

NOTICE

NOTICE is hereby given that the TWENTY EIGHTH ANNUAL GENERAL MEETING of the members of M/s. RAINBOW PAPERS LIMITED will be held on Thursday, the 25th day of September, 2014, at 11.00 am, at Ahmedabad Management Association (AMA), ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, to transact the following business :

ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with Directors' and the Auditors' Report thereon.
02. To declare Dividend on the Equity Shares of the Company, for the financial year ended on 31st March, 2014.
03. To appoint a Director in place of Shri Ajay Goenka (DIN 00135912), who retires by rotation and being eligible, offers himself for re-appointment.
04. 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. P A R Y & Co, Chartered Accountants (Firm Registration No. 007288C) be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company, at such remuneration as may be mutually agreed upon by Board of Directors and the Auditors.

SPECIAL BUSINESS:

05. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, Mr. Mahendra M. Patel (DIN 00137602), who was appointed as an Additional Director with effect from 21st October, 2013, and holds office upto the date of ensuing Annual General Meeting and in respect of whom a notice under Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Mahendra M. Patel as a candidate for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company upto 31st Annual General Meeting of the Company".
06. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, Mrs. Aanal N. Trivedi (DIN 06931339), who was appointed as an Additional Director with effect from 12th August, 2014, and holds office upto the date of ensuing Annual General Meeting and in respect of whom a notice under Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mrs. Aanal N. Trivedi as a candidate for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company upto 31st Annual General Meeting of the Company".
07. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the rules made thereunder, Mr. Shashikant N. Thakar (DIN 02887471), Director of the Company, liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st Annual General Meeting of the Company".
08. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the rules made thereunder, Mr. Kantibhai H. Patel (DIN 02325787), Director of the Company, liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st Annual General Meeting of the Company".
09. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby approves the re-appointment of Mr. Rahul Maheshwari (DIN 00289730), as an Executive Director of the Company, for a period of three years with effect from 30th August, 2014 upon such terms and conditions including remuneration as are set out in the Statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to the Notice of this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorized Committee of the Board) to alter and vary the terms and conditions of the said re-appointment, including the remuneration which shall not exceed an overall ceiling of ₹ 3,50,000/- (Rupees Three Lacs Fifty Thousand Only) per month, as may be agreed upon between the Board and Mr. Rahul Maheshwari."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, the remuneration payable to Shri Rahul Maheshwari, as the Executive 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 198 of the Companies Act, 2013 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 Rahul Maheshwari, Executive 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 V to the Companies Act, 2013, 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 as necessary, expedient or desirable in this regard".

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and the rules notified thereunder, and Clause 49 of the Listing Agreement executed with the Stock Exchanges, consent of the members be and is hereby accorded to the Board of Directors to enter into various related party transactions during the Financial Year 2014-15 and 2015-16, upto the maximum amount as prescribed herein below:

Sr. No.	Related Parties	Relationship	Description	Maximum Amount Per Annum (₹ in Lacs)
1	Shri Ajay R. Goenka	Promoter & Managing Director	Office Rent	10.00
2	Smt. Draupadidevi R. Goenka	Mother of Shri Ajay Goenka, who is Promoter & Managing Director	Office Rent	1.50
3	M/s Talati & Talati	A partnership firm in which relative of Director is a partner	Payment for professional services / reimbursement of expenditure	50.00
4	Rainbow Papers JLT	Wholly owned subsidiary	Sale of Goods	50000.00

"FURTHER RESOLVED THAT in order to give effect to this resolution, the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, things etc.

BY ORDER OF THE BOARD OF DIRECTORS

**PLACE : AHMEDABAD
DATE : 12th AUGUST, 2014**

**RUNEL RATHI
COMPANY SECRETARY**

NOTES:

01. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and such a proxy need not be a member of the Company.** A person can act as proxy on behalf of members not exceeding fifty (50) who are holding, in the aggregate, not more than ten percent of the total share capital of the Company carrying voting rights.

The enclosed proxy form, if intended to be used, should reach the registered office of the Company duly completed not less than forty eight hours before the scheduled time of the meeting.

02. The Register of Members and Share Transfer Books shall remain closed from 19th September, 2014 to 25th September, 2014 (both days inclusive) for payment of dividend on equity shares. Dividend, if approved at the Annual General Meeting, will be paid to those eligible members whose names appear:-
- a) In respect of shares held in dematerialized form, as Beneficial Owners as at the end of business hours on 18th September, 2014 as per the list to be furnished by the respective Depositories for this purpose.
 - b) In respect of shares held in physical form, as members in the Register of Members of the Company after giving effect to all valid share transfers, if any, lodged with the Company/RTA on or before 18th September, 2014.
03. Please bring your copy of the annual report to the meeting as the Company would not provide any copy at the venue of the Annual General Meeting.
04. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses set out above is annexed hereto.
05. All documents referred to in the notice are open for inspection at the registered office of the Company between 11.00 am to 5.00 pm on any working days prior to the date of the meeting and will also be available at the meeting venue on the date of the meeting.
06. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least ten days in advance of the Annual General Meeting.
07. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to their Depository Participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the members.
08. Members holding shares in physical form are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. immediately to the Company/RTA.
09. Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the "Investor Education and Protection Fund" of the Central Government pursuant to Section 205C of the Companies Act, 1956 on the respective dates mentioned there against. Kindly note that after such transfer, the members will not be entitled to claim such dividend.

Year	Date of transfer of dividend
2006-07	28 th October, 2014
2007-08	29 th October, 2015
2008-09	30 th October, 2016
2009-10	16 th August, 2017
2010-11	3 rd November, 2018
2011-12	3 rd November, 2019
2012-13	20 th October, 2020

10. The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective depository participants accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under section 136 of the Companies Act, 2013 (corresponding to section 219 of the erstwhile the Companies Act, 1956). The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website (www.rainbowpapers.com) of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company quoting their folio number(s).
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company.
12. Information under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/re-appointment at the Annual General Meeting is given hereinafter.

13. Voting through electronic means:

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members the facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business(es) contained therein may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

Instructions for E-Voting:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "RAINBOW e- Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login.
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Rainbow Papers Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rainbowscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password will be provided separately: EVEN (E Voting Event Number) USER ID, PASSWORD/PIN

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
 - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - IV. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the meeting.
 - V. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
 - VI. The e-voting period commences on 19th September, 2014 (9.00 am) and ends on 22nd September, 2014 (9.00 am). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - VII. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd August, 2014.
 - VIII. Mr. M.C. Gupta, of M/s. M. C. Gupta & Co., Company Secretaries, (Membership No. FCS:2047) (Address : A-201, Fairdeal House, Swastik Char Rasta, Navrangpura, Ahmedabad -380 009) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.
 - IX. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - X. The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.rainbowpapers.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the National Stock Exchange of India Limited and BSE Limited.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 & 6

Mr. Mahendra M. Patel and Mrs. Aanal N. Trivedi were appointed as Additional Directors of the Company with effect from 21st October, 2013 and 12th August, 2014 respectively to hold office of Director upto the date of ensuing Annual General Meeting of the Company. A Notice under Section 160 of the said Act with the prescribed deposit has been received from the members of the Company signifying their intention to propose the name of Mr. Mahendra M. Patel and Mrs. Aanal N. Trivedi for appointment as the Directors of the Company.

Mr. Mahendrabhai M. Patel is a commerce graduate, having more than 25 years of experience in paper and chemicals. Mrs. Aanal N. Trivedi is M.B.A. (Finance), having experience of more than 5 years. The appointment of both the Directors would be beneficial for the efficient working of the Company.

Mr. Mahendrabhai M. Patel and Mrs. Aanal N. Trivedi have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act and in the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the Management.

Mr. Mahendra M. Patel and Mrs. Aanal N. Trivedi, are concerned or interested in the respective resolutions of the accompanying notice relating to their concerned appointment. None of the other Directors except Mr. Shashikant N. Thakar, being father of Mrs. Aanal N. Trivedi, and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 5 & 6 of the accompanying Notice.

Item No. 7 & 8

In terms of Section 149 (4) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors had appointed Mr. Kantibhai Patel and Mr. Shashikant Thakar as Independent Directors.

Pursuant to the provisions of Section 149 of the Act, every listed Company is required to have at least one third of the total number of Directors as Independent Directors, who will not be liable to retire by rotation.

The aforesaid Directors have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and in the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the Management.

The Board considers that it is desirable to continue to avail their services as Independent Directors and accordingly, the Board commends the above resolutions for the approval of the shareholders of the Company.

Mr. Kantibhai Patel and Mr. Shashikant Thakar are concerned or interested in their respective resolutions of the accompanying notice. None of the other Directors, and Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at item no. 7 & 8.

Item No. 9

Shri Rahul Maheshwari is a graduate and a qualified Cost Accountant. He started his career in 1998-99 and got associated with the Company since 2003. Prior to his appointment as Executive Director, he was working with the Company as a Vice President (Commercial). He is responsible for marketing of finished goods & procurement of raw materials as well as exploring Indian and foreign markets for sourcing raw material and marketing finished goods. Considering his knowledge, expertise and ability, he was promoted as a Director on the Board of the Company w.e.f. 30/08/2011.

At its Meeting held on 12th August, 2014, the Board of Directors of the Company had subject to approval of members in general meeting, have made the re-appointment of Shri Rahul Maheshwari, as Executive Director of the Company at a monthly remuneration not exceeding ` 3,50,000/- per month, for a period of 3 years w.e.f. 30th August, 2014. The said appointment and remuneration has been considered and recommended by the Remuneration Committee in its Meeting held on 12th August, 2014.

The said remuneration may be altered, modified or varied from time to time by the Board within the permissible ceiling of ` 3,50,000/- per month and, if deem fit, with liberty to the Board for review of the remuneration annually and/or otherwise so as not to exceed ` 3,50,000/- per month.

The Letter of Appointment referred to in the resolution at item No. 9 of the accompanying notice is open for inspection by the Members at the Registered Office of the Company during office hours on any working day of the Company, upto the date of the Annual General Meeting.

Shri Rahul Maheshwari is interested in the resolution since it relates to his re-appointment as an Executive Director of the Company and to the remuneration payable to him as such. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend passing of the above Resolution being holding of the office as Executive Director of the Company for a period of 3 years w.e.f. 30th August, 2014 as set out at item No.9 of the accompanying Notice.

The Explanatory Statement together with the accompanying notice is to be regarded as an abstract of terms of appointment and memorandum of concern or interest under the provisions of Section 190 of the Companies Act, 2013.

Item No. 10

According to the provisions of Section 188 and other applicable provisions under the Companies Act, 2013 and clause 49 of the Listing Agreement executed between the Company and the Stock Exchanges, the consent of the members by Special Resolution is to be accorded for entering into various types of transactions with related parties for the Financial year 2014-15 & 2015-16, subject to such conditions as prescribed under the said provisions.

Sr. No.	Related Parties	Relationship	Description	Maximum Amount Per Annum (` in Lacs)
1	Shri Ajay R. Goenka	Promoter & Managing Director	Office Rent	10.00
2	Smt. Draupadidevi R. Goenka	Mother of Shri Ajay Goenka, who is Promoter & Managing Director	Office Rent	1.50
3	M/s Talati & Talati	A partnership firm in which relative of Director is a partner	Payment for professional services / reimbursement of expenditure	50.00
4	Rainbow Papers JLT	Wholly Owned Subsidiary	Sale of Goods	50000.00

Interested shareholders will not be eligible to vote in the resolution as set out at item no. 10 of the accompanying notice in terms of Section 188 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

BY ORDER OF THE BOARD OF DIRECTORS

**PLACE : AHMEDABAD
DATE : 12th AUGUST, 2014**

**RUNEL RATHI
COMPANY SECRETARY**

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

Sr. No.	Name	Age (In Years)	Date of Appointment	Qualification	Experience (In Years)
1.	Shri Ajay Goenka	56	11/09/1990	B.Com.	35
2.	Shri Rahul Maheshwari	38	30/08/2011	ACMA	11
3.	Shri Kantibhai Patel	68	12/08/2010	B.Sc., LL.B., MLW	40
4.	Shri Shashikant Thakar	59	30/01/2010	B.Com., LL.B., FCS	27
5.	Shri Mahendra Patel	58	21/10/2013	B. Com.	25
6.	Smt. Aanal Trivedi	31	12/08/2014	MBA (Finance)	5

RAINBOW PAPERS LIMITED

CIN : L21010GJ1986PLC008772

Reg. Office : 801, Avdhesh House, Opp. Guru Govind Gurudwara, Thaltej, Ahmedabad – 380 054

Tel. No. +91 79 26855714/16, Fax No. +91 79 26855712

Website: www.rainbowpapers.com, Email: secretarial@rainbowpapers.com

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies

(Management and Administration) Rules, 2014)

Name of the Company : RAINBOW PAPERS LIMITED

Registered Office : 801, Avdhesh House, Opp. Guru Govind Gurudwara, Thaltej, Ahmedabad – 380 054

Website: www.rainbowpapers.com

Name of the Member (s) :

Registered address :

E-mail Id :

Folio No. / Client Id : DP ID :

I / We, being the member(s) of Rainbow Papers Limited holding ____ Equity Shares of the Company, hereby appoint

1. Name : _____

Address : _____

E-mail Id : _____

Signature : _____ or failing him / her

2. Name : _____

Address : _____

E-mail Id : _____

Signature : _____ or failing him / her

3. Name : _____

Address : _____

E-mail Id : _____

Signature : _____ or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 28th Annual General Meeting of the Company, to be held on the **25th day of September 2014 at 11.00 a.m.** at Ahmedabad Management Association (AMA) Hall, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 and at any adjournment thereof, in respect of such resolutions set out in the AGM Notice convening the meeting, as are indicated below:

Ordinary Business:

1. Adoption of Audited Balance Sheet as on 31st March, 2014, and the Statement of Profit and Loss for the year ended on that date, both on standalone and consolidated basis together with the Reports of the Board of Directors and the Auditors' thereon (Ordinary Resolution).
2. Declaration of dividend on Equity Shares for the financial year ended 31st March, 2014 (Ordinary Resolution).
3. Re-appointment of Shri Ajay Goenka, who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution).
4. Appointment of M/s. P A R Y & Co., Chartered Accountants, as the Statutory Auditors of the Company (Ordinary Resolution).

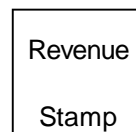
Special Business:

5. Appointment of Shri Mahendra Patel, as Independent Director of the Company (Ordinary Resolution).
6. Appointment of Mrs. Aanal Trivedi, as Independent Director of the Company (Ordinary Resolution).
7. Appointment of Shri Shashikant Thakar, as Independent Director of the Company (Ordinary Resolution).
8. Appointment of Shri Kantibhai H. Patel, as Independent Director of the Company (Ordinary Resolution).
9. Re-appointment of Shri Rahul Maheshwari, as an Executive Director of the Company for the period of 3 years w.e.f. 30th August, 2014 (Ordinary Resolution).
10. Authority to the Board of Directors for entering into various related party transactions during the Financial Year 2014-15 and 2015-16 (Special Resolution).

Signed this day of 2014

Signature of Shareholder _____

Signature of Proxy Holder(s) _____



Note: The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Commencement of the meeting.

