DP ID Numbers.
- m) The shares of the Company are in compulsory demat segment. Those members who still continue to hold shares in physical form, are requested to get their shares dematerialized at the earliest.
- n) Securities and Exchange Board of India vide its circular has made it mandatory for every participant in the securities/ capital market to furnish Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders (including joint holders) holding shares in physical form are requested to submit copy of their PAN Card along with the share transfer form to our Registrar & Share Transfer Agents, **M/s. Sharepro Services (India) Pvt. Ltd.**
- o) A copy of revised Certificate dated 15th May, 2013 issued by the Statutory Auditors of the Company to the effect of compliance with entire Chapter VII of SEBI ICDR (Regulations) 2009, is also available for inspection to the members of the Company per undertaking sought from the Company by NSE, while giving approval for listing of 15,00,000 Equity Shares allotted on part conversion of 90,00,000 warrants issued on 20.12.2012.

ANNEXURE TO NOTICE

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

Item No. 6

The Board of Directors of the Company at its meeting held on 8th August, 2013 had subject to approval of members in a general meeting reappointed Shri Ajay R. Goenka as the Managing Director of the Company for a period of 5 years from August 21, 2013 to August 20, 2018 (both days inclusive).

The terms of his appointment and the payment of remuneration have also been approved by Remuneration Committee at its meeting held on 8th August, 2013.

The principal terms and conditions as contained in the draft agreement are as under:-

The re- appointment shall be for a period of 5 years from August 21, 2013 to August 20, 2018.

Shri Ajay R Goenka, subject to such instructions and directions as may from time to time be given to him by the Board of Directors of the Company (hereinafter referred to "the Board") shall endeavor to comply with such directions and subject to such restrictions as the Board may in its sole discretion impose. Shri Ajay R. Goenka shall have powers to look after day to day affairs of the Company and enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things, which, in the ordinary course of business, he may consider necessary or proper or in the interest of the Company.

During the period of his employment, Shri Ajay R. Goenka shall whenever required by the Company, undertake such travelling in India and abroad as the Board may from time to time direct in connection with or in relation to the business of the Company

Remuneration and Perquisites:

Shri Ajay R. Goenka shall be entitled to the following remuneration and perquisites:-

(a) **Salary**

Salary: ₹ 14,50,000/- per month in the scale of ₹ 14,50,000/- - ₹ 50,000/- - ₹ 16,50,000/-.

(b) **Perquisites**

The Managing Director will be entitled to the following perquisites subject to maximum ceiling of ₹ 1,00,000/- p.m. as under:

(i) **Housing**

Furnished accommodation with the electricity, gas and water supply.

(ii) **Medical Reimbursement**

All expenses incurred by the Managing Director for self, parents and family shall be reimbursed by the company.

(iii) **Contribution to Provident Fund**

Company's contribution to Provident Fund as per Rules of Company.

(iv) **Gratuity**

As per the Gratuity Act and rules of Company, but shall not exceed half month's salary for each completed years of service.

(v) **Leave Encashment:**

The Managing Director shall be entitled to fully paid leave as per the Company's Rules. Encashment of leave at the end of the tenure is permitted.

The retirement benefits as provided in item (iii), (iv) and (v) shall not be included in the computation of ceiling on remuneration of Shri Ajay R. Goenka to the extent provided in clause 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

(vi) **Other Allowances**

- a) The company shall provide a chauffer driven car for use on Company's business and also for personal purpose and telephone at the residence of the Managing Director.
- b) The company shall provide for self and family, once in a year, to and fro fare for any place in India / abroad in accordance with rules of the company.
- c) Annual fees of club subject to maximum of one club.
- d) Reimbursement of all entertainment expenses and other expenses properly incurred for the business of the Company.

The Managing Director in addition to above shall also be entitled to such other benefits or amounts as may be approved by the Board subject to such modification as may be made by the Board within the limits on remuneration prescribed from time to time under Schedule XIII of the Companies Act, 1956.

(vii) Minimum Remuneration

In the event of loss or inadequacy of profits, the Managing Director shall be entitled to receive the remuneration, perquisites and benefits as Minimum Remuneration as provided in under para 1 (B) of Section II of Part II of Schedule XIII of the Act as notified from time to time.

(viii) Overall Remuneration

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the said Act, as may for the time being be in force.

(vii) Commission

Shri Ajay Goenka will be entitled to a commission up to 2% of net profits within the overall ceiling on the remuneration at 5% of net profits. For this purpose, Net Profit shall be computed in accordance with the provisions of Section 349 & 350 of the Companies Act, 1956.

The Shri Ajay R. Goenka shall not be entitled to payment of any sitting fees for attending any meeting of the Board of Directors of the Company or any Committee thereof.

A copy of the draft Agreement referred to in the resolution at Item No. 6 of the accompanying notice is open for inspection by a Member of the Company at the Registered Office of the Company on any working day between 11.00 am and 1.00 p.m., upto the date of the ensuing Annual General Meeting.

None of the directors of the Company except Shri Ajay R. Goenka be deemed to be concerned or interested in the said resolution, since it relates to his re-appointment as the Managing Director of the Company.

The directors recommend the resolution for set out at item No. 6 of the accompanying Notice for your approval.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 8th August, 2013

RUNEL RATHI
COMPANY SECRETARY

Details of the Directors seeking appointment/re-appointment in the ensuing Annual General Meeting

Name	Shri Ajay Goenka	Shri Kantibhai Patel	Shri Rahul Maheshwari
Age	55 Years	66 Years	37 Years
Date of Appointment	11/09/1990	12/08/2010	30/08/2011
Qualification	B.Com.	B.Sc., LL.B., MLW	ACMA
Experience	35 Years	40 Years	11 Years

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the form attached to the Notice and register the same with M/s. Sharepro Services (India) Pvt. Ltd., at their office situated at 416-420, 4th floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad.

RAINBOW PAPERS LIMITED

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

ATTENDANCE SLIP

Please fill in Attendance Slip and hand it over at the Meeting hall
Joint Shareholder may obtain slip on request.

DP ID*
Client Id*
Name of Shareholder

Folio No. :
No. of Share(s) held
Name of the Proxy

hereby record my presence at **27th ANNUAL GENERAL MEETING** of the Company at Ahmedabad Textiles Mills Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009 (Gujarat) on Monday, 16th September, 2013 at 11.00 a.m.

Signature of the attending member / Proxy

RAINBOW PAPERS LIMITED

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

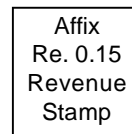
PROXY FORM

DP ID*
Client Id*

Folio No. :
No. of Share(s) held

I/We _____ of _____ in the district
of _____ being a member / members of the above named Company, hereby appoint
_____ of _____ in the district of
_____ or failing him _____
of _____ in the district of _____
as my / our proxy to attend vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be
held at Ahmedabad Textiles Mills Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009 (Gujarat) on Monday,
16th September, 2013 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013.



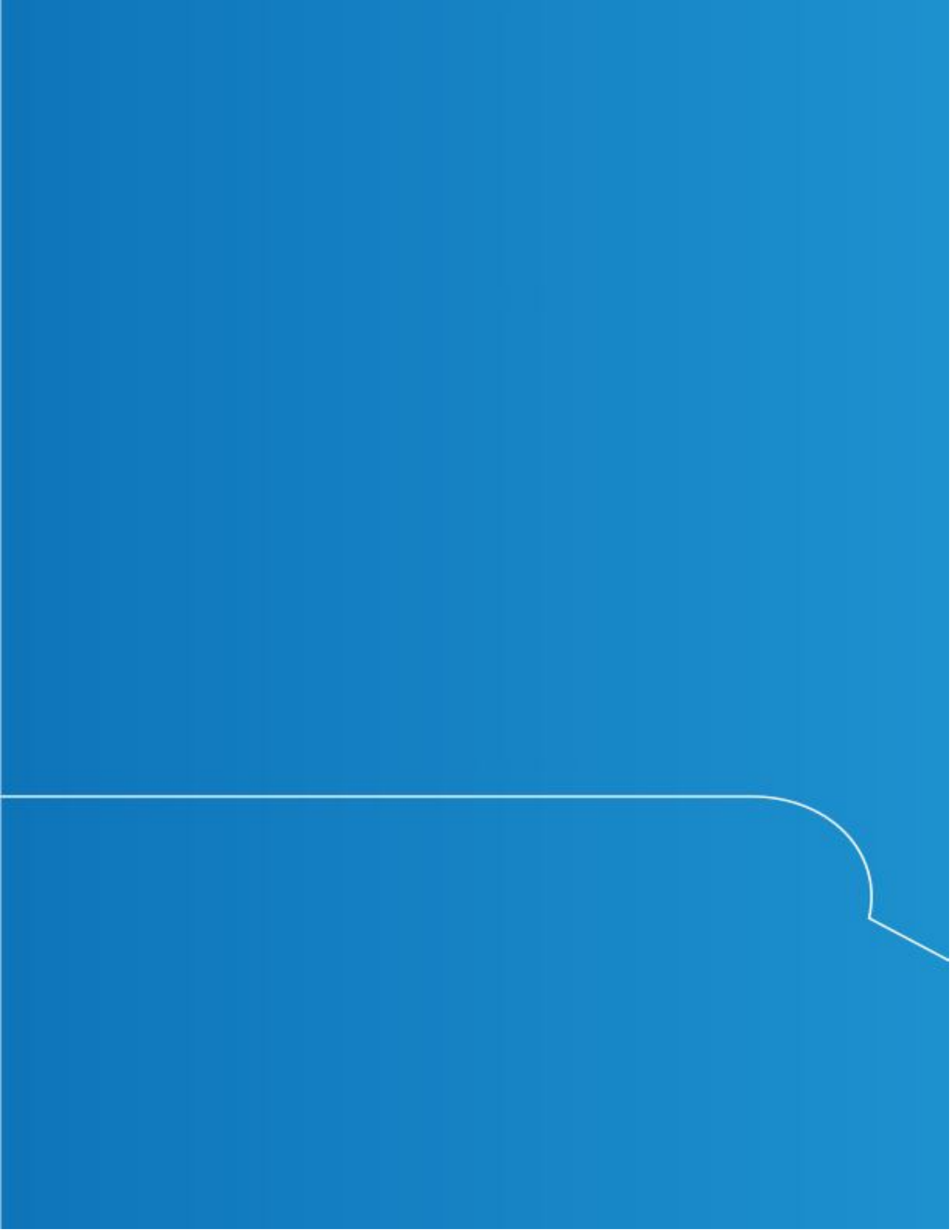
Signature of the member
across the stamp

* Applicable for member holding shares in electronic form.

Note: The proxy in order to be effective should be duly stamped, completed and signed and be deposited at the Registered Office of the Company not Less than Forty Eight hours before the time of holding the aforesaid meeting. The Proxy need not be a member of the Company.

A large, white, stylized graphic element resembling a paper roll or a ribbon, positioned on the left side of the page and extending towards the center.

27th
ANNUAL REPORT
2012-13





Late Shri Radheshyamji Goenka

1929-2010

Founder & Visionary

His integrity, commitment and passion towards his work will always inspire us to grow with excellence.



CORPORATE INFORMATION

BOARD OF DIRECTORS

SHRI AJAY R. GOENKA	:	CHAIRMAN & MANAGING DIRECTOR
SHRI RAHUL J. MAHESHWARI	:	EXECUTIVE DIRECTOR
SHRI RAJENDRA V. PATAWARI	:	INDEPENDENT DIRECTOR
SHRI KANTIBHAI H. PATEL	:	INDEPENDENT DIRECTOR
SHRI SHASHIKANT N. THAKAR	:	INDEPENDENT DIRECTOR

COMPANY SECRETARY

SMT. RUNEL RATHI

STATUTORY AUDITORS

M/S. TALATI & TALATI
CHARTERED ACCOUNTANTS
AHMEDABAD

COST AUDITORS

SHRI V. H. SHAH
COST ACCOUNTANTS
AHMEDABAD

INTERNAL AUDITORS

M/S. DHANESH B. KHATRI & CO.
CHARTERED ACCOUNTANTS,
AHMEDABAD

BANKERS

- INDIAN OVERSEAS BANK
- CORPORATION BANK
- UNION BANK OF INDIA
- ALLAHABAD BANK
- AXIS BANK
- BANK OF INDIA
- PUNJAB NATIONAL BANK
- DENA BANK

REGISTERED OFFICE

801, Avdhesh House
Opp. Shri GuruGovind Gurudwara
SG Highway, Thaltej
Ahmedabad-380054, Gujarat. INDIA
Phone: 079-26855714/16
Email: info@rainbowpapers.com
www.rainbowpapers.com

WORKS

1453, 1423, Village Rajpur, Tal: Kadi
Kalol-mehsana Highway:382715
North Gujarat. INDIA

BRANCH OFFICES

DELHI

202, Krishna House, 4805/24, Bharat Ram Road
Opp. State Bank Of India, Daryaganj,
New Delhi – 110 002. INDIA

MUMBAI

101, 1st Floor, Gemini, Nehru Road
Vile Parle(E), Mumbai – 400 057. INDIA

REGISTRAR & SHARE TRANSFER AGENTS

M/s. SHAREPRO SERVICES (INDIA)
PRIVATE LIMITED
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyas Ashram, Ellisbridge,
Ahmedabad – 380 006
Phone: 079-26582381-84
Email: sharepro.ahmedabad@
shareproservices.com

LISTINGS

FOR EQUITY SHARES:

- BOMBAY STOCK EXCHANGE LIMITED
(SCRIP CODE 523523)
- NATIONAL STOCK EXCHANGE OF
INDIA LIMITED
(STOCK SYMBOL RAINBOWPAP)

FOR GDR's :

- LUXEMBOURG STOCK EXCHANGE
(STOCK CODE Us7508461073)



forward looking statement

In this annual report, we have disclosed forward-looking information to help investors comprehend our prospects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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FROM THE CMD'S DESK

Dear Fellow Shareholders,

It gives me an immense pleasure to report that 'Rainbow Papers Ltd' has continued to grow during the fiscal 2012-13, in spite of the fact that the world has become a far more economically difficult place. According to the World Bank, global GDP growth has fallen considerably.

The global demand for paper is shrinking in the advanced economies mostly on account of a widespread digitalization and serious penetration of the high speed broadband internet which is promoting increasingly paperless systems and wider access to information. North America at a peak of 30.7 million tons in 2004 is now at 22 million MT. Similarly, Western Europe is down to 22.6 million ton from peak of 28 million ton.

The good news is that the story of developing countries like India and China is a contrast as they continue to witness strong growth. China which now has the largest paper industry in the world, has seen the sector grow in recent years. In India, too, paper



demand continues to grow with education constituting an increasingly significant proportion of the budgets of a rapidly increasing number of households. Thus, in paper as in many other areas, it is clear that the wedge between the advanced countries and the emerging economies is widening especially so in Asia.

It may vary from year to year. But, I don't foresee falling demand in the foreseeable future. Therefore, the company's top-line should continue to grow. Strong performance in a challenging scenario is the result of Rainbow's strategic positioning and global balance.

Though the year had been challenging but for your company, it was marked by strong execution and good results. This has been substantiated by the leading business magazines. Your company is ranked as 751 for 2012 in Business Standard (BS1000) as against 863 for the year 2011.

I am further pleased to inform that we have been ranked as 272 under the 'India's fastest growing mid-sized companies' by Inc India 500 for the year 2012 during the fourth Inc India 500 Awards. We have also been upgraded by Business World's ranking from 349 (in 2012) to 261 (in 2013).

'Emerging Corporate in Manufacturing Sector' was awarded by SME Chamber of India to your company. Number Cards definitely paint a better picture than words. Your company has achieved total production of 1,49,251 MT as compared to 1,39,596 MT in the previous year. The company has recorded Gross Sales of ₹ 921.50 Crores which is up by ₹ 308.00 Crores from the previous year.

The relative stability in critical raw material availability with higher realizations and revenue growth has helped our EBITDA to grow by

“ Strong performance in a challenging scenario is the result of Rainbow’s strategic positioning and global balance.”

25% YoY to ₹ 136.5 Crores from ₹ 109.4 Crores last year. The YoY growth of 33% has been registered in the net profit also.

Our focus has always been on providing a world class work environment for our employees. We have tried to ensure that our Human Resource practices are benchmarked to global standards. During 2012, two of our employees were conferred with ‘SHRAM RATNA AWARD’ by Labour Ministry, Government of Gujarat, which is only possible when a person is working in a healthy environment. In our strive to reach greater heights we are targeting to enhance our production capacity by another 1,00,000 MTPA by commissioning of our various projects which are in pipe line (Folding Duplex Board Project), Stationery Project that is producing notebooks and copier paper.

Your company always had an integrated approach towards its social responsibility and by way of protecting nature. Here, I am proud to say that we have already successfully incorporated a ‘Zero Discharge’ strategy by converting bricks from fly ash and laminated sheets from the rejects of waste paper.

In my concluding paragraph, I would like to congratulate my team for doing a good job in such trying times, my finance advisors who have helped us to keep key investments in place in such a volatile scenario of the currency. And last but not the least, my heartiest gratitude to my shareholders for their continuous support and trust in us.

AJAY GOENKA

Chairman & Managing Director

DIRECTORS' REPORT

DIRECTORS' REPORT

To,
The Members,
RAINBOW PAPERS LIMITED,
AHMEDABAD

Your Directors have great pleasure in presenting herewith the **27th Annual Report** together with the audited statements for the financial year ended 31st March, 2013.

Financial Highlights:

The standalone and consolidated results of your company for the financial year ended on 31st March, 2013 are summarized herein below:

FINANCIAL RESULTS	CONSOLIDATED		STANDALONE	
	2012-13	2011-12	2012-13	2011-12
	(₹ in Lacs)			
Revenue from Operations	91548.69	61077.64	54217.24	45987.62
Profit before Exceptional, Extra ordinary items, Depreciation, Interest & Tax	13647.56	10942.36	10675.78	9548.98
Depreciation	2662.32	2570.45	2662.31	2570.45
Profit before Interest & Tax	10985.24	8371.91	8013.47	6978.53
Interest	3669.75	2911.85	3276.29	2858.91
Profit before Exceptional & Extraordinary Items & Tax	7315.49	5460.06	4737.18	4119.62
Prior Period items / Exceptional items	12.29	(3.76)	12.29	(3.76)
Taxation: Less/ (Add) Current Tax	948.28	864.15	947.80	851.73
MAT Credit Entitlement	(748.17)	(318.84)	(748.16)	(318.84)
Deferred Tax	1013.67	306.74	1013.67	306.74
NET PROFIT AFTER TAX FOR THE YEAR	6114.00	4604.25	3536.16	3276.25
Add: Balance brought forward	13244.31	9344.03	11931.69	9344.08
NET SURPLUS AVAILABLE FOR APPROPRIATION	19358.31	13948.28	15467.85	12620.33
Capital Reserve on Consolidation	-	15.33	-	-
Proposed Dividend/ Dividend Paid	418.87*	380.87	418.87*	380.87
Corporate Tax on Dividend	71.01	61.77	71.01	61.77
Transfer to General Reserve	270.00	246.00	270.00	246.00
Surplus carried forward to Balance Sheet	18598.43	13244.31	14707.96	11931.69
EPS (Face Value of ₹ 2 per share)				
Basic	6.46	5.14	3.74	3.66
Diluted	6.30	4.95	3.64	3.52

*Includes ₹ 24 Lacs paid as dividend on conversion of 60,00,000 warrants into equity shares before record date in 2012 but after approval of Annual accounts.

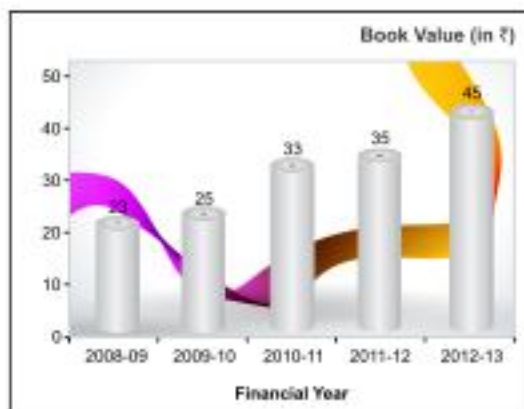
*Previous figures have regrouped/rearranged wherever necessary.

Dividend:

Based on Company's performance, your Directors are pleased to recommend a Dividend @ ₹ 0.40 per Equity Share (previous year ₹ 0.40 per Equity Share) on the face value of ₹ 2/- each for the financial year 2012-13 on 9,87,17,300 equity shares of the Company. The dividend, if approved by the members would involve a total cash outflow of ₹ 394.87 Lacs and the dividend tax of ₹ 67.11 Lacs. Any new equity shares allotted on conversion of warrants, if any before the record date shall also be entitled for dividend and the total dividend amount may increase to that extent.



EPS of the Company during last 5 years



Book Value of the shares of the Company for last 5 years

Transfer to Reserves

A sum of ₹ 270 Lacs is proposed to be transferred to the General Reserves out of the total amount available for appropriations. An amount of ₹ 18598 Lacs is proposed to be retained in the statement of profit and loss.

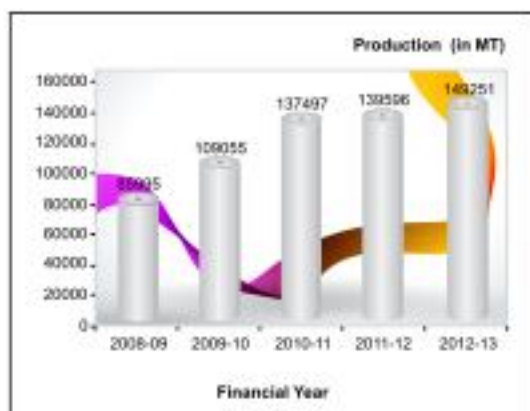
Share Capital

The Board of Directors at its meeting held on 20th December 2012 had allotted 90,00,000 Convertible Warrants to one of the Promoters Group Company at ₹ 81/- per warrant to be convertible into Equity shares within a maximum period of 18 months from the date of allotment. Out of the said 90,00,000 convertible warrants, 15,00,000 Warrants have been opted for conversion into equity shares on March 30, 2013.

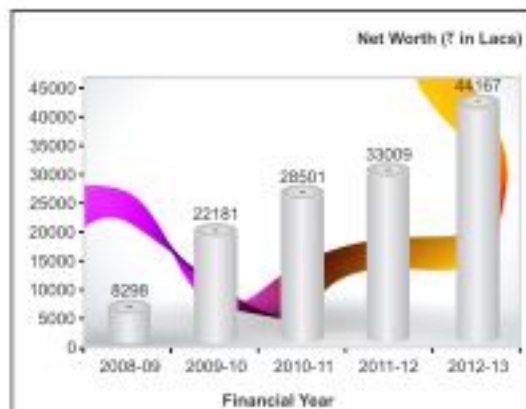
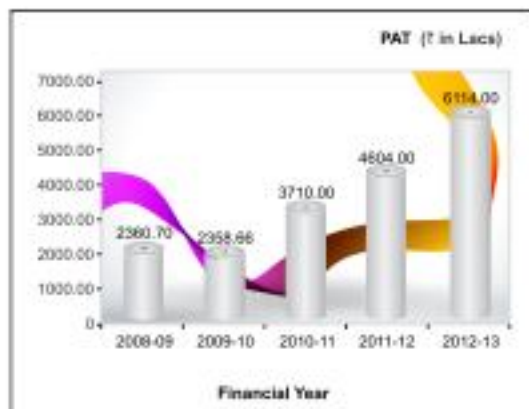
Review of Operations:

The brief highlights of the consolidated results of the Company during the year are as under:

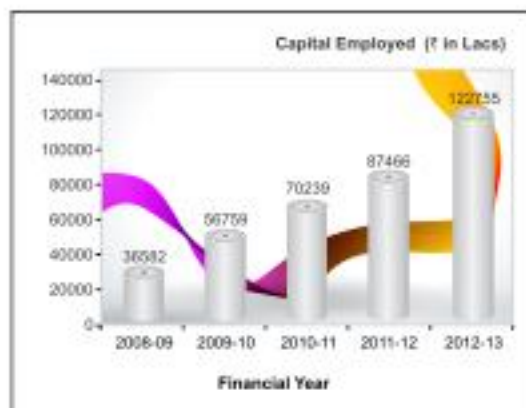
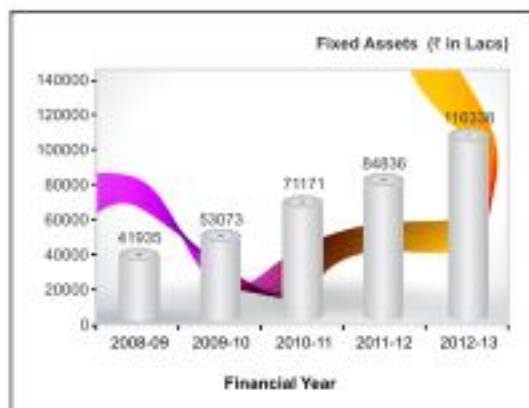
- Your company has achieved total production of 1,49,251.23 MT as compared to 1,39,596 MT in the previous year.
- Your company has recorded Gross Sales of ₹ 921.4 Crores as compared to ₹ 613.3 Crores for FY12, a yoy growth of 50%.
- The EBITDA for the financial year 2012-13 is ₹ 136.5 Crores compared to ₹ 109.4 Crores last year, registering a growth of 25% yoy.
- The Net Profit is at ₹ 61.1 Crores compared to ₹ 46.1 Crores last year, a yoy growth of 33%.



Production and Sales (Consolidated) of the company in last 5 years.



PAT (consolidated) and Net worth of the Company during last 5 years.



Fixed Assets & Capital Employed for last 5 years

** Gross Fixed Assets includes Capital Work-In-Progress.

Subsidiary Companies

Your company was having two wholly owned subsidiary companies viz. Rainbow Papers JLT, Dubai and Rainbow Infrabuild Private Limited, India. Both the Companies were engaged in trading of paper. The Board of Directors in its Board meeting held on 9th May, 2013, has decided to disinvest the equity share holding of the company in M/s. Rainbow Infrabuild Pvt. Ltd. at fair market value as the company intends to set up the Box Board Project in M/s. Rainbow Papers Ltd itself, instead of the subsidiary.

In accordance with the general exemption granted by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss, Directors' Report, Auditors' Report etc. of the subsidiary companies are not attached with the Annual Report of your company.

The annual accounts of your Company's subsidiaries as stated above and the related information shall be made available to the shareholders of the Company and its subsidiaries upon receipt of a request from them. Such statements shall also be kept open for inspection at the Registered Office of your Company and its subsidiaries during business hours.

Capacity expansion:

The present production capacity of the Company is 3,05,000 MT per annum which is utilized to manufacture among the existing product range certain other value added products such as Copier paper, Maplitho, Glazed paper, LWC, Coated Paper etc.

Your company is further implementing ongoing expansion projects to enhance the production capacity from 3,05,000

MTPA to 4,66,700 MTPA. The said production capacity will be enhanced by commissioning of the following projects:

a) **Folding Duplex Board Project**

Your Company has planned to install PM-9 Machine with a capacity of 132,000 MTPA at an approximate Cost of ₹ 480 Crores. The production from the said machine shall be used in the packaging of cosmetics, cigarettes, medicines, electrical appliances, etc. The plant is expected to be commissioned by Financial Year 2015.

b) **Mill Modernization and Production of Notebooks & Copier Paper**

Existing PM4, PM5 and PM7 will be modernized to enhance the net capacity by 29,700 MTPA. The Costs for the Modernization is ₹ 150 Crores. The modernization project is expected to be completed by financial year 2014. The company is making entry in value added Consumer Products segment by manufacturing of Notebooks and Copier Papers under "Rainbow" brand. The annual production capacity for Notebooks will be 20,000 MTPA and for Copier Paper will be 7,500 MTPA.

"Zero Discharge" Strategy:

Along with backward integration, the Company has also "Zero Discharge" strategy which not only improves operational efficiency but also augments earning margins. The following are the major areas forming part of this strategy:

- Efficient plant layout & different product mix allows better utilization of raw-materials.
- Innovative ideas & approaches towards productive usage of by-products.

The Company is manufacturing bricks out of the Fly ash generated as by product of plant. The residual waste segregated from imported waste paper is utilized for manufacturing laminated sheets.

Finance:

The Company was able to arrange finance at competitive rates inspite of challenging market environment to meet its funds requirement for expansion programme and working capital for day to day functioning. During the year under review, the consortium bankers of the Company have sanctioned additional term loan of ₹ 369 Crores for its ongoing expansion programme.

As in the past, the Company maintained cordial relationships with its bankers and was able to avail and negotiate favorable terms for various banking facilities.

Exports:

Your Company exported 25,798.73 MT of paper during the year under review. The export proceeds amounted to ₹ 9,245 Lacs (being 10.03% of Gross Sales) as compared to ₹ 10,991 Lacs during the previous year.

The main contributors for the satisfactory export performance were increased focus on export market development and product quality that matched the international standards.

With firm commitments and through sustained efforts, your Company continues to maintain good rapport with global customers. Our quality products and timely delivery have found wide acceptance in the highly competitive international market.

Our products are being exported across the globe, to name a few among them are Africa, Middle East, South East Asia, U.S.A., U.K., France, Indonesia, Sri Lanka, Egypt and Bangladesh. With the clear aim and determined focus, your Company looks forward to explore some more untapped international markets.

Imports:

Your Company imported 62,602.30 MT of waste paper and 218.67 MT of chemical during the year under review.

The imports amounted to ₹ 8047 Lacs of waste paper and ₹ 101 Lacs of chemicals as compared to ₹ 7210 Lacs of waste paper and ₹ 129 Lacs of chemicals respectively in the previous year.

Board of Directors:

Shri Kantibhai Patel and Shri Rahul Maheshwari, Directors of the Company are due to retire by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment.

As stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, brief profile of the Directors proposed to be re-appointed, nature of their expertise specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of the Board Committees and shareholding are provided in the Report on Corporate Governance forming part of the Annual Report.

Directors' Responsibility Statement:

Pursuant to the requirements under Sub Section 2AA of Section 217 of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:-

- (1) that in the preparation of Annual Accounts, the applicable Accounting Standards (AS) have been followed along with the proper explanation relating to material departures, if any.
- (2) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the Profit for the year ended on that date.

- (3) that the Directors to the best of their knowledge and ability have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) that the Directors have prepared the Annual Accounts have been prepared on a "going concern basis".

Audit Committee:

Pursuant to the provisions of Section 292A of the Companies Act, 1956, the Board of Directors of the Company has constituted a committee of Board of Directors as Audit Committee which now consists of the following members:

1. Shri Shashikant N. Thakar : Chairman & Independent Director
2. Shri Rajendra Patawari : Independent Director
3. Shri Kantibhai Patel : Independent Director

Audit Committee has such powers and authority as provided under the aforesaid provisions and acts in accordance with the terms of reference specified in writing by the Board of Directors from time to time.

Fixed Deposits:

Your Company has not invited or accepted any fixed deposits from public in terms of provisions of Section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

Insurance:

The Company's properties including Building, Plant and Machinery, Stocks, Stores, etc., have been adequately insured.

Global Depository Receipts:

As on 31st March, 2013, total 2,86,39,725 number of GDRs are outstanding for conversion.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

In terms of Section 205C of the Companies Act, 1956, the unclaimed dividend aggregating to ₹ 2,04,609/- lying with the Company for a period of seven years pertaining to the year ended on 31st March, 2005, was transferred during the year 2012-13, to the Investor Education and Protection Fund established by the Central Government.

Infrastructure:

The manufacturing facility of the Company is located approximately 40 kms from Ahmedabad, 350 kms from Mundra Port & 550 kms from Nhava Sheva Port, thus offering good logistical advantage. It not only ensures steady raw

material supply of imported waste paper but also provides easy access to global markets like Middle East and Africa, thus providing a boost to its export business. Apart from this, the Company also saves on freight cost within India which sometimes forms a major portion of the total cost.



Besides, one of the critical inputs for paper production is uninterrupted power supply. Disrupted power supply not only hampers production but also impact client manufacturing process, thus affecting the relationship. Hence in order to ensure quality power supply, your Company has set up a 35MW captive power plant which is sufficient for the total capacity of 4,66,700 MTPA.

Awards and Accolades:

Your company has received the following awards during the year under review:



- Two employees of our company – Mr. Tushar Patel and Mrs. Amitaben Patel have been conferred with **Shram Ratna Award 2012** by Labour Ministry, Government of Gujarat.
- **272 Rank under the India's fastest growing mid-sized companies** by Inc. India 500 for the year 2012 during the Fourth Inc. India 500 Awards.

- **Emerging Corporate India in Manufacturing Sector** by SME Chamber of India.
- **The Promoters of the Company ranked 261 as per Business World** in its rating "The Rich List 2013". We were ranked as 349 in 2012 for the same.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The particulars as prescribed under section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure 'A' forming part of this Report.

Particulars of Employees:

The information required as per Sub-Section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors' Report for the year ended 31st March, 2013 is enclosed and it is forming part of the Report.

Corporate Governance:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

A requisite certificate from the Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance, as stipulated under clause 49, is attached to this report.

Information Technology:

Most of the functional areas of your company are working on IT (Information Technology) platform, to name a few: Planning, Raw Material, Purchase, Finance, Sale, Weight Bridge, Production, HR etc.

We are working with live ERP systems, modules and functions. Our entire plant is under observation on CCTV cameras and PA System (Public Announcements) for safety and security purpose.

Occupation, Health and Safety Policy:

The Company has in place Occupational Health & Safety Policy which focuses on people, technology and facilities, supported by Management commitment as the prime driver. A dedicated Safety Management Team is working towards the prevention

of Man, Machine and Material incidents at the corporate and manufacturing units level, and towards education and motivation of the employees on various aspects of Health, Safety and Environment through training programmes and seminars. The Company holds certificates on Integrated Management Systems of ISO 14001 (Environmental Management Systems) and BS OHSAS 18001 (Health and Safety). The Company recognizes its human force as the most important asset and is deeply committed to providing a safe and healthy working environment for its employees.

Corporate Social Responsibility:

During the year under review, the company had donated TV and Video CD player for the purpose of education and effective communication to Jhulasan, Vadu and Rajpur Gram Panchayats in Mehsana District which is nearby to the factory premises for the benefit of children studying in various schools in the said area.

Further, the company had organized Blood Donation camp in coordination with Terapanth Seva Samitee and more than 100 bottles was donated. The company has also conducted free medical checkup camps for the natives in the nearby vicinity.

Your Company celebrated various festivals like Ganesh Mahotsav, Independence Day etc. wherein awards were given to the Workers of the Company for encouraging productivity and efficiency at Factory and create harmonious industrial relations, sense of unity and brotherhood among local residents staying in surrounding area.

Your company has also made representation to the State authorities and the work for broadening of the road from Rajpur to Jhulasan has been approved by the Government, which will ease out the local dwellers and school authorities hardships and facilitate smooth transportation and create accident free area by placing the Traffic Boards for the safety and security of school going children as well as general public at large in the said area.

Quality Initiatives:



We continue our journey of delivering value to our clients through significant investments in quality programs. We have adopted several external benchmarks and certifications. Your Company is certified under various standards to meet clients' requirements and enhancing valuable delivery.

Accreditations & Certifications:

Your Company continues to hold the following:

a) ISO 9001 / ISO 14001 Accreditation

Your Company's Quality Management Systems continue to be covered by the "ISO 9001" accreditation. Company's Environmental Management System continues to enjoy "ISO 14001" accreditation.

b) OHSAS 18001 Certification

Your Company continues to enjoy certification under Occupational Health and Safety Assessment Series 18001 (OHSAS) which is an International Standard which facilitates management of Occupational Health and Safety risks associated with the business of the organization.

c) Star Export House

Your Company is recognized and awarded as "Star Export House" by Director General of Foreign Trade, New Delhi.

d) Forest Stewardship Council (FSC) Certification

Scientific Certification Systems (SCS), who is accredited by the FSC, has awarded to your Company, the Forest Stewardship Council (FSC) Certification, valid till May, 2015. FSC is an international certification and labeling system that guarantees that paper and wood products carrying the FSC label come from environmentally and socially responsible sources.

Credit Rating:

The current Bank Loan rating as assigned by the CRISIL is as under:-

Facility	Rated Amount (₹ In lacs)	Rating
Cash Credit	11105	BBB+/Negative
Term Loan	85345	BBB+/Negative
LC & Bank Guarantee	7650	A2
Total	104100	

'A2' indicates strong degree of safety regarding timely payment of financial obligations and there is low credit risk.

'BBB+' are judged to offer a moderate safety with regard to timely payment of financial obligations for the present.

Cost Auditors:

As per the Companies (Cost Accounting Records) Rules 2011, the Company filed the Cost Audit Report along with Cost Compliance Report for the financial year 2011-12 in XBRL format.

The board of directors, subject to the approval of the Central Government, re-appointed Mr. V.H. Shah, Cost Accountant, as a Cost Auditor for conducting the Cost Audit for the financial year 2013-14. The audit committee of directors recommended his re-appointment.

The Company has also received a letter from the Cost Auditor, stating that the appointment, if made, will be within limits prescribed under Section 224(1B) of the Companies Act, 1956

Dematerialization:

The Equity shares of the Company are in compulsory demat segment and are available for trading in the depository system of both National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL). 9,76,69,395 nos. of equity shares forming 98.94% of the equity share capital of the Company stands dematerialized on 31st March, 2013.

Listing of Shares:

The equity shares of the Company are presently listed on the BSE Ltd. and the National Stock Exchange of India Limited (NSE). The BSE & NSE have nation wide terminals and therefore, shareholders/investors are not facing any difficulty in trading in the shares of the Company from any part of the Country.

The GDRs' of the Company are listed on Euro MTF Market of Luxembourg Stock Exchange

Your Company has paid annual listing fees for financial year 2013-2014 to BSE and NSE. Annual maintenance and listing agency fee for the calendar year 2013 has been paid by the Company to Luxembourg Stock Exchange, Luxembourg. Your Company has also paid custodial fees to National Securities Depository Ltd. and Central Depository Services (India) Ltd.

Statutory Auditors:

M/s. Talati & Talati, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter from the Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

Auditors' Report:

The notes to the Accounts referred to in the Auditors' Report of M/s. Talati & Talati, Chartered Accountants, Ahmedabad, are self explanatory and therefore do not call for any further explanation under Section 217 (3) of the Companies Act, 1956.

Industrial Relations:

Industrial Relations remained cordial throughout the year under review. Several industrial relation initiatives implemented by the Company have significantly helped in improving the work culture, enhancing productivity and enriching the quality of life of the workforce.

PLACE : AHMEDABAD
DATE : 9th MAY, 2013

Appreciations and Acknowledgements:

Your directors wish to express their sincere appreciation of the valuable support and guidance provided by the Stock Exchanges and other Regulatory bodies.

Your Directors also take this opportunity to acknowledge the continued assistance and co-operation received from Banks, Government Agencies and the Shareholders.

Your Directors also wish to place on record their appreciation for the valuable services rendered and the commitment displayed by the employees of the Company and look forward to their continued support in the future as well.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

Declaration:

The Board of Directors of the Company has approved and adopted Code of Conduct for the Directors and Senior Management Personnel. I hereby declare to the best of my knowledge and belief that, all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the current year 2012-13.

PLACE : AHMEDABAD
DATE : 9th MAY, 2013

FOR AND ON BEHALF OF BOARD OF DIRECTORS

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE – A

ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (DISCLOSURES IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

CONSERVATION OF ENERGY:

1.	Energy Conservation Measures Taken	(a)	Yearly energy audit for steam & power.
		(b)	System study related to operations & maintenance.
		(c)	Implementation of controls & atomization's related to energy, power, water, raw material, chemicals.
		(d)	Variable frequency drives installed for major critical areas in all continues run & high power consumed areas resulted in to energy saving.
		(e)	Online vibration & condition monitoring system to observe abnormality of equipments installed for rotating equipments resulted in to saving in energy as well as break downs.
		(f)	Complete plant operation hooked up with DCS system to optimize trouble free, efficient running of plant with interlocks resulting in energy saving and increased productions.
		(g)	Installation & up gradation of QCS system to save quality & energy of production.
		(h)	Complete Energy Audit for Steam, Power & system study done by reputed agency every year.
2.	Additional Investment & Proposal, if any, being implemented for reduction in consumption of energy	(a)	Implementation of Energy saving lightings in entire premises of the plant.
		(b)	Implementation of High efficient motors & pumps along with VFD's are installed at various places.
		(c)	Automation of switching on & off motors of pumps, fans, lights, critical equipments instead of manual operation.
		(d)	Synchronizations with plant & power supply with DCS to bear load factors & supply power as per plant demand.
3.	Impact of measures at (1) & (2) above for the reduction of energy consumption and consequent impact on the cost of production of goods.	All the above measures have resulted in substantial savings in energy cost & cost of production of goods.	
4.	Total Energy Consumption and Energy Consumption per unit of Production.	Form – A (annexed herewith).	

FORM A
(See Rule 2)

(₹ In Lacs)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY		
	2012-13	2011-12
A : Power & Fuel Consumption :		
1. Electricity		
(a) Purchased		
Total Units (kwh)	736740	775593
Total Amount	112.92	106.38
Rate / Unit (₹)	15.33	13.72
(b) Own Generation		
(i) Through Diesel Generator		
	Nil	Nil
(ii) Through Turbine		
Total Units	100677816	98150655
Units per ton of Lignite/coal	896.32	997.71
Cost/Unit (₹)	4.02	3.65
2. Coal		
(i) For Power Generation		
Total Quantity (Tons)	112324	98376
Total Cost	4046.22	3585.72
Average Rate (₹)	3602.28	3644.91
(ii) For Steam Generation		
Total Quantity (Tons)	118810	107275
Total Cost	4284.35	3909.23
Average Rate (₹/ Tons)	3606.04	3644.12
B: Consumption per Unit of Production:		
Product Unit (Tons)	149251.23	139595.82
Electricity (Kwh/Tons)	543.77	499.35
Steam Coal (Kgs./Tons)	439.91	390.18

(Previous year's figures have been regrouped wherever necessary)

FORM-B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

I. RESEARCH AND DEVELOPMENT (R&D)	
1. Specific areas in which R & D carried out by the Company.	(a) Utilization of 100% Fly Ash for Fly Ash bricks manufacturing, which is generated from boilers by burning of Fuel like coal & lignite.
	(b) Utilization of effluent long fiber sludge in to Board Paper.
	(c) Installation of Waste recycles fiber sheet plant to convert waste fibers in to usable corrugated roof sheet & Plain Sheets.
	(d) R&D in progress for utilization of De-inking sludge in to useful CLC Light Weight Blocks for Building Material.
	(e) Effective steps are taken to recycle back water by purification through sand filter, carbon filter & duplex Bag filters.
	(f) Fuel additives introduce with Lignite & Imported coal for better combustion in boiler.
2. Benefits derived as a result of the above R&D.	(a) Great achievement on waste management.
	(b) Increase of fiber yield.
	(c) Effective utilization of lignite & coal.
	(d) Consumption of fresh water has reduced and effective use of treated back water has improved. The revenue is generated from wastage like of Fly Ash, Recycle Waste Fiber.
3. Further plan of action	(a) Installation of CLC Light Weight Block Plant.
	(b) Installation of effluent water fortification system.
EXPENDITURE ON R & D	No specific expenditure is incurred.
a) Capital	
b) Recurring	
c) Total	
d) Total R & D expenditure	
e) As a percentage of total turnover.	

II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

1.	Efforts, in brief made towards Technology absorption, Adoption and Innovation	Upgradation of various Paper machine, Pulp Mill and ETP systems for better fiber recovery with the help of ultramodern equipments is made by team of Rainbow.
2.	Benefits divided as a result of the above efforts e.g. Products Improvement, Cost Reduction, Product Development, Import Substitution etc.	Timers are placed to save maximum power. a. improved in yield. b. reduction in cost. c. lesser break down of machines. d. uniform quality of finished products.
3.	In case of Imported Technology (Imported during the last 5 years reckoned from the beginning of the Financial Year) following information may be furnished.	
	(a) Technology Imported	Voith make German Plant and De-inking plant from Kadant, Lamort, France & QCS system from UK
	(b) Year of Import	2007-2008 , 2008-2009, 2011-2012
	(c) Has technology been fully absorbed	YES
	(d) If not fully absorbed, areas where this has not been taken place, reasons therefore and future plans of action.	Paper plants imported from Germany have been installed and the De-inking plant & QCS system is also installed.

III. FOREIGN EXCHANGE EARNING AND OUTGO

a.	Activities relating to Export initiatives taken to increase development of New Export market for Products and service and Export plants.	The company has exported its product to Africa, Middle East, South East Asia, USA, UK, France, Indonesia, Bangladesh & Sri Lanka during the year under review.
b.	Total Foreign Exchange Earned and Outgo :	
	Foreign Exchange Earned	₹ 7382.99 Lacs
	Foreign Exchange Outgo	₹ 11802.62 Lacs

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 9th MAY, 2013

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

Annexure

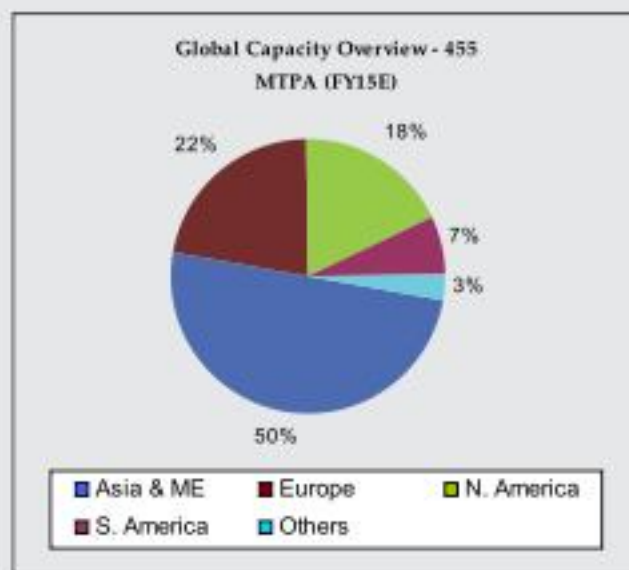
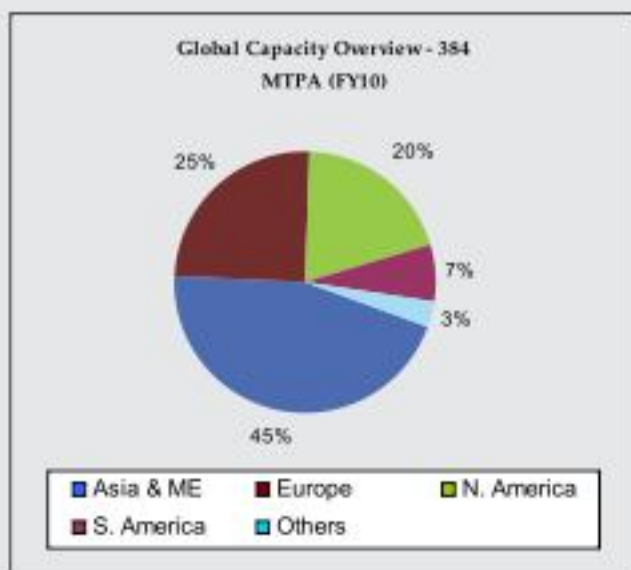
Sr. No.	Details required under Section 217(2A) of the Companies Act, 1956	
1	Name of the Employee	Shri Ajay Goenka
2	Remuneration received (in ₹)	₹ 91,16,507/-
3	Nature of employment, whether contractual or otherwise	Contractual
4	Other terms and conditions	As per agreement dated 22.09.2008 and Addendum to agreement dated 08.07.2010
5	Nature of duties of the employee	Managing Director
6	Qualifications and experience of the employee	B.Com., 34 years of experience
7	Date of commencement of employment	11.09.1990
8	Age	56 years
9	The last employment held by such employee before joining the company.	In RPL since inception.
10	The number & percentage of equity shares held by the employee in the company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of section 217 of the Act.	11,23,250 Equity Shares, 1.14%



MANAGEMENT DISCUSSION & ANALYSIS REPORT

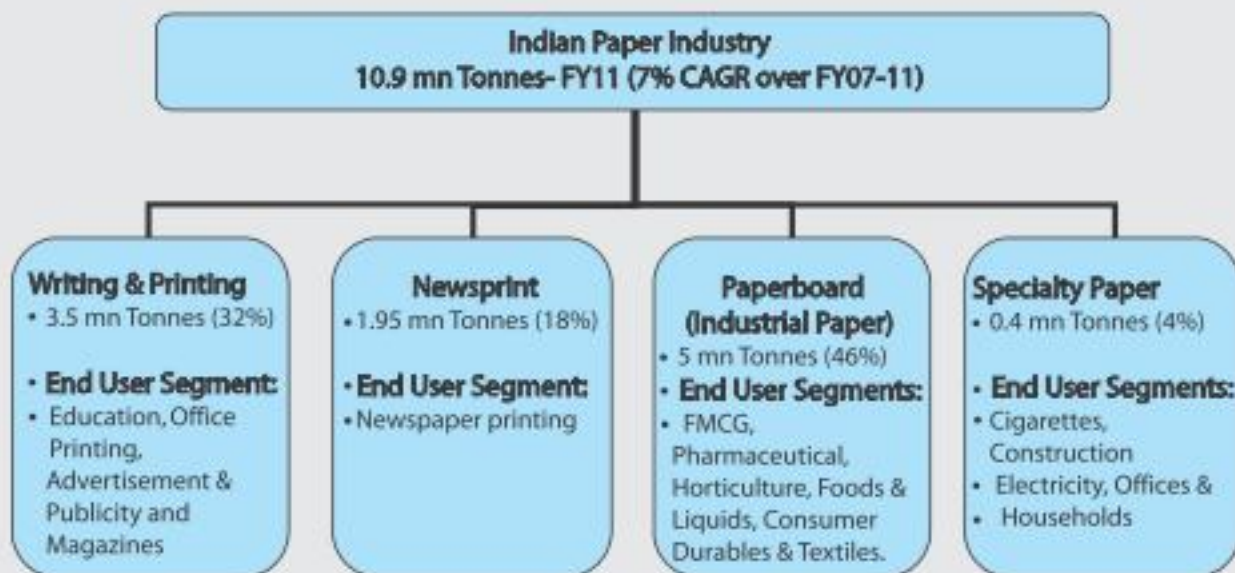
1. INDUSTRY OVERVIEW

The developed economies of North America and West Europe accounted for a lion's share of global paper capacity and consumption. However, in the last few decades, combination of factors like the economic slowdown, stricter legislations etc., in the developed economies coupled with rapid growth of Asian economies resulted in a shift in demand & production from North America & Europe towards Asia & South America of which Asia currently accounts for nearly 45% of global consumption.