28th

Annual Report

2013-14

RAINBOW
RAINBOW PAPERS LIMITED



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 MAHENDRA M. PATEL	:	INDEPENDENT DIRECTOR
SHRI KANTIBHAI H. PATEL	:	INDEPENDENT DIRECTOR
SHRI SHASHIKANT N. THAKAR	:	INDEPENDENT DIRECTOR

COMPANY SECRETARY

SMT. RUNEL RATHI

STATUTORY AUDITORS

M/S. P A R Y & Co.
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
Sarkhej-Gandhinagar Highway, Thaltej
Ahmedabad-380054. Gujarat. INDIA
Phone: 079-71797179/80
Email: info@rainbowpapers.com
www.rainbowpapers.com
CIN: L21010GJ1986PLC008772

WORKS

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

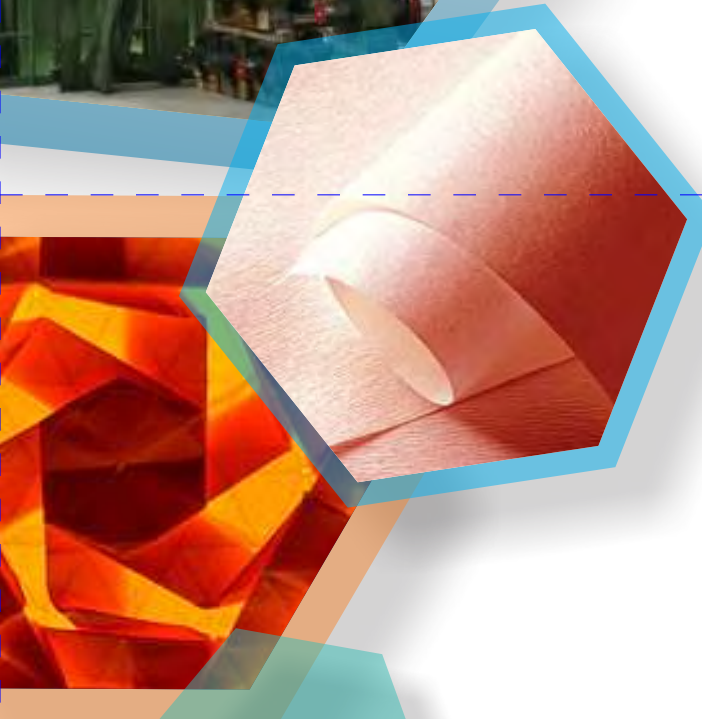
FOR EQUITY SHARES:

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

FOR GDR's :

- LUXEMBOURG STOCK EXCHANGE
(STOCK CODE US 7508461073)

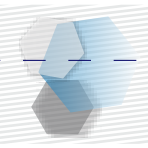




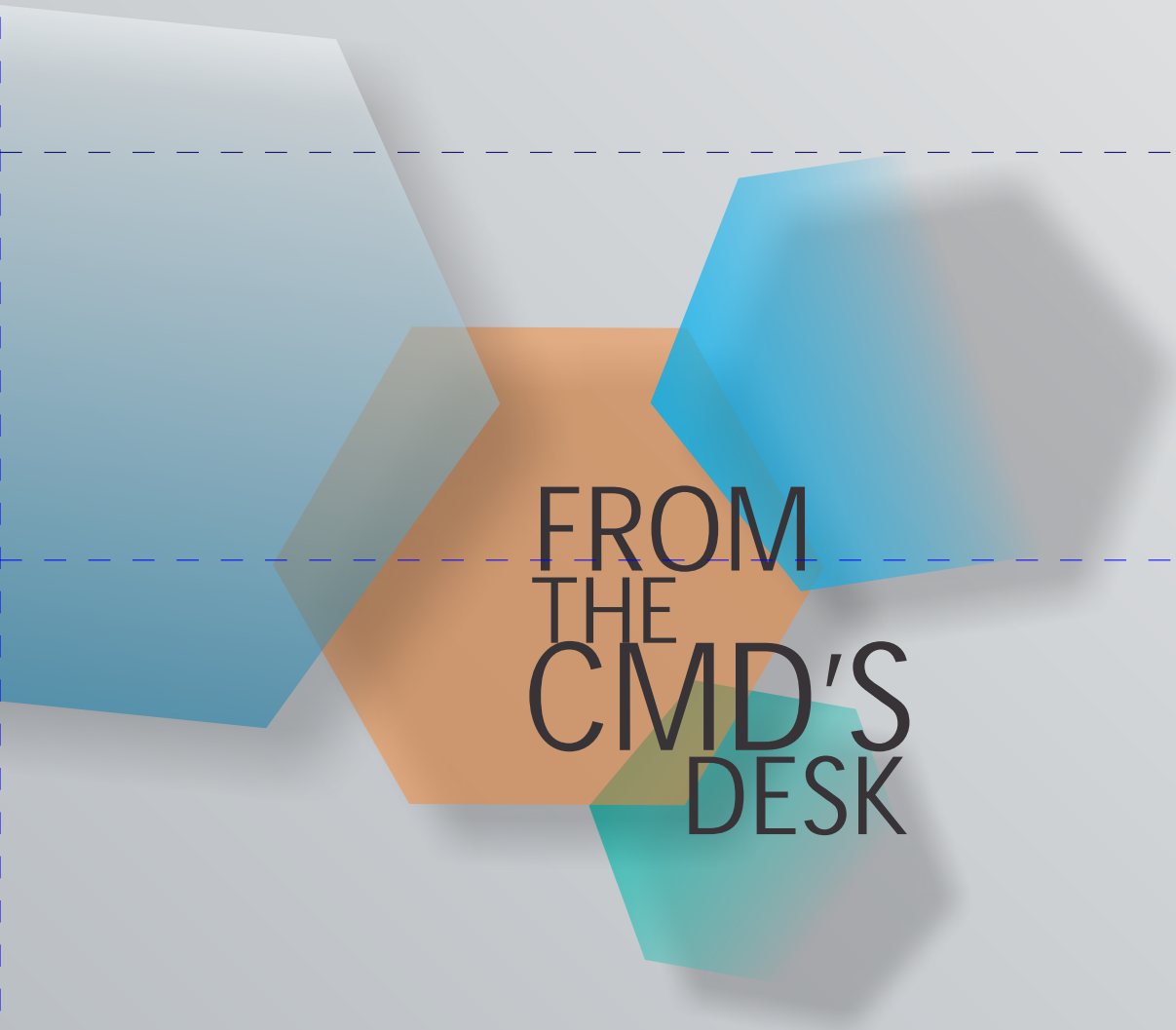
forward looking statement

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.

CONTENTS



From the CMD's Desk.....	6
Directors' Report.....	9
Management Discussion & Analysis Report.....	22
Report On Corporate Governance.....	26
Consolidated Financial Statements	
Auditors' Report.....	44
Consolidated Balance Sheet.....	45
Consolidated Statement of Profit & Loss.....	46
Consolidated Cash Flow Statement.....	47
Notes forming part of the Consolidated Financial Statement.....	49
Stand-Alone Financial Statements	
Auditors' Report.....	70
Balance Sheet.....	74
Statement of Profit & Loss.....	75
Cash Flow Statement.....	76
Notes forming part of the Financial Statement.....	78
Statement under Section 212 of the Companies Act, 1956 relating to subsidiary companies.....	104



FROM
THE
CMD'S
DESK



DIRECTORS' REPORT

To,
The Members,
RAINBOW PAPERS LIMITED,
AHMEDABAD

Your Directors have great pleasure in presenting herewith the 28th Annual Report together with the audited statements for the financial year ended 31st March, 2014.

Financial Highlights:

The standalone and consolidated results of your company for the financial year ended on 31st March, 2014 are summarized herein below:

(₹ in Lacs)

FINANCIAL RESULTS	CONSOLIDATED		STANDALONE	
	2013-14	2012-13	2013-14	2012-13
Revenue from Operations	115049.27	91548.69	67241.72	54217.24
Profit before Exceptional, Extra ordinary items,				
Depreciation, Interest & Tax	18719.86	13647.56	14236.90	10675.78
Depreciation	4786.62	2662.32	4786.62	2662.31
Profit before Interest & Tax	13933.24	10985.24	9450.28	8013.47
Interest	6752.52	3669.75	6076.49	3276.29
Profit before Exceptional & Extraordinary Items & Tax	7180.72	7315.49	3373.79	4737.18
Prior Period items / Exceptional items	-	12.29	-	12.29
Taxation: Less/ (Add) Current Tax	707.16	948.28	707.16	947.80
MAT Credit Entitlement	(707.16)	(748.17)	(707.16)	(748.17)
Deferred Tax	970.03	1013.67	970.03	1013.67
NET PROFIT AFTER TAX FOR THE YEAR	6210.69	6114.00	2403.76	3536.16
Add: Balance brought forward	18598.43	13244.30	14707.96	11931.68
NET SURPLUS AVAILABLE FOR APPROPRIATION	24809.12	19358.30	17111.72	15467.84
Capital Reserve on Consolidation	15.33	-	-	-
Proposed Dividend/ Dividend Paid	395.88	418.87*	395.88	418.87*
Corporate Tax on Dividend	67.28	71.00	67.28	71.00
Transfer to General Reserve	181.00	270.00	181.00	270.00
Surplus carried forward to Balance Sheet	24180.29	18598.43	16467.56	14707.96
EPS (Face Value of ₹ 2 per share)				
Basic	6.28	6.46	2.43	3.74
Diluted	5.85	6.30	2.27	3.64

*Previous figures have regrouped/rearranged wherever necessary.

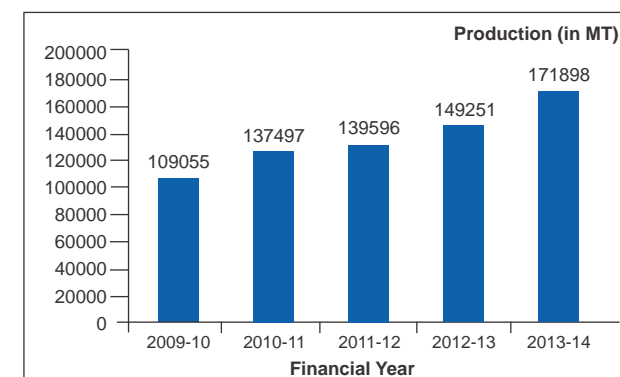
Dividend:

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 year ended 31st March, 2014.

The dividend, subject to approval of members at the Annual General Meeting on 25th September, 2014, will be paid on or after 30th September, 2014 to the Members whose names appear in the Register of Members, as on the date of book closure i.e. from 19th September, 2014 to 25th September, 2014 (inclusive of both dates). The total dividend payout for the financial year will be ₹ 424.86 Lacs and the Dividend Distribution Tax of ₹ 72.21 Lacs which includes the dividend for new equity shares allotted during the year. The new equity shares allotted on conversion of warrants, before the record date are entitled for dividend and the total dividend amount may be increased to that extent.

Transfer to Reserves

A sum of ₹ 181.00 Lacs is proposed to be transferred to the General Reserves out of the total amount available for appropriations. An amount of ₹ 24180.29 Lacs is proposed to be retained in the statement of profit and loss.



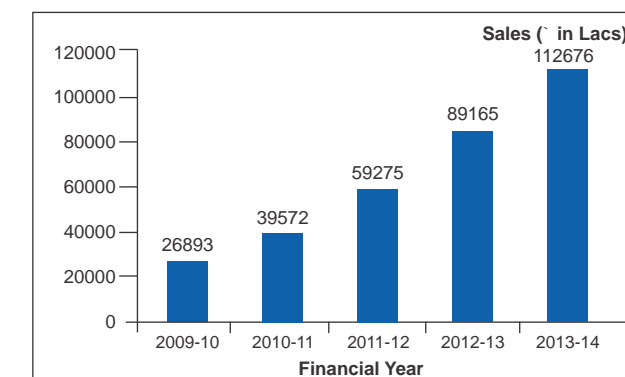
Share Capital

Your Company has allotted 75,00,000 Equity Shares at ₹ 81/- per share in three tranches at different dates on conversion of warrants. Post conversion, the issued and paid up capital of the company stands at ₹ 21,24,34,600/- as on 12th August, 2014.

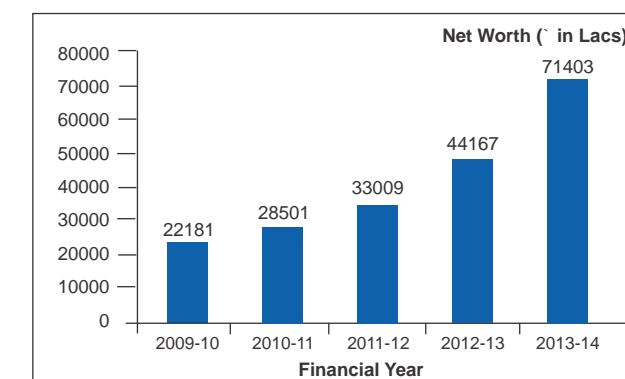
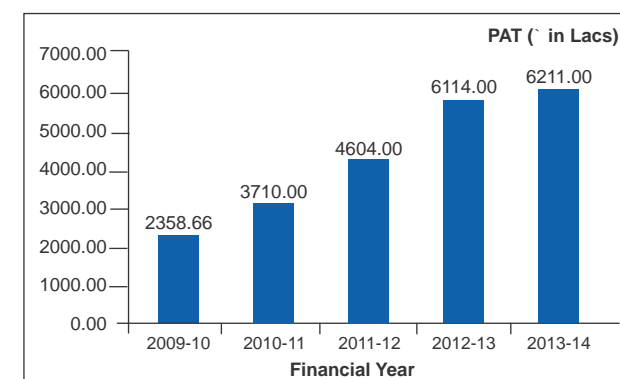
Review of Operations:

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

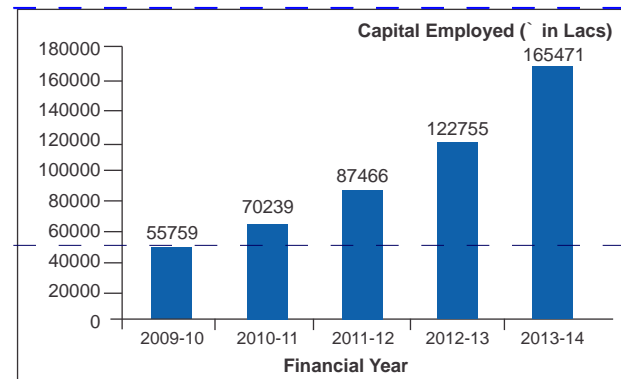
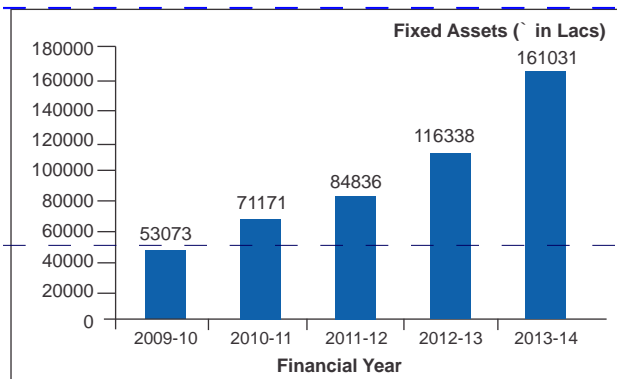
- Your company has achieved total production of 1,71,898.47 MT as compared to 1,49,251.23 MT in the previous year recording yoy growth of 16%.
- Your company has recorded Gross Sales of ₹ 1161.4 Crores as compared to ₹ 921.4 Crores for FY13, recording a yoy growth of 26%.
- The EBITDA for the financial year 2013-14 is ₹ 187.2 Crores compared to ₹ 136.5 Crores during the previous year, registering a growth of 37% yoy.
- The Net Profit is at ₹ 62.2 Crores compared to ₹ 61.1 Crores last year, generating a yoy growth of 2%.



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 is having one wholly owned subsidiary company viz. Rainbow Papers JLT, Dubai. The said subsidiary company is engaged in trading business of paper.

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 during business hours.

Capacity expansion:

During the year under review, your Company has successfully completed the mill modernization project and installation of Notebook & Copier Paper plant. With this the total production capacity of the Company has gone up by 29,700 MT making the total capacity as 3,34,700 MTPA.

The project pertaining to installation of Folding Duplex Board is under progress. The proposed capacity of said plant is 132,000 MTPA. The plant is expected to be commissioned by the end of Financial Year 2015. The production from the said machine shall be used in the packaging of cosmetics, cigarettes, medicines, electrical appliances, etc.

Post installation of folding duplex board, the production capacity will be 4,66,700 MTPA by the end of F.Y. 2015.

Finance:

Your Company maintained cordial relationships with its bankers and was able to avail and negotiate favorable terms for various banking facilities.

"Zero Discharge" Strategy:

Along with backward integration, the Company has also adopted "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 and different product mix allows better utilization of raw material.
- Sludge from paper plant used as raw material in paper board.
- Plastics obtained in waste –paper is converted into rooftop-corrugated sheets.