Source: www.kagaz.com

Additionally, the rising levels of literacy in the region and the sustained thrust on increasing the reach of education are expected to provide the background for sustained demand for paper in this geography. Today, Indian Paper & Packaging Board industry in particular is emerging as an important global player & is already among the top 20 global markets.



Source: www.kagaz.com

India accounts for nearly 15% of the world's population whereas it consumes only 3% of the global paper production. India's per capita paper consumption is ~ 9 kgs v/s the global average of ~ 58 kgs, thus providing one of the highest growth potential due to lowest per capita consumption amongst leading economies. On an average, every 1 kg of incremental consumption would result in additional demand of ~ 1.2 MTPA of capacity. Paper industry growth mirrors India's GDP growth & hence we expect domestic paper demand to grow at ~ 7-8% going ahead.

The following are the major demand drivers of the paper industry:



Looking at the growing demand, the question which arises is whether the domestic supply would be able to match it taking into consideration the various challenges in the paper business. The following are the few major entry barriers for any new entrant in the industry:

1. Huge Capital Investment (₹ 65,000-75,000 tonne)
2. Long Gestation Period.
3. Strict Environmental Compliances (Wood Plantations, Water Treatment etc.)
4. Scarcity of Land, Water, Electricity & Fuel.
5. Economies of Scale.
6. Limited availability of wood based fiber.

High Fragmentation to result in Consolidation:

Indian Paper Industry is highly fragmented with many small & marginal players operating in various regions across India. Average capacity of these players is much lesser at 25,000-35,000 MTPA compared to large domestic (4,00,000 MTPA). High Capex requirement coupled with long gestation period makes it financially unviable for smaller players to further expand their capacities. Also, bulk quantities required by the consumers preferably from large suppliers results in lower bargaining power for these players.

Un-interrupted power and steam supply at reasonable cost is one of the important criterions for efficient operations & hence it's a pre-requisite to have captive power plant (CPP) for paper manufacturers. Significant upfront investment, obtaining regulatory approvals, securing fuel linkage etc. makes it unviable for the small and marginal players to set-up CPP for paper production. Also, increasing power tariffs coupled with lack of proper grid connectivity makes it non-feasible for players to go for outright power purchase as it would impact the profitability of the Company.

Apart from consistent quality power and steam supply, water also plays a major role in the manufacturing process. Majority of the players rely on ground water as a source of supply. However with depleting ground water levels, these players would have to resort to some other means going ahead. Also overall increasing water scarcity coupled with stricter environmental compliances has further added to the problems of these players. Setting up of Water Effluent Treatment Plants (ETP) is capital intensive & hence difficult for these players considering their size of operations.

Considering the above hindrances, it's becoming more & more difficult for these small & marginal players to survive in this intense competitive market. Hence, we expect industry to consolidate over a period of time with imminent closure of small mills. Foreseeing this huge opportunity many large organized players including RPL have undertaken huge expansion plans to be implemented over the next few years.

Wastepaper as raw material – "the prudent choice"

Recycled paper for as a source of raw-material constitutes nearly 1/3rd of the Indian paper industry which is expected to increase substantially with incremental paper production. Company utilizes waste paper as its key raw material as against wood pulp which is used by majority of its peers. Waste Paper offers various inherent benefits compared to pulp like lower capex, easy availability, lesser environmental damage etc., thus giving it an edge over its peers. Increasing awareness about recycled paper is likely to work in favor of the company over a longer term.

A shift towards recycle paper is visible with government abolishing import duty on wastepaper in Budget 2012-13 after it has been reduced from 5% to 2.5% in Budget 2011-12. With opening up of FDI in retail sector and global retail giants like Wal-mart entering India; the demand for paper in India will further go up in the years to come.

2. COMPANY OVERVIEW

Your company is one of the leading players in the paper industry having wide product portfolio of even more than 200 products at one single window catering to diverse segments in domestic as well as international markets such as US, UK, Middle East & South Africa. Currently, it is the 6th largest paper manufacturer in India with a total capacity of – 3,05,000 MTPA. With the ongoing capacity expansion for setting up of Folding Duplex Board Project, the company will have a Capacity of 4,66,700 MTPA by June, 2015.

Your Company has chalked out huge expansion plan to be implemented over the next few years. Increasing focus on value-added products, backward integration

to source key inputs coupled with innovative strategies implemented by the Company would not only enable the Company to operate efficiently but also help it tap newer avenues. Currently majority of the value-added product like non-carbon, glazed, light weight and thermal papers are imported. Hence in order to exploit the opportunity, the Company has forayed into this segment via its current expansion plan.

Moreover, the Company also has a strong reputed clientele base which includes Navneet Publications, Hindustan Unilever, Colgate Palmolive, Nirma, Dainik Bhaskar, Indian express, Samrat Newspaper and many more. It also caters to various state education boards and other Government bodies such as NCERT, IGNOU etc., thus having a diverse clientele base.

Also integration of captive power plant (~ 35 MW) offers uninterrupted power supply & makes it more cost-effective. Moreover strategic location advantage coupled with near "Zero Discharge" initiatives not only improves operating efficiency but also augment margins.

3. ONGOING EXPANSION PLANS:

The present production capacity of the Company is 3,05,000 MT per annum which is utilized to manufacture among the existing product range certain other value added products such as Copier paper, Maplitho, Glazed paper, LWC, Coated Paper etc.

Your company is further enhancing the production capacity from 3,05,000 MTPA to 4,66,700 MTPA. The said production capacity will be enhanced by installing Folding Duplex Board Project and Modernization of existing machines. The Company is making an entry in Consumer product segment by making Notebooks & Copier Paper.

4. RISK & CONCERNS:

The Company considers good Corporate Governance as a pre-requisite for meeting the needs and aspirations of its shareholders and other stake shareholders in the Company. As part of the Company's efforts to strengthen Corporate Governance, the Board of Directors has formulated a Risk Management Policy, which puts in place a risk management structure with clear definition of roles and responsibilities, as well as a risk portfolio involving a continuous process of risk identification, risk assessment, control assessment and risk monitoring, review and communication. The Company aims to:

- Identify, assess and manage existing as well as new risks in a planned and coordinated manner.

- Increase the effectiveness of the Company's internal and external reporting structure.
- Develop and foster a "risk" culture within the organization that encourages all staff to identify risk and associated opportunities and respond to them with appropriate actions.

5. ENVIRONMENT AND SAFETY

Your Company is conscious of the importance of environmentally clean and safe operations. Your Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the maximum possible.

Your company predominantly uses waste paper for manufacturing its finished products. This gives tremendous support to the environment by protecting the forests. Besides, the Company believes in generating wealth out of waste. The Company manufactures Bricks out of Fly Ash and Plastic sheets out of plastic waste.

6. SWOT ANALYSIS

Strength

Your company is operating paper and paper board production facility with installed capacity of 3,05,000 MTPA at the said location since long and the Promoters of the company have substantial experience of the industry. They are well versed with various aspects of manufacturing and trading of the products. As a result, your company will have advantage to hire and retain competent staff and to manage transport of raw material and finished goods due to its location which is well connected to ports and airports.

Further, your company has well established marketing network to sell the products proposed to be manufactured through the ensuing as well as proposed expansion plans.

Weakness

- v Your Company relies predominantly on waste-paper for its manufacturing activities. Lack of domestic infrastructure for collection and segregation of used paper is the reason for heavy reliance on imports. Additionally, imports also carry the risk of fluctuation in foreign currency and freight rates. Any untoward gyration in these variables could impact profitability of the company.

Opportunity

- Market size of paper industry is expected to grow at a CAGR of ~5.0% over the period FY 2011-15, to cross INR 366 Bn. mark by the end of FY 2015.

- Increasing use of paper boards in packaging.
- With manufacturing of note book, the company is venturing into manufacturing of stationery items which will open new avenue for the company to cater end market directly which has good potential to grow.
- Your company will join the league of few established players manufacturing copier paper in the country.
- Successful marketing of the same will help the company to establish its brand name in corporate sector in the country.

Threat

- v Paper Industry is very fragmented and presence of numbers of local players creates stiff competition in the market. In segments like copier paper, the company has to face competition from established market players also.
- v The industry expenditure has been increased substantially in last 2 – 3 years on account of growing demand of the products. However, it is important to note that industry is cyclical in nature and sudden increment in capacities can affect demand growth negatively.
- v Raw material – waste paper – prices are volatile in nature and there is no mechanism available to control the same.

7. INTERNAL CONTROL SYSTEMS

Your Company believes that internal control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

Well established and robust internal audit processes, both at business and corporate levels, continuously monitor the adequacy and effectiveness of the internal control environment across your Company and the status of compliance with operating systems, internal policies and regulatory requirements. In the networked IT environment of your Company validation of IT security continues to receive focused attention of the internal audit team which includes IT specialists.

The Internal Audit function consisting of professionally qualified accountants, engineers and IT specialists. They review the quality of planning and execution of all ongoing projects involving significant expenditure to ensure that project management controls are adequate to yield 'value of money'.

8. HUMAN RESOURCES

The Company's innovative human resource management strategies supported business in a challenging economic environment. Strategic talent acquisition and performance management are key to ensure a diverse and competency – driven workforce.

A working environment where performance is rewarded; employees are respected and opportunities are made available to realize their potential in creating a performance oriented culture. Several HR initiatives have been started to improve employee engagement and organizational performance:

- It continued to invest in continuous learning to enhance the competencies of employees in the technology domain and in processes to address business demand, improve workforce productivity and enhance human capital value.
- To enhance employee engagement and to work towards employee satisfaction. In addition, stabilization and revision of various policies and process improved operational excellence.
- To identify talent and fast track employee development, special emphasis was given to Performance and Development Appraisal.
- Many initiatives have been started to improve inclusiveness of the organization, to increase and to facilitate female representation in business areas.

9. CAUTIONARY STATEMENT

The Director's Report & Management Discussion and Analysis Report included therein may contain certain statements, which are futuristic in nature. Such statements represent the intentions of the Management and the efforts being put in by them to realize certain goals. The success in realizing these goals depends on various factors both internal and external. Therefore, the investors are requested to make their own independent judgments by taking into account all relevant factors before taking any investment decision.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

PLACE : AHMEDABAD
DATE : 9th MAY, 2013

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

The Securities and Exchange Board of India (SEBI) ushered in a formal code of Corporate Governance through Clause 49 in the Listing Agreement executed by the Company with Stock Exchanges. The Code has been periodically upgraded to ensure the adoption of best corporate governance practices by the Corporates. This report sets out the details of Corporate Governance systems and processes of the Company, as set out in Clause 49 and some of the practices followed by the Company on corporate governance, for the financial year ended 31st March, 2013. The Company is in full compliance with the Corporate Governance norms as stipulated in Clause 49.

1. COMPANY'S PHILOSOPHY ABOUT CORPORATE GOVERNANCE:

The company believes that good corporate governance is the key which inspires and strengthens investor's confidence by ensuring company's commitment to higher growth and profits by adopting transparent procedures and practices by arriving at decisions, based on adequate information.

Effective governance reduces perceived risks, consequently reduces cost of capital, and also enables the Board of Directors to take quick and sustained decisions which improves the bottom line of the Company.

The company is committed to deliver reliable quality products and services to all its customers at competitive costs thereby creating superior value for all its stakeholders and this can be achieved by practicing best corporate governance standards.

2. BOARD OF DIRECTORS & BOARD MEETINGS:

(a) COMPOSITION OF BOARD OF DIRECTORS:

The Company has a balanced mix of executive and non-executive independent Directors. The Board

presently consists of five Directors, out of which one is Chairman & Managing Director, one Executive Director and three others are Non-Executive Independent Directors. The Chairman of the Board is an Executive Director and more than half of the Board members are Independent Directors. The Composition of the Board is in compliance with the requirements of Clause 49(I)(A) of the Listing Agreement with the stock exchanges. All Directors, except the Chairman & Managing Director are liable to retire by rotation.

Sr. No.	Name of the Director	Executive /Non-Executive	Category
1.	Shri Ajay Goenka	Executive	Promoter Director (CMD)
2.	Shri Rahul Maheshwari	Executive	Executive Director
3.	Shri Shashikant Thakar	Non-executive	Independent Director
4.	Shri Rajendra Patawari	Non-executive	Independent Director
5.	Shri Kantibhai Patel	Non-executive	Independent Director

(b) BOARD AGENDA:

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are circulated generally seven working days prior to the Board meeting.

(c) NUMBER OF BOARD MEETINGS:

During the year under review, the Board of Directors met Nine times on the following dates:

24.05.2012	18.06.2012	07.08.2012
08.09.2012	30.10.2012	20.12.2012
07.02.2013	21.03.2013	30.03.2013

In terms of the provisions of the Clause 49 of the Listing Agreement with the Stock Exchanges, no director of the Company is a member in more than ten committees or acts as a Chairman in more than five committees of Public Limited Companies, of which he is a director.

(d) DETAILS OF ATTENDANCE OF DIRECTORS IN THE BOARD MEETING AND GENERAL MEETING ALONG WITH OTHER DIRECTORSHIP AND MEMBERSHIP IN COMMITTEES:

The names and categories of the directors on the board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies and their Shareholdings in the Company are given below :-

Name of the Director	Director Identification Number	Category	No. of Board Meetings held during their tenure in 2012-13	No. of Board Meetings attended	Attendance in last AGM	Number of Directorship in Other public companies as on 31-03-2013		Details of Committee positions held in other public companies as on 31-03-2013		Share-holding Equity Shares of face value of ₹ 2/- each
						Chairman ship	Member ship	Chairman ship	Member ship	
Mr. Ajay Goenka	00139512	Chairman & Managing Director	9	9	Yes	-	-	-	-	11,23,250
Mr. Rahul Maheshwari	00289730	Executive Director	9	7	Yes	-	-	-	-	100
Mr. Rajendra Patawari	02090538	Independent Director	9	6	Yes	-	-	-	-	1,700
Mr. Shashikant Thakar	02887471	Independent Director	9	6	Yes	-	-	-	-	-
Mr. Kantibhai Patel	02325787	Independent Director	9	6	Yes	-	3	-	-	-

(e) INFORMATION SUPPLIED TO THE BOARD:

1. Review of annual operating plans of businesses, capital budgets and any updates.
2. Quarterly financial results of the Company and its operating divisions or business segments.
3. Minutes of the meetings of Audit Committee and other Committees of the Board.
4. The information on recruitment and remuneration of Senior Officers just below the Board level, including appointment or removal of the Chief Executive Officer and the Company Secretary.
5. Materially important show cause, demand, prosecution and penalty notices.
6. Fatal or serious accidents, dangerous occurrences.
7. Any materially significant effluent or pollution problems.
8. Any materially relevant default in financial obligations to and by the Company, or substantial non-payment for goods sold by your Company.
9. Any issue, which involves possible public or product liability claims of substantial nature.
10. Details of any joint venture or collaboration agreement.

11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their proposed solutions.
13. Significant development in the human resources and industrial relations front.
14. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
15. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement.
16. Non-compliance of any regulatory, statutory or listing requirements as well as shareholders service such as non-payment of dividend and delays in share transfer.

The Board of Directors is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings or are tabled before the appropriate Committees of the Board.

(f) CODE OF CONDUCT:

The Company has adopted a Code of Conduct for its Board Members and Senior Management personnel and has posted on the website of the

Company in terms of clause 49(D)(i) of the Listing Agreement with Stock Exchanges. The Managing Directors in terms of Clause 49(D)(ii) affirmed the compliance of the Code of Conduct by the Board Members and Senior Management for the year under review. A declaration to this effect signed by the Managing Director, Mr. Ajay Goenka forms part of this report.

3. COMMITTEES OF THE BOARD

Your Company has constituted the following committees:-

(A) Audit Committee

(B) Remuneration Committee

(C) Shareholders'/Investors' Grievances Committee

The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Matters requiring the Board's attention/approval, as emanating from the Board Committee meetings, are placed before the Board by the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

(A) AUDIT COMMITTEE

The Company has complied with the requirements of Clause 49 II (A) of the Listing Agreement of the Stock Exchange and section 292A of the Companies Act, 1956 as regards to the composition of the Audit Committee. The members of the committee are well versed in finance matters, accounts, Company Law and general business practices. The quorum of the Audit Committee is two members.

a) TERMS OF REFERENCE:

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any Government Body or to the investors or the public; the company's system of internal controls regarding finance, accounting and legal compliances that the Management and the Board have established.

The terms of reference of the Audit Committee include inter-alia the following:

Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial

statement is correct, sufficient and credible.

Recommending the appointment and removal of the statutory and internal auditors (wherever required) and fixation of audit fees and also approval for payment for any other services.

Reviewing with the management, the quarterly, half-yearly and the annual financial statements before submission to the Board, focusing primarily on:

- a. Any changes in accounting policies and practices.
- b. Major accounting entries based on the exercise of judgement by the management.
- c. The going-concern assumption.
- d. Compliance with accounting standards.
- e. Compliance with Stock Exchange(s) and other legal requirements concerning financial statements.
- f. Disclosure of any related party transactions.
- g. Any related party transactions, i.e. transactions of the Company of material nature, with Promoters or the Management, or relatives etc. that may have potential conflict with the interest of the Company at large.

Reviewing, with the management, the statutory and internal auditors, the adequacy and compliance of internal control systems.

Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.

Discussions with internal auditors about any significant finding and follow-up thereon.

Reviewing the findings of any internal investigations by the internal auditors into matter where they are suspected of any fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

Discussions with statutory auditors about the nature and scope of audit as well as

have post-audit discussion to ascertain any area of concern.

Reviewing the company's financial and risk-management policies.

To look into the reasons for substantial default in the payment to depositors, debenture holders, shareholders (in case

of non-payment of declared dividend) and other creditors.

Carrying out any other function as in mentioned in the terms of reference of the Audit Committee.

b) COMPOSITION & ATTENDANCE OF MEMBERS OF THE AUDIT COMMITTEE:

The constitution of the Audit Committee during the year was as under:-

Sr. No.	Name of Director	Category of Directorship	Committee Position Held	No. of meetings held	No. of meetings attended
1.	Shri Shashikant N. Thakar	Independent Director	Chairman	4	4
2.	Shri Rajendra Patawari	Independent Director	Member	4	2
3.	Shri Kantibhai Patel	Independent Director	Member	4	4

All the members of the Audit Committee have financial expertise and knowledge. The Company Secretary, Smt. Runel Rathi acts as the Secretary to the Committee. At the invitation of the committee, the Internal Auditors, Statutory Auditors, Head of Finance Department attend the Audit Committee Meetings to answer and clarify the queries raised by the Committee.

c) AUDIT COMMITTEE MEETINGS:

During the year under review, four meetings of Audit Committee were held 24th May, 2012; 7th August, 2012; 30th October, 2012; and 7th February, 2013 to consider, discuss and review the quarterly results, annual accounts and other financial matters to be placed before the Board for their approval.

(B) REMUNERATION & COMPENSATION COMMITTEE

The company has constituted a Remuneration Committee. The broad terms of reference of the Remuneration Committee are as follows:

- Review the performance of the Managing Director and the Executive Directors, after considering the Company's performance.
- Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Whole-time Directors.
- Finalise the perquisites package of the Managing Director and Whole-time Directors within the overall ceiling fixed by the Board.
- Recommend to the Board, retirement benefits to be paid to the Managing Director and Whole-time Directors under the Retirement Benefit Guidelines adopted by the Board.

a) REMUNERATION POLICY

The Remuneration Committee recommends the remuneration package for the Executive Director/s of the Company. In determining the remuneration, the Committee takes into consideration the performance and contribution, remuneration practices followed by Companies of similar size and stature and the Industry standards.

The Director's compensation is based on the appraisal system wherein the individual goals are linked to the organizational goals. Executive Director is paid, subject to the approval of the Board and the Members of the Company in the General Meeting and such other approvals, as may be necessary, compensation as per the agreement entered into between him and the Company.

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive/ Non - Executive Directors. Their remuneration is determined in accordance with the experience and nature of responsibilities as well as industry standards. The same is subject to the approval of the Remuneration Committee of the Board of Directors and the Members.

The Board shall from time to time provide requisite guidelines/ scope of work for the Remuneration Committee and the Committee will discharge such other functions as are required under the provisions of the Listing Agreement and the Companies Act, 1956.

At present the Non-Executive Independent Directors are being paid only sitting fees for attending the Board/Audit Committee meetings.

b) COMPOSITION, MEETINGS & ATTENDANCE OF THE REMUNERATION COMMITTEE:

The Remuneration Committee consists of 3 Independent Directors as on 31.03.2013. During the year under review, one meeting of the remuneration committee was held on 30.11.2012.

Sr. No.	Name of Director	Category of Directorship	Committee Position Held	No. of meetings held	No. of meetings attended
1.	Shri Kantibhai Patel	Independent Director	Chairman	1	1
2.	Shri Rajendra Patawari	Independent Director	Member	1	1
3.	Shri Shashikant Thakar	Independent Director	Member	1	1

c) DETAILS OF REMUNERATION PAID TO THE DIRECTORS:

(₹ In Lacs)

Name	Designation	Particulars					Period of
		Salary	Contribution To Provident Fund	Perquisites	Total	Service	
Shri Ajay Goenka	Chairman & Managing Director	90.00	0.09	1.16	91.28	5 years	21.08.08 to 20.08.13
Shri Rahul Maheshwari	Executive Director	24.11	0.09	-	24.20	3 years	30.08.11 to 29.08.14

d) SITTING FEES PAID TO NON EXECUTIVE DIRECTORS:

During the year, the Company has paid the sitting fees to Non Executive Directors for attending Board & Committee meetings as under:

Sr. No.	Name of Director	Designation	Sitting Fees paid (₹)
1	Shri Rajendra Patawari	Independent Director	Rs. 17,000/-
2	Shri Shashikant Thakar	Independent Director	Rs. 19,000/-
3	Shri Kantibhai Patel	Independent Director	Rs. 19,000/-

The Company currently does not have stock option scheme.

(C) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:**a) COMPOSITION & ATTENDANCE AT MEETING:**

As on 31st March, 2013, the Shareholders'/Investors' Grievance Committee comprises the following Directors:

Sr. No.	Name of Director	Committee Position Held
1.	Shri Kantibhai Patel	Chairman
2.	Shri Rahul Maheshwari	Member
3.	Shri Ajay R. Goenka	Member

One Meeting of the Shareholders'/Investors' Grievance Committee was held on 25th March, 2013 which was attended by all the members of the committee.

b) TERMS OF REFERENCE OF THE COMMITTEE:

The Committee looks into redressing grievances of Shareholders pertaining to transfer of shares,

non receipt of balance sheet, non receipt of dividend, dematerialisation of shares, complaints received from SEBI and the Stock Exchanges etc.

The Board of Directors has also designated the power of approving transfer/transmission/issue of duplicate share certificates to a Share Transfer Committee.

c) NUMBER OF COMPLAINTS:

During the year under review, the complaints received are as under:-

Opening Balance as on 01.04.2012	: Nil
Complaints received during the year	: 4
Total	: 4
Complaints Redressed during the year	: 4
Closing Balance as on 31.03.2013	: Nil

4. GENERAL BODY MEETINGS:

(i) Details of Annual General Meetings:

The details about the location and time of the Annual General Meeting (AGM) in the last three years are as under:-

Year	AGM	Location	Date	Time
2009-10	24 th AGM	8 th Floor, Avdhesh House, Thaltej, Ahmedabad – 380 054	8 th July, 2010	10.30 a.m.
2010-11	25 th AGM	Ahmedabad Textiles Mills Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	27 th September, 2011	11.00 a.m.
2011-12	26 th AGM	Ahmedabad Textiles Mills Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	27 th September, 2012	11.00 a.m.

(ii) Special Resolution passed in AGM in the last three years:

During the last three years approvals of the shareholders were obtained by passing special resolutions as follows:

Year	Subject	Date of AGM
2009-10	Increase in remuneration of Shri Ajay Goenka, Chairman and Managing Director of the Company.	08/07/2010
	Appointment of Mrs. Niyati Agrawal, as Senior Vice President, a relative of Shri Ajay Goenka, Chairman & Managing Director of the Company, with effect from 1 st April, 2010.	
	Increase in remuneration of Mrs. Niyati Agrawal, Senior Vice President, with effect from 16 th July, 2010.	
	To appoint Mrs. Sangeeta Goenka, as Senior Vice President, a relative of Shri Ajay Goenka, Chairman & Managing Director of the Company, w.e.f. 29 th May, 2010.	
	To increase the remuneration of Mrs. Sangeeta Goenka, Senior Vice President w.e.f. 16 th July, 2010.	
	Approving, issuance and allotment of Equity Shares/Warrants and/or any instruments convertible into Equity Shares whether optionally or otherwise, Global Depository Receipts (GDR's) / American Depository Receipts (ADR's) or Foreign Currency Convertible Bonds (FCCB) (hereinafter referred to as 'Securities') for an aggregate sum of Rs. 750 Crores.	
	Commencement of the business activities specified in Sub-clause no. (7) of Clause III (C) [Other objects] of the Memorandum of Association	
2010-11	To increase remuneration of Mrs. Niyati Agrawal, Senior Vice President, with effect from 1st October, 2011.	27/09/2011
	To increase remuneration of Mrs. Sangeeta Goenka, Senior Vice President, with effect from 1 st October, 2011	
	Approving, issuance and allotment of Equity Shares/Warrants and/or any instruments convertible into Equity Shares whether optionally or otherwise, Global Depository Receipts (GDR's) / American Depository Receipts (ADR's) or Foreign Currency Convertible Bonds (FCCB) (hereinafter referred to as 'Securities') for an aggregate sum of ₹ 750 Crores.	
2011-12	NIL	27/09/2012

(iii) Details of Extra Ordinary General Meetings:
During the year under review, one Extra Ordinary General Meeting was held on 29th November, 2012.

(iv) Postal Ballot:
During the year under review, no Special Resolution was passed through postal ballot.

5. RECONCILIATION OF SHARE CAPITAL AUDIT REPORTS:

A qualified practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The Audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

The Quarterly Reconciliation of Share Capital Audit Reports was furnished to the Stock Exchanges on the following dates:

For the quarter ended	Furnished on
30 th June, 2012	19 th July, 2012
30 th September, 2012	30 th October, 2012
31 st December, 2012	22 nd January, 2013
31 st March, 2013	19 th April, 2013

6. DISCLOSURES:

(a) Basis of Related Party Transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in the Standalone Financial Statements, forming part of the Annual Report. Transactions entered into by the Company with the Related Parties during the year were placed to the Audit Committee for review. Adequate care was taken to ensure that potential conflict of interest did not harm the interest of the Company at large.

(b) Details of Non-Compliance by the Company

There were no instances of non-compliance with Stock Exchanges or SEBI regulations nor any penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(c) Compliances

i. Certificate from the Statutory Auditors confirming compliance with all the conditions

of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges in India is annexed to the Directors' Report and forms part of the Annual Report.

- ii. Details of the Directors' seeking appointment/reappointment has been provided in the notice of AGM. A brief resume, nature of expertise in specific functional areas, names of companies in which the person already holds directorship and membership of committees of the Board forms part of the Annual Report.
- iii. Details of shareholder's complaints received, number of shares transferred during the year and the time taken for processing these transfers are furnished in the "Shareholder/Investor Grievance Committee" section of this Annual Report.
- iv. The Guidelines/Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) are duly complied by the company in preparation and presentation of financial statements.

(d) Risk Management

The Company has adopted a management framework to identify risks and exposure to the organization, to recommend risk mitigation and to set up a system to appraise the Board of Directors of the Company about the risk assessment and minimization procedure and their periodic review.

(e) Capital Issues:

During the financial year, the company has made the preferential allotments of 90,00,000 convertible warrants of ₹ 81/- each, convertible into 90,00,000 equity shares in one or more tranches, within a maximum period of 18 months from the date of allotment to one of the promoter group company i.e M/s Drupa Suppliers Private Limited on 20th December, 2012. The In-principle approval for the same has been received from BSE & NSE.

Conversion:

The company has issued 60,00,000 equity shares on conversion of 60,00,000 convertible warrants of ₹ 61/- each (Face Value of ₹ 2/- each) on 8th September, 2012 and 15,00,000 equity shares on conversion of 15,00,000 convertible warrants out of 90,00,000 convertible warrants of ₹ 81/- each (Face Value of ₹ 2/- each) on 30th March, 2013. The listing & trading permission for the same have been received from BSE & NSE.

(f) Code for Prevention of Insider – Trading Practices:

Pursuant to the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a Code of Conduct for prevention of Insider Trading, modified from time to time. This Code of Conduct is applicable to all Directors and such designated employees of the Company who are expected to have access to unpublished price sensitive information relating to the company.

(g) Subsidiary Companies

The Company has two wholly owned subsidiaries but neither of them are material – non listed within the meaning of the explanation given in Explanation 1 of Clause 49(II) of the Listing Agreement with the Stock Exchanges. The Audit Committee reviews the financial statements and, in particular, the investments made by the unlisted subsidiary companies. However in the Board Meeting held on 9th May, 2013, the Company has taken necessary steps for disinvestment of the equity shareholding of the company in M/s Rainbow Infrabuild Private Limited (the wholly owned subsidiary) at fair market value as the box board project will be set up in M/s. Rainbow Papers Limited itself, instead of the subsidiary.

(h) Whistle Blower Policy

The Company seeks to maintain the highest ethical and business standards in the course of its business and has put in place mechanism of reporting illegal or unethical behavior, the Directors, employees, vendors or customers may report violations of the laws, rules, regulations or unethical conducting by writing to the notified person. The report received from employees will be reviewed by Audit Committee. The Directors and Management Personnel are obligated to maintain confidentiality of such reporting and ensure that the Whistle blowers are not subjected to any discriminatory practices. No person has been denied access to the Audit Committee. Whistle Blower Policy is also hosted on the website of the Company – www.rainbowpapers.com

7. MANAGING DIRECTOR CERTIFICATION:

A certificate duly signed by the Chairman & Managing Director relating to financial statements, internal controls and internal control systems for financial reporting as per the format provided in Clause 49 of the Listing Agreement was placed before the Board and was taken on record.

8. MEANS OF COMMUNICATION TO SHAREHOLDERS:

The board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

(a) Quarterly/Half Yearly Results:

The quarterly and annual results were published in the English and regional newspapers. These are not sent individually to the shareholders.

(b) Newspapers wherein results are normally published:

The results are normally published in English newspapers viz. "Economic Times" and "Business Standard" and Regional Newspaper viz. Jai Hind.

(d) Website:

The Company has in place a website addressed as www.rainbowpapers.com. This website contains the basic information about the Company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, such other details as may be required under clause 54 of the Listing Agreement. The Company ensures that the contents of this website are periodically updated. In addition, the Company makes use of this website for publishing official news releases and presentations, if any, made to institutional investors/analysts.

The Company has designated the following e-mail ID namely investorrelations@rainbowpapers.com for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

(e) NEAPS & BSE HELPDESK:

The Company files the quarterly results in the NSE Electronic Application Processing System (NEAPS) and BSE Helpdesk. The quarterly results of the Company are also available on the website of BSE Limited and National Stock Exchange of India Limited viz. www.bseindia.com and www.nseindia.com, respectively.

(f) Reminder to Investors: Reminders for unpaid dividend are sent to the shareholders as per records.

9. ADDITIONAL INFORMATION FOR SHAREHOLDERS:

1) Annual General Meeting:

The details of the 27th Annual General Meeting to be held is as under:-

Date : 16th September, 2013

Day : Monday

Time : 11.00 A.M.

Venue : Ahmedabad Textiles Mills Association
(ATMA) Hall, Ashram Road,
Ahmedabad - 380 009

2) Financial Year: 1st April, 2013 to 31st March, 2014.

Financial Calendar (Tentative)

Quarter	Tentative Dates of Board Meeting for (F.Y.2013-14)
1 st Quarter Results	Mid of August, 2013
2 nd Quarter Results	Mid of November, 2013
3 rd Quarter Results	Mid of February, 2014
4 th Quarter Results	Mid of May, 2014

5) Listing on Stock Exchanges:

(A) Equity Shares

BSE Limited.

Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai - 400 001.

National Stock Exchange of India Limited,

Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051

6) Depository For GDRs:

a) Overseas Depository for GDRs:

(B) Global Depository Receipts (GDRs)

Luxembourg Stock Exchange

Societe de la Bourse de Luxembourg,
11, av de la Porte-Neuve L-2227
Luxembourg.

b) Domestic Custodian of GDRs :

The Bank of New York Mellon (Luxembourg), S.A.

Vertigo Building - Polaris,
2-4 rue Eugène Ruppert,
L-2453 Luxembourg.
Tel: (+352) 24 525 320

DBS Bank Limited

Securities Services, 5th Floor,
Fort House, 221, Dr. D.N. Road
Mumbai - 400 001, India.
Tel: (022) 66 388 888

7) Stock Code

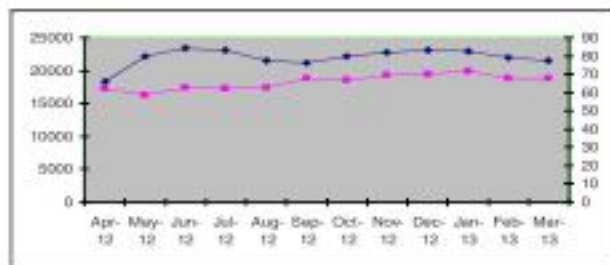
(A) Equity Shares	
BSE Limited - Stock Code	523523
National Stock Exchange of India Limited - Stock Symbol	RAINBOWPAP
ISIN No. for Equity Shares	INE028D01025

(B) Global Depository Receipts (GDR's)	
Luxembourg Stock Exchange – Stock Code	US7508461073
ISIN No. for GDR's	US7508461073

8) *Share Prices Data:

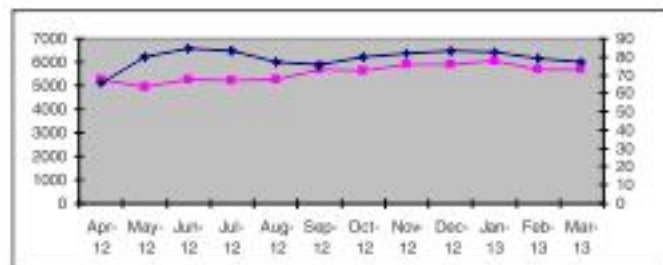
Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	Price High (In ₹)	Price Low (In ₹)	Volume (No. of Shares)	Price High (In ₹)	Price Low (In ₹)	Volume (No. of Shares)
Apr-12	69.50	64.70	13,13,391	69.25	65.00	12,68,497
May-12	88.00	63.00	6,08,406	92.00	61.50	6,10,116
Jun-12	85.00	78.70	7,05,715	84.90	78.00	7,20,714
Jul-12	88.75	81.50	9,82,273	89.40	80.40	10,08,704
Aug-12	91.65	70.50	17,34,437	89.40	71.00	21,81,215
Sep-12	87.00	66.20	75,06,110	84.60	67.65	27,74,000
Oct-12	85.40	73.30	57,80,534	86.05	73.00	22,09,593
Nov-12	85.00	78.00	14,61,175	82.30	78.00	14,33,309
Dec-12	86.60	80.00	25,89,846	86.30	80.00	25,97,166
Jan-13	85.20	79.95	29,76,882	85.25	80.05	28,72,222
Feb-13	84.30	76.80	12,71,505	83.95	78.00	13,13,469
Mar-13	82.35	76.10	13,54,300	83.65	76.05	6,22,538

* Share price data is obtained from the websites of the respective stock exchanges.



— SENSEX — RPL Share Prices

SENSEX and RPL shares prices are based on month end closing rates.



— NIFTY — RPL Share Prices

NIFTY and RPL shares prices are based on month end closing rates.

9) **Registrar and Share Transfer Agents:**

Entire Share Transfer work and dematerialization/rematerialization work is handled by Registrar & Share Transfer Agents, M/s. Sharepro Services (India) Private Limited, Ahmedabad.

a) **Share Transfer System:**

Share transfers are processed and share certificates duly endorsed are returned within a period of 21 days from the date of receipt,

subject to the documents being valid and complete in all respects. The Share Transfer Committee has delegated the authority for approving transfer, transmission among others of the Company's securities to the Managing Director/ Company Secretary. A summary of transfer / transmission of securities of the Company so approved by the Managing Director / Chief Financial Officer / Company Secretary is placed at the Committee meeting.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(C) of the Listing Agreement and files a copy of the said certificate with the Stock exchanges. As on 31st March, 2013, there are no pending share transfers pertaining to the year under review.

b) Transfer of unclaimed/unpaid dividend to Investor Education and Protection Fund (IEPF):

Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Act, all unclaimed/unpaid dividend for the period of seven years from the date they became due for payment, in relation to the Company have been transferred to IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payments be made in respect of such claim.

Members who have not yet encashed their dividend warrant(s) pertaining to the Final Dividend for the financial year 2005-06 and onwards are requested to make their claims without any delay to the Company. It may be

noted that the unclaimed Final Dividend for the Financial year 2005-06 declared on June 29, 2006 can be claimed by the shareholders by October 15, 2013.

A separate communication has been sent in June, 2013 to the shareholders of the Company who have not encashed their dividend warrants and which are not yet transferred to IEPF, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.

The Company will accordingly be required to transfer in the year 2013, the dividend for the year ended March 31, 2006 which have remained unclaimed / unpaid.

c) Correspondence regarding Change of Address etc.

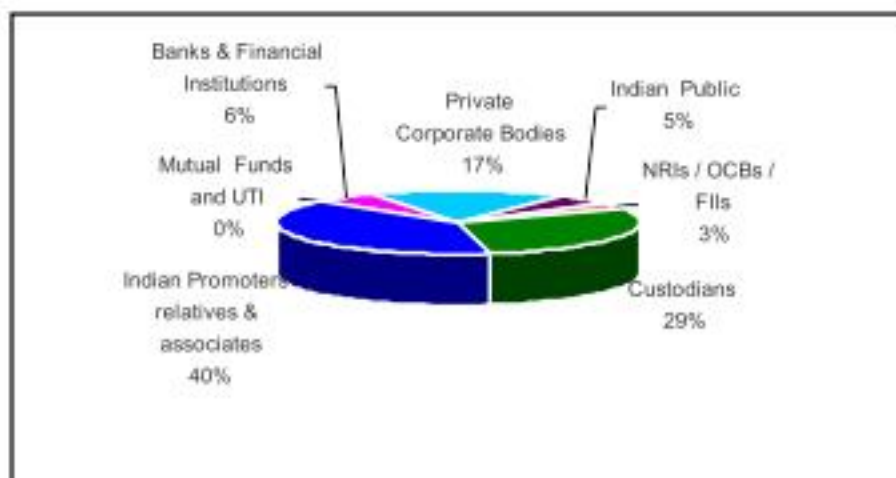
Shareholders are requested to ensure that any correspondence for change of address, change in Bank Mandates etc. should be signed by the first named shareholder. Shareholders who hold shares in dematerialized form should do correspondence with the Depository participant with whom they have opened Demat Account/s.

10) Distribution of Holdings as on 31st March, 2013:

Category	As on 31 st March, 2013			
	No. of Shareholders		No. of Shares	
	Total	%	Total	%
Upto 2500	3445	96.07	3566696	1.81
2501 - 5000	55	1.53	430218	0.22
5001 - 10000	14	0.39	210200	0.11
10001 - 15000	10	0.28	264222	0.13
15001 - 20000	6	0.17	219012	0.11
20001 - 25000	7	0.20	331722	0.17
25001 - 50000	11	0.31	878956	0.45
50001 and above	38	1.06	191533574	97.01
TOTAL	3586	100.00	197434600	100.00

11) Shareholding Pattern of the Company as on 31st March, 2013:

Category	No of Shares held	% of Share Holding
1) Promoters' Holding:		
i. Indian Promoters' relatives & associates (including Body Corporates)	38956450	39.46
ii Foreign Promoters:	—	—
Sub Total (A)	38956450	39.46
2) Non Promoters Holding:		
i. Mutual Funds and UTI	500	—
ii. Banks & Financial Institutions	5500000	5.57
Sub Total (B)	5500500	5.57
3) Others		
i. Private Corporate Bodies	17194669	17.42
ii. Indian Public	5206915	5.27
iii. NRIs / OCBs / FIIs	3219041	3.27
Sub Total (C)	25620625	25.96
4) Shares held by Custodians and against which Depository Receipts have been issued (GDRs)	28639725	29.01
Sub Total (D)	28639725	29.01
Grand Total (A+B+C+D)	98717300	100.00



12) Dematerializations of shares and liquidity:

As on 31st March, 2013, 98.94% of the total Equity Shares are held in dematerialized form with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL). The details of which is as under:-

Mode of Holding	No. of Shares	% of Holding
DEMAT	97669395	98.94
PHYSICAL	1047905	1.06
TOTAL	98717300	100

13) Outstanding Global Depository Receipts (GDR's):

Outstanding GDRs for conversion into Equity Shares as on 31st March, 2013 are 2,86,39,725 amounting to 29.01% of outstanding paid-up Capital of the Company. Each GDR represents one underlying Equity Share.

14) Plant Location

1453, 1423 VILLAGE RAJPUR, TAL: KADI,
DIST. MEHSANA
NORTH GUJARAT

16) Other information to the shareholders**a) Dividend History for the Last 10 years:**

Financial Year	Dividend Date	Rate	Financial Year	Dividend Date	Rate
2011-12	27-09-2012	20%	2006-07	21-09-2007	16%
2010-11	27-09-2011	20%	2005-06	26-09-2006	16%
2009-10	08-07-2010	20%	2004-05	29-09-2005	14%
2008-09	23-09-2009	16%	2003-04	29-09-2004	5%
2007-08	22-09-2008	16%	2002-03	27-09-2003	5%

b) Bank Details

Shareholders holding shares in the physical form are requested to notify/send the following details to Sharepro Services (India) Private Limited to facilitate better servicing :-

- q any change in their address/mandate/bank details

Shareholders are advised that respective bank details and addresses be furnished by them or by Depositories to the Company, for shares held in the physical form and in the dematerialised form respectively, the same will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

15) Address for correspondence**a) Company :**

Smt. Runel Rathi, Company Secretary
Rainbow Papers Limited

801, Avdhesh House,
Opp. Shri Guru Govind Gurudwara,
Sarkhej-Gandhinagar Highway,
Thaltej, Ahmedabad-380 054
Ph.Nos: [079] 26855714, 26855716,
Fax No.: [079] 26855712,
email: secretarial@rainbowpapers.com
Website: www.rainbowpapers.com

**b) Registrar & Share Transfer Agents :
Sharepro Services (India) Private Limited**

416-420, Devnandan Mall,
Opp. Sanyas Ashram,
Ellis Bridge, Ahmedabad – 380 006.
Telephone Nos. : (079) 26582381 – 84
Fax No. : (079) 26582385
Email : sharepro@shareproservices.com

c) National - Electronic Clearing Service (NECS) Facility

The Company uses "Electronic Clearing Service" (ECS) facility for remitting dividend to its shareholders wherever available.

In terms of a notification issued by the Reserve Bank of India, with effect from 1st October, 2009, the remittance of dividend through ECS is replaced by "National Electronic Clearing Service" (NECS). Banks have been instructed to move to the NECS platform. The advantages of NECS over ECS include faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations.

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralised processing of inward instructions and efficiency in handling bulk transactions.

To enable remittance of dividend through NECS, members are requested to provide their new account number allotted to them by their respective banks after implementation of CBS. The account number must be provided to the Company or its RTA in respect of shares held in physical form and to the Depository Participants in respect of shares held in electronic form.

The SEBI vide its Circular dated 21st March, 2013 provided that companies making cash payments to its investors shall use approved electronic mode of payment such as ECS, NECS, NEFT etc. To enable usage of electronic payment instruments, companies are required to maintain requisite bank details of their investors:-

- For Securities held in electronic form, companies shall seek relevant bank details from the Depositories.
- For Securities held in physical form, companies shall maintain updated bank details of its investors.

a) Green Initiative

MCA has undertaken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and issued circulars stating that service of notice/documents including annual reports can be sent by e-mail to its members. The advantages of sending such documents in electronic mode are to:

- Receive communication promptly;
- Reduce paper consumption and save trees;
- Eliminate wastage of paper;
- Avoid loss of document in postal transit; and
- Save costs on paper and on postage.

Accordingly, the annual report for the year 2012-13, notice for the annual general meeting etc. of the Company are being sent in electronic mode to such of the members of the Company whose e-mail addresses are registered with the Company/DP and who have not opted to receive the same in physical form.

To support this green initiative of the Government, members are requested to register their e-mail addresses, with the DP's, in case shares are held in dematerialized form and with the STA, in case the shares are held in physical form and also intimate changes, if any, in their registered e-mail addresses to the Company/DP's, from time to time.

b) Depository Services

Shareholders may write to the respective Depository or to Sharepro Services (India) Private Limited for guidance on depository services. Address for correspondence with Depositories are as follows:-

1) National Securities Depository Limited -

Trade World, A Wing, 4th & 5th Floors,
Kamala Mills Compound,
Lower Parel, Mumbai- 400 013.
Telephone: (022) 2499 4200,
Facsimile: (022) 2497 6351
E-mail: info@nsdl.co.in
Website: www.nsdl.co.in

2) Central Depository Services (India) Limited

- Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street, Fort, Mumbai -400 001.
Telephone: (022) 2272 3333
Facsimile: (022) 2272 3199
E-mail: investors@cdslindia.com
Website: www.cdslindia.com

PLACE : AHMEDABAD
DATE : 9th MAY, 2013

FOR AND ON BEHALF OF BOARD OF DIRECTORS

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

CERTIFICATE BY MANAGING DIRECTOR

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We further confirm that :
 - (i) there were no significant changes in internal control over financial reporting during the year;
 - (ii) there were no significant changes in accounting policies during the year and
 - (iii) there were no instances of significant fraud of which we are aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

PLACE : AHMEDABAD
DATE : 9th MAY, 2013

FOR AND ON BEHALF OF BOARD OF DIRECTORS

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

**To
The Members
Rainbow Papers Limited**

1. We have reviewed the implementation of Corporate Governance by Rainbow Papers Ltd. ("the Company") during the year ended 31st March, 2013, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
1. The compliance of conditions on Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
3. We state that no major investor grievances are pending for period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee and certified by the Company.
4. On the basis of our review and according to the information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchange have been complied with in all material aspects by the Company.

**Place : Ahmedabad
Date : 09/05/2013**

**For Talati & Talati
Chartered Accountants
Firm Regn No: 110758W
Anand Sharma
(Partner)
Membership No:129033**



F CONSOLIDATED
FINANCIAL
STATEMENTS

To
**The Board of Directors of,
Rainbow Papers Limited.**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Rainbow Papers Limited (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiary viz. Rainbow Papers JLT, whose financial statements reflect total assets (net) of ₹ 8908.17 lacs as at March 31, 2013, total revenues of ₹ 36,665.93 lacs and net cash inflows amounting to ₹ 23.52 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

Place : Ahmedabad
Date : 09/05/2013

For Talati & Talati
Chartered Accountants
Firm Regn No: 110758W
Anand Sharma
(Partner)
Membership No:129033

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

(₹ in Lacs)

Particulars	Note No	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1974.35	1824.35
(b) Reserves and Surplus	3	40673.83	30269.49
(c) Money received against share warrants		1518.75	915.00
		44166.93	33008.84
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	58748.88	34625.94
(b) Deferred tax liabilities (Net)	5	3401.52	2387.85
(c) Long term provisions	6	156.93	113.60
		62307.33	37127.39
(3) Current Liabilities			
(a) Short-term borrowings	7	12136.93	12429.72
(b) Trade payables	8	10571.11	7018.01
(c) Other current liabilities	9	15126.13	12322.41
(d) Short-term provisions	10	571.59	529.00
		38405.76	32299.14
Total		144880.02	102435.37
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	62800.35	30984.44
(ii) Capital work-in-progress	12	35592.39	38559.96
(b) Non-current investments	13	15.00	-
(c) Long term loans and advances	14	6554.80	3380.47
		104962.54	72924.87
(2) Current assets			
(a) Inventories	15	8108.57	8200.40
(b) Trade receivables	16	20226.96	8657.80
(c) Cash and bank balances	17	1828.76	4170.95
(d) Short-term loans and advances	18	9753.19	8481.35
		39917.48	29510.50
Total		144880.02	102435.37

The accompanying notes are an integral part of these financial statements.