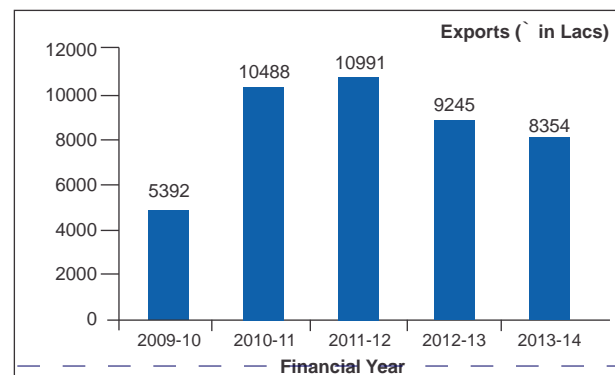
These by-products improve operating efficiency and augment earning margins.

Exports:

Your Company exported 22,222.24 MT of paper during the year under review. The export proceeds amounted to ` 8,354 Lacs (being 8 % of Gross Sales) as compared to ` 9,245 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.

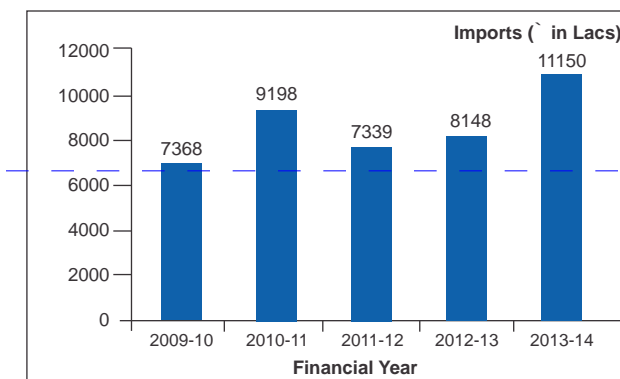


The Company has a strong presence in the international markets such as USA, Middle East, South-Africa and UK and exports nearly 20% of its production in these countries. The Company also has a wholly-owned subsidiary, Rainbow papers JLT, which is based in Dubai, UAE. Rainbow Papers Ltd. has been a consistent exporter of paper and also one of the leading exporter from India in the last few years.

Imports:

Your Company imported 76,097.82 MT of waste paper and 413.42 MT of chemical during the year under review.

The imports amounted to ` 10857 Lacs of waste paper and ` 293 Lacs of chemicals as compared to ` 8047 Lacs of waste paper and ` 101 Lacs of chemicals respectively in the previous year.



Board of Directors:

During the year under review, Shri Rajendra Patawari resigned from the board w.e.f 21st October, 2013. The board places on record appreciation for the services rendered by him as a director of the company.

Under the provisions of the Companies Act, 2013, the Board of Directors at its meeting held on 12th August, 2014, had re-appointed Shri Rahul Maheshwari as Executive Director of the Company for a period of 3 years w.e.f. 30th August, 2014 subject to approval of members in General Meeting.

Shri Ajay Goenka, Managing Director of the Company is liable to retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

Shri Mahendrabhai Patel and Mrs. Aanal Trivedi had been appointed as additional directors on the Board of the Company on 21st October, 2013 and 12th August, 2014 respectively. In terms of Section 161 of the Companies Act, 2013, Shri Mahendrabhai Patel and Smt. Aanal Trivedi hold office upto the ensuing Annual General Meeting of the Company. Your Company has received requisite notices in writing from the member proposing their names for the office of Director.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a maximum term of five consecutive years and shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors form part of the Notice of the Annual General Meeting. The Board therefore

proposes the appointment of Shri Kantibhai Patel, Shri Mahendrabhai Patel, Shri Shashikant Thakar and Smt. Aanal Trivedi as Independent Directors on the Board of the Company for consecutive period of 3 years commencing from the ensuing Annual General Meeting of the Company upto 31st Annual General Meeting of the Company.

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, 2014 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 the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) that 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 Thakar : Chairman & Independent Director
2. Shri Mahendra Patel : Independent Director
3. Shri Kantibhai Patel : Independent Director

Audit Committee has such powers and authority as provided under the provisions of the Companies Act, 1956 as well as the Companies Act, 2013 and the rules made thereunder and Listing Agreement and acts in accordance with the terms of reference specified in writing by the Board of Directors from time to time.

Fixed Deposits:

The Company has not accepted any fixed deposits and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Insurance:

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

Global Depository Receipts:

The total no. of GDRs outstanding for conversion as on date are 2,86,39,725.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

In terms of Section 125 of the Companies Act, 2013, the unclaimed dividend aggregating to ₹ 1,45,280/- lying with the Company for a period of seven years pertaining to the year ended on 31st March, 2006, was transferred during the year 2013-14, 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, 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:

- ❖ "Excellent Achievement Award" has been conferred to our CMD, Shri Ajay Goenka at Paperex 2013 towards outstanding contribution to the growth and development of the pulp and paper industry in the country sponsored and supported by the Indian Paper Industry and co-sponsored by the Ministry of Industry & Commerce, Ministry of Small Scale Industry, Govt. of India, TAPPI, CPPRI-India, IIPTA-India etc.
- ❖ Your Company has been ranked as 108 under the India's fastest growing mid-sized companies by Inc. India 500

for the year 2013 during the fifth Inc. India 500 Awards. We were ranked as 272 for the year 2012.

- ❖ Your Company has won the Gujarat State Safety Award 2012 during the 35th Annual Safety conference. The award consists of "Certificate of Honour & Appreciation" from Gujarat Safety Council Vadodara, Directorate of Industrial Safety & Health Gujarat State.
- ❖ Your Company has been awarded Certificate of Excellence in recognition of smart innovation by Inc. India Innovative 100 for 2013.
- ❖ Your Company has received the Special Award in recognition of outstanding export performance in respect of Paper and Paper Board by CAPEXIL for the fourth consecutive year.
- ❖ Your company is ranked as 582 for 2013 in Business Standard (BS1000).
- ❖ Two employees of our company – Mr. Mukesh Kantilal Patel and Ms. Javanikaben Arvindbhai Patel have been conferred with Shram Bhusan and Shram Devi Award 2013 respectively by Labour and Employment Department, Government of Gujarat.
- ❖ "Excellence Award for Best Boiler House Operator" in Gujarat State Steamtech has been awarded to one of our employees Mr. Anil K. Patel.
- ❖ Your Company has been declared as a winner of Quality Mark Awards 2014 under the category Gujarat Pioneer Industries.

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 the Companies [Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are set out in an annexure to this report.

Particulars of Employees:

The information required as per Section 217 (2A) of the Companies Act, 1956 and the rules made thereunder in respect of employees of the Company, is provided in annexure forming part of this report.

Corporate Governance:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements as set out by SEBI.

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 of them: 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.

Environment and Safety:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances, environmental regulations and preservation of natural resources.

Corporate Social Responsibility:

Over the years, we have been striving to achieve a fine balance of economic, environmental and social imperatives, while also playing attention to the needs and expectations of our internal as well as external stakeholders.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, our Board of Directors at its meeting held on 12th August, 2014, have constituted Corporate Social Responsibility (CSR) Committee of the Board of Directors consisting of the following members:

1. Shri Ajay Goenka - Managing Director
2. Shri Rahul Maheshwari - Executive Director
3. Shri Kantibhai Patel - Independent Director

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 CARE is as under:-

Facility	Rated Amount (₹ in crores)	Rating
Long-term Bank Facilities	850	BBB-
Short-term Bank Facilities	150	A3
Total	1000	

BBB-' are judged to offer a moderate degree of safety regarding timely servicing of financial obligations.

'A3' indicates moderate degree of safety regarding timely payment of financial obligations.

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). 9,79,43,395 Equity Shares forming 98.96% of the Equity Share capital of the Company stands dematerialized on 31st March, 2014.

Listing of Shares:

The equity shares of the Company are presently listed on the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (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 2014-2015 to BSE and NSE. Annual maintenance and listing agency fee for the calendar year 2014 has also 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.

FORM A
(See Rule 2)

(` In Lacs)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY		
	2013-14	2012-13
A: Power & Fuel Consumption :		
1. Electricity		
(a) Purchased		
Units (kwh)*	2400105	736740
Total Amount (` In Lacs)	244.44	112.92
Rate / Unit (`)	10.18	15.33
(b) Own Generation		
Units (kwh)*	114482867	100677816
Cost/Unit (` /kwh.)	4.11	4.02
2. Coal		
Quantity (Tons)	246836	231134
Total Cost (Rs. In Lacs)	9290.97	8330.57
Average Rate (` /Tons)	3764.03	3604.21
(ii) For Steam Generation		
B: Consumption per Unit of Production:		
Electricity (Kwh/Tons)	679.95	679.49
Coal (Kgs./Tons)	1435.94	1548.62
(Previous year's figures have been modified , rearranged and regrouped wherever necessary)		
(*Consumption is including units used for project)		

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.	<p>(a) Installation of balancing machine to minimize maintenance down time, which will result into increase of production.</p> <p>(b) Utilization of 100% Fly Ash for bricks manufacturing, which is generated from boilers by burning of fuel like coal & lignite.</p> <p>(c) Utilization of effluent long fiber sludge in to Board Paper.</p> <p>(d) Installation of Waste recycles fiber sheet plant to convert waste fibers in to usable corrugated roof sheet & Plain Sheets.</p> <p>(e) R&D in progress for utilization of De-inking sludge in to useful CLC Light Weight Blocks for Building Material.</p> <p>(f) Effective steps are taken to recycle back water by purification through sand filter, carbon filter & duplex Bag filters.</p> <p>(g) Fuel additives introduce with Lignite & Imported coal for better combustion in boiler.</p>
2. Benefits derived as a result of the above R&D.	<p>(a) Great achievement on waste management.</p> <p>(b) Increase of fiber yield.</p> <p>(c) Effective utilization of lignite & coal.</p> <p>(d) Consumption of fresh water has reduced and effective use of treated back water has improved. The revenue generated from wastage like of Fly Ash, Recycle Waste Fiber.</p>
3. Further plan of action	<p>(a) Installation of waste fiber balancing machine.</p> <p>(b) Installation of heavy weight balancing machine.</p> <p>(c) Installation of fuel & graduals making machines for utilization of waste fiber.</p> <p>(d) Installation of CLC Light Weight Block Plant.</p> <p>(e) Installation of effluent water fortification system.</p>
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	₹ 6747.31 Lacs
	Foreign Exchange Outgo	₹ 11313.85 Lacs

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 12th August, 2014

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

Particular of employees under sub-section (2-A) of section 217 of the Companies Act, 1956:-

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 ₹)	1,42,43,243/-
3	Nature of employment, whether contractual or otherwise	Contractual
4	Other terms and conditions	As per agreement
5	Nature of duties of the employee	Managing Director
6	Qualifications and experience of the employee	B.Com., 35 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, 1.06%* (as on 12/08/14)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

01. INDUSTRY OVERVIEW

Paper is interwoven with human life in hundreds of ways. It is a bio-degradable product and has a benign footprint at the end of its life cycle. Despite the predictions that digital age would render paper obsolete, Paper Industry has been growing year after year.

A Paper Industry has a very prominent role in the World Economy. Annual revenue from this Sector exceeds US \$ 500 billions. World consumptions of paper and boards grew from 169 million tonnes in 1981 to 253 million tonnes in 1993 and to 352 million tonnes in 2005. Current consumption is of the order of 400 million tonnes.

There are about 700-800 paper mills (organized & unorganized sector) in the country out of which 12 large units accounts for production share of about 30% and balance units mostly comprising of medium (Agro based) and Small (Waste Paper based) paper mills with production share of 70%. Wood based industry accounts for 35% of production while waste paper and agri residue accounts for 44% & 21% respectively.

The Indian paper industry is an integral part of the Nation's economy and contributes to its growth and development. It is in this spirit that the Indian paper industry has continued to upgrade its capacities and technologies, in spite of huge challenges like shortage of raw material, highly capital intensive nature of the industry, threat of cheaper imports from Asian countries etc. From a situation where most paper mills were relatively small and with old technologies, we have now reached a stage where almost all major paper mills have adopted world class technologies and are fast progressing towards world's scale of operations as well.

Demand is projected to grow by about 2-3% per annum. While the mature markets may record a flat growth rate, the emerging markets are expected to grow at a CAGR of 4-5%. India forecasts to have the highest growth rate of 6-7 % per annum. China and Russia are expected to register impressive growth rates in excess of 5% per annum.

India has to maintain its position as the 11th largest producer of paper in the world. However, the Indian

Paper Industry accounted for a meagre 3% of global paper demand. The per-capita consumption amounted to about 10 kgs which is significantly lower than the world average of around 58 kgs. India's per capita consumption is also lower than China's (42 kg), Indonesia's (22 kg), Malaysia's (25 kg), and of course USA's (312 kg) consumption levels. This indicates the ample scope available for expansion of the Indian Paper Industry.

While the market size and per capita consumption are relatively low, they have exhibited a rising trend over past several years, from 7.3 kg in 2008 to 10 kg in 2012, as per ICRA. The total paper consumption has grown at a CAGR of around 6% over last decade with none of the last ten years showing a decline in consumption demand. The long-term demand outlook for the Indian paper industry remains favourable, driven by increasing literacy levels, growth in print media (particularly in the vernacular languages), higher government spending on education sector, changing urban lifestyles, as well as economic growth. Given that these factors are likely to be sustained, the paper industry is likely to continue growing at a rate of 6-8% in the medium to long term, although there may be aberrant years given the cyclical nature of the industry.

Growth in Indian paper industry during 2013-14 was moderate and is likely to be so in 2014-15 also due to sluggish economic activity. Global demand to be CAGR 2% in next 5 years.

Industry has upgraded process technologies, installed most modern fiber lines and high-speed paper machines with shoe press to boost the production, conserve energy & water and improve financial performance. Many mills have adopted extended delignification process, Elemental Chlorine Free bleaching to modernize the fiber lines. In the area of paper making, adopted alkaline sizing, replacing clay & talk with Grounded Calcium Carbonate & Precipitated Calcium Carbonate fillers and increase the ash content in paper to reduce usage of fiber. Industry has progressed in spite of challenges, improved environmental performance in terms of reduction of effluent volumes, reduction in terms of usage of steam, power, AOX reduction, apart from many other successful achievements in process technologies.

2. COMPANY OVERVIEW

Rainbow Papers Ltd. has a presence in all the below mentioned categories of paper:

- Paperboard
- W & P
- Newsprint
- Specialty.

In addition, under the conversion businesses, the company has set up facilities for manufacturing notebooks and copier papers inside its paper manufacturing complex to capture the higher value addition available in the conversion businesses.

The Company has capacities to manufacture duplex and multilayer paperboard which is used in a variety of industries such as FMCG, Textiles, Pharmaceuticals, Horticulture, F & B and Consumer Durables.

In addition, the Company also participates in the tenders of the "State Text Book Corporation" in Gujarat, MP and Chhatisgarh. Writing and Printing Paper is also consumed by various Government departments such as NCERT, IGNOU and the State Textbook Corporation of Western and Central India and a number of the leading State and Central University publications, where the company is a leading supplier.

Many of the leading media companies like HT Media and BCCL (Times Group) have therefore adopted a "buy local" policy and have targeted to increase their local newsprint procurement intakes from 25% to 90%. This has provided an opportunity to the company to manufacture and sell newsprints for local consumers, which is an import substitute. Similarly, the company has recently started manufacturing glazed newsprint which is in big demand in the country and also another import substitute.

The company also manufactures a variety of Specialty Papers such as :

- Florescent Papers
- Art Board
- Chromo Papers
- Crepe and Decorative Papers.

03. RISK & CONCERNS:

The key risk management practices include those relating to identifying key risks to our business objective, impact assessment, risk analysis, risk

evaluation, risk reporting and disclosures, risk mitigation and monitoring, and integration with strategy and business planning.

Risk Identification and Impact assessment: Mechanisms for identification and prioritization of risks include risk survey, industry benchmarking, incident analysis, business risk environment scanning, and focused discussions.