1 to 35

As per our separate report of even date attached.

For Talati & Talati

Chartered Accountants
(Firm Reg No: 110758W)

Anand Sharma

Partner
Mem. No. 129033

Ahmedabad
May 9, 2013

For and on behalf of the Board of Directors

Ajay Goenka
Rahul Maheshwari
Rajendra Patawari
Shashikant Thakar
Kantibhai Patel
Runel Rathi

Ahmedabad
May 9, 2013

Chairman & Managing Director
Executive Director
Director
Director
Director
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ in Lacs)

Particulars	Note No	For the year ended March 31, 2013	For the year ended March 31, 2012
I. Revenue from operations	20	91548.69	61077.64
Less: Excise duty		1543.55	952.28
Revenue from operations (Net)		90005.14	60125.36
II. Other income	21	565.31	225.50
III. Total Revenue (I + II)		90570.45	60350.86
IV. Expenses:			
Cost of materials consumed	22	23469.81	21895.09
Purchase of stock-in-trade		38299.21	15189.77
		61769.02	37084.86
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	106.84	(1328.92)
Employee benefit expense	24	1818.11	1673.24
Finance costs	25	3669.75	2911.85
Depreciation and amortization expense	11	2662.32	2570.45
Other expenses	26	13228.92	11979.32
IV. Total Expenses		83254.96	54890.80
V. Profit before exceptional and extraordinary items and tax (III-IV)		7315.49	5460.06
VI. Prior period item		16.35	4.71
VII. Exceptional items	27	(4.06)	(8.47)
VIII. Profit before tax (V - VI-VII)		7327.78	5456.30
IX. Tax expense:			
Current tax		948.27	864.15
Less: MAT credit entitlement		(748.16)	(318.84)
Net current tax liability		200.11	545.31
Deferred tax		1013.67	306.74
X. Profit/(Loss) for the period (VIII-IX)		6114.00	4604.25
XI. Earnings per equity share:(Face value of ₹ 2 per share) (Refer Note No 33)			
(1) Basic		6.46	5.14
(2) Diluted		6.30	4.95

The accompanying notes are an integral part of these financial statements.

1 to 35

As per our separate report of even date attached.

For Talati & Talati

Chartered Accountants
(Firm Reg No: 110758W)

Anand Sharma

Partner
Mem. No. 129033

Ahmedabad
May 9, 2013

For and on behalf of the Board of Directors

Ajay Goenka
Rahul Maheshwari
Rajendra Patawari
Shashikant Thakar
Kantibhai Patel
Runel Rathi

Ahmedabad
May 9, 2013

Chairman & Managing Director
Executive Director
Director
Director
Director
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-3-2013

(₹ in Lacs)

	31-03-2013	31-03-2012
A. Cash Flow from Operating Activities		
Net profit before extra ordinary items	7315.49	5460.05
<u>Adjustment For:</u>		
Provision for wealth tax	0.12	0.63
Depreciation & amortization expenses	2662.32	2570.45
Sundry balances written off	(0.81)	(3.48)
Finance costs	3669.75	2857.85
Loss/(Profit) on Sale of Assets	(2.94)	78.08
Effect of exchange rate change	55.21	6.17
Operating profit before working capital changes	13699.13	10969.77
<u>Adjustment For:</u>		
Increase /(decrease) in trade payables	3553.10	2516.38
Increase /(decrease) in current liabilities and provisions	179.66	398.76
(Increase) /decrease in inventories	91.82	(3240.49)
(Increase) /decrease in trade receivables	(11569.16)	(3778.46)
Cash generated from operating activities	5954.56	6865.95
Net prior year adjustment on account of subsidiaries	-	(0.05)
Direct tax paid	(557.19)	(766.52)
Cash flow before extra-ordinary items	5397.37	6099.38
Extra-ordinary Items:		
Excess provision written back	4.06	8.47
Prior period expenses/income	16.35	(4.71)
Net cash flow from operating activities	5417.78	6103.14
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress)	(31782.07)	(18571.73)
Sales of fixed assets	4.21	73.60
Movement in loans & advances	(4089.35)	(2011.22)
Investments in subsidiaries/other investment	(15.00)	-
Interest income	168.14	197.64
Net cash flow from investing activities	(35714.08)	(20311.71)

(₹ in Lacs)

	31-03-2013	31-03-2012
C. Cash flow from financing activities		
Proceeds from long term borrowings	38812.01	23254.82
Repayment of long term borrowings	(13125.89)	(15007.41)
Short term borrowings (net)	1032.58	5329.22
Proceeds from issue/conversion of warrants	4875.00	-
Re-payment of Share application money	-	(575.00)
Issue of share warrants	603.75	915.00
Interest paid	(3837.89)	(2767.82)
Dividend paid (including dividend distribution tax)	(405.45)	(423.49)
Net cash flow from financing activities	27954.11	10725.33
Net change in cash & cash equivalents(a+b+c)	(2342.19)	(3483.25)
Opening balance - cash and cash equivalent	4170.95	7654.20
Closing balance - cash and cash equivalent	1828.76	4170.95
Note:		
1 CASH AND CASH EQUIVALENTS:		
Balance with Banks :		
- In Collection accounts	36.14	49.83
- In Current accounts	34.37	23.56
- In EEFC accounts	-	0.45
- Deposits with foreign bank	-	3203.49
Cash on hand	31.85	6.13
Other bank balances:		
- In Dividend Accounts	13.40	13.36
- In Margin Money	1713.00	874.13
Total	1828.76	4170.95

2 Cash & Cash Equivalents for the year ended March 31, 2013 includes unrealised Gain / (Loss) of (₹ 76.38 Lacs) (PY (₹ 391.46 Lacs)) on account of translation of Foreign Currency Bank Balance.

As per our separate report of even date attached.

For Talati & Talati

Chartered Accountants
(Firm Reg No: 110758W)

Anand Sharma

Partner
Mem. No. 129033

Ahmedabad
May 9, 2013

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Ahmedabad
May 9, 2013

Chairman & Managing Director
Executive Director
Director
Director
Director
Company Secretary

Note-1: SIGNIFICANT ACCOUNTING POLICIES:**1) Principles of consolidation:**

- a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of separate audited Financial Statements of Rainbow Paper Limited and its subsidiaries.
- b) The Consolidated Financial Statements have been prepared on the following basis:
 - (i) The Financial Statements of the Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 (AS 21).
 - (ii) In case of Foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the year end. Any exchange difference arising on consolidation is recognized in "Exchange Fluctuation Translation Reserve".
 - (iii) The difference between the cost of investments in the subsidiaries over the net assets at the time of acquisition of the investment in the subsidiaries is recognized in the Financial Statements as Goodwill or Capital Reserve as the case may be.
 - (iv) As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the Consolidated Financial Statements.

- 2) The list of Subsidiary Companies included in consolidation with Rainbow Papers Limited and Rainbow's shareholding therein is as under:

Name of Subsidiary	Nature of relationship	Country of Incorporation	Shareholding as at 31-03-2013	Shareholding as at 31-03-2012
Rainbow Infrabuild Private Limited, Ahmedabad	Direct Control	INDIA	100%	100%
Rainbow Papers JLT, Dubai	Direct Control	U.A.E	100%	100%

3) Basis of Accounting:

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the provisions of the Companies Act 1956 and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

4) Use of Estimates:

The presentation of the Financial Statements, in conformity with the Generally Accepted Accounting policies, require the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

5) Revenue Recognition:

Sales are stated net of rebate, trade discount and inter-divisional transfers. It excludes Central Sales Tax and State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch of the goods.

Export benefits representing Custom Duty Rebate entitlement against exports made under Duty Entitlement Passbook Scheme, Focus Market Scheme and Duty free Import Authorization Scheme are accounted for on accrual basis.

Interest on deposits is recognized on accrual basis.

6) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction, net of accumulated depreciation, cenvat credit and adjustments arising from exchange rate variations relating to borrowings attributed to fixed assets. Cost includes incidental

expenses capitalized from time to time on their due recognition, trial run expenses and interest attributable to the project till the date of commissioning.

Project under commissioning and other capital work-in-progress are carried at cost, comprising direct cost, related incidental pre-operative expenses, and attributed interest.

Advances paid towards the acquisition of Fixed Assets are included under the head Long term loans and advances shown as Capital advances.

7) Impairment of Assets:

The carrying value of assets of the Company's cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amount of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sale.

As per the assessment conducted by the Company at March 31, 2013, there were no indications that the fixed assets have suffered an impairment loss.

8) Inventories:

Raw Materials, Packing Materials, Coal and Furnace Oil are valued at lower of cost or net realizable value after considering the credit of VAT and Cenvat. Stores & Spares are valued at cost. Inventories of Finished Goods and Work in Progress are valued at lower of cost or net realizable value. Stock in transit and Stock lying at third party Premises are valued at cost. Cost is determined on First-in-first-out basis. The cost of Work-in-progress and Finished goods includes the cost of material, labour, manufacturing and other overheads.

9) Depreciation:

For Rainbow Papers Limited

- (1) On the additions made on or after 1.4.2009 to Plant & Machinery on "Straight Line Method" on Pro-rata basis in accordance with Section 205 (2)(b), at the rates specified in Schedule XIV of the Companies Act 1956.
- (2) On all other Fixed Assets on "Written Down Value Method" on pro-rata basis in accordance with the Section 205 (2)(a), at the rates specified in Schedule XIV of the Companies Act 1956.

For the following subsidiaries:

Name of Subsidiary	Basis of Depreciation
Rainbow Infrabuild Private Limited, Ahmedabad	Written Down Value Method at the rates specified in Schedule- XIV.
Rainbow Papers JLT ,Dubai, U.A.E	Using straight-Line method over their estimated useful economic lives.

10) Central Excise Duty:

Excise Duty payable on finished goods is accounted for on clearance of goods. CENVAT Credit on Capital Goods and inputs is accounted for on the date of actual receipt of the same, respectively.

11) Foreign Currency Transactions:

i) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency of the transaction.

ii) Conversion:

Foreign currency monetary items are reported using the closing rate. Non- monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate of the date of transaction; and non-monetary items which are carried of fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the values were denominated.

iii) Exchange Difference:

Exchange difference arising on the settlement of monetary items or on reporting Company's monetary items of rates different from those of which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

iv) Forward Exchange Contracts not intended for trading:

The premium or discount arising of the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange difference on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

12) Investments:

Investments are classified as Long Term & Current Investments. Long Term Investments are valued at cost less provision for diminution other than temporary in value, if any. Current Investments are valued at Cost or Net Realizable Value whichever is lower.

13) Borrowing Cost:

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest on borrowings if any is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to respective borrowings.

14) Earnings per Share:

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted earnings per Share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

15) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimated required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

16) Taxation :

(1) The Company and other Indian subsidiaries:

Provision for Current Tax is made as per the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from "timing differences that are temporary in nature" between accounting and taxable profit is accounted for, using the tax rates and laws that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable or virtual certainty, as the case may be, that the asset will be realized in future.

(2) Foreign Companies:

Foreign Companies recognize tax liabilities in accordance with the local laws. Further any Statutory reserves required, if any, are established in accordance with the local laws.

17) Cash Flow Statement:

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 (AS 3) on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statements consist of cash on hand and demand deposits with banks.

2 SHARE CAPITAL :	As at March 31,2013	As at March 31,2012
Authorised Capital: 17,50,00,000 Equity Shares of ₹ 2/- each (PY 17,50,00,000 Equity Shares of ₹ 2/- each)	3500.00	3500.00
Issued, Subscribed & Fully Paid up Capital : 9,87,17,300 Equity shares of ₹ 2/- each fully paid (PY 9,12,17,300 Equity Shares of ₹ 2/- each fully paid)	1974.35	1824.35
Out of the above 5,11,77,275 of ₹ 2 each (PY 5,11,77,275 Equity Shares of ₹ 2 each) fully paid up represent Global Depository Receipts (GDRs) Outstanding GDRs for conversion into Equity Shares are 2,86,39,725 (PY 2,88,89,725)		
	1974.35	1824.35

(a) Reconciliation of number of shares :

Equity shares:	As at March 31, 2013		As at March 31, 2012	
	No of Shares	Amount in Lacs	No of Shares	Amount in Lacs
Shares outstanding at the beginning of the year	91,217,300	1824.35	87,217,300	1744.35
Add: Preferential issue of shares during the year	-	-	4,000,000	80.00
Add: Conversion of Convertible Warrants during the year	7,500,000	150.00	-	-
Shares outstanding at the end of the year	98,717,300	1974.35	91,217,300	1824.35

(b) Terms/rights ,preferences and restrictions attached to securities:

Equity Shares:

The company has one class of equity shares having a par value of ₹ 2 each. Each share holder is eligible for one vote per share held. The dividend proposed by the board of director is subject to the approval of share holders in the ensuing Annual General meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential dues, in proportion to their shareholding.

During the year ended 31 March 2013, the amount of per share dividend recognized for distribution to equity shareholders was ₹ 0.40 (P.Y.31 March 2012 ₹ 0.40)

(c) Details of share holders holding more than 5% shares in the company:

Name of share holders	As at March 31, 2013		As at March 31, 2012	
	No of Shares held	% of holding	No of Shares held	% of holding
Orient Newsprint Limited	23,377,520	23.68	17,377,520	19.05
Devkant Synthetics (India) Pvt Ltd	3,742,945	3.79	5,040,852	5.53
Rainbow Industrial Park Pvt Ltd	6,819,000	6.91	6,819,000	7.48
Drupa Suppliers Pvt Limited*	6,653,000	6.74	5,153,000	5.65
Headway Capital Advisors Limited	5,598,197	5.67	4,100,000	4.49

* 15,00,000 equity shares allotted on conversion of warrants on 30.03.2013, Listing & trading permission from exchanges awaited.

(d) **Terms of securities convertible into equity shares:**

Convertible Warrants:

On December 20, 2012 the company has allotted 90,00,000 convertible warrants on preferential allotment basis to promoter group company at a price of ₹ 81/- which shall be convertible into equity shares (at the sole option of warrant holder(s)) at any time within a period of 18 months from the date of allotment of warrants. The lock-in of shares acquired by exercise of the warrants shall be for the period of 3 years.

- (e) On 28th January 2010 the Company had issued and allotted Global Depository Receipts (GDRs). The said GDRs are listed on at Euro MTF Market of Luxemburg Stock Exchange and the funds raised have been and are being utilized to finance the Expansion Plan and balance funds pending utilization have been placed as deposit with the Foreign Bank. The details of funds activity during the year are as follow:

	(₹ In Lacs)	
Particulars	2012-13 Amount	2011-12 Amount
Opening Balance	3204.63	6,239.65
Income earned on Unutilised Money	1.32	19.61
Total	3205.95	6259.26
Amount Utilised for Expansion Projects and Working Capital Requirements	3205.95	3054.63
Amount Unutilised & placed as deposited	-	3204.63

3 RESERVES & SURPLUS :	As at March 31,2013	As at March 31,2012
Capital Reserve	45.52	30.19
Add : Addition on consolidation	-	15.33
	45.52	45.52
Securities Premium		
Balance as per last accounts	14915.20	12555.20
Add: Premium on issue of preferential shares	4725.00	2360.00
	19640.20	14915.20
Other Reserves :		
General Reserve		
Balance as per last accounts	2030.87	1784.87
Add : Amount transferred from surplus balance in statement of Profit & Loss	270.00	246.00
	2300.87	2030.87
Forfeiture of Warrants	27.43	27.43
Foreign Currency Translation Reserve	61.38	6.16
Surplus in Statement of Profit & Loss :		
Balance as per last accounts	13244.31	9344.03
Less : Dividend Paid on 60,00,000 Convertible Warrants		
Dividend Paid	24.00	16.00
Dividend Distribution tax paid (P.Y. 40,00,000 Equity Shares)	3.89	2.58
	13216.41	9325.45
Profit for the year	6114.00	4604.25
Less : Capital Reserve on consolidation	-	15.33
Less: Appropriations		
Proposed dividend on Equity Shares for the year	394.87	364.87
Dividend distribution tax on Proposed dividend	67.13	59.19
Transfer to General Reserve	270.00	246.00
	18598.43	13244.31
Total	40673.83	30269.49

4 LONG TERM BORROWINGS:	As at March 31,2013	As at March 31,2012
(A) Secured :		
a From banks:		
- Rupee term loans	40541.88	8162.79
- Foreign currency term loans	1139.47	15321.13
- Vehicle loans	10.59	2.54
b From others:		
- Rupee term loan	1809.38	2952.36
- Vehicle loans	2.54	4.15
(B) Unsecured :		
a Term loan		
From Others:		
- Financial institutions	3000.00	3000.00
b Deposits		
- Inter Corporate Deposits	-	404.46
c Loans and advances from related parties	7295.00	2745.00
d Other loans and advances		
- From Banks	-	2033.51
- From others	4950.02	-
Total	58748.88	34625.94

(a) Nature of security and terms of repayment for secured borrowings**Term loan :**

Term Loan in Rupee Currency are secured by way of First hypothecation charge on Pari passu basis over the fixed assets (both present and future to be acquired from the respective term loan) of Paper and Coating Division situated at village: Rajpur, Taluka: Kadi, Dist: Mehsana. Second charge on paripasu basis on all current assets of the company. The loan is further secured by personal guarantee of Managing Director, Promoters and body corporates. Term Loan is carrying Rate of Interest (at present) from 13% to 14.50% p.a. repayable over a period of 5 to 7 years.

Term Loan in Foreign currency are secured by way of First hypothecation charge on Pari passu basis over the fixed assets (both present and future to be acquired from the respective term loan) of Paper and Coating Division situated at village: Rajpur, Taluka: Kadi, Dist: Mehsana. Second charge on paripasu basis on all current assets of the company. The loan is further secured by personal guarantee of Managing Director, Promoters and body corporates. Term Loan is carrying Rate of Interest (at present) from LIBOR+ 7 to 8.5% repayable over a period of 5 years.

Corporate Loan from Allahabad Bank secured by way of exclusive charge on survey no 1439,1440 p & 1441 p admeasuring 11288 sq. meter area together with building and fixed structure thereon situated at village: Rajpur, Taluka: Kadi, Dist: Mehsana. The loan is further secured by personal guarantee of Managing Director of the company. Term Loan is carrying Rate of Interest (at present) 12.95% p.a. repayable in 16 equal monthly installments having moratorium period of 6 months.

Loan from financial institution is secured by way of exclusive charge on survey no 1524,1457-58,1483-84,1447/4/2 together with building and fixed structure thereon situated at village: Rajpur, Taluka: Kadi, Dist: Mehsana. The loan is further secured by personal guarantee of Managing Director, promoter and promoter group company. Term Loan is carrying Rate of Interest (at present) 15% p.a. repayable in 42 equal monthly installments.

Vehicle Loan:

Secured vehicle loan from banks are secured by hypothecation of vehicles and are repayable over a period of 3 years carrying rate of interest 6 to 8% p.a.. Further loan is guaranteed by Managing Director of the company.

Secured vehicle loan from financial institutions are secured by hypothecation of vehicles and are repayable over a period of 3 years carrying rate of interest 9 to 11 p.a.%. Further loan is guaranteed by Managing Director of the company.

(b) **The period and amount of installments due are as under:** (₹ in Lacs)

Financial Year	Amount	Financial Year	Amount
2014-15	11597.13	2018-19	3453.21
2015-16	10204.09	2019-20	3453.00
2016-17	7810.26	2020-21	3453.17
2017-18	3626.00	2021-22	2907.00

(c) **Terms of repayment for unsecured borrowings**

Loan from financial institution:

The company shall repay the loan in two installments with the first installment of ₹ 1000.00 Lacs payable on 31.03.2015 and second installment of ₹ 2000.00 Lacs payable on 31.03.2016 which carries Rate of Interest(at present) 15% p.a.

The Company has pledged 11940000 Equity Shares of Face Value of ₹ 2/- each, being held by one of its Promoter Group company for availing Corporate Term Loan of ₹ 3000.00 Lacs.

Inter Corporate Deposits:

The company had taken interest free inter corporate deposit which is repayable after a period of one year.

Loans and advances from related parties:

The company has taken interest free advance from related parties which is repayable after a period of one year.

Other loan & advances includes trade deposit accepted for a period more than one year.

(₹ in Lacs)

5 DEFERRED TAX LIABILITIES (NET):	As at March 31,2013	As at March 31,2012
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	3418.01	2412.20
Gross deferred tax liability	3418.01	2412.20
Deferred tax assets		
Gratuity	11.59	16.33
Leave Encashment	4.90	8.02
Gross deferred tax asset	16.49	24.35
Net deferred tax liability	3401.52	2387.85

Deferred Tax Liability calculated as above is excluding the assets pertaining to Power Generating Units, the income of which being deductible u/s 80 IA of The Income Tax Act 1961. As prescribed in ASI 3 & ASI 5 regarding application of AS 22 in situation of "Tax Holiday" period under Section 80 IA, where the timing difference arising in a year is reversed during Tax Holiday period itself, no Deferred Tax should be recognized.

(₹ in Lacs)

6 LONG TERM PROVISIONS:	As at March 31,2013	As at March 31,2012
Provisions for employee benefits :		
Provision for gratuity	92.95	64.00
Provision for leave encashment	63.98	49.60
Total	156.93	113.60

(₹ in Lacs)

7 SHORT TERM BORROWINGS:	As at March 31,2013	As at March 31,2012
(A) Secured :		
Loans repayable on demand:		
From Banks:		
a. Cash Credit Facility		
- Rupee Loan	7916.62	9244.27
- Foreign Currency Loan	483.25	473.27
b. Packing Credit Facility	-	44.20
(B) Unsecured :		
Other Loans and advances :		
From Banks (Buyer's Credit)	3737.06	2613.33
From Banks (Packing credit facility)	-	54.65
Total	12136.93	12429.72

Nature of security provided for short term borrowings:

Cash Credit Limit is secured by way of First hypothecation charge on Pari passu basis over the current assets of the company, situated at 1423 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana. Second charge on paripasu basis on all fixed assets, situated at survey no 1423 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana. The loan is further secured by personal guarantee of Managing Director, Promoter and a body corporate.

Nature of security provided for packing credit facility:

Packing Credit Limit was secured by way of First hypothecation charge on Pari passu basis over the current assets of the company, situated at 1423 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana. Second charge on paripasu basis on all fixed assets, situated at survey no 1423 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana. The loan is further secured by personal guarantee of Managing Director, Promoter and a body corporate.

(₹ in Lacs)

8 TRADE PAYABLES:	As at March 31,2013	As at March 31,2012
- Acceptances	6891.15	4008.89
- Due to Micro Small & Medium Enterprises	126.06	175.44
- For Goods, services & trade deposits	3553.90	2833.68
Total	10571.11	7018.01

(₹ in Lacs)

9 OTHER CURRENT LIABILITIES:	As at March 31,2013	As at March 31,2012
Current maturities of long term debts	10970.63	9887.05
Interest accrued and due on borrowings	468.38	226.59
Unclaimed dividend*	13.40	13.36
Other payables:		
- Statutory dues and unpaid expenses	664.52	478.95
- Advances from customers	76.73	131.25
- Creditors for capital goods	2932.47	1585.21
Total	15126.13	12322.41

* Liability towards Investor Education and Protection Fund under Section 205C of The Companies Act, 1956 (Not Due as on 31.03.2013 / 31.03.2012)

(₹ in Lacs)

10 SHORT TERM PROVISIONS:	As at March 31,2013	As at March 31,2012
Provision for employee benefits:		
Provision for bonus	64.26	54.26
Provision for gratuity	41.41	34.64
Provision for leave encashment	3.15	2.43
Others:		
Provision for proposed dividend on equity shares	394.87	364.87
Provision for dividend distribution tax on proposed dividend	67.13	59.19
Provision for income tax	0.21	12.42
Provision for wealth tax	0.57	1.19
Total	571.59	529.00

Note - 11 : TANGIBLE FIXED ASSETS

(₹ in Lacs)														
	Land	Factory Building	Tubewell	Office Building	Plant & Machinery	Electrical Installation	Workshop Equipment	Laboratory Equipment	Furniture	Vehicles	Office Equipment	Computers	Air Conditioners	Total
Cost of assets														
At 1 April 2011	558.20	3084.14	32.36	476.53	37173.62	264.30	17.76	14.28	62.46	100.95	27.51	227.95	52.02	42092.08
Additions	68.30	439.49	-	-	3399.75	-	-	20.70	4.48	14.97	7.92	12.60	4.55	3972.75
Disposal / Adjustment	-	-	-	-	240.00	-	-	-	-	0.38	-	-	0.09	240.46
Exchange Differences	-	31.98	-	-	419.79	-	-	-	-	-	-	-	-	451.77
At 31 March 2012	626.50	3555.61	32.36	476.53	40753.16	264.30	17.76	34.98	66.94	115.55	35.43	240.55	56.48	46276.14
Additions	270.39	3005.62	2.11	-	30811.33	-	-	9.78	2.09	50.54	14.02	6.41	12.51	34184.81
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	9.70	0.09	-	0.15	9.93
Exchange Differences	-	19.76	-	-	274.99	-	-	-	-	-	-	-	-	294.75
At 31 March 2013	896.89	6580.99	34.47	476.53	71839.48	264.30	17.76	44.76	69.03	156.39	49.34	246.96	68.84	80745.77
Depreciation														
At 1 April 2011	-	977.52	14.98	113.75	11128.96	213.72	14.57	11.65	46.53	51.74	13.67	201.21	21.84	12810.14
Charge for the year	-	216.46	0.87	18.14	2287.96	7.04	0.49	1.86	3.53	13.38	2.57	13.65	4.49	2570.45
Disposal / Adjustment	-	-	-	-	87.96	-	-	-	-	0.84	-	-	0.08	88.88
At 31 March 2012	-	1193.99	15.85	131.89	13328.96	220.74	15.06	13.53	50.06	64.28	16.24	214.86	26.25	15291.71
Charge for the year	-	250.03	0.89	17.23	2342.53	6.06	0.41	3.44	3.24	17.66	3.92	11.51	5.38	2662.32
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	8.52	0.01	-	0.07	8.61
At 31 March 2013	-	1444.02	16.74	149.12	15671.49	226.80	15.47	16.97	53.30	73.42	20.15	226.37	31.56	17945.42
Net Block														
At 31 March 2012	626.50	2361.62	16.50	344.64	27424.19	43.56	2.70	21.46	16.88	51.27	19.19	25.69	30.23	30984.43
At 31 March 2013	896.89	5136.97	17.73	327.41	56167.99	37.50	2.29	27.79	15.73	82.97	29.19	20.59	37.28	62800.35

Deferral/capitalization of exchange differences:

The company has opted to follow the option granted by notification no 225(E) dated March 31, 2009 issued by the Ministry of Corporate Affairs relating to limited relaxation in the provision of "Accounting Standard-11" in respect of Foreign Exchange differences on foreign currency loans:

- Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.
- In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized to the Profit and Loss account over the balance life of the long-term monetary item, however the period of amortization does not extend beyond: March 31, 2020 [extended by notification no GSR 913(E) dated 29th December 2011].

Accordingly, ₹ 294.75 Lacs has been added (PY ₹ 451.77 was added) to the cost of the fixed assets.

(₹ in Lacs)

12 CAPITAL WORK IN PROGRESS COMPRISES:	31.03.2013	31.03.2012
Building , Plant & Machinery and Pre operative expenses (Pending Allocation)	35,592.39	38,559.96
Total	35,592.39	38,559.96

- Cost of Fixed Assets and pre-operative expenses, being technical matter, are capitalized or allocated to Capital work in progress on the basis of data certified by technical person & the management.
- Borrowing cost includes interest and other bank charges including the exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs which are directly related to the acquisition & construction of a qualifying asset.
- Advances to Project suppliers are shown under Long term loans & advances included in Capital advances.

(₹ in Lacs)

13 NON CURRENT INVESTMENT:	As at March 31,2013	As at March 31,2012
Trade investments (Valued at cost unless stated otherwise)		
Investment in Mutual Fund		
1,50,000 Units [March 31,2012: Nil] Face Value of ₹ 10 each of Union KBC Mutual Fund (At cost)	15.00	-
Total	15.00	-
Aggregate amount of unquoted investment of ₹ 15.00 Lacs		

(₹ in Lacs)

14 LONG-TERM LOANS & ADVANCES: (Unsecured, considered good, unless otherwise stated)	As at March 31,2013	As at March 31,2012
(a) Capital advances	6543.08	3271.45
(b) Security deposits	7.67	17.72
(c) Other loans & advances		
- Advances recoverable in cash or kind*	4.05	91.30
Total	6554.80	3380.47

*It includes expenses which are amortised over a period of more than 12 months.

(₹ in Lacs)

15 INVENTORIES: (valued at lower of cost or net realizable value)	As at March 31,2013	As at March 31,2012
<u>Raw materials:</u>		
- Paper	3131.94	3351.96
[Goods in transit]	135.22	217.50
- Chemicals	1145.02	1139.27
[Goods in transit]	53.72	77.04
Work-in-progress	887.06	903.43
Finished goods	292.72	315.61
Stock in trade (In respect of goods acquired for trading)	569.55	637.13
Stores & spares	1037.67	755.05
[Goods in transit]	1.46	0.91
Loose tools	402.04	381.68
<u>Others:</u>		
Fuels, packing material & chemicals	389.52	410.74
[Goods in transit]	62.65	10.08
(Above inventories taken, valued and certified by the management)		
Total	8108.57	8200.40

(₹ in Lacs)

16 TRADE RECEIVABLES: (Unsecured, considered good, unless otherwise stated)	As at March 31,2013	As at March 31,2012
Outstanding for a period exceeding 6 months from the date they are due for payment	78.21	108.42
Others	20148.75	8549.38
Total	20226.96	8657.80

(₹ in Lacs)

17 CASH AND BANK BALANCES:	As at March 31,2013	As at March 31,2012
Cash and cash equivalent :		
a Balance with Banks :		
- In Collection accounts	36.14	49.83
- In Current accounts	34.37	23.56
- In EEFC accounts	-	0.45
- Deposits with foreign bank	-	3203.49
b Cash on hand	31.85	6.13
c Other bank balances:		
- In Dividend Accounts	13.40	13.36
- In Margin Money*	1713.00	874.13
Total	1828.76	4170.95

* Margin Money deposits with a carrying amount of ₹ 1712.99 Lacs (31 March 2012: ₹ 874.13 Lacs are given as margin against Letter of Credit open with bank)

(₹ in Lacs)

18 SHORT-TERM LOANS AND ADVANCES:	As at	As at
Unsecured considered good, unless otherwise stated:	March 31,2013	March 31,2012
Other loans and advances:		
- Advances recoverable in cash or kind	876.37	28.90
- Advances to creditors	4775.79	5135.95
- Balances with government authorities	2094.57	1735.26
- Advance tax and mat credit entitlement	1814.33	1457.04
- Advance fringe benefit tax	0.53	0.53
- Prepaid expenses	191.60	123.67
Total	9753.19	8481.35

19 Contingent liabilities and commitments (to the extent not provided for): (₹ in Lacs)

Contingent liabilities	As at	As at
	March 31,2013	March 31,2012
Guarantees:		
- Bank Guarantee	803.68	526.65
Other money for which company is contingently liable:		
- Additional Premium on Land	-	18.78
- Export obligation in respect of custom duty on machinery imported on EPCG scheme	2875.94	-

Commitment:

Estimated amount of contracts, remaining to be executed on capital accounts and not provided for ₹ 1419.75 Lacs net of advance (PY ₹ 5138.61 Lacs).

(₹ in Lacs)

20 REVENUE FROM OPERATIONS:	Year ended March 31,2013	Year ended March 31,2012
Sale of products		
Paper sales	39565.65	32844.65
Paper sales (export) (including deemed exports)	9244.52	10990.73
Paper sales (trading)	41632.22	16088.78
Bricks sales	105.95	73.35
Plastic sheet sales	144.23	193.15
Sale of services		
Job work	16.37	36.55
Other Operating Revenue		
Export incentive	344.82	488.29
Fly ash sales	47.90	20.05
Miscellaneous waste sales	447.03	342.09
	91548.69	61077.64
Less : Excise duty	1543.55	952.28
Total	90005.14	60125.36

(₹ in Lacs)

21 OTHER INCOME:	Year ended March 31,2013	Year ended March 31,2012
Interest Income from foreign subsidiary	368.13	53.97
Commission Income	43.05	-
Profit on sale of Fixed Assets	2.97	0.44
Foreign exchange gain (Net)	151.16	171.09
Total	565.31	225.50

(₹ in Lacs)

22 COST OF MATERIALS CONSUMED:	Year ended March 31,2013	Year ended March 31,2012
Opening Stock		
Papers	3569.46	2353.55
Chemicals	49.54	35.10
	3619.00	2388.65
Add : Purchases		
Papers	22666.52	22712.68
Chemicals	514.35	412.76
	26799.87	25514.09
Less : Closing Stock		
Papers	3267.16	3569.46
Chemicals	62.90	49.54
Total	23469.81	21895.09

(₹ in Lacs)

23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Year ended March 31,2013	Year ended March 31,2012
Opening Stock		
Finished goods	315.61	242.54
Work in progress	903.43	284.71
Stock-in-trade	637.13	-
Total (A)	1856.17	527.25
Closing Stock		
Finished goods	292.72	315.61
Work in progress	887.06	903.43
Stock-in-trade	569.55	637.13
Total (B)	1749.33	1856.17
Total (A-B)	106.84	(1328.92)

(₹ in Lacs)

24 EMPLOYEE BENEFITS EXPENSE:	Year ended March 31,2013	Year ended March 31,2012
Salary and Wages	1701.72	1563.63
Contribution to Provident and other funds	82.94	73.60
Staff welfare expense	33.45	36.01
Total	1818.11	1673.24

(₹ in Lacs)

25 FINANCE COSTS:	Year ended March 31,2013	Year ended March 31,2012
(1) Interest expenses		
(a) Term loans	820.05	847.80
(b) Working capital facilities	1688.63	1118.11
(c) Others	482.14	137.19
	2990.82	2103.10
Less: Interest on Margin Money , Deposits and others*	168.14	143.66
	2822.68	1959.44
(2) Other borrowing cost	847.07	664.73
(3) Net loss on foreign currency transactions**	-	287.68
Total	3669.75	2911.85

*Interest expenses have been shown as net off interest received from trade parties, margin money and fixed deposits.

**Surplus of ₹ 151.16 Lacs being the impact of foreign exchange fluctuation on account of import, export, and foreign currency working capital have been recognized in other income. Pursuant to Notification No 914 (E) dated 29.12.2011 read with circular no 25/2012 dated 09.08.2012 issued by Ministry of Corporate Affairs, company has capitalised foreign currency gain/losses on long term borrowings for purchase of long term monetary assets and due to this ₹ 57.83 Lacs has been capitalised as a part of fixed assets.

(₹ in Lacs)

26 OTHER EXPENSES:	Year ended March 31,2013	Year ended March 31,2012
Consumption of stores & spare parts	265.15	299.01
Consumption of chemical	3816.65	3646.47
Consumption of power & fuel	5205.63	4432.98
Consumption of packing materials	795.09	534.90
Paper pulping, cutting, packing and finishing expenses	449.41	407.01
Bricks processing charges	44.50	72.94
Plastic sheet processing charges	17.10	7.53
<u>Repairs and maintenance :</u>		
Machinery	164.89	114.22
Building	35.74	12.63
Others	50.66	44.50
	251.29	171.35
Payment to auditors	10.86	9.84
Factory expenses	175.63	122.61
Insurance	128.00	89.84
Rent expense	37.37	15.00
Rates and Taxes [includes Wealth Tax ₹ 12200] [Previous year Wealth Tax ₹ 63456]	6.44	18.79
Excise duty adjustment for stocks (net)*	(1.00)	5.06
Advertisement, Stationery and Communication	70.65	70.60
Legal, Consultancy and Professional Fees	97.81	103.57
Freight & forwarding outward expense (export)	699.94	780.25
Sales outward expenses	400.04	410.37
Selling costs	642.06	599.37
Miscellaneous expenses	15.11	92.83
Donation	1.38	1.80
Travelling & conveyance	99.81	87.20
Total	13228.92	11979.32

* Excise duty adjustment for stock under expenditure represents aggregate of excise duty borne by the company and the difference between excise duty on opening and closing stock of finished goods.

(₹ in Lacs)

27 EXCEPTIONAL ITEMS:	Year ended March 31,2013	Year ended March 31,2012
Excess/(Short) provision of earlier years	(4.06)	(8.47)
Total	(4.06)	(8.47)

28 PROPOSED DIVIDEND:	2012-13	2011-12
Dividend proposed to be distributed to equity shareholders		
- Total Amount (In Lacs)	394.87	364.87
- Per Share	0.40	0.40

- 29) During the financial year 2011-12, the Company has acquired the 100% shares in both the subsidiary company viz. Rainbow Infrabuild Private Limited & Rainbow Papers, JLT. This being the first year of consolidation.
- 30) In case of Rainbow Papers JLT, Dubai, U.A.E. the revenue and expenses transactions at the year end reflected in Profit & Loss Account have been translated into Indian Rupees at an average of monthly exchange rate. The assets & liabilities in the Balance Sheet have been translated into Indian Rupees at the closing exchange rate at the year end. The resultant translation exchange gain/loss has been disclosed as "Foreign Currency Translation Reserve".
- 31) Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, the Company operates mainly in manufacturing and processing of Paper products and all other activities are incidental thereto, which have similar risk and return, accordingly, there are no separate reportable Segment as far as Primary Segment is concerned.

Information about Secondary Geographical Segments:

(₹ in Lacs)

Particulars	2012-13	2011-12
Operating Revenue by Geographical Segment		
India	43749.88	34710.13
Outside India	46255.26	25415.23
Addition to Fixed Assets and Intangible Assets		
India	34479.56	4424.53
Outside India	-	-
Carrying amount of Fixed Assets		
India	98392.74	69544.40
Outside India	-	-

Notes:

- 1) Geographical Segments considered for disclosures are as follows :
 - Operating revenue outside India includes Paper sales (incl. deemed Export), Export incentive, Exchange Fluctuation (Net) & Foreign Subsidiary's sales.
 - Previous year's figures have been regrouped or rearrange wherever necessary.
- 2) Operating revenue comprises

(₹ in Lacs)

Particulars	2012-13	2011-12
Sales	89165.39	59274.94
Other operating income	839.75	850.42

32) Related Party Disclosure:

- (a) List of Related Parties and Relationships:
 - i. Concern where significant interest exists.

Name of the Concern	Nature of Relationship
Orient Newsprint Ltd	Control exists
Drupa Suppliers Pvt. Ltd	Control exists
Rainbow Industrial Park Pvt. Ltd	Control exists
Nigo Best Packs Pvt. Ltd	Control exists
Windsor Paper Pvt. Ltd	Control exists

ii. Key Management Personnel and Relatives.

1.	Shri Ajay R Goenka	Chairman & Managing Director
2.	Shri Rahul J Maheswari	Executive Director (w.e.f 30.08.2011)
3.	Smt. Sangeeta A Goenka	Sr. Vice President (Executive Director till 28.05.2010)
4.	Smt. Niyati Agrawal	Sr. Vice President

(b) Disclosure of Related Party Transactions

(₹ in Lacs)

Nature of Transaction	Parties mentioned at a (i) above		Key management personnel	
	2012-13	2011-12	2012-13	2011-12
Unsecured Loan taken	7295.00	2745.00	-	-
Office Rent Paid	-	-	6.75	6.00
Directors' Remuneration	-	-	115.27	118.95
Salary	-	-	52.96	35.65
Interest income from subsidiaries	392.05	57.31	-	-
Issue of share (on conversion)	4875.00	-	-	-
Convertible Warrant issued	1518.75	915.00	-	-

Disclosures of material transactions with related parties during the year:

(₹ in Lacs)

Sr.No.	Description	Related Parties	Amount
1	Office Rent Paid	Shri Ajay R Goenka	6.75
2	Directors' Remuneration	Shri Ajay R Goenka	91.16
		Shri Rahul J Maheshwari	24.11
3	Salary	Smt. Sangeeta A. Goenka	24.08
		Smt. Niyati Agrawal	28.88
4	Convertible Warrant issued	Drupa Suppliers Pvt Limited	1518.75
5	Equity share issued on conversion of warrant	Orient Newsprint Limited	3660.00
		Drupa Suppliers Pvt Limited	1215.00
6	Unsecured Loan taken	Rainbow Industrial Park Pvt Ltd	2750.00
		Drupa Suppliers Pvt Limited	4545.00

33) Earnings per share:

Particulars		31.03.2013	31.03.2012
Net profit for the year attributable to Equity Shareholders	₹ Lacs	6114.00	4604.25
Weighted average number of Equity Shares outstanding for Basic earning per shares	Numbers	94595382	89567027
Weighted average number of Equity Shares outstanding for Diluted earning per shares	Numbers	97102232	93091617
Basic earnings per share (face value of ₹ 2 each)	₹	6.46	5.14
Diluted earnings per share (face value of ₹ 2 each)	₹	6.30	4.95

34) Derivative Instruments :

- a) The Company does not have entered into any forward contract to offset its foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee.
- b) Foreign currency exposure at the year end not hedged by derivative instruments.

(Amt in Lacs)

	2012-13	2011-12
Payables – USD	69.54	55.55
Receivables - USD	18.64	11.58
Receivables - AED	574.56	192.22
Payable - AED	4.56	58.79
Receivables – Euro	0.74	0.79
Bank Balance - USD	-	62.63
Bank Balance - AED	0.22	0.22
Term Loans - USD	41.27	393.78

35) Previous year's figures have been regrouped or rearranged wherever necessary.

As per our separate report of even date attached.

For Talati & Talati

Chartered Accountants
(Firm Reg No: 110758W)

Anand Sharma

Partner
Mem. No. 129033

Ahmedabad
May 9, 2013

For and on behalf of the Board of Directors

Ajay Goenka
Rahul Maheshwari
Rajendra Patawari
Shashikant Thakar
Kantibhai Patel
Runel Rathi

Ahmedabad
May 9, 2013

Chairman & Managing Director
Executive Director
Director
Director
Director
Company Secretary



STAND-ALONE
FINANCIAL
STATEMENTS

To the Members of Rainbow Papers Limited

Report on the Financial Statements

We have audited the accompanying financial statements of RAINBOW PAPERS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Talati & Talati
Chartered Accountants
Firm Regn No: 110758W

Anand Sharma
(Partner)
Membership No:129033

Place : Ahmedabad
Date : 09/05/2013

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

- (i) In respect of its fixed assets :
 - (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, the Company has a phased program of physical verification of its fixed assets, which in our opinion, is reasonable, having regard to the size of the Company and nature of its business. During the year, the company has physically verified some of the assets and no material discrepancies were noticed on such verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its Inventories :
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the records of the Company, we are of the opinion that the company is maintaining proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) In respect of the Loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956
 - (a) The Company has not given any Loan during the year to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Paragraph 4 (iii) (b), (c) & (d) of the Order are not applicable

- (e) The Company has taken Loan from two parties. In respect of the said loans, the maximum amount outstanding at any time during the year was ₹ 7295 Lacs and year-end balance is ₹ 7295 Lacs.
 - (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company, are not prejudicial to the interest of the Company.
 - (g) In respect of the said Loans and interest thereon, there are no overdue amounts.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) In respect of statutory dues:
- (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - (b) According to the records of the Company there are no dues of Value added Tax, Income-tax Sales Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess and other Statutory dues, etc which have not been deposited on account of any dispute:
- (x) The Company does not have any accumulated losses at the end of the Financial year. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the banks. The Company does not have debentures.

- (xii) In our opinion and according to explanations given to us and based on the information available, no loans and advances have been granted by company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund / nidhi / mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the company.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans, taken by others, from banks or financial institutions.
- (xvi) The Company has raised new Term Loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raise.
- (xvii) According to information and explanation given to us and on an overall examination of the financial statements and other records of the company, we are of the opinion that funds raised on short term basis have not been used for long term investments.
- (xviii) During the year the company has issued 60,00,000 Equity shares at a price of ₹ 61 (Face Value ₹ 2) and 15,00,000 Equity shares at a price of ₹ 81 (Face Value ₹ 2) amounting to ₹ 4875 lacs as preferential allotment of the share to the company covered in the register maintained u/s 301 of the Companies Act, 1956. The prices at which such shares has been issued is not prejudicial to the interest of the company.
- (xix) During the year covered by our audit report, the Company has not issued any debentures. Accordingly, the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by way of public issue during the year. However, we have verified the end use of money initially raised through GDR issue. The same is disclosed in the notes to the Financial Statements (Refer Note No. 3(e)).
- (xxi) Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud on or by the Company has been noticed or reported for the year under audit.

Place : Ahmedabad
Date : 09/05/2013

For Talati & Talati
Chartered Accountants
Firm Regn No: 110758W
Anand Sharma
(Partner)
Membership No:129033

BALANCE SHEET AS AT 31ST MARCH 2013

(₹ in Lacs)

Particulars	Note No	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	1974.35	1824.35
(b) Reserves and Surplus	4	36706.65	28935.38
(c) Money received against share warrants		1518.75	915.00
		40199.75	31674.73
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	58748.88	34625.94
(b) Deferred tax liabilities (Net)	6	3401.52	2387.85
(c) Long term provisions	7	156.93	113.60
		62307.33	37127.39
(3) Current Liabilities			
(a) Short-term borrowings	8	12136.93	12429.72
(b) Trade payables	9	9590.88	5914.58
(c) Other current liabilities	10	15121.82	12153.04
(d) Short-term provisions	11	571.37	516.54
		37421.00	31013.88
Total		139928.08	99816.00
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	12	62800.35	30984.36
(ii) Capital work-in-progress	13	35589.63	38557.20
(b) Non-current investments	14	56.90	41.90
(c) Long term loans and advances	15	6364.65	3038.33
		104811.53	72621.79
(2) Current assets			
(a) Inventories	16	7733.07	7646.74
(b) Trade receivables	17	11693.80	5482.92
(c) Cash and bank balances	18	1800.66	4167.17
(d) Short-term loans and advances	19	13889.02	9897.38
		35116.55	27194.21
Total		139928.08	99816.00

The accompanying notes are an integral part of these financial statements.

1 to 36

As per our separate report of even date attached.

For Talati & Talati

Chartered Accountants
(Firm Reg No: 110758W)

Anand Sharma

Partner
Mem. No. 129033

Ahmedabad
May 9, 2013

For and on behalf of the Board of Directors

Ajay Goenka
Rahul Maheshwari
Rajendra Patawari
Shashikant Thakar
Kantibhai Patel
Runel Rathi

Ahmedabad
May 9, 2013

Chairman & Managing Director
Executive Director
Director
Director
Director
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ in Lacs)

Particulars	Note No	For the year ended March 31, 2013	For the year ended March 31, 2012
I. Revenue from operations	21	54217.24	45987.62
Less : Excise duty		1543.55	952.28
Revenue from operations (Net)		52673.69	45035.34
II. Other income	22	522.26	225.50
III. Total Revenue (I + II)		53195.95	45260.84
IV. Expenses:			
Cost of materials consumed	23	23469.81	21895.09
Purchase of stock-in-trade		4127.90	993.12
		27597.71	22888.21
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(71.32)	(775.26)
Employee benefit expense	25	1791.97	1655.40
Finance costs	26	3276.29	2858.91
Depreciation and amortization expense	13	2662.31	2570.45
Other expenses	27	13201.81	11943.51
IV. Total Expenses		48458.77	41141.22
V. Profit before exceptional and extraordinary items and tax (III-IV)		4737.18	4119.62
VI. Prior period item		16.35	4.71
VII. Exceptional items	28	(4.06)	(8.47)
VIII. Profit before tax (V - VI-VII)		4749.47	4115.88
IX. Tax expense:			
Current tax		947.80	851.73
Less: MAT credit entitlement		(748.16)	(318.84)
Net current tax liability		199.64	532.89
Deferred tax		1013.67	306.74
X. Profit/(Loss) for the period (VIII-IX)		3536.16	3276.25
XI. Earnings per equity share:(Face value of ₹ 2 per share) (Refer Note No 33)			
(1) Basic		3.74	3.66
(2) Diluted		3.64	3.52

The accompanying notes are an integral part of these financial statements.

1 to 36

As per our separate report of even date attached.