Risk Evaluation: Risk evaluation is carried out to decide the significance of risks to the Company. Estimated risks are compared against the established risk criteria. This risk criteria include key focus areas namely: strategy growth, cost, talent, reputation, leadership and regulatory compliance.

Risk Reporting and Disclosures: Risks to the achievement of key business objectives, trend line of risk level, impact and mitigation actions are reported.

Risk Mitigation and Monitoring: Mitigation plans are finalized, owners are identified and progress of mitigation actions are monitored and reviewed. Further, for those business, objectives, whose achievement is at risk, periodic reviews are conducted to deploy actions.

Integration with Strategy and Business Planning: Identified risks to the business objectives in the near-term, medium-term and long-term are used as one of the key inputs for the development of strategy and annual business plan. Key strategic initiatives are identified to mitigate specific risks.

04. SWOT ANALYSIS

Strength

Your company is operating paper and paper board production facility with installed capacity of 3,34,700 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

Sometimes seasonal factor affects the prices and availability of waste paper and accordingly, the profitability.

Opportunity

The competitive strengths and the opportunities that are available to the Indian Paper Industry are:

- its large and growing domestic paper market and potential for export
- increasing use of paper boards in packaging.
- qualified technical manpower with capability to manage world scale pulp and paper mills.
- well established Research and Development (R & D) facilities / activities encouraging innovation.
- fast growing contemporary printing sector.
- government's thrust for improving literacy in the Country.
- potential for growth of forest plantations.

While so, the following competitive weaknesses and threats confront the Industry:

- inadequate availability of virgin fiber resulting in high cost of raw materials, including wood, non-wood and waste paper.
- delay in creation of sustainable raw material base through industrial plantations.
- small and fragmented industry structure.
- many non-competitive mills.
- inconsistent multi-tier quality of products.
- environmental problems of most of the small pulp mills and also some large mills.
- high energy consumption and costs.
- poor infrastructure.
- likely closures, owing to increasingly stringent environmental regulations.

05. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has adequate internal controls for its operations & processes across the business segments to ensure efficient operations, compliance with internal

policies, applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions. Your Company also has an internal audit system which is conducted by independent firm of Chartered Accountants so as to cover various operations on a continuous basis. The internal audit plans, reports, internal and external audit observations, assessments and recommendations requiring attention are reviewed by the management as also by the Audit Committee of your Company and necessary action plans are decided, wherever needed.

06. HUMAN RESOURCES

During the year, the Company focused on providing a suitable work culture thereby facilitating the achievement of professional goals, providing opportunities through various strategic learning programs and employee engagement initiatives.

The Company also improved workforce excellence through several HR initiatives covering employee engagement programs aimed at reducing attrition levels and retain the best talents, better employee related policies and processes to improve operational efficiency and speed of decision making, improving inclusiveness and focus on training and development. Another key focus area in alignment to challenging market conditions, was to enhance productivity of all employees across the company.

Industrial relations continued to remain cordial in the Company.

07. CAUTIONARY STATEMENT

Statements made in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results might differ from those either expressed or implied.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 12th AUGUST, 2014

AJAY R. GOENKA
CHAIRMAN &
MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

Transparency and accountability are the two basic tenets of Corporate Governance. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code of Business Principles inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

The Board of Directors play a crucial role in overseeing the management who serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

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 Board is broad-based and consists of eminent individuals from industry, management, technical, financial and marketing. As on March 31, 2014, the Board of Rainbow Papers Limited has Directors comprising (i) two Executive Directors including the Chairman (ii) four Non-Executive Independent Directors as defined under the Listing Agreement with Stock Exchanges. The Company is managed by the Board of Directors in coordination with the Senior Management team. None of the Non-Executive Directors are responsible for the day to day affairs of the Company. The board periodically evaluates the need for change in its composition and size.

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 Mahendra Patel	Non-executive	Independent Director
5.	Shri Kantibhai Patel	Non-executive	Independent Director
6.	Smt. Aanal Trivedi*	Non-executive	Independent Director

(*Appointed as an Additional Director on 12th August, 2014)

(b) BOARD MEETING & PROCEDURES:

The Board of Directors of the Company have complete access to any information pertaining to activities and operations of the Company. Further, respective functional heads are invited to attend Committee/Board Meetings to discuss internal audit reports and provide detailed insights on items forming part of agenda items. Regular updates at such meetings, *inter-alia*, include updates on operations of the Company, presentations on financials including details of foreign exchange exposure and steps taken to minimize exchange

fluctuation risks, non-compliance of any regulatory, statutory or listing agreement requirements, if any, and major developments during the period.

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 eight times on the following dates:

09.05.2013	08.08.2013	21.10.2013	14.11.2013
21.12.2013	16.01.2014	13.02.2014	25.03.2014

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 2013-14	No. of Board Meetings attended	Attend-ance in last AGM	Number of Directorship In Other public companies as on		Details of Committee positions held in other public companies as on		Share-holding
						Chairman ship	Member ship	Chairman ship	Member ship	
Mr. Ajay Goenka	00139512	Chairman & Managing Director	8	8	Yes	-	-	-	-	11,23,250
Mr. Rahul Maheshwari	00289730	Executive Director	8	8	Yes	-	-	-	-	100
Mr. Rajendra Patawari (upto 21.10.2013)	02090538	Independent Director	3	1	Yes	-	-	-	-	1,125
Mr. Shashikant Thakar	02887471	Independent Director	8	6	Yes	-	-	-	-	-
Mr. Kantibhai Patel	02325787	Independent Director	8	6	Yes	-	4	-	-	-
Mr. Mahendra Patel(w.e.f. 21.10.2013)	00137602	Independent Director	5	4	Yes	-	2	-	-	-

(e) INFORMATION SUPPLIED TO THE BOARD:

The Company provides the following information to the Board and the Board Committees. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting:

- Business strategies and direction to the Company.
- Corporate annual plan and operating framework.
- Corporate resource allocation.
- Quarterly business performance reports.

- Quarterly and annual financial reporting/ announcements.
- Board remuneration policy.
- Declaration/recommendation of dividend.
- Convening Annual General Meeting of shareholders.
- Annual Review of accounts and ensuing adoption of the same by shareholders.
- Review of Subsidiaries' functioning.
- Review of litigations, prosecutions, show cause notices, demands and penalty notices received.

- Significant developments in the human resources and industrial relations.
- Fatal accidents and other dangerous occurrences.
- Risk evaluation and control.
- Review details regarding foreign exchange exposure and steps implemented to manage them.
- Compliance with relevant legislations and regulations.

(f) CODE OF CONDUCT:

The Company has adopted a Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual Compliance of this code. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website- www.rainbowpapers.com.

3. COMMITTEES OF THE BOARD

Your Company has constituted the following committees:-

Sr. No.	Name of Director Directorship	Category of Position Held	Committee meetings held	No. of attended	No. of meetings
1.	Shri Shashikant N. Thakar	Independent Director	Chairman	4	4
2.	Shri Kantibhai Patel	Independent Director	Member	4	3
3.	Shri Rajendra Patawari (upto 21.10.2013)	Independent Director	Member	4	1
4.	Shri Mahendra Patel (w.e.f. 21.10.2013)	Independent Director	Member	4	2

The Head of Accounts, Finance, Internal Auditor and Cost Auditors are permanent invitees to the meetings. The Company Secretary acts as the Secretary to the Committee.

b) BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and *inter alia* performs the following functions:

- a) Overviewing the Company's financial reporting process and the disclosure of financial information.

- (A) Audit Committee
- (B) Nomination & Remuneration Committee
- (C) Corporate Social Responsibility Committee
- (D) Stakeholders Relationship 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

a) COMPOSITION:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges and the terms of reference was amended subsequently pursuant to the provisions of Section 177 of the Companies Act, 2013. The Chairman of the Audit Committee is a Non-Executive and Independent Director. The present composition of the Audit Committee and particulars of meetings attended by them are given below:

- b) Reviewing with the management, the quarterly, half-yearly and the annual financial statements before submission to the Board for approval with particular reference to the matters specified in the Listing Agreement.
- c) Reviewing the financial statements & auditors' report and ensuring that adequate follow-up action is taken by the management on observations and recommendations made by the auditors.
- d) Reviewing with the management the annual financial statements before submission to the board, in particular

- (i) Any change in accounting policies and practices;
- (ii) Major accounting entries passed, based on exercise of judgement by management;
- (iii) Significant adjustments arising out of audit;
- (iv) Compliance with accounting standards; and
- (v) Disclosure of contingent liabilities.
- e) Discussing the nature and scope of audit including internal audit prior to the commencement of the audit and areas of concern, if any, arising post audit.
- f) Reviewing the findings of any internal investigations by the internal auditors into matters of suspected fraud or irregularity or failure of internal control systems, of a material nature, if any.
- g) Recommending to the Board, the appointment/re-appointment/replacement of the auditors of the Company, the remuneration payable for audits and the terms of appointment of the auditors.
- h) Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
- i) Reviewing the adequacy of internal audit functions and systems, structure, reporting process, audit coverage and frequency of internal audit.
- j) Approving the appointment of Chief Financial Officer after assessing the qualifications, experience, background etc. of the candidate.
- k) Reviewing the cost audit report.
- l) Evaluation of internal financial controls and risk management systems.
- m) Monitoring the end use of funds raised through public offers and related matters.
- n) Reviewing the management discussion, analysis of financial conditions and results of operations and other matters specified under Clause 49 of the Listing Agreement.
- o) Scrutiny of Inter Corporate Loans & Investments.
- p) Approval or any subsequent modification of transactions with related parties.
- q) Valuation of undertakings and assets of the Company, wherever it is necessary.
- r) In addition, reviewing such other functions as envisaged under Section 292A of the

Companies Act, 1956 and Clause 49 of the Listing Agreement of the Stock Exchanges.

The subjects reviewed and recommended in the meetings of the Audit Committee were apprised to the board by the Chairman of the Audit Committee for its approval.

In line with the requirements of Section 177 of the Companies Act, 2013, additional powers were vested with the Audit Committee, at the board meeting held on 12th August, 2014.

- c) **AUDIT COMMITTEE MEETINGS:**
During the year under review, four meetings of Audit Committee were held on 9th May, 2013; 8th August, 2013; 14th November, 2013; and 13th February, 2014 to consider, discuss and review the quarterly results, annual accounts and other financial matters to be placed before the Board for their approval.

(B) NOMINATION & REMUNERATION COMMITTEE

- (i) Pursuant to the provisions of Section 178 of the Companies Act, 2013, the nomenclature of the Remuneration Committee has been changed to Nomination and Remuneration Committee on 12th August, 2014.

- (ii) The broad terms of reference of the Remuneration Committee are as follows:

To approve the annual remuneration plan of the Company.

To approve the remuneration, commission/incentive payable to the Managing Director and Whole-time Director for each financial year.

To approve the remuneration and annual performance bonus payable to the Chief Financial Officer and the Executive Vice Presidents of the Company for each financial year.

Such other matters as the Board may from time to time request the Remuneration Committee to examine, recommend and approve.

- a) **REMUNERATION POLICY**
The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business

performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Director. Annual increments are decided by the Remuneration Committee within the salary scale approved by the members. The Remuneration

Committee decides on the commission payable to the Managing Director out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director.

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

The Remuneration Committee consists of 3 Independent Directors as on 31.03.2014.

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 Shashikant Thakar	Independent Director	Member	1	1
3.	Shri Rajendra Patawari (upto 21.10.2013)	Independent Director	Member	1	0
4.	Shri Mahendra Patel (w.e.f. 21.10.2013)	Independent Director	Member	0	0

c) **DETAILS OF REMUNERATION PAID TO THE DIRECTORS:**

(` In Lacs)

Name	Designation	Particulars					
		Salary	Contribution To Provident Fund	Perquisites	Total	Service	Period of
Ajay Goenka	Chairman & Managing Director	141.33	0.09	1.01	142.43	5 years	21.08.13 to 20.08.18
Rahul Maheshwari	Executive Director	25.41	0.09	-	25.50	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:

No.	Name of Director	Designation	Sitting Fees paid (`)	No of Board Meetings/	No of Committee Meetings attended
1	Shri Shashikant Thakar	Independent Director	19,000/-	6	4
2	Shri Kantibhai Patel	Independent Director	18,000/-	6	3
3	Shri Rajendra Patawari	Independent Director	3,500/-	1	1
4	Shri Mahendra Patel	Independent Director	12,000/-	4	2

The Company does not have stock option scheme.

(C) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, our Board of Directors at its meeting held on 12th August, 2014, have constituted Corporate Social Responsibility (CSR) Committee of the Board of Directors consisting of the following members:

1. Shri Ajay Goenka – Managing Director
2. Shri Rahul Maheshwari – Executive Director
3. Shri Kantibhai Patel – Independent Director

CSR POLICY:

The CSR Policy of the Company is as under:

- * Strive for economic development that positively impacts the society at large with a minimal resource footprint.

a) COMPOSITION & ATTENDANCE AT MEETING:

The Shareholders/Investors Grievance Committee comprises the following Directors:

Sr. No.	Name of Director	Category of Directorship	Committee Position Held
1.	Shri Kantibhai Patel	Independent Director	Chairman
2.	Shri Ajay R. Goenka	Managing Director	Member
3.	Shri Rahul Maheshwari	Executive Director	Member
4.	Smt. Aanal Trivedi (w.e.f. 12-08-2014)	Independent Director	Member

During the year under review, thirteen meetings of Committee were held.

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, dematerialization of shares, complaints received from SEBI and the Stock Exchanges etc.

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

The Company Secretary of the Company and the Registrar and Share Transfer Agent, Sharepro Services (India) Pvt. Ltd. attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. The minutes of the Shareholders/Investors Grievances Committee

* Be responsible for the Corporate actions and encourage a positive impact through its activities on the environment, communities and stakeholders.

(D) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The committee was earlier designated as Shareholders & Investors' Grievance Committee pursuant to Listing Agreement, which is presently effective. The same was renamed as Stakeholders Relationship Committee to comply with the provisions of the Companies Act, 2013 and the Listing Agreement in the meeting of Board of Director held on 12th August, 2014.

The Committee facilitates effective redressal of Investor complaints and share transfers.

Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their telephone numbers and e-mail addresses to facilitate prompt action.

c) NUMBER OF COMPLAINTS:

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

Opening Balance as on 01.04.2013	: Nil
Complaints received during the year	: 0
Total	: 0
Complaints Redressed during the year	: 0
Closing Balance as on 31.03.2014	: 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
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.
2012-13	27 th AGM	Ahmedabad Textiles Mills Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	16 th September, 2013	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
2010-11	To increase remuneration of Ms. 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
2012-13	Appointment of Mr. Ajay Goenka, as Managing Director of the Company for the period of 5 years with effect from 21 st August, 2013.	16/09/2013

Note:

No Extra Ordinary General Meeting was held during the year under review.

(iii) Postal Ballot:

During the year under review, no Special Resolution was passed through postal ballot.

5. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

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 were furnished to the Stock Exchanges on the following dates:

For the quarter ended	Furnished
30 th June, 2013	18 th July, 2013
30 th September, 2013	7 th November, 2013
31 st December, 2013	13 th January, 2014
31 st March, 2014	23 rd April, 2014

6. DISCLOSURES:

(a) Basis of Related Party Transactions

During the financial year 2013-14, no materially significant related party transactions have been entered into by the Company with the Promoters, Directors or Management or their relatives' that may have a potential conflict with the interest of the Company. None of the Non-Executive Directors/Independent Directors have any pecuniary material relationship or transactions with the Company for the year ended March 31, 2014 and they have given undertakings to that effect as per Clause 49 of the Listing Agreement. Details of all related party transactions are disclosed in the Notes to Accounts in the Annual Report as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India (ICAI). The transaction with the companies, where the Directors of the Company were interested, were in the normal course of business and such transactions did not have any potential conflict with the interests of the Company. Register under Section 189 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the register, wherever applicable. Such transactions are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters, when such matters come up for approval.

(b) Details of Non-Compliance by the Company, penalties, strictures 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

No penalty, or stricture was imposed by the Stock Exchanges or SEBI or any other authority, during the last 3 (three) years, since all applicable requirements were fully complied with.

(c) Accounting treatment in preparation of Financial Statements

The guidelines /accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the Company in all material respects.

(d) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Listing Agreements:

- ❖ For employees to report concerns about unethical behavior;
- ❖ To establish a mechanism to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Integrity Policy; and
- ❖ To ensure that adequate safeguards shall be provided to the Whistle Blowers against any victimization or vindictive practices like retaliation, threat or any adverse (director or indirect) action on their employment.

No personnel / person has been denied access to the Audit Committee.

(e) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement

The Company has disclosed and complied with all the mandatory requirements under Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Annual Report. This Annual Report also includes the disclosures recommended under National Voluntary Guidelines for the Social Environment and Economic Responsibilities of Business, 2012 issued by the Ministry of Corporate Affairs, Government of India under the Section on Business Responsibility Report as prescribed by SEBI. Among the non-mandatory requirements of Clause 49 of the Listing Agreement, the Company has set up Compensation Committee and has a Whistle Blower Policy in place.

(f) Compliance of Prohibition of Insider Trading Regulations

Your Company has comprehensive guidelines on prohibiting Insider Trading and the Company has adopted the code of internal procedures and conduct for listed companies notified by the SEBI.

(g) Declaration as required under Clause 49(I)(D)(ii) of the Listing Agreement of the Stock Exchange

Your Company has laid down a Code of Conduct ("Code") for all the Board Members and Senior Management Personnel of the Company. The Code is available on the website of the Company at www.rainbowpapers.com. All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2014. A declaration signed by the Chief Executive Officer (CEO) to this effect is attached as Annexure - A to this Corporate Governance Report.

(h) Risk Management Framework:

- (i) Risk Management Framework is the process of identification, assessment, and prioritization of risks with the purpose of application of resources to minimize, monitor, and control the likelihood and/or impact of unfortunate events identified as risks. The purpose of the risk management framework is to assist the Board in identification, evaluation and mitigation of operational, strategic and external environment risks.

The objective of the Risk Management policy is to manage the risks involved in all the activities of the Company to maximize opportunities and minimize adversity. The policy aims to assist the Management in decision making processes that will minimize potential losses, improve the management of uncertainty and to approach the new opportunities, thereby helping the Company to achieve the objectives.

- (ii) The key objectives of the Risk Management Policy are :

- To safeguard the Company properties and interests and interest of all the stakeholders;
- To lay down a framework for identification, measurement, reporting, evaluation and mitigation of various risks;
- To evolve the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects, which the business and operations of the Company are exposed to;
- To maintain a balance between the cost of managing risk and the anticipated benefits; and
- To create awareness among the employees to assess risks on a continuous basis and develop risk mitigation plans in the interest of the Company.

The framework casts a responsibility on each risk owner to identify and analyze risks with

the respective departmental heads and mitigate the same in consultation with the Management. The status of risk analysis review is periodically presented before the Board of Directors of the Company.

(i) Capital Issues & Conversion:

The company has issued 75,00,000 equity shares on conversion of 75,00,000 convertible warrants of ₹ 81/- each (Face Value of ₹ 2/- each) in tranches during the year. Post issue of new equity shares, the issued and paid up capital of the company is ₹ 21.24 Crores as on 12th August, 2014.

(j) Subsidiary Companies

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

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 quarterly, half yearly and annual results of the Company are published in leading newspapers in English & Gujarati. The results are also displayed on the Company's website "www.rainbowpapers.com". Press releases made by the Company from time to time are also displayed on the website. Presentations made to the institutional investors and analysts after declaration of the Company's quarterly, half-yearly and annual results are also displayed on the Company's website. The financial statements, shareholding pattern, quarterly compliances and other relevant corporate communications are filed with BSE Limited & National Stock Exchange of India Limited electronically through NSE Electronic Application Processing System (NEAPS) and BSE Helpdesk.

9. ADDITIONAL INFORMATION FOR SHAREHOLDERS:

- 1) Annual General Meeting:
The details of the 28th Annual General Meeting of the Company to be held is as under:-
Date : 25th September, 2014
Day : Thursday
Time : 11.00 A.M.
Venue : Ahmedabad Management Association, (AMA), ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad –380 015.

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

- 2) Financial Calendar (Tentative)

Quarter	Tentative Dates of Board Meeting for (F.Y.2014-15)
1 st Quarter Results	Mid of August, 2014
2 nd Quarter Results	Mid of November, 2014
3 rd Quarter Results	Mid of February, 2015
4 th Quarter Results	Last week of May, 2015

- 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:

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

- b) Domestic Custodian of GDRs :

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

- 3) Book Closure Date:
The Share transfer books and Register of Members will remain closed from 19th September, 2014 to 25th September, 2014 (both days inclusive).
- 4) Dividend Policy:
Dividends are declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.

- (B) Global Depository Receipts (GDRs)

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

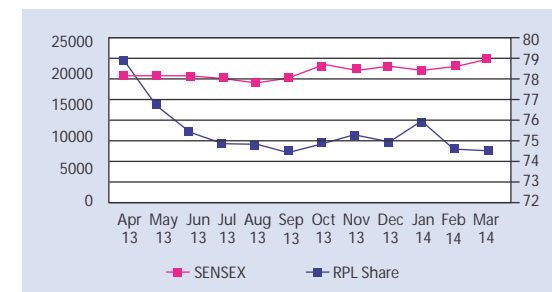
(B) Global Depository Receipts (GDR's)

Luxembourg Stock Exchange – Stock Code	US7508461073
ISIN No. for GDRs'	US7508461073

- 8) *Share Prices Data:

Month	BSE 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-13	81.05	75.15	6,42,452	80.95	75.25	5,86,667
May-13	81.10	71.10	24,28,116	81.25	72.15	10,23,040
Jun-13	79.60	75.00	17,58,029	79.00	74.60	10,79,167
Jul-13	78.55	72.80	17,30,435	78.30	72.30	18,48,696
Aug-13	78.40	72.30	9,94,569	77.70	72.85	7,84,294
Sep-13	78.50	74.15	14,26,391	76.40	74.20	18,65,447
Oct-13	78.45	74.00	7,92,834	76.80	73.95	8,17,932
Nov-13	78.60	74.20	8,28,971	77.00	74.15	8,21,053
Dec-13	82.35	74.20	17,34,782	79.90	74.20	16,05,315
Jan-14	78.75	74.00	12,96,922	78.00	74.35	12,58,514
Feb-14	78.75	73.05	11,11,864	76.80	73.35	10,94,954
Mar-14	78.80	71.00	10,93,802	77.95	71.30	18,12,307

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



SENSEX

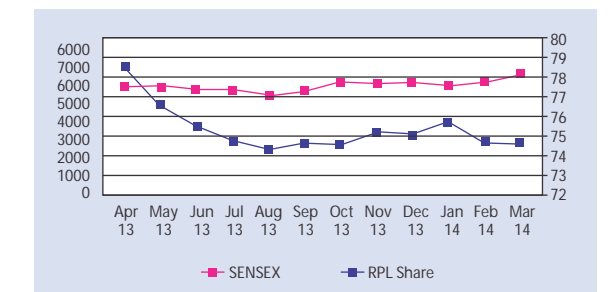
and RPL shares prices are based on month end closing rates.

- 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:

As the members are aware, the Company has appointed Sharepro Services (India) Pvt. Ltd., as Registrar & Share Transfer Agent (RTA) to handle dematerialization of shares and physical share



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

transfers as well as other share related activities of the Company.

The Members are advised to correspond with the RTA at its office at 416-420, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006. Shares sent for transfer in physical form are registered and dispatched by our RTA within period of two weeks from receipt of the documents at its office, provided the documents are found to be in

order. Shares under objection are returned within two weeks from the receipt of the document.

b) Electronic Clearing System(ECS) /National Electronic Clearing Service (NECS):
The Company through its various communications in the past, had requested its members to furnish ECS/NECS mandate so as to enable the Company to credit the dividend directly to the shareholder's bank account. The Company has been remitting the dividend through ECS/NECS to those who had registered ECS/NECS mandate with the company. However, in certain cases, although the members had furnished the ECS/NECS mandate, the remittance of dividend could not be affected through ECS/NECS at certain centers since adequate facility for crediting the amount was not available at those centers. In such cases, the dividend is being paid through dividend warrants with the bank account details printed on the warrants. The Company will remit the dividend through ECS/NECS whenever facilities are made available at those centers.

RBI vide its circular dated 25th June, 2009 had introduced NECS which aims at increasing efficiency and simplification of the ECS process. RBI has also directed the member banks to update their systems and information pertaining to the

bank account numbers of their customers. In view of the above, members holding shares in physical form desirous of receiving dividend electronically through NECS but have not updated/furnished mandate details are requested to obtain the prescribed mandate form from the Company's RTA and submit the same to the RTA duly filled in and signed for registration.

Investors holding shares under demat segment are requested to check NECS mandate registered with the respective Depository Participants and ensure correctness for prompt credit of dividend amount to their accounts.

c) Unclaimed/Outstanding dividend on Equity Shares:

To facilitate investors who have not claimed the dividend amount for earlier years on the Equity Shares from the Company, details of the unclaimed amount are being displayed on the Ministry of Corporate Affairs (MCA) website: www.iepf.gov.in

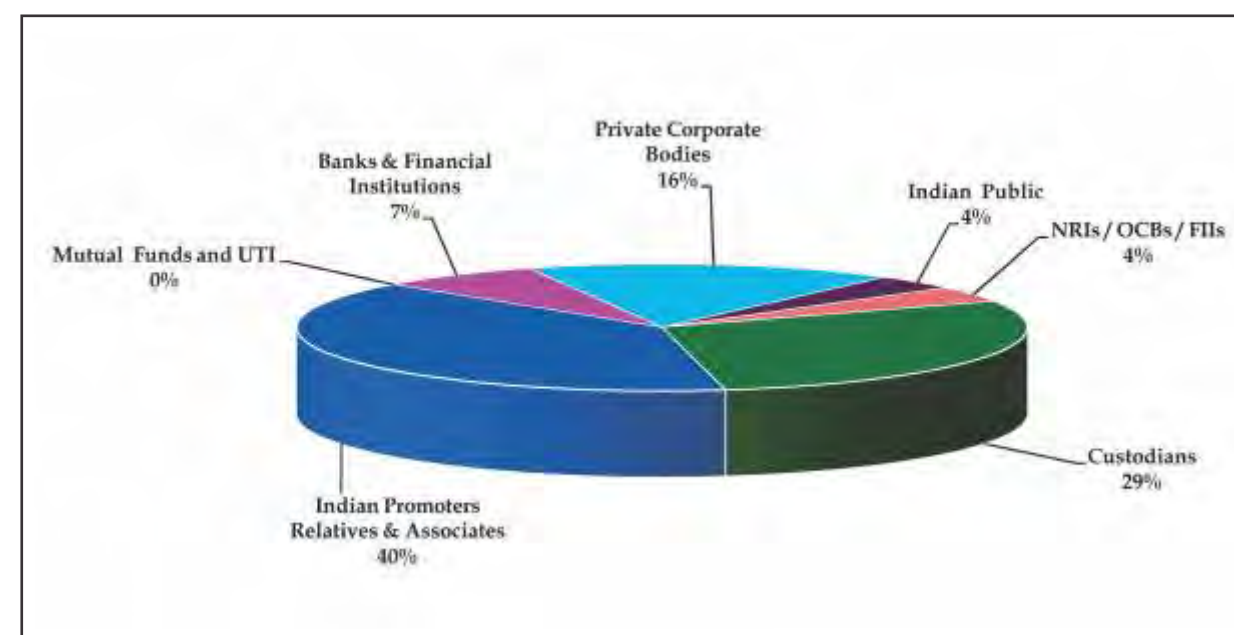
Investors are requested to browse the said site to find out the outstanding amount, if any, and claim the same from the Company, before transfer to the Investor Education and Protection Fund as per the provision of the Companies Act, 2013

10) Distribution of Holdings as on 31st March, 2014:

As on 31 st March, 2014					
Category (No. of Shares)	No. of Shareholders		No. of Shares		
	Total	%	Total	%	
Upto 2500	3282	96.30	1663736	1.68	
2501 - 5000	43	1.26	168736	0.17	
5001 - 10000	15	0.44	110168	0.11	
10001 - 15000	10	0.29	133910	0.14	
15001 - 20000	7	0.21	123057	0.12	
20001 - 25000	3	0.09	67210	0.07	
25001 - 50000	10	0.29	374520	0.38	
50001 and above	38	1.12	96327963	97.33	
TOTAL	3408	100.00	98969300	100.00	

11) Shareholding Pattern of the Company as on 31st March, 2014:

Category	No of Shares held	% of Share Holding
1) Promoters' Holding:		
i. Indian Promoters' relatives & associates (including Body Corporates)	39208450	39.62
ii. Foreign Promoters:	—	—
Sub Total (A)	39208450	39.62
2) Non Promoters Holding:		
i. Mutual Funds and UTI	500	—
ii. Banks & Financial Institutions	7150000	7.22
Sub Total (B)	7150500	7.22
3) Others		
i. Private Corporate Bodies	16239389	16.41
ii. Indian Public	3712010	3.75
iii. NRIs / OCBs / FIIs	4019226	4.06
Sub Total (C)	23970625	24.22
4) Shares held by Custodians and against which Depository Receipts have been issued (GDRs)	28639725	28.94
Sub Total (D)	28639725	28.94
Grand Total (A+B+C+D)	98969300	100.00



12) Dematerializations of Shares and Liquidity:
As on 31st March, 2014, 98.96% 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	97943395	98.96
PHYSICAL	1025905	1.04
TOTAL	98969300	100.00

13) Outstanding Global Depository Receipts (GDRs):
Outstanding GDRs for conversion into Equity Shares as on 31st March, 2014 are 2,86,39,725 amounting to 28.94% of outstanding paid-up Capital of the Company. Each GDR represents one underlying Equity Share.

14) Plant Location
1453, 1423 Village Rajpur, Tal. : Kadi,
Kalol-Mehsana Highway, Dist. Mehsana
North Gujarat - 382 715.

16) Other information to the shareholders

a) Dividend History for the Last 10 years:

Financial Year	Dividend Date	Rate	Financial Year	Dividend Date	Rate
2012-13	16-09-2013	20%	2007-08	22-09-2008	16%
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%

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.

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 12th AUGUST, 2014

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

CERTIFICATE BY MANAGING DIRECTOR

We hereby certify that:

- We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- 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.
- 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.
- We further confirm that :
 - there were no significant changes in internal control over financial reporting during the year;
 - there were no significant changes in accounting policies during the year and
 - 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.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 12th AUGUST, 2014

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, 2014, 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.
2. 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.
3. 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 : 12th August, 2014

For P A R Y & Co.,
Chartered Accountants
Firm Regn No: 007288C
P. Vamshi Krishna Reddy
(Partner)
Membership No:224674



CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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, 2014, 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 Group in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. 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:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- 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
- 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 ₹ 15,323.49 lacs as at March 31, 2014, total revenues of ₹ 47680.15 lacs and net cash inflows amounting to ₹ 233.36 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.