For Talati & Talati

Chartered Accountants
(Firm Reg No: 110758W)

Anand Sharma

Partner
Mem. No. 129033

Ahmedabad
May 9, 2013

For and on behalf of the Board of Directors

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Runel Rathi

Ahmedabad
May 9, 2013

Chairman & Managing Director
Executive Director
Director
Director
Director
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-3-2013

(₹ in Lacs)

	31-03-2013	31-03-2012
A. Cash Flow from Operating Activities		
Net profit before extra ordinary items	4737.18	4119.63
<u>Adjustment For:</u>		
Provision for wealth tax	0.12	0.63
Depreciation & amortization expenses	2662.31	2570.45
Sundry balances written off	(0.81)	(3.48)
Finance costs	3276.29	2804.93
Loss/(Profit) on Sale of Assets	(2.94)	78.08
Operating profit before working capital changes	10672.15	9570.25
<u>Adjustment For:</u>		
Increase /(decrease) in trade payables	3676.30	1412.94
Increase /(decrease) in current liabilities and provisions	356.97	229.35
(Increase) /decrease in inventories	(86.34)	(2686.83)
(Increase) /decrease in trade receivables	(6210.88)	(603.58)
Cash generated from operating activities	8408.20	7922.14
Direct tax paid	(556.94)	(766.52)
Cash flow before extra-ordinary items	7851.26	7155.61
Extra-ordinary Items:		
Excess provision written back	4.06	8.47
Prior period expenses/income	16.35	(4.71)
Net cash flow from operating activities	7871.67	7159.37
B. Cash flow from Investing activities		
Purchase of fixed assets (including capital work in progress)	(31782.15)	(18568.89)
Sales of fixed assets	4.21	73.60
Movement in loans & advances	(6960.96)	(3085.09)
Investments in subsidiaries/other investment	(15.00)	(41.90)
Sale of investment	-	-
Dividend received	-	-
Interest income	192.06	250.77
Net cash flow from investing activities	(38561.84)	(21371.52)

	31-03-2013	31-03-2012
C. Cash flow from financing activities		
Proceeds from long term borrowings	38812.01	23254.82
Repayment of long term borrowings	(13125.89)	(15007.41)
Short term borrowings (net)	1032.58	5329.22
Proceeds from issue/conversion of warrants	4875.00	-
Re-payment of Share application money	-	(575.00)
Issue of share warrants	603.75	915.00
Interest paid	(3468.35)	(2768.02)
Dividend paid (including dividend distribution tax)	(405.45)	(423.49)
Net cash flow from financing activities	28323.65	10725.12
Net change in cash & cash equivalents(a+b+c)	(2366.52)	(3487.03)
Opening balance - cash and cash equivalent	4167.17	7654.20
Closing balance - cash and cash equivalent	1800.66	4167.17

Note:**1 CASH AND CASH EQUIVALENTS:**

Balance with Banks :

- In Collection accounts	36.14	49.83
- In Current accounts	29.67	19.80
- In EEFC accounts	-	.45
- Deposits with foreign bank	-	3203.49
Cash on hand	8.45	6.11

Other bank balances:

- In Dividend Accounts	13.40	13.36
- In Margin Money	1713.00	874.13

Total**1800.66** 4167.17

- 2 Cash & Cash Equivalents for the year ended March 31, 2013 includes unrealised Gain / (Loss) of (₹ 76.38 Lacs) (PY (₹ 391.46 Lacs)) on account of translation of Foreign Currency Bank Balance.

As per our separate report of even date attached.

For Talati & TalatiChartered Accountants
(Firm Reg No: 110758W)**Anand Sharma**Partner
Mem. No. 129033Ahmedabad
May 9, 2013

For and on behalf of the Board of Directors

Ajay Goenka
Rahul Maheshwari
Rajendra Patawari
Shashikant Thakar
Kantibhai Patel
Runel RathiAhmedabad
May 9, 2013Chairman & Managing Director
Executive Director
Director
Director
Director
Company Secretary

Notes to financial statement for the year ended 31 March 2013

1 1. CORPORATE INFORMATION :

The company is engaged in manufacturing and marketing of paper. It uses various qualities of waste papers as its raw material for manufacturing finished paper. The company offers wide range of paper including Writing & printing paper, Newsprint paper, Duplex Board, Coated Paper, Colour Paper and Board, Crepe paper, Poster paper, Cast coated paper & fluorescent paper.

During the financial year 2011-12 the company has acquired 100% equity shares in two companies viz. Rainbow Papers JLT(Dubai) and Rainbow Infrabuild Pvt Ltd.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENT:

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the provisions of the Companies Act 1956, and the applicable Accounting Standards notified under the Companies(Accounting Standards) Rules,2006. All Incomes and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

SIGNIFICANT ACCOUNTING POLICIES :

2 2.1 USE OF ESTIMATES:

The presentation of the Financial Statements, in conformity with the Generally Accepted Accounting policies, require the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.2 REVENUE RECOGNITION:

Sales are stated net of rebate and trade discount. It excludes Central Sales Tax and State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch of the goods.

Export benefits representing Custom Duty Rebate entitlement against exports made under Duty Entitlement Passbook Scheme, Focus Market Scheme and Duty free Import Authorization Scheme are accounted for on accrual basis.

Interest on deposits is recognized on accrual basis.

2.3 FIXED ASSETS:

Fixed Assets are stated at cost of acquisition or construction, net of accumulated depreciation, cenvat credit and adjustments arising from exchange rate variations relating to borrowings attributed to fixed assets. Cost includes incidental expenses capitalized from time to time on their due recognition, trial run expenses and interest attributable to the project till the date of commissioning.

Project under commissioning and other capital work-in-progress are carried at cost, comprising direct cost, related incidental pre-operative expenses, and attributed interest.

Advances paid towards the acquisition of Fixed Assets are included under the head Long term loans and advances shown as Capital advances.

2.4 DEPRECIATION:

The company has provided depreciation,

(1) On the additions made on or after 1.4.2009 to Plant & Machinery on "Straight Line Method" on Pro-rata basis in accordance with Section 205 (2)(b), at the rates specified in Schedule XIV of the Companies Act 1956.

(2) On all other Fixed Assets on "Written Down Value Method" on pro-rata basis in accordance with the Section 205 (2)(a), at the rates specified in Schedule XIV of the Companies Act 1956.

2.5 BORROWING COST:

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of

time to prepare for their intended future use. Interest on borrowings if any is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to respective borrowings.

2.6 INVESTMENTS:

Investments are classified as Long Term & Current Investments. Long Term Investments are valued at cost less provision for diminution other than temporary in value, if any. Current Investments are valued at Cost or Net Realizable Value whichever is lower.

2.7 INVENTORIES:

Raw Materials, Packing Materials, Coal and Furnace Oil are valued at lower of cost or net realizable value after considering the credit of VAT and Cenvat. Stores & Spares are valued at cost. Inventories of Finished Goods and Work in Progress are valued at lower of cost or net realizable value. Stock in transit and Stock lying at third party Premises are valued at cost. Cost is determined on First-in-first-out basis. The cost of Work-in-progress and Finished goods includes the cost of material, labour, manufacturing and other overheads.

2.8 EXCISE DUTY AND CENVAT CREDIT:

Excise Duty payable on finished goods is accounted for on clearance of goods. CENVAT Credit on Capital Goods and inputs is accounted for on the date of actual receipt of the same, respectively.

2.9 FOREIGN CURRENCY TRANSACTIONS:

i) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency of the transaction.

ii) Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate of the date of transaction; and non-monetary items which are carried of fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the values were denominated.

iii) Exchange Difference:

Exchange difference arising on the settlement of monetary items or on reporting Company's monetary items of rates different from those of which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

iv) Forward Exchange Contracts not intended for trading:

The premium or discount arising of the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange difference on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

2.10 EMPLOYEES RETIREMENT BENEFITS:

(a) Short Term

Short Term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

(b) Long Term

The Company has both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.

Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund. The Company's Payments to the defined contributions plans are reported as expenses during the period in which the employee perform the services that the payment covers.

Defined Benefit Plans

Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expense over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

Other Employee Benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit converts and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid.

2.11 IMPAIRMENT OF ASSETS:

The carrying value of assets of the Company's cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amount of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sale.

As per the assessment conducted by the Company at March 31, 2013, there were no indications that the fixed assets have suffered an impairment loss.

2.12 TAXATION:

A provision for Current Tax has been made at the current tax rate based on assessable income or on the basis of Sec. 115JB of the Income Tax Act, 1961 (Minimum Alternative Tax), whichever is higher.

Deferred Tax resulting from "timing differences that are temporary in nature" between accounting and taxable profit is accounted for, using the tax rates and laws that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable or virtual certainty, as the case may be, that the asset will be realised in future.

2.13 EARNING PER SHARE:

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted earning per Share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

2.14 CASH FLOW STATEMENT:

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in Cash Flow Statement consist of cash on hand and demand deposits with banks.

2.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimated required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

3 SHARE CAPITAL :

	As at March 31,2013	As at March 31,2012
Authorised Capital: 17,50,00,000 Equity Shares of ₹ 2/- each (PY 17,50,00,000 Equity Shares of ₹ 2/- each)	3500.00	3500.00
Issued, Subscribed & Fully Paid up Capital: 9,87,17,300 Equity shares of ₹ 2/- each fully paid (PY 9,12,17,300 Equity Shares of ₹ 2/- each fully paid)	1974.35	1824.35
Out of the above 5,11,77,275 of ₹ 2 each (PY 5,11,77,275 Equity Shares of ₹ 2 each) fully paid up represent Global Depository Receipts (GDRs) Outstanding GDRs for conversion into Equity Shares are 2,86,39,725 (PY 2,88,89,725)		
	1974.35	1824.35

(a) Reconciliation of number of shares :

Equity shares:	As at March 31, 2013		As at March 31, 2012	
	No of Shares	Amount in Lacs	No of Shares	Amount in Lacs
Shares outstanding at the beginning of the year	91,217,300	1824.35	87,217,300	1744.35
Add: Preferential issue of shares during the year	-	-	4,000,000	80.00
Add: Conversion of Convertible Warrants during the year	7,500,000	150.00	-	-
Shares outstanding at the end of the year	98,717,300	1974.35	91,217,300	1824.35

(b) Terms/rights ,preferences and restrictions attached to securities:**Equity Shares:**

The company has one class of equity shares having a par value of ₹ 2 each. Each share holder is eligible for one vote per share held. The dividend proposed by the board of director is subject to the approval of share holders in the ensuing Annual General meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential dues, in proportion to their shareholding.

During the year ended 31 March 2013, the amount of per share dividend recognized for distribution to equity shareholders was ₹ 0.40 (P.Y.31 March 2012 Rs.0.40)

(c) Details of share holders holding more than 5% shares in the company:

Name of share holders	As at March 31, 2013		As at March 31, 2012	
	No of Shares held	% of holding	No of Shares held	% of holding
Orient Newsprint Limited	23,377,520	23.68	17,377,520	19.05
Devkant Synthetics (India) Pvt Ltd	3,742,945	3.79	5,040,852	5.53
Rainbow Industrial Park Pvt Ltd	6,819,000	6.91	6,819,000	7.48
Drupa Suppliers Pvt Limited*	6,653,000	6.74	5,153,000	5.65
Headway Capital Advisors Limited	5,598,197	5.67	4,100,000	4.49

* 15,00,000 equity shares allotted on conversion of warrants on 30.03.2013, Listing & trading permission from exchanges awaited.

(d) **Terms of securities convertible into equity shares:**

Convertible Warrants:

On December 20, 2012 the company has allotted 90,00,000 convertible warrants on preferential allotment basis to promoter group company at a price of ₹ 81/- which shall be convertible into equity shares (at the sole option of warrant holder(s)) at any time within a period of 18 months from the date of allotment of warrants. The lock-in of shares acquired by exercise of the warrants shall be for the period of 3 years.

- (e) On 28th January 2010 the Company had issued and allotted Global Depository Receipts (GDRs). The said GDRs are listed on at Euro MTF Market of Luxemburg Stock Exchange and the funds raised have been and are being utilized to finance the Expansion Plan and balance funds pending utilization have been placed as deposit with the Foreign Bank. The details of funds activity during the year are as follow:

	(₹ In Lacs)	
Particulars	2012-13 Amount	2011-12 Amount
Opening Balance	3204.63	6,239.65
Income earned on Unutilised Money	1.32	19.61
Total	3205.95	6259.26
Amount Utilised for Expansion Projects and Working Capital Requirements	3205.95	3054.63
Amount Unutilised & placed as deposited	-	3204.63

4 RESERVES & SURPLUS :	As at March 31,2013	As at March 31,2012
Capital Reserve	30.19	30.19
Securities Premium		
Balance as per last accounts	14915.20	12555.20
Add: Premium on issue of preferential shares	4725.00	2360.00
	19640.20	14915.20
Other Reserves :		
General Reserve		
Balance as per last accounts	2030.87	1784.87
Add : Amount transferred from surplus balance in statement of Profit & Loss	270.00	246.00
	2300.87	2030.87
Forfeiture of Warrants	27.43	27.43
Surplus in Statement of Profit & Loss :		
Balance as per last accounts	11931.69	9344.08
Less : Dividend Paid on 60,00,000 Convertible Warrants		
Dividend Paid	24.00	16.00
Dividend Distribution tax paid (P.Y. 40,00,000 Equity Shares)	3.89	2.58
	11903.80	9325.51
Profit for the year	3536.16	3276.25
Less: Appropriations		
Proposed dividend on Equity Shares for the year	394.87	364.87
Dividend distribution tax on Proposed dividend	67.13	59.19
Transfer to General Reserve	270.00	246.00
	14707.96	11931.69
Total	36706.65	28935.38

5 LONG TERM BORROWINGS:	As at March 31,2013	As at March 31,2012
(A) Secured :		
a From banks:		
- Rupee term loans	40541.88	8162.79
- Foreign currency term loans	1139.47	15321.13
- Vehicle loans	10.59	2.54
b From others(Financial Instituions):		
- Rupee term loan	1809.38	2952.36
- Vehicle loans	2.54	4.15
(B) Unsecured :		
a Term loan		
From Others:		
- Financial institutions	3000.00	3000.00
b Deposits		
- Inter Corporate Deposits	-	404.46
c Loans and advances from related parties	7295.00	2745.00
d Other loans and advances		
- From Banks	-	2033.51
- From others	4950.02	-
Total	58748.88	34625.94

(a) Nature of security and terms of repayment for secured borrowings**Term loan :**

Term Loan in Rupee Currency are secured by way of First hypothecation charge on Pari passu basis over the fixed assets (both present and future to be acquired from the respective term loan) of Paper and Coating Division situated at village: Rajpur, Taluka: Kadi, Dist:Mehsana. Second charge on paripasu basis on all current assets of the company. The loan is further secured by personal guarantee of Managing Director, Promoters and body corporates. Term Loan is carrying Rate of Interest(at present) from 13% to 14.50% p.a. repayable over a period of 5 to 7 years.

Term Loan in Foreign currency are secured by way of First hypothecation charge on Pari passu basis over the fixed assets (both present and future to be acquired from the respective term loan) of Paper and Coating Division situated at village: Rajpur, Taluka: Kadi, Dist:Mehsana. Second charge on paripasu basis on all current assets of the company. The loan is further secured by personal guarantee of Managing Director, Promoters and body corporates. Term Loan is carrying Rate of Interest(at present) from LIBOR+ 7 to 8.5% repayable over a period of 5 years.

Corporate Loan from Allahabad Bank secured by way of exclusive charge on survey no 1439,1440 p & 1441 p admeasuring 11288 sq. meter area together with building and fixed structure thereon situated at village: Rajpur, Taluka: Kadi, Dist:Mehsana. The loan is further secured by personal guarantee of Managing Director of the company. Term Loan is carrying Rate of Interest (at present) 12.95% p.a. repayable in 16 equal monthly installments having moratorium period of 6 months.

Loan from financial institution is secured by way of exclusive charge on survey no 1524,1457-58,1483-84,1447/4/2 together with building and fixed structure thereon situated at village: Rajpur, Taluka: Kadi, Dist:Mehsana. The loan is further secured by personal guarantee of Managing Director, promoter and promoter group company. Term Loan is carrying Rate of Interest (at present) 15% p.a. repayable in 42 equal monthly installments.

Vehicle Loan:

Secured vehicle loan from banks are secured by hypothecation of vehicles and are repayable over a period of 3 years carrying rate of interest 6 to 8% p.a..Further loan is guaranteed by Managing Director of the company.

Secured vehicle loan from financial institutions are secured by hypothecation of vehicles and are repayable over a period of 3 years carrying rate of interest 9 to 11 p.a.%. Further loan is guaranteed by Managing Director of the company.

(b) The period and amount of installments due are as under:

Financial Year	Amount	Financial Year	Amount
2014-15	11597.13	2018-19	3453.21
2015-16	10204.09	2019-20	3453.00
2016-17	7810.26	2020-21	3453.17
2017-18	3626.00	2021-22	2907.00

(c) Terms of repayment for unsecured borrowings**Loan from financial institution:**

The company shall repay the loan in two installments with the first installment of ₹ 1000.00 Lacs payable on 31.03.2015 and second installment of ₹ 2000.00 Lacs payable on 31.03.2016 which carries Rate of Interest(at present) 15% p.a.

The Company has pledged 11940000 Equity Shares of Face Value of ₹ 2/- each, being held by one of its Promoter Group company for availing Corporate Term Loan of ₹ 3000.00 Lacs.

Inter Corporate Deposits:

The company had taken interest free inter corporate deposit which is repayable after a period of one year.

Loans and advances from related parties:

The company has taken interest free advance from related parties which is repayable after a period of one year.

Other loan & advances includes trade deposit accepted for a period more than one year.

6 DEFERRED TAX LIABILITIES (NET):	As at March 31,2013	As at March 31,2012
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	3418.01	2412.20
Gross deferred tax liability	3418.01	2412.20
Deferred tax assets		
Gratuity	11.59	16.33
Leave Encashment	4.90	8.02
Gross deferred tax asset	16.49	24.35
Net deferred tax liability	3401.52	2387.85

Deferred Tax Liability calculated as above is excluding the assets pertaining to Power Generating Units, the income of which being deductible u/s 80 IA of The Income Tax Act 1961, As prescribed in ASI 3 & ASI 5 regarding application of AS 22 in situation of "Tax Holiday" period under Section 80 IA, where the timing difference arising in a year is reversed during Tax Holiday period itself, no Deferred Tax should be recognized.

(₹ in Lacs)

7 LONG TERM PROVISIONS:	As at March 31,2013	As at March 31,2012
Provisions for employee benefits :		
Provision for gratuity	92.95	64.00
Provision for leave encashment	63.98	49.60
Total	156.93	113.60

(₹ in Lacs)

8 SHORT TERM BORROWINGS:	As at March 31,2013	As at March 31,2012
(A) Secured :		
Loans repayable on demand:		
From Banks:		
a. Cash Credit Facility		
- Rupee Loan	7916.62	9244.27
- Foreign Currency Loan	483.25	473.27
b. Packing Credit Facility	-	44.20
(B) Unsecured :		
Other Loans and advances :		
From Banks (Buyer's Credit)	3737.06	2613.33
From Banks (Packing credit facility)	-	54.65
Total	12136.93	12429.72

Nature of security provided for cash credit facility:

Cash Credit Limit is secured by way of First hypothecation charge on Pari passu basis over the current assets of the company, situated at 1423 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana. Second charge on paripasu basis on all fixed assets, situated at survey no 1423 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana. The loan is further secured by personal guarantee of Managing Director, Promoter and a body corporate.

Nature of security provided for packing credit facility:

Packing Credit Limit was secured by way of First hypothecation charge on Pari passu basis over the current assets of the company, situated at 1423 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana. Second charge on paripasu basis on all fixed assets, situated at survey no 1423 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana. The loan is further secured by personal guarantee of Managing Director, Promoter and a body corporate.

(₹ in Lacs)

9 TRADE PAYABLES:	As at March 31,2013	As at March 31,2012
- Acceptances	6891.15	4008.89
- Due to Micro Small & Medium Enterprises*	126.06	175.44
- For Goods, services & trade deposits	2573.67	1730.25
Total	9590.88	5914.58

* Based on the information/documents/ parties identified by the company and to the extent information available/ gathered, information as required to be disclosed as per Micro, Small & Medium Enterprise Development Act, 2006 have been determined as follows:

	2012-13	2011-12
Principal Amount Outstanding	126.05	175.44
Interest Due	2.53	2.27
Amount paid to suppliers beyond respective due dates	-	-
Amount of Interest due payable	-	-
Amount of Interest accrued and remaining unpaid at the end of the year	2.53	2.27

Whatever information the company could identify as above were possible at the year end only, and in view of this according to the company, it could not identify payments beyond due date during the year and to make interest provisions to that extent, due to numerous transactions concluded during the year as per the agreed terms with the suppliers. However the company has made due interest provisions over the requisite year end balances.

(₹ in Lacs)

10 OTHER CURRENT LIABILITIES:	As at March 31,2013	As at March 31,2012
Current maturities of long term debts	10970.63	9887.05
Interest accrued and due on borrowings	468.38	226.59
Unclaimed dividend*	13.40	13.36
Other payables:		
- Statutory dues and unpaid expenses	660.21	309.58
- Advances from customers	76.73	131.25
- Creditors for capital goods	2932.47	1585.21
Total	15121.82	12153.04

* Liability towards Investor Education and Protection Fund under Section 205C of The Companies Act, 1956 (Not Due as on 31.03.2013 / 31.03.2012)

(₹ in Lacs)

11 SHORT TERM PROVISIONS:	As at March 31,2013	As at March 31,2012
Provision for employee benefits:		
Provision for bonus	64.26	54.22
Provision for gratuity	41.41	34.64
Provision for leave encashment	3.14	2.43
Others:		
Provision for proposed dividend on equity shares	394.87	364.87
Provision for dividend distribution tax on proposed dividend	67.13	59.19
Provision for wealth tax	0.57	1.19
Total	571.37	516.54

Note - 12 : TANGIBLE FIXED ASSETS

	Land	Factory Building	Tubewell	Office Building	Plant & Machinery	Electrical Installation	Workshop Equipment	Laboratory Equipment	Furniture	Vehicles	Office Equipment	Computers	Air Conditioners	Total
Cost of assets														
At 1 April 2011	558.20	3084.14	32.36	476.53	37173.62	264.30	17.76	14.28	62.46	100.95	27.51	227.95	52.02	42092.08
Additions	68.30	439.49	-	-	3399.75	-	-	20.70	4.48	14.97	7.83	12.60	4.55	3972.67
Disposal / Adjustment	-	-	-	-	240.00	-	-	-	-	0.38	-	-	0.09	240.47
Exchange Differences	-	31.98	-	-	419.79	-	-	-	-	-	-	-	-	451.77
At 31 March 2012	626.50	3555.61	32.36	476.53	40753.16	264.30	17.76	34.98	66.93	115.55	35.35	240.55	56.48	46276.04
Additions	270.39	3005.62	2.11	-	30811.33	-	-	9.78	2.09	50.54	14.02	6.41	12.51	34184.80
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	9.70	-	-	0.15	9.85
Exchange Differences	-	19.76	-	-	274.99	-	-	-	-	-	-	-	-	294.75
At 31 March 2013	896.89	6580.99	34.47	476.53	71839.48	264.30	17.76	44.76	69.02	156.39	49.37	246.96	68.84	80745.74
Depreciation														
At 1 April 2011	-	977.53	14.98	113.75	11128.96	213.71	14.57	11.66	46.53	51.74	13.67	201.21	21.84	12810.13
Charge for the year	-	216.46	0.87	18.14	2287.96	7.04	0.49	1.86	3.53	13.38	2.57	13.65	4.49	2570.44
Disposal / Adjustment	-	-	-	-	87.96	-	-	-	-	0.84	-	-	0.08	88.88
At 31 March 2012	-	1193.99	15.85	131.89	13328.96	220.74	15.06	13.53	50.06	64.28	16.23	214.86	26.25	15291.68
Charge for the year	-	250.03	0.89	17.23	2342.53	6.06	0.41	3.44	3.24	17.66	3.91	11.51	5.38	2662.31
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	8.52	-	-	0.07	8.59
At 31 March 2013	-	1444.02	16.74	149.12	15671.49	226.80	15.47	16.97	53.30	73.42	20.14	226.37	31.56	17945.39
Net Block														
At 31 March 2012	626.50	2361.62	16.50	344.65	27424.19	43.56	2.70	21.46	16.87	51.27	19.12	25.69	30.23	30984.36
At 31 March 2013	896.89	5136.97	17.73	327.38	56167.99	37.50	2.29	27.79	15.72	82.97	29.23	20.59	37.28	62800.35

Deferral/capitalization of exchange differences:

The company has opted to follow the option granted by notification no 225(E) dated March 31, 2009 issued by the Ministry of Corporate Affairs relating to limited relaxation in the provision of "Accounting Standard-11" in respect of Foreign Exchange differences on foreign currency loans:

- Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.
- In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized to the Profit and Loss account over the balance life of the long-term monetary item, however the period of amortization does not extend beyond; March 31, 2020 [extended by notification no GSR 913(E) dated 29th December 2011].