For P A R Y & Co
Chartered Accountants
(Firm Reg No:007288C)

P.Vamshi Krishna Reddy
Partner
(Partner)

Mem No:224674

Place : Ahmedabad
Date : 30/05/2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Lacs)

Particulars	Note No	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1979.39	1974.35
(b) Reserves and Surplus	3	67956.40	40673.83
(c) Money received against share warrants		1467.72	1518.75
		<u>71403.51</u>	<u>44166.93</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	70823.07	58748.88
(b) Deferred tax liabilities (Net)	5	4371.55	3401.52
(c) Other Long Term Liabilities	5a	1707.61	2932.47
(d) Long term provisions	6	155.37	156.93
		<u>77057.60</u>	<u>65239.80</u>
(3) Current Liabilities			
(a) Short-term borrowings	7	14728.14	12136.93
(b) Trade payables	8	15551.52	10571.11
(c) Other current liabilities	9	12126.21	12193.66
(d) Short-term provisions	10	591.95	571.59
		<u>42997.82</u>	<u>35473.29</u>
Total		<u>191458.93</u>	<u>144880.02</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	100877.56	62800.35
(ii) Capital work-in-progress	12	37420.99	35592.39
(b) Non-current investments	13	-	15.00
(c) Long term loans and advances	14	6667.70	6554.80
		<u>144966.25</u>	<u>104962.54</u>
(2) Current assets			
(a) Inventories	15	12112.94	8108.57
(b) Trade receivables	16	22081.12	20226.96
(c) Cash and bank balances	17	2043.10	1828.76
(d) Short-term loans and advances	18	10255.52	9753.19
		<u>46492.68</u>	<u>39917.48</u>
Total		<u>191458.93</u>	<u>144880.02</u>

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

1 to 35

As per our separate report of even date attached.
For P A R Y & Co
Chartered Accountants
(Firm Reg No: 007288C)
P.Vamshi Krishna Reddy
Partner
Mem. No. 224674

Ahmedabad
May 30, 2014

For and on behalf of the Board of Directors
Ajay Goenka Chairman & Managing Director
Rahul Maheshwari Executive Director
Mahendrabhai Patel Director
Shashikant Thakar Director
Kantibhai Patel Director
Runel Rathi Company Secretary

Ahmedabad
May 30, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No	For the year ended	
		March 31, 2014	March 31, 2013
		(₹ in Lacs)	
I. Revenue from operations	20	115049.27	91548.69
Less: Excise duty		1627.95	1543.55
Revenue from operations (Net)		113421.32	90005.14
II. Other income	21	1038.92	565.31
III. Total Revenue (I + II)		114460.24	90570.45
IV. Expenses:			
Cost of materials consumed	22	26760.45	23469.81
Purchase of stock-in-trade		54009.28	38299.21
		80769.73	61769.02
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(1665.50)	106.84
Employee benefit expense	24	2155.29	1818.11
Finance costs	25	6752.52	3669.75
Depreciation and amortization expense	11	4786.62	2662.32
Other expenses	26	14480.86	13228.92
IV. Total Expenses		107279.52	83254.96
V. Profit before exceptional and extraordinary items and tax (III-IV-V)		7180.72	7315.49
VI. Prior period item		-	16.35
VII. Exceptional items	27	-	(4.06)
VIII. Profit before tax (V - VI-VII)		7180.72	7327.78
IX. Tax expense:			
Current tax		707.16	948.28
Less: MAT credit entitlement		(707.16)	(748.17)
Net current tax liability		-	200.11
Deferred tax		970.03	1013.67
X. Profit for the period (VIII-IX)		6210.69	6114.00
XI. Earnings per equity share:(Face value of ₹ 2 per share) (Refer Note No 33)			
(1) Basic		6.28	6.46
(2) Diluted		5.85	6.30

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

1 to 35

As per our separate report of even date attached.
For PARY & Co
Chartered Accountants
(Firm Reg No: 007288C)
P.Vamshi Krishna Reddy
Partner
Mem. No. 224674

For and on behalf of the Board of Directors
Ajay Goenka Chairman & Managing Director
Rahul Maheshwari Executive Director
Mahendrabhai Patel Director
Shashikant Thakar Director
Kantibhai Patel Director
Runel Rathi Company Secretary

Ahmedabad
May 30, 2014

Ahmedabad
May 30, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-3-2014

	For the year ended	
	31-03-2014	31-03-2013
	(₹ in Lacs)	
A. Cash Flow from Operating Activities		
Net profit before extra ordinary items	7180.72	7315.48
Adjustment For:		
Provision for wealth tax	0.11	0.12
Depreciation & amortization expenses	4786.62	2662.32
Sundry balances written off	3.12	0.81
Finance costs	6752.52	3669.74
Loss/(Profit) on Sale of Assets / Investment	0.05	(2.94)
Effect of exchange rate change	316.96	55.23
Operating profit before working capital changes	19040.10	13699.13
Adjustment For:		
Increase /(decrease) in trade payables	4980.41	3553.09
Increase /(decrease) in current liabilities and provisions	41.67	179.66
(Increase) /decrease in inventories	(4004.37)	91.83
(Increase) /decrease in trade receivables	(1854.16)	(11569.15)
Cash generated from operating activities	18203.65	5954.57
Direct tax paid	(973.44)	(557.20)
Cash flow before extra-ordinary items	17230.21	5397.37
Extra-ordinary Items:		
Excess provision written back	-	4.06
Prior period Income	-	16.35
Net cash flow from operating activities	17230.21	5417.78
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress)	(23673.38)	(31782.06)
Sales of fixed assets	-	4.21
Movement in loans & advances	357.77	(4089.39)
Sale of investment	15.00	(15.00)
Interest income	163.33	168.14
Net cash flow from investing activities	(23137.28)	(35714.11)

(₹ in Lacs)

31-03-2014 31-03-2013

C. Cash flow from financing activities

Proceeds from long term borrowings	24648.16	38812.00
Repayment of long term borrowings	(13801.61)	(13125.89)
Short term borrowings (net)	2499.57	1032.58
Proceeds from issue of share capital	204.12	4875.00
Re-payment of Share application money	-	-
Issue / (Conversion) of share warrants	(51.03)	603.75
Interest paid	(6915.85)	(3837.88)
Dividend paid (including dividend distribution tax)	(461.95)	(405.43)
Net cash flow from financing activities	6121.41	27954.13
Net change in cash & cash equivalents(a+b+c)	214.34	(2342.20)
Opening balance - cash and cash equivalent	1828.76	4170.96
Closing balance - cash and cash equivalent	2043.10	1828.76

Note:

1 CASH AND BANK BALANCES:

Balance with Banks:

- In Collection accounts	55.19	36.14
- In Current accounts	277.49	34.37
- In EEFC accounts	0.07	-
Cash on hand	8.37	31.85

Other bank balances:

- In Dividend Accounts	13.44	13.40
- In Margin Money	1688.54	1713.00
Total	2043.10	1828.76

2 Cash & Cash Equivalents for the year ended March 31, 2014 includes unrealised Gain / (Loss) of (₹ Nil Lacs) (PY (₹ 76.38 Lacs)) on account of translation of Foreign Currency Bank Balance.

As per our separate report of even date attached.

For P A R Y & Co
Chartered Accountants
(Firm Reg No: 007288C)

P. Vamshi Krishna Reddy
Partner
Mem. No. 224674

Ahmedabad
May 30, 2014

For and on behalf of the Board of Directors

Ajay Goenka Chairman & Managing Director
Rahul Maheshwari Executive Director
Mahendrabhai Patel Director
Shashikant Thakar Director
Kantibhai Patel Director
Runel Rathi Company Secretary

Ahmedabad
May 30, 2014

Note-1: SIGNIFICANT ACCOUNTING POLICIES:

1) Principles of consolidation:

- 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 subsidiary.
- The Consolidated Financial Statements have been prepared on the following basis:
 - The Financial Statements of the Subsidiary 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).
 - 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".
 - 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.
 - 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 31-03-2014	Shareholding as at 31-03-2013
Rainbow Infrabuild Private Limited, Ahmedabad	Direct Control	INDIA	-	100%
Rainbow Papers JLT, Dubai	Direct Control	U.A.E	100%	100%

3) Basis of Accounting:

These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act 1956, read with General Circular No 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. All Incomes 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, Status Holder Incentive 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, 2014, 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.

(₹ in Lacs)

2 SHARE CAPITAL :	As at March 31, 2014	As at March 31, 2013
<u>Authorised Capital:</u>		
17,50,00,000 Equity Shares of ₹ 2/- each (PY 17,50,00,000 Equity Shares of ₹ 2/- each)	3500.00	3500.00
<u>Issued, Subscribed & Fully Paid up Capital :</u>		
9,89,69,300 Equity shares of ₹ 2/- each fully paid (PY 9,87,17,300 Equity Shares of ₹ 2/- each fully paid)	1979.39	1974.35
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)		
	1979.39	1974.35

(a) Reconciliation of number of shares :

Equity shares:	As at March 31, 2014		As at March 31, 2013	
	No of Shares	Amount in Lacs	No of Shares	Amount in Lacs
Shares outstanding at the beginning of the year	98,717,300	1974.35	91,217,300	1824.35
Add: Conversion of Convertible Warrants during the year	252,000	5.04	7,500,000	150.00
Shares outstanding at the end of the year	98,969,300	1979.39	98,717,300	1974.35

(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 2014, the amount of per share dividend recognized for distribution to equity shareholders was ₹ 0.40 (P.Y.31 March 2013 ₹ 0.40)

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

Name of share holders	As at March 31, 2014		As at March 31, 2013	
	No of Shares held	% of holding	No of Shares held	% of holding
Orient Newsprint Limited	23,377,520	23.62	23,377,520	23.68
Devkant Sythetics (India) Pvt Ltd	7,617,746	7.70	5,794,996	5.87
Rainbow Industrial Park Pvt Ltd	6,819,000	6.89	6,819,000	6.91
Drupa Suppliers Pvt Limited	6,905,000	6.98	6,653,000	6.74
Headway Capital Advisors Limited	2,761,406	2.79	5,598,197	5.67

No of shares are worked out considering clubbing all its folio.

(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:

Particulars	(₹ In Lacs)	
	2013-14 Amount	2012-13 Amount
Opening Balance	-	3204.63
Income earned on Unutilised Money	-	1.32
Total	-	3205.95
Amount Utilised for Expansion Projects and Working Capital Requirements	-	3205.95
Amount Unutilised & placed as deposited	-	-

(₹ in Lacs)		
3 RESERVES & SURPLUS :	As at March 31, 2014	As at March 31, 2013
<u>Capital Reserve</u>	45.52	45.52
<u>Add : Addition/ (Deduction) on consolidation/Cessation</u>	(15.33)	-
	30.19	45.52
<u>Securities Premium</u>		
Balance as per last accounts	19640.20	14915.20
Add: Premium on Conversion of warrants	199.08	4725.00
	19839.28	19640.20
<u>Revaluation Reserve</u>		
Balance as per last accounts	-	-
Add: Revaluation of Land	21019.02	-
	21019.02	-
<u>Other Reserves:</u>		
<u>General Reserve</u>		
Balance as per last accounts	2300.87	2030.87
Add : Amount transferred from surplus balance in statement of Profit & Loss	181.00	270.00
	2481.87	2300.87
<u>Forfeiture of Warrants</u>	27.43	27.43
<u>Foreign Currency Translation Reserve</u>		
Balance as per last Accounts	61.38	6.16
Add: Additions during the year	316.94	55.22
	378.32	61.38
<u>Surplus in Statement of Profit & Loss :</u>		
Balance as per last accounts	18598.43	13244.30
Less : Dividend Paid on Convertible Warrants		
Dividend Paid	-	24.00
Dividend Distribution tax paid	-	3.89
	18598.43	13216.41
Profit for the year	6210.69	6114.00
Add : Capital Reserve on consolidation	15.33	-
Less: Appropriations		
Proposed dividend on Equity Shares for the year	395.88	394.87
Dividend distribution tax on Proposed dividend	67.28	67.11
Transfer to General Reserve	181.00	270.00
	24180.29	18598.43
Total	67956.40	40673.83

(₹ in Lacs)		
4 LONG TERM BORROWINGS:	As at March 31, 2014	As at March 31, 2013
<u>(A) Secured :</u>		
(a) From banks:		
- Rupee term loans	45945.65	40541.88
- Foreign currency term loans	-	1139.48
- Vehicle loans	6.38	10.59
(b) From others (Financial Institution)		
- Rupee term loan	8000.00	1809.38
- Vehicle loans	-	2.54
<u>(B) Unsecured :</u>		
(a) Term loan		
From Others:		
- Financial institutions	2000.00	3000.00
(b) Loans and advances from related parties	7295.00	7295.00
(c) Other loans and advances		
- From others	7576.04	4950.02
Total	70823.07	58748.88
(a) Nature of security and terms of repayment for secured borrowings		
<u>Term loan:</u>		
Term Loan in Rupee Currency are secured by way of First hypothecation charge on Pari passu basis over the fixed assets of the company, situated at 1423&1453 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana. Second charge on paripasu basis on all current assets, situated at survey no 1423&1453 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana .The loan is further secured by personal guarantee of Managing Director, Promoter and a body corporate. 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 were secured by way of First hypothecation charge on Pari passu basis over the fixed assets of the company, situated at 1423 & 1453 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana. Second charge on paripasu basis on all current assets, situated at survey no 1423 & 1453 paiki of village: Rajpur, Taluka: Kadi, Dist:Mehsana .The loan is further secured by personal guarantee of Managing Director, Promoter and a body corporate. 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/p/1,1440/p/1 & 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.		
Corporate Loan from Bank of India is secured by way of exclusive charge on survey no 1524,1457-58,1483-84,1447/4/p 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 companies. Term Loan is carrying Rate of Interest (at present) 14.50% p.a. repayable in 27 balance equal monthly installments.		
Corporate Loan from IFCI Ltd is secured by way of pledge of 1,33,44,270 equity shares having Face Value of Rs.2/- each,, being held by promoters and promoter group companies .The loan is further secured by personal guarantee of Managing Director. Term Loan is carrying Rate of Interest (at present) 14.75% p.a. and will repayable in 5 years with balloning installments quarterly.		
<u>Vehicle Loan:</u>		
Secured vehicle loan from banks are secured by hypothecation of vehicles and are repayable over a period of 3 years carrying rate of interest 10.32 to 11.25% 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 11.25 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
2015-16	12274.54	2019-20	5034.27
2016-17	10204.09	2020-21	3453.00
2017-18	9234.27	2021-22	4274.32
2018-19	8942.27		

(c) Terms of repayment for unsecured borrowingsLoan from financial institution:

The company shall repay the loan in two installments with the first installment of ₹ 10 crore payable on 31.03.2015 and second installment of ₹ 20 crore 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 for availing Corporate Term Loan of ₹ 30 Crores.

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 deposits accepted for a period more than one year.

5 DEFERRED TAX LIABILITIES (NET): (₹ in Lacs)

	As at March 31, 2014	As at March 31, 2013
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	4373.66	3418.01
Gross deferred tax liability	4373.66	3418.01
Deferred tax assets		
Gratuity	3.02	11.59
Leave Encashment	(0.91)	4.90
Gross deferred tax asset	2.11	16.49
Net deferred tax liability	4371.55	3401.52

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 and 80 IB, where the timing difference arising in a year is reversed during Tax Holiday period itself, no Deferred Tax should be recognized.

5(a) OTHER LONG TERM LIABILITIES:

	As at March 31, 2014	As at March 31, 2013
Other :		
Retention money for capital goods	1707.61	2932.47
	1707.61	2932.47

6 LONG TERM PROVISIONS: (₹ in Lacs)

	As at March 31, 2014	As at March 31, 2013
Provisions for employee benefits :		
Provision for gratuity	96.48	92.95
Provision for leave encashment	58.89	63.98
Total	155.37	156.93

7 SHORT TERM BORROWINGS: (₹ in Lacs)

	As at March 31, 2014	As at March 31, 2013
(A) Secured:		
Loans repayable on demand:		
From Banks:		
Cash Credit Facility		
- Rupee Loan	11897.35	7916.62
- Foreign Currency Loan	-	483.25
(B) Unsecured:		
Other Loans and advances :		
From Banks (Buyer's Credit)	2830.79	3737.06
Total	14728.14	12136.93

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.

8 TRADE PAYABLES: (₹ in Lacs)

	As at March 31, 2014	As at March 31, 2013
- Acceptances	7649.22	6891.15
- Due to Micro Small & Medium Enterprises	160.97	126.06
- For Goods, services & trade deposits	7741.33	3553.90
Total	15551.52	10571.11

9 OTHER CURRENT LIABILITIES:

	As at March 31,2014	As at March 31,2013
Current maturities of long term debts	10623.90	10970.63
Interest accrued and due on borrowings	723.48	468.38
Unclaimed dividend*	13.44	13.40
Other payables:		
- Statutory dues and unpaid expenses	564.40	664.52
- Advances from customers	200.99	76.73
Total	12126.21	12193.66

* Liability towards Investor Education and Protection Fund under Section 205C of The Companies Act, 1956 (Not Due as on 31.03.2014 / 31.03.2013)

10 SHORT TERM PROVISIONS:

	As at March 31,2014	As at March 31,2013
<u>Provision for employee benefits:</u>		
Provision for bonus	75.68	64.26
Provision for gratuity	47.22	41.41
Provision for leave encashment	5.21	3.15
<u>Others:</u>		
Provision for proposed dividend on equity shares	395.88	394.87
Provision for dividend distribution tax on proposed dividend	67.28	67.13
Provision for income tax	-	0.21
Provision for wealth tax	0.68	0.57
Total	591.95	571.59

Note - 11 : TANGIBLE FIXED ASSETS

	(` In Lacs)											Total				
	Land	Factory Building	Tubewell	Office Building	Plant & Machinery	Electrical Installation	Workshop Equipment	Laboratory Equipment	Furniture	Vehicles	Office Equipment		Computers	Air Conditioners		
Cost of assets																
At 1 April 2012	626.51	3555.61	32.36	476.54	40753.16	264.30	17.76	34.98	66.94	115.54	35.35	240.54	56.48	46276.07		
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	896.90	6581.00	34.47	476.54	71839.47	264.30	17.76	44.77	69.04	156.38	49.36	246.95	68.84	80745.77		
Additions	21169.76	1075.54	-	-	20248.99	-	-	6.57	3.29	21.30	1.79	40.05	0.96	42568.26		
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Exchange Differences	-	26.15	-	-	269.42	-	-	-	-	-	-	-	-	295.57		
At 31 March 2014	22066.66	7682.69	34.47	476.54	92357.89	264.30	17.76	51.34	72.33	177.68	51.15	287.00	69.81	123609.60		
Depreciation																
At 1 April 2012	-	1193.98	15.85	131.89	13328.95	220.75	15.06	13.52	50.06	64.28	16.24	214.86	26.26	15291.70		
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	2662.32		
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	8.52	-	-	0.07	8.59		
At 31 March 2013	-	1444.01	16.75	149.12	15671.49	226.81	15.48	16.96	53.30	73.41	20.15	226.38	31.57	17945.42		
Charge for the year	-	570.13	0.89	16.37	4140.42	5.22	0.35	4.48	3.25	24.29	4.21	11.72	5.30	4786.62		
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
At 31 March 2014	-	2014.14	17.63	165.49	19811.91	232.03	15.83	21.44	56.56	97.71	24.36	238.10	36.87	22732.04		
At 31 March 2013	896.90	5136.98	17.72	327.42	56167.99	37.49	2.29	27.81	15.73	82.97	29.21	20.58	37.27	62800.35		
At 31 March 2014	22066.66	5668.55	16.83	311.04	72545.98	32.28	1.94	29.90	15.77	79.98	26.79	48.91	32.93	100877.56		

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:

(i) 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.

(ii) 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, ` 295.57 Lacs has been added (PY ` 294.75 Lacs was added) to the cost of the fixed assets.

(iii) During the year revaluation of land is carried out by registered approved valuer based on their reports land is revalued at ` 21970.90 Lacs, in pursuance of this upward revalued amount ` 21019.02 Lacs is shown as addition to Fixed Asset and accordingly Revaluation Reserve to that extent is shown under the head of Reserves & Surplus.

(₹ in Lacs)

12 CAPITAL WORK IN PROGRESS COMPRISES:

	As at March 31,2014	As at March 31,2013
Building , Plant & Machinery and Pre operative expenses (Pending Allocation)	37,420.99	35,592.39
TOTAL	37,420.99	35,592.39

- 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 31,2014	As at March 31,2013
<u>Trade investments (Valued at cost unless stated otherwise)</u>		
<u>Investment in Mutual Fund</u>		
Nil Units [March 31,2013: 1,50,000] Face Value of ₹ 10 each of Union KBC Mutual Fund (At cost)	-	15.00
Total	-	15.00

(₹ in Lacs)

14 LONG-TERM LOANS & ADVANCES:

(Unsecured, considered good, unless otherwise stated)	As at March 31,2014	As at March 31,2013
(a) Capital advances	6657.64	6543.08
(b) Security deposits	7.01	7.67
(c) Other loans & advances		
- Advances recoverable in cash or kind*	3.05	4.05
Total	6667.70	6554.80

*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 31,2014	As at March 31,2013
<u>Raw materials:</u>		
- Paper	5216.38	3131.94
[Goods in transit]	258.32	135.22
- Chemicals	1285.90	1145.02
[Goods in transit]	30.73	53.72
Work-in-progress	1790.26	887.06
Finished goods	613.55	292.72
Stock in trade (In respect of goods acquired for trading)	1011.02	569.55
Stores & spares	1412.68	1037.67
[Goods in transit]	13.51	1.46
Loose tools	130.57	402.04
<u>Others:</u>		
Fuels & packing material	306.00	389.52
[Goods in transit]	44.02	62.65
(Above inventories taken, valued and certified by the management)		
Total	12112.94	8108.57

(₹ in Lacs)

16 TRADE RECEIVABLES:

(Unsecured, considered good, unless otherwise stated)

	As at March 31,2014	As at March 31,2013
Outstanding for a period exceeding 6 months from the date they are due for payment	99.63	78.21
Others	21981.49	20148.75
Total	22081.12	20226.96

(₹ in Lacs)

17 CASH AND BANK BALANCES:

	As at March 31,2014	As at March 31,2013
<u>Cash and cash equivalent:</u>		
a Balance with Banks:		
- In Collection accounts	55.19	36.14
- In Current accounts	277.49	34.37
- In EEFC accounts	0.07	-
b Cash on hand	8.37	31.85
c Other bank balances:		
- In Dividend Accounts	13.44	13.40
- In Margin Money*	1688.54	1713.00
Total	2043.10	1828.76

* Margin Money deposits (including accrued interest thereon) with a carrying amount of ₹ 1688.54 Lacs (31 March 2013: ₹ 1713.00 Lacs are given as margin against Letter of Credit open with bank)

(₹ in Lacs)

18 SHORT-TERM LOANS AND ADVANCES:

Unsecured considered good, unless otherwise stated:	As at March 31, 2014	As at March 31, 2013
Other loans and advances:		
- Advances recoverable in cash or kind	16.22	876.37
- Advances to creditors	5267.36	4775.79
- Balances with government authorities	1961.80	2094.57
- Advance tax and mat credit entitlement	2787.78	1814.34
- Advance fringe benefit tax	0.53	0.53
- Prepaid expenses	221.83	191.59
Total	10255.52	9753.19

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

(₹ in Lacs)

Contingent liabilities

	As at March 31, 2014	As at March 31, 2013
Guarantees:		
- Bank Guarantee	681.35	803.68
Other money for which company is contingently liable:		
- Export obligation in respect of custom duty on machinery imported on EPCG scheme (EODC is Pending)	-	2875.94

Commitment:

Estimated amount of contracts, remaining to be executed on capital accounts and not provided for ₹ 563.93 Lacs net of advance (PY ₹ 1419.75 Lacs).

(₹ in Lacs)

20 REVENUE FROM OPERATIONS:

	Year ended March 31, 2014	Year ended March 31, 2013
Sale of products		
Paper sales	47045.55	39565.65
Paper sales (export) (including deemed exports)	8353.92	9244.52
Paper sales (trading)	58689.34	41632.22
Bricks sales	29.92	105.95
Plastic sheet sales	19.76	144.23
Sale of services		
Job work	165.78	16.37
Other Operating Revenue		
Export incentive	439.67	344.82
Fly ash sales	17.03	47.90
Miscellaneous waste sales	288.30	447.03
	115049.27	91548.69
Less : Excise duty	1627.95	1543.55
Total	113421.32	90005.14

(₹ in Lacs)

21 OTHER INCOME:

	Year ended March 31, 2014	Year ended March 31, 2013
Interest income from foreign subsidiary	675.91	368.13
Commission Income	-	43.05
Profit / (Loss) on sale of Fixed Assets	-	2.97
Foreign exchange gain (Net)	363.01	151.16
Total	1038.92	565.31

(₹ in Lacs)

22 COST OF MATERIALS CONSUMED:

	Year ended March 31, 2014	Year ended March 31, 2013
Opening Stock		
Papers	3267.16	3569.46
Chemicals (Coating Division)	62.90	49.54
	3330.06	3619.00
Add : Purchases		
Papers	28449.33	22666.52
Chemicals (Coating Division)	481.98	514.35
	32261.37	26799.87
Less : Closing Stock		
Papers	5474.70	3267.16
Chemicals (Coating Division)	26.22	62.90
Total	26760.45	23469.81

(₹ in Lacs)		
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Year ended March 31, 2014	Year ended March 31, 2013
Opening Stock		
Finished goods	292.72	315.61
Work in progress	887.06	903.43
Stock-in-trade	569.55	637.43
Total (A)	1749.33	1856.17
Closing Stock		
Finished goods	613.55	292.72
Work in progress	1790.26	887.06
Stock-in-trade	1011.02	569.55
Total (B)	3414.83	1749.33
Total (A-B)	(1665.50)	106.84

(₹ in Lacs)		
24 EMPLOYEE BENEFITS EXPENSE:	Year ended March 31, 2014	Year ended March 31, 2013
Salary and Wages	2035.20	1701.72
Contribution to Provident and other funds	91.72	82.94
Staff welfare expense	28.37	33.45
Total	2155.29	1818.11

(₹ in Lacs)		
25 FINANCE COSTS:	Year ended March 31, 2014	Year ended March 31, 2013
(1) Interest expenses		
(a) Term loans	2968.35	820.05
(b) Working capital facilities	1767.42	1688.63
(c) Others	900.49	482.14
	5636.26	2990.82
Less: Interest on Margin Money, Deposits and others*	163.33	168.14
	5472.93	2822.68
(2) Other borrowing cost	1279.59	847.07
Total	6752.52	3669.75

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

(₹ in Lacs)		
26 OTHER EXPENSES:	Year ended March 31, 2014	Year ended March 31, 2013
Consumption of stores & spare parts	261.10	265.15
Consumption of chemical	4482.70	3816.65
Consumption of power & fuel	5569.10	5205.63
Consumption of packing materials	949.00	795.09
Paper pulping, cutting, packing and finishing expenses	537.99	449.41
Bricks processing charges	15.33	44.50
Plastic sheet processing charges	5.24	17.10
Repairs and maintenance:		
Machinery	155.00	164.89
Building	18.27	35.74
Others	56.67	50.66
	229.94	251.29
Payment to auditors	7.26	10.86
Factory expenses	156.96	175.63
Insurance	95.50	128.00
Rent expense	43.53	37.37
Rates and Taxes [includes Wealth Tax ₹ 11381]	8.52	6.44
Excise duty adjustment for stocks (net)*	18.83	(1.00)
Advertisement, Stationery and Communication	58.99	70.65
Legal, Consultancy and Professional Fees	85.72	97.81
Freight & forwarding outward expense (export)	633.87	699.94
Sales outward expenses	557.37	400.04
Selling costs	608.83	642.06
Miscellaneous expenses	23.39	15.11
Donation	5.36	1.38
Travelling & conveyance	126.33	99.81
Total	14480.86	13228.92

* 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, 2014	Year ended March 31, 2013
Excess/(Short) provision of earlier years	-	(4.06)
Total	-	(4.06)

28 PROPOSED DIVIDEND:	2013-14	2012-13
Dividend proposed to be distributed to equity shareholders		
- Total Amount (in Lacs)	395.88	394.87
- 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. During the current year M/s Rainbow Infrabuild ceased to be subsidiary w.e.f 29.05.2013.

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	2013-14	2012-13
Operating Revenue by Geographical Segment		
India	56947.57	43749.88
Outside India	56473.75	46255.26
Addition to Fixed Assets and Intangible Assets		
India	42863.83	34479.56
Outside India	-	-
Carrying amount of Fixed Assets		
India	138298.55	98392.74
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

Particulars	2013-14	2012-13
Sales	112676.32	89165.39
Other operating income	745.00	839.75

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
5. Smt. Draupadidevi R Goenka	Relative of Director

(b) Disclosure of Related Party Transactions (₹ in Lacs)

Nature of Transaction	Parties mentioned at a (i) above		Key management personnel	
	2013-14	2012-13	2013-14	2012-13
Unsecured Loan taken	-	7295.00	-	-
Office Rent Paid	-	-	9.07	6.75
Directors' Remuneration	-	-	167.93	115.27
Salary	-	-	52.96	52.96
Issue of share (on conversion)	204.12	4875.00	-	-
Convertible Warrant issued	-	1518.75	-	-

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 Smt. Draupadidevi R Goenka	8.17 0.90
2	Directors' Remuneration	Shri Ajay R Goenka Shri Rahul J Maheshwari	142.43 25.50
3	Salary	Smt. Sangeeta A. Goenka Smt. Niyati Agrawal	24.08 28.88
4	Equity share issued on conversion of warrant	Drupa Suppliers Pvt Limited	204.12

33) Earnings per share:

Particulars		31.03.2014	31.03.2013
Net profit for the year attributable to Equity Shareholders	₹ Lacs	6210.69	6114.00
Weighted average number of Equity Shares outstanding for Basic earning per shares	Numbers	98829837	94595382
Weighted average number of Equity Shares outstanding for Diluted earning per shares	Numbers	106077837	97102232
Basic earnings per share (face value of ₹ 2 each)	₹	6.28	6.46
Diluted earnings per share (face value of ₹ 2 each)	₹	5.85	6.30

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)

	2013-14	2012-13
Payables – USD	47.10	69.54
Receivables - USD	12.09	18.64
Receivables – Euro	-	0.74
Bank Balance - AED	15.83	0.22
Term Loans - USD	-	41.27

- 35) Opening balances have been considered on the basis of the last year audited balance sheet and the figures of the previous year were audited by a firm of chartered accountant other than our firm. Opening balances have been regrouped/ rearranged wherever necessary while reporting current year financial statement..

As per our separate report of even date attached.