Accordingly, ₹ 294.75 Lacs has been added (PY ₹ 451.77 was added) to the cost of the fixed assets.

(₹ in Lacs)

13 CAPITAL WORK IN PROGRESS COMPRISES:	31.03.2013	31.03.2012
Building and Plant & Machinery, Pre operative expenses (Pending Allocation)	35,589.63	38,557.20
Total	35,589.63	38,557.20

- Cost of Fixed Assets and pre-operative expenses, being technical matter, are capitalized or allocated to Capital work in progress on the basis of data certified by technical person & the management.
- Borrowing cost includes interest and other bank charges including the exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs which are directly related to the acquisition & construction of a qualifying asset.
- Advances to Project suppliers are shown under Long term loans & advances included in Capital advances.

(₹ in Lacs)

14 NON CURRENT INVESTMENT:	As at March 31,2013	As at March 31,2012
Trade investments		
Investment in equity instruments		
Unquoted		
Investment in wholly owned subsidiaries:		
a) 10,000 Equity Shares [March 31, 2012: 10000] Face Value of ₹ 10 each held in Rainbow Infrabuild Private Limited (At cost)	1.00	1.00
b) 300 Equity Shares [March 31, 2012: 300] Face Value of AED 1000 each in Rainbow Papers JLT (At cost)	40.90	40.90
Investment in Mutual Fund		
1,50,000 Units [March 31,2012: Nil] Face Value of ₹ 10 each of Union KBC Mutual Fund (At cost)	15.00	-
Total	56.90	41.90

Aggregate amount of unquoted investment of ₹ 56.90 Lacs

(₹ in Lacs)

15 LONG-TERM LOANS & ADVANCES: (Unsecured, considered good, unless otherwise stated)	As at March 31,2013	As at March 31,2012
(a) Capital advances	6353.08	2930.45
(b) Security deposits	7.52	16.58
(c) Other loans & advances		
- Advances recoverable in cash or kind*	4.05	91.30
Total	6364.65	3038.33

*It includes expenses which are amortised over a period of more than 12 months.

(₹ in Lacs)

16 INVENTORIES: (valued at lower of cost or net realizable value)	As at March 31,2013	As at March 31,2012
Raw materials:		
- Paper	3131.94	3351.96
[Goods in transit]	135.22	217.50
- Chemicals	1145.02	1139.27
[Goods in transit]	53.72	77.04
Work-in-progress	887.06	903.43
Finished goods	292.72	315.61
Stock in trade (In respect of goods acquired for trading)	194.05	83.47
Stores & spares	1037.67	755.05
[Goods in transit]	1.46	0.91
Loose tools	402.04	381.68
Others:		
Fuels, packing material & chemicals	389.52	410.74
[Goods in transit]	62.65	10.08
(Above inventories taken, valued and certified by the management)		
Total	7733.07	7646.74

(₹ in Lacs)

17 TRADE RECEIVABLES: (Unsecured, considered good, unless otherwise stated)	As at March 31,2013	As at March 31,2012
Outstanding for a period exceeding 6 months from the date they are due for payment	78.21	108.42
Others	11615.59	5374.50
Total	11693.80	5482.92

(₹ in Lacs)

18 CASH AND BANK BALANCES:	As at March 31,2013	As at March 31,2012
Cash and cash equivalent :		
a Balance with Banks :		
- In Collection accounts	36.14	49.83
- In Current accounts	29.67	19.80
- In EEFC accounts	-	0.45
- Deposits with foreign bank	-	3203.49
b Cash on hand	8.45	6.11
c Other bank balances:		
- In Dividend Accounts	13.40	13.36
- In Margin Money*	1713.00	874.13
Total	1800.66	4167.17

* Margin Money deposits with a carrying amount of ₹ 1712.99 Lacs (31 March 2012: ₹ 874.13 Lacs are given as margin against Letter of Credit open with bank)

(₹ in Lacs)

19 SHORT-TERM LOANS AND ADVANCES:	As at	As at
Unsecured considered good, unless otherwise stated:	March 31,2013	March 31,2012
Loans and advances to related parties:		
- Loans to subsidiaries*	4991.08	1416.01
Other loans and advances:		
- Advances recoverable in cash or kind	21.13	28.92
- Advances to creditors	4775.79	5135.95
- Balances with government authorities	2094.57	1735.26
- Advance tax and mat credit entitlement	1814.33	1457.04
- Advance fringe benefit tax	0.53	0.53
- Prepaid expenses	191.59	123.67
Total	13889.02	9897.38

Disclosure under Clause 32 of Listing Agreement

(₹ in Lacs)

*Subsidiary Company	Outstanding as at	Maximum Balance
	March 31,2013	outstanding during
		the year ended
		March 31,2013
Rainbow Infrabuild Pvt. Ltd.	132.92	372.81
Rainbow Papers JLT	4858.16	4858.16

(Previous Year outstanding in Rainbow Infrabuild Pvt. Ltd. is ₹ 354.87 Lacs and in Rainbow Papers JLT ₹ 1061.15 Lacs)

20 Contingent liabilities and commitments (to the extent not provided for):

(₹ in Lacs)

Contingent liabilities	As at	As at
	March 31,2013	March 31,2012
Guarantees:		
- Bank Guarantee	803.68	526.65
Other money for which company is contingently liable:		
- Additional Premium on Land	-	18.78
- Export obligation in respect of custom duty on machinery imported on EPCG scheme	2875.94	-

Commitment:

Estimated amount of contracts, remaining to be executed on capital accounts and not provided for ₹ 1419.75 Lacs net of advance (PY ₹ 5138.61 Lacs).

(₹ in Lacs)

21 REVENUE FROM OPERATIONS:	Year ended March 31,2013	Year ended March 31,2012
Sale of products		
Paper sales	39565.65	32844.65
Paper sales (export) (including deemed exports)	9244.52	10990.73
Paper sales (trading)	4300.77	998.76
Bricks sales	105.95	73.35
Plastic sheet sales	144.23	193.15
Sale of services		
Job work	16.37	36.55
Other Operating Revenue		
Export incentive	344.82	488.29
Fly ash sales	47.90	20.05
Miscellaneous waste sales	447.03	342.09
	54217.24	45987.62
Less : Excise duty	1543.55	952.28
Total	52673.69	45035.34

(₹ in Lacs)

22 OTHER INCOME:	Year ended March 31,2013	Year ended March 31,2012
Interest income from foreign subsidiary	368.13	53.97
Profit on sale of Fixed Assets	2.97	0.44
Foreign exchange gain (Net)	151.16	171.09
Total	522.26	225.50

(₹ in Lacs)

23 COST OF MATERIALS CONSUMED:	Year ended March 31,2013	Year ended March 31,2012
Opening Stock		
Papers	3569.46	2353.55
Chemicals	49.54	35.10
	3619.00	2388.65
Add : Purchases		
Papers	22666.52	22712.68
Chemicals	514.35	412.76
	26799.87	25514.09
Less : Closing Stock		
Papers	3267.16	3569.46
Chemicals	62.90	49.54
Total	23469.81	21895.09

(₹ in Lacs)

24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Year ended March 31,2013	Year ended March 31,2012
Opening Stock		
Finished goods	315.61	242.54
Work in progress	903.43	284.71
Stock-in-trade	83.47	-
Total (A)	1302.51	527.25
Closing Stock		
Finished goods	292.72	315.61
Work in progress	887.06	903.43
Stock-in-trade	194.05	83.47
Total (B)	1373.83	1302.51
Total (A-B)	(71.32)	(775.26)

(₹ in Lacs)

25 EMPLOYEE BENEFITS EXPENSE:	Year ended March 31,2013	Year ended March 31,2012
Salary and Wages	1675.58	1545.79
Contribution to Provident and other funds	82.94	73.60
Staff welfare expense	33.45	36.01
Total	1791.97	1655.40

Defined Contribution Plan

Contribution to defined contribution plan, recognised as expense for the year are as under: (₹ in Lacs)

Particulars	2012-13	2011-12
Employer's Contribution to Provident Fund	22.08	19.49
Employer's Contribution to Pension Scheme	49.00	43.63
Employer's Contribution to Provident Fund(For Key Personnel)	0.11	0.05
Employer's Contribution to Pension Scheme(For Key Personnel)	0.26	0.13

Defined Benefit Plan

The Company has adopted Accounting Standard 15 (AS-15) (Revised) "Employee Benefits" which is mandatory from accounting periods starting from Dec 7, 2006. Accordingly, the Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method.

(₹ in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
I. Reconciliation of opening and closing balance of Defined Benefit Obligation				
Opening defined benefit obligation	115.08	65.09	52.03	27.31
Excess / Short provision	-	(0.38)	-	-
Service cost	28.16	24.28	13.88	14.04
Interest cost	9.55	5.46	4.01	2.64
Actuarial (Gain) / Loss	6.49	24.89	7.01	14.81
Benefits paid	(5.51)	(4.26)	(9.80)	(6.78)
Closing defined benefit obligation	153.77	115.08	67.13	52.03

II. Reconciliation of opening and closing balance of fair value of plan assets

(₹ in Lacs)

	Gratuity (Funded)	
	2012-13	2011-12
Opening fair value of plan assets	16.44	17.31
Expected return	1.48	1.51
Actuarial Gain / (Loss)	1.44	(1.84)
Employer contribution	5.57	3.73
Benefits paid	(5.51)	(4.26)
Closing fair value of plan assets	19.42	16.44

III. Reconciliation of fair value of assets and obligation

(₹ in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Fair value of plan assets	19.42	16.44	-	-
Present value of obligation	153.77	115.08	67.13	52.03
Amount recognised in balance sheet	134.35	98.64	67.13	52.03

IV. Expense recognised during the year (under the head "Employee benefit expense" of Notes '25')

(₹ in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Service cost	28.16	24.28	13.88	14.04
Interest cost	9.55	5.46	4.01	2.64
Expected return on plan assets	(1.48)	(1.51)	0.00	0.00
Actuarial (Gain) / Loss	5.05	26.36	7.01	14.81
Net cost included in 'Employee Benefit Expense'	41.28	54.59	24.90	31.50

V. Investment Details

% Invested

	2012-13 (%)	2011-12 (%)
	Public sector securities	77%
FDR with banks	20%	21%
Balance with banks	3%	1%
Total	100%	100%

VI. Actuarial Assumptions

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Mortality Table(LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.10%	8.50%	8.10%	8.50%
Expected rate of return on plan assets (per annum)	9.00%	9.00%	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%

VII Amount for the current and previous four periods are as follows:-

	31.03.2013 Rs. in lacs	31.03.2012 Rs. in lacs	31.03.2011 Rs. in lacs	31.03.2010 Rs. in lacs	31.03.2009 Rs. in lacs
Gratuity(Funded)					
Defined Benefit obligation	153.77	115.08	65.09	66.94	81.58
Plan asset	19.42	16.44	17.31	18.69	30.15
Surplus/(deficit)	(134.35)	(98.64)	(47.78)	(48.25)	(51.43)
Experience adjustment on plan liability	1.77	27.18	-	-	-
Experience adjustment on plan assets	(1.44)	1.47	-	-	-
Leave Encashment (Unfunded)					
Defined benefit obligation	67.13	52.03	27.31	14.06	17.51
Experience adjustment on plan liability	4.97	8.80	-	-	-

VIII. Expected Employer's contribution for the next financial year

On the basis of previous year's trend, company is expecting to contribute the same amount as in 2012-13 to the defined contribution plan.

For the defined benefit plan company is not liable to contribute any amount for leave encashment as the plan is unfunded. However, for the gratuity which is funded, company is expecting to contribute such amount which can mitigate its future liability.

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(₹ in Lacs)

26 FINANCE COSTS:	Year ended March 31,2013	Year ended March 31,2012
(1) Interest expenses		
(a) Term loans	820.05	847.80
(b) Working capital facilities	1688.63	1118.11
(c) Others	114.14	137.89
	2622.82	2103.80
Less: Interest on Margin Money , Deposits and others*	192.06	196.80
	2430.76	1907.00
(2) Other borrowing cost	845.53	664.23
(3) Net loss on foreign currency transactions**	-	287.68
Total	3276.29	2858.91

*Interest expenses have been shown as net off interest received from trade parties, margin money and fixed deposits.

**Surplus of ₹ 151.16 Lacs being the impact of foreign exchange fluctuation on account of import, export, and foreign currency working capital have been recognized in other income. Pursuant to Notification No 914 (E) dated 29.12.2011 read with circular no 25/2012 dated 09.08.2012 issued by Ministry of Corporate Affairs, company has capitalised foreign currency gain/losses on long term borrowings for purchase of long term monetary assets and due to this ₹ 57.83 Lacs has been capitalised as a part of fixed assets.

(₹ in Lacs)

27 OTHER EXPENSES:	Year ended March 31,2013	Year ended March 31,2012
Consumption of stores & spare parts	265.15	299.01
Consumption of chemical	3816.65	3646.47
Consumption of power & fuel	5205.63	4432.98
Consumption of packing materials	795.09	534.90
Paper pulping, cutting, packing and finishing expenses	449.41	407.01
Bricks processing charges	44.50	72.94
Plastic sheet processing charges	17.10	7.53
<u>Repairs and maintenance :</u>		
Machinery	164.89	114.22
Building	35.74	12.63
Others	50.66	44.50
	251.29	171.35
Payment to auditors#	10.55	9.59
Factory expenses	175.63	122.61
Insurance	128.00	89.84
Rent expense	16.75	15.00
Rates and Taxes [includes Wealth Tax ₹ 12200] [Previous year Wealth Tax ₹ 63456]	6.44	8.94
Excise duty adjustment for stocks (net)*	(1.00)	5.06
Advertisement, Stationery and Communication	68.50	69.93
Legal, Consultancy and Professional Fees	97.58	80.86
Freight & forwarding outward expense (export)	699.94	780.25
Sales outward expenses	400.04	410.37
Selling costs	641.18	599.37
Miscellaneous expenses	13.50	91.83
Donation	1.38	1.80
Travelling & conveyance	98.50	85.87
Total	13201.81	11943.51

* Excise duty adjustment for stock under expenditure represents aggregate of excise duty borne by the company and the difference between excise duty on opening and closing stock of finished goods.

(₹ in Lacs)

# Payment to auditors	March 31,2013	March 31,2012
As auditor:		
Statutory auditor	7.00	7.00
Tax auditor	0.80	0.80
For taxation matters	0.40	0.30
For company law matters	0.90	0.26
For other services	1.45	1.24
	10.55	9.59

(₹ in Lacs)

28 EXCEPTIONAL ITEMS:	Year ended March 31,2013	Year ended March 31,2012
Excess/(Short) provision of earlier years	(4.06)	(8.47)
Total	(4.06)	(8.47)

29) PROPOSED DIVIDEND:	2012-13	2011-12
Dividend proposed to be distributed to equity shareholders		
- Total Amount (in Lacs)	394.87	364.87
- Per Share	0.40	0.40

30) Balances of Unsecured Loans, Creditors, Debtors, Loans & Advances and other parties are subject to their confirmations and reconciliation, due adjustment, if necessary, will be made on receipt thereof. However, the management does not expect any material difference affecting the current years' financial statements.

31) Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, the Company operates mainly in manufacturing and processing of Paper products and all other activities are incidental thereto, which have similar risk and return, accordingly, there are no separate reportable Segment as far as Primary Segment is concerned.

Information about Secondary Geographical Segments:

(₹ in Lacs)

Particulars	2012-13	2011-12
Operating Revenue by Geographical Segment		
India	43084.35	33556.31
Outside India	9589.34	11479.02
Addition to Fixed Assets and Intangible Assets		
India	34479.55	4424.44
Outside India	-	-
Carrying amount of Fixed Assets		
India	98389.98	69541.56
Outside India	-	-

Notes:

1) Geographical Segments considered for disclosures are as follows :

- Operating revenue outside India includes Paper sales (incl. deemed Export) and Export incentive.
- Previous year's figures have been regrouped or rearrange wherever necessary.

2) Operating revenue comprises

(₹ in Lacs)

Particulars	2012-13	2011-12
Sales	51833.94	44184.90
Other operating income	839.75	850.43

32) **Related Party Disclosure:**

(a) List of Related Parties and Relationships:

i. Concern where significant interest exists.

Name of the Concern	Nature of Relationship
Orient Newsprint Ltd	Control exists
Drupa Suppliers Pvt. Ltd	Control exists
Rainbow Industrial Park Pvt. Ltd	Control exists
Rainbow Infrabuild Pvt. Ltd	Control exists (Subsidiary Company)
Rainbow Paper JLT	Control exists (Subsidiary Company)
Nigo Best Packs Pvt. Ltd	Control exists
Windsor Paper Pvt. Ltd	Control exists

ii. Key Management Personnel and Relatives.

1. Shri Ajay R Goenka	Chairman & Managing Director
2. Shri Rahul J Maheswari	Executive Director (w.e.f 30.08.2011)
3. Smt. Sangeeta A Goenka	Sr. Vice President (Executive Director till 28.05.2010)
4. Smt. Niyati Agrawal	Sr. Vice President

(b) Disclosure of Related Party Transactions

(₹ in Lacs)

Nature of Transaction	Parties mentioned at a (i) above		Key management personnel	
	2012-13	2011-12	2012-13	2011-12
Unsecured Loan taken	7295.00	2745.00	-	-
Office Rent Paid	-	-	6.75	6.00
Directors' Remuneration	-	-	115.27	118.95
Salary	-	-	52.96	35.65
Interest income from subsidiaries	392.05	57.31	-	-
Issue of share (on conversion)	4875.00	-	-	-
Loan given to subsidiaries(Net of repayment)	3797.58	1426.46	-	-
Convertible Warrant issued	1518.75	915.00	-	-

Disclosures of material transactions with related parties during the year:

(₹ in Lacs)

Sr.No.	Description	Related Parties	Amount
1	Office Rent Paid	Shri Ajay R Goenka	6.75
2	Directors' Remuneration	Shri Ajay R Goenka	91.16
		Shri Rahul J Maheshwari	24.11
3	Salary	Smt. Sangeeta A. Goenka	24.08
		Smt. Niyati Agrawal	28.88
4	Interest Income from subsidiaries	Rainbow Infrabuild Pvt. Ltd	23.93
		Rainbow Paper JLT	368.12
5	Loan given to subsidiaries(Net of repayment)	Rainbow Paper JLT	3797.58
6	Convertible Warrant issued	Drupa Suppliers Pvt Limited	1518.75
7	Equity share issued on conversion of warrant	Orient Newsprint Limited	3660.00
		Drupa Suppliers Pvt Limited	1215.00
8	Unsecured Loan taken	Rainbow Industrial Park Pvt Ltd	2750.00
		Drupa Suppliers Pvt Limited	4545.00

33) Earnings per share:

Particulars		31.03.2013	31.03.2012
Net profit for the year attributable to Equity Shareholders	₹ Lacs	3536.16	3276.25
Weighted average number of Equity Shares outstanding for Basic earning per shares	Numbers	94595382	89567027
Weighted average number of Equity Shares outstanding for Diluted earning per shares	Numbers	97102232	93091617
Basic earnings per share (face value of ₹ 2 each)	₹	3.74	3.66
Diluted earnings per share (face value of ₹ 2 each)	₹	3.64	3.52

34) Derivative Instruments :

- a) The Company has not entered into any forward contract to offset its foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee.

b) Foreign currency exposure at the year end not hedged by derivative instruments.

(Amt in Lacs)

	2012-13	2011-12
Payables – USD	69.54	55.55
Receivables - USD	18.64	11.58
Receivables - Euro	0.74	0.79
Bank Balance – USD	-	62.63
Term Loans - USD	41.27	393.78

35) Information regarding stock:

a) Consumption of Raw Materials:

(₹ in Lacs)

Product	2012-13 Amount	2011-12 Amount
Base & Waste Papers	22968.82	21496.76
Chemicals (Coating Division)	500.98	398.32
TOTAL	23469.80	21895.08

b) Work in Progress:

(₹ in Lacs)

Product	2012-13 Amount	2011-12 Amount
Paper & others	880.64	895.89
Chemicals (Coating Division)	6.42	7.54
TOTAL	887.06	903.43

c) Sales, Opening and Closing Stock of Finished Goods:

(₹ in Lacs)

Product	Sales		Opening Stock		Closing Stock	
	2012-13 Amount	2011-12 Amount	2012-13 Amount	2011-12 Amount	2012-13 Amount	2011-12 Amount
Papers	51817.56	44148.35	315.61	242.54	292.72	315.61

d) Details of Goods Traded:

(₹ in Lacs)

Goods Purchased	2012-13 Amount	2011-12 Amount
Paper	4127.90	993.12

e) Value of Imports calculated on C.I.F. basis during the financial year in respect of:

(₹ in Lacs)

	2012-13	2011-12
(i) Raw Materials	8046.99	7210.02
(ii) Components – spare parts	25.26	64.84
(iii) Chemical	100.51	128.88
(iv) Capital Goods	2172.07	265.08

f) Expenditure in foreign currency during the financial year:

	(₹ in Lacs)	
	2012-13	2011-12
(i) Technical Know how / Professional Fees / Consultancy Fees	18.18	7.75
(ii) Interest on FCNR Loan	1425.91	2388.96
(iii) Foreign Traveling Exp	13.70	15.46

g) Value of Raw Materials, Stores, Chemical & Spares consumed during the year:

	(₹ in Lacs)			
	Amount		% of total consumption	
	2012-13	2011-12	2012-13	2011-12
Raw Materials:				
i) Imported	7928.82	7731.09	33%	35%
ii) Indigenous	15540.98	14163.99	67%	65%
Total	23469.80	21895.08	100%	100%
Stores, Spares & Chemical:				
i) Imported	214.39	213.05	5%	6%
ii) Indigenous	3867.42	3732.04	95%	94%
Total	4081.81	3945.09	100%	100%

	(₹ in Lacs)	
	2012-13	2011-12
h) Earning in Foreign Exchange:		
- Export of goods on F.O.B. basis	7381.67	9340.44
- Interest on Deposits	1.32	236.06
i) The amount remitted during the year in foreign currency for dividend (*)	127.44	116.89
- Number of non-resident shareholders	15	18
- Number of shares held by them	31858766	29221775

(*) The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends payable to non-resident shareholders which were declared during the year, are given.

36. Previous year's figures have been regrouped or rearranged wherever necessary.

As per our separate report of even date attached.

For Talati & Talati

Chartered Accountants
(Firm Reg No: 110758W)

Anand Sharma

Partner
Mem. No. 129033

Ahmedabad
May 9, 2013

For and on behalf of the Board of Directors

Ajay Goenka
Rahul Maheshwari
Rajendra Patawari
Shashikant Thakar
Kantibhai Patel
Runel Rathi

Ahmedabad
May 9, 2013

Chairman & Managing Director
Executive Director
Director
Director
Director
Company Secretary

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Sr. No.	Name of Subsidiary Company	Country	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Rainbow Infrabuild Private Limited, Ahmedabad	INDIA	INR	1.00	25.60	1076.73	1076.73	-	665.52	1.55	0.48	1.07	-
2	Rainbow Papers JLT, Dubai	U.A.E	AED	3.00	266.01	601.74	601.74	-	2469.86	171.11	-	171.11	-

For and on behalf of the Board of Directors

Ajay Goenka

Chairman & Managing Director

Rahul Maheshwari

Executive Director

Rajendra Patawari

Director

Shashikant Thakar

Director

Kantibhai Patel

Director

Runel Rathi

Company Secretary



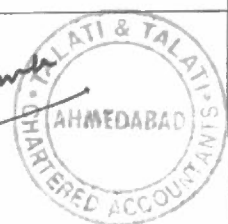
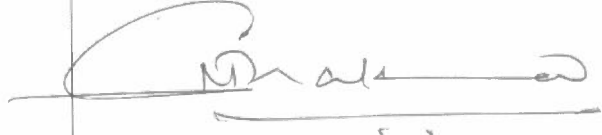
Ahmedabad
May 9, 2013



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TO WHOMSOEVER IT MAY CONCERN
FORM - 'A'

1.	Name of the Company:	<i>Rainbow Papers Limited</i>
2.	Annual Financial Statements for the year ended:	31 st March 2013
3.	Type of Audit Observations:	Un-qualified
4.	Frequency of Observations:	N.A.
5.	Signed by:	
	- Shri Ajay Goenka CEO/Managing Director	
	- CFO	N.A.
	- Mr. Anand Sharma - Partner Talati & Talati, Chartered Accountants	 
	- Shri Shashikant Thakar Chairman, Audit Committee	

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