For PARY & Co
Chartered Accountants
(Firm Reg No: 007288C)

P.Vamshi Krishna Reddy
Partner
Mem. No. 224674

Ahmedabad
May 30, 2014

For and on behalf of the Board of Directors

Ajay Goenka
Rahul Maheshwari
Mahendrabhai Patel
Shashikant Thakar
Kantibhai Patel
Runel Rathi

Ahmedabad
May 30, 2014

Chairman & Managing Director
Executive Director
Director
Director
Director
Company Secretary

STAND-ALONE FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

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 31st March, 2014, and 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 gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 controls 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, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. 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 31st March 2014;
- (b) In the case of 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, Statement of Profit and Loss and the Cash Flow Statement dealt with this Report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.;
- e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956:

For P A R Y & Co
Chartered Accountants
(Firm Reg No:007288C)

Place : Ahmedabad
Date : 30/05/2014

P.Vamshi Krishna Reddy
(Partner)
Mem No:224674

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 Rs. 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 generally 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, 2014 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 raised.
- (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 2,52,000 Equity shares at a price of ` 81 (Face Value ` 2) amounting to ` 204.12 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. Accordingly, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company.
- (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 : 30/05/2014

For P A R Y & Co
Chartered Accountants
(Firm Reg No:007288C)

P.Vamshi Krishna Reddy
(Partner)
Mem No:224674

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No	₹ in Lacs	
		As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	1979.39	1974.35
(b) Reserves and Surplus	4	59865.35	36706.65
(c) Money received against share warrants		1467.72	1518.75
		<u>63312.46</u>	<u>40199.75</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	70823.07	58748.89
(b) Deferred tax liabilities (Net)	6	4371.55	3401.52
(c) Other Long Term Liabilities	6a	1707.61	2932.47
(d) Long term provisions	7	155.37	156.93
		<u>77057.60</u>	<u>65239.81</u>
(3) Current Liabilities			
(a) Short-term borrowings	8	14728.14	12136.93
(b) Trade payables	9	14384.17	9590.88
(c) Other current liabilities	10	12126.21	12189.35
(d) Short-term provisions	11	591.95	571.37
		<u>41830.47</u>	<u>34488.53</u>
Total		<u>182200.53</u>	<u>139928.08</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	100877.56	62800.35
(ii) Capital work-in-progress	13	37420.99	35589.63
(b) Non-current investments	14	40.90	56.90
(c) Long term loans and advances	15	6667.54	6364.65
		<u>145006.99</u>	<u>104811.53</u>
(2) Current assets			
(a) Inventories	16	11853.87	7733.07
(b) Trade receivables	17	9350.74	11693.80
(c) Cash and bank balances	18	1783.10	1800.66
(d) Short-term loans and advances	19	14205.83	13889.02
		<u>37193.54</u>	<u>35116.55</u>
Total		<u>182200.53</u>	<u>139928.08</u>

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

1 to 36

As per our separate report of even date attached.
For PARY & Co
Chartered Accountants
(Firm Reg No: 007288C)
P. Vamshi Krishna Reddy
Partner
Mem. No. 224674

For and on behalf of the Board of Directors
Ajay Goenka Chairman & Managing Director
Rahul Maheshwari Executive Director
Mahendrabhai Patel Director
Shashikant Thakar Director
Kantibhai Patel Director
Runel Rathi Company Secretary

Ahmedabad
May 30, 2014

Ahmedabad
May 30, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No	₹ in Lacs	
		For the year ended March 31, 2014	For the year ended March 31, 2013
I. Revenue from operations	21	67241.72	54217.24
Less: Excise duty		1627.95	1543.55
Revenue from operations (Net)		<u>65613.77</u>	<u>52673.69</u>
II. Other income	22	1064.52	522.26
III. Total Revenue (I + II)		<u>66678.29</u>	<u>53195.95</u>
IV. Expenses:			
Cost of materials consumed	23	26760.45	23469.81
Purchase of stock-in-trade		10883.88	4127.90
		<u>37644.33</u>	<u>27597.71</u>
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1781.93)	(71.32)
Employee benefit expense	25	2143.36	1791.97
Finance costs	26	6076.49	3276.29
Depreciation and amortization expense	12	4786.62	2662.31
Other expenses	27	14435.63	13201.81
IV. Total Expenses		<u>63304.50</u>	<u>48458.77</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		<u>3373.79</u>	<u>4737.18</u>
VI. Prior period item		-	16.35
VII. Exceptional items	28	-	(4.06)
VIII. Profit before tax (V - VI-VII)		<u>3373.79</u>	<u>4749.46</u>
IX. Tax expense:			
Current tax		707.16	947.80
Less: MAT credit entitlement		(707.16)	(748.17)
Net current tax liability		-	199.63
Deferred tax		970.03	1013.67
X. Profit for the period (VIII-IX)		<u>2403.76</u>	<u>3536.16</u>
XI. Earnings per equity share: (Face value of ₹ 2 per share) (Refer Note No 33)			
(1) Basic		2.43	3.74
(2) Diluted		2.27	3.64

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

1 to 36

As per our separate report of even date attached.
For PARY & Co
Chartered Accountants
(Firm Reg No: 007288C)
P. Vamshi Krishna Reddy
Partner
Mem. No. 224674

For and on behalf of the Board of Directors
Ajay Goenka Chairman & Managing Director
Rahul Maheshwari Executive Director
Mahendrabhai Patel Director
Shashikant Thakar Director
Kantibhai Patel Director
Runel Rathi Company Secretary

Ahmedabad
May 30, 2014

Ahmedabad
May 30, 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2014

(₹ in Lacs)

31-03-2014 31-03-2013

A. Cash Flow from Operating Activities

Net profit before extra ordinary items	3373.79	4737.17
<u>Adjustment For:</u>		
Provision for wealth tax	0.11	0.12
Depreciation & amortization expenses	4786.62	2662.31
Sundry balances written off	3.12	0.81
Finance costs	6076.49	3276.29
Loss/(Profit) on Sale of Assets / Investment	(25.55)	(2.94)
Operating profit before working capital changes	14214.58	10672.14
<u>Adjustment For:</u>		
Increase /(decrease) in trade payables	4793.29	3676.30
Increase /(decrease) in current liabilities and provisions	46.19	356.98
(Increase) /decrease in inventories	(4120.80)	(86.34)
(Increase) /decrease in trade receivables	2343.06	(6210.87)
Cash generated from operating activities	17276.32	8408.21
Direct tax paid	(973.44)	(556.93)
Cash flow before extra-ordinary items	16302.88	7851.29
Extra-ordinary Items:		
Excess provision written back	-	4.06
Prior period expenses/income	-	16.35
Net cash flow from operating activities	16302.88	7871.69

B. Cash flow from investing activities

Purchase of fixed assets (including capital work in progress)	(23676.12)	(31782.15)
Sales of fixed assets	-	4.21
Movement in loans & advances	353.36	(6961.00)
Investments in subsidiaries/other investment	-	(15.00)
Sale of investment	41.55	-
Interest income	163.33	192.06
Net cash flow from investing activities	(23117.88)	(38561.88)

(₹ in Lacs)

31-03-2014 31-03-2013

C. Cash flow from financing activities

Proceeds from long term borrowings	24648.16	38812.00
Repayment of long term borrowings	(13801.61)	(13125.89)
Short term borrowings (net)	2499.57	1032.58
Proceeds from issue/on conversion of Share Capital	204.12	4875.00
Issue/(Conversion) of share warrants	(51.03)	603.75
Interest paid	(6239.82)	(3468.35)
Dividend paid (including dividend distribution tax)	(461.95)	(405.43)
Net cash flow from financing activities	6797.44	28323.65
Net change in cash & cash equivalents(a+b+c)	(17.56)	(2366.53)
Opening balance - cash and cash equivalent	1800.66	4167.18
Closing balance - cash and cash equivalent	1783.10	1800.66

Note:

1. CASH AND BANK BALANCES:

Balance with Banks :

- In Collection accounts	55.19	36.14
- In Current accounts	18.96	29.67
- In EEFC accounts	0.07	-
Cash on hand	6.90	8.45

Other bank balances:

- In Dividend Accounts	13.44	13.40
- In Margin Money	1688.54	1713.00
Total	1783.10	1800.66

2. Cash & Cash Equivalents for the year ended March 31, 2014 includes unrealised Gain / (Loss) of (Nil Lacs) (PY (76.38 Lacs))on account of translation of Foreign Currency Bank Balance.

As per our separate report of even date attached.

For PARY & Co
Chartered Accountants
(Firm Reg No: 007288C)

P. Vamshi Krishna Reddy
Partner
Mem. No. 224674

Ahmedabad
May 30, 2014

For and on behalf of the Board of Directors

Ajay Goenka	Chairman & Managing Director
Rahul Maheshwari	Executive Director
Mahendrabhai Patel	Director
Shashikant Thakar	Director
Kantibhai Patel	Director
Runel Rathi	Company Secretary

Ahmedabad
May 30, 2014

1 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 & fluroscent 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. M/s Rainbow Infrabuild Pvt Ltd has ceased to be a subsidiary of the company from 28.05.2013.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENT:

These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act 1956, read with General Circular No 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 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, Status Holder Incentive 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 Non current & Current Investments. Non Current 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 Process 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-process 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, 2014, 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.

(₹ in Lacs)

3 SHARE CAPITAL :	As at	
	March 31, 2014	March 31, 2013
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 : 9,89,69,300 Equity shares of ` 2/- each fully paid (PY 9,87,17,300 Equity Shares of ` 2/- each fully paid)	1979.39	1974.35
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)		
	1979.39	1974.35

(a) Reconciliation of number of shares :

Equity shares:	As at March 31, 2014		As at March 31, 2013	
	No of Shares	Amount in Lacs	No of Shares	Amount in Lacs
Shares outstanding at the beginning of the year	98,717,300	1974.35	91,217,300	1824.35
Add: Conversion of Convertible Warrants during the year	252,000	5.04	7,500,000	150.00
Shares outstanding at the end of the year	98,969,300	1979.39	98,717,300	1974.35

(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 2014, the amount of per share dividend recognized for distribution to equity shareholders was ` 0.40 (P.Y.31 March 2013 ` 0.40)

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

Name of share holders	As at March 31, 2014		As at March 31, 2013	
	No of Shares held	% of holding	No of Shares held	% of holding
Orient Newsprint Limited	23,377,520	23.62	23,377,520	23.68
Devkant Sythetics (India) Pvt Ltd	7,617,746	7.70	5,794,996	5.87
Rainbow Industrial Park Pvt Ltd	6,819,000	6.89	6,819,000	6.91
Drupa Suppliers Pvt Limited	6,905,000	6.98	6,653,000	6.74
Headway Capital Advisors Limited	2,761,406	2.79	5,598,197	5.67

No of shares are worked out considering clubbing all its folio.

(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:

Particulars	(` In Lacs)	
	2013-14 Amount	2012-13 Amount
Opening Balance	-	3204.63
Income earned on Unutilised Money	-	1.32
Total	-	3205.95
Amount Utilised for Expansion Projects and Working Capital Requirements	-	3205.95
Amount Unutilised & placed as deposited	-	-

(₹ in Lacs)

4 RESERVES & SURPLUS :

	As at March 31, 2014	As at March 31, 2013
<u>Capital Reserve</u>	30.19	30.19
<u>Securities Premium</u>		
Balance as per last accounts	19640.20	14915.20
Add: Premium on Conversion of warrants	199.08	4725.00
	19839.28	19640.20
<u>Revaluation Reserve</u>		
Balance as per last accounts	-	-
Add: Revaluation of Land	21019.02	-
	21019.02	-
<u>Other Reserves :</u>		
<u>General Reserve</u>		
Balance as per last accounts	2300.87	2030.87
Add : Amount transferred from surplus balance in statement of Profit & Loss	181.00	270.00
	2481.87	2300.87
<u>Forfeiture of Warrants</u>	27.43	27.43
<u>Surplus in Statement of Profit & Loss :</u>		
Balance as per last accounts	14707.96	11931.68
Less : Dividend Paid on Convertible Warrants		
Dividend Paid	-	24.00
Dividend Distribution tax paid	-	3.89
	14707.96	11903.79
Profit for the year	2403.76	3536.15
Less: Appropriations		
Proposed dividend on Equity Shares for the year	395.88	394.87
Dividend distribution tax on Proposed dividend	67.28	67.11
Transfer to General Reserve	181.00	270.00
	16467.56	14707.96
Total	59865.35	36706.65

(₹ in Lacs)

5 LONG TERM BORROWINGS:	Asat March 31, 2014	Asat March 31, 2013
(A) Secured:		
(a) From banks:		
- Rupee term loans	45945.65	40541.88
- Foreign currency term loans	-	1139.48
- Vehicle loans	6.38	10.59
(b) From others (Financial Institutions)		
Rupee Term Loan	8000.00	1809.38
Vehicle Loan	-	2.54
(B) Unsecured:		
(a) Term loan		
From Others		
- Financial institutions	2000.00	3000.00
(b) Loans and advances from related parties	7295.00	7295.00
(c) Other loans and advances		
- From others	7576.04	4950.02
Total	70823.07	58748.89

(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 of the company, situated at 1423 & 1453 paiki of village: Rajpur, Taluka: Kadi, Dist: Mehsana. Second charge on paripasu basis on all current assets, situated at survey no 1423 & 1453 paiki of village: Rajpur, Taluka: Kadi, Dist: Mehsana. The loan is further secured by personal guarantee of Managing Director, Promoter and a body corporate. 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 were secured by way of First hypothecation charge on Pari passu basis over the fixed assets of the company, situated at 1423 & 1453 paiki of village: Rajpur, Taluka: Kadi, Dist: Mehsana. Second charge on paripasu basis on all current assets, situated at survey no 1423 & 1453 paiki of village: Rajpur, Taluka: Kadi, Dist: Mehsana. The loan is further secured by personal guarantee of Managing Director, Promoter and a body corporate. 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/p/1, 1440/p/1 & 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.

Corporate Loan from Bank of India is secured by way of exclusive charge on survey no 1524, 1457-58, 1483-84, 1447/4/p 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 companies. Term Loan is carrying Rate of Interest (at present) 14.50% p.a. repayable in 27 balance equal monthly installments.

Corporate Loan from IFCI Ltd is secured by way of pledge of 1,33,44,270 equity shares having Face Value of ₹ 2/- each, being held by promoters and promoter group companies. The loan is further secured by personal guarantee of Managing Director. Term Loan is carrying Rate of Interest (at present) 14.75% p.a. and will repayable in 5 years with balloning installments quarterly.

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 10.32 to 11.25% 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 11.25 p.a. Further loan is guaranteed by Managing Director of the company.

(₹ in Lacs)

(b) The period and amount of installments due are as under:			
Financial Year	Amount	Financial Year	Amount
2015-16	12274.54	2019-20	5034.27
2016-17	11158.09	2020-21	5034.27
2017-18	9234.27	2021-22	4274.32
2018-19	8942.27		
(c) Terms of repayment for unsecured borrowings			
<u>Loan from financial institution:</u>			
The company shall repay the loan in two installments with the first installment of ₹ 10 crore payable on 31.03.2015 and second installment of ₹ 20 crore 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 for availing Corporate Term Loan of ₹ 30 Crores.			
<u>Loans and advances from related parties:</u>			
The company has taken interest free advance from related parties which is repayable after a period of one year.			
Other loan & advances includes trade deposits accepted for a period more than one year.			

(₹ in Lacs)

6 DEFERRED TAX LIABILITIES (NET):	Asat March 31, 2014	Asat March 31, 2013
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	4373.66	3418.01
Gross deferred tax liability	4373.66	3418.01
Deferred tax assets		
Gratuity	3.02	11.59
Leave Encashment	0.91	4.90
Gross deferred tax asset	2.11	16.49
Net deferred tax liability	4371.55	3401.52

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)

(₹ in Lacs)

6(a) OTHER LONG TERM LIABILITIES:	Asat March 31, 2014	Asat March 31, 2013
Other:		
Retention money for capital goods	1707.61	2932.47
	1707.61	2932.47

(₹ in Lacs)

7 LONG TERM PROVISIONS:	As at March 31, 2014	As at March 31, 2013
<u>Provisions for employee benefits:</u>		
Provision for gratuity	96.48	92.95
Provision for leave encashment	58.89	63.98
Total	155.37	156.93

(` in Lacs)

8 SHORT TERM BORROWINGS:	As at March 31, 2014	As at March 31, 2013
<u>(A) Secured:</u>		
Loans repayable on demand:		
From Banks:		
a. Cash Credit Facility		
- Rupee Loan	11897.35	7916.62
- Foreign Currency Loan	-	483.25
<u>(B) Unsecured:</u>		
Other Loans and advances :		
From Banks (Buyer's Credit)	2830.79	3737.06
Total	14728.14	12136.93

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.

(` in Lacs)

9 TRADE PAYABLES:	As at March 31, 2014	As at March 31, 2013
- Acceptances	7649.22	6891.15
- Due to Micro Small & Medium Enterprises	160.97	126.06
- For Goods, services & trade deposits	6573.98	2573.67
Total	14384.17	9590.88

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

	2013-14	2012-13
Principal Amount Outstanding	160.97	126.05
Interest Due	3.58	2.53
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	3.58	2.53

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, 2014	As at March 31, 2013
Current maturities of long term debts	10623.90	10970.63
Interest accrued and due on borrowings	723.48	468.38
Unclaimed dividend*	13.44	13.40
<u>Other payables:</u>		
- Statutory dues and unpaid expenses	564.40	660.21
- Advances from customers	200.99	76.73
Total	12126.21	12189.35

* Liability towards Investor Education and Protection Fund under Section 205C of The Companies Act, 1956 (Not Due as on 31.03.2014 / 31.03.2013)

(` in Lacs)

11 SHORT TERM PROVISIONS:	As at March 31, 2014	As at March 31, 2013
<u>Provision for employee benefits:</u>		
Provision for bonus	75.68	64.26
Provision for gratuity	47.22	41.41
Provision for leave encashment	5.21	3.14
<u>Others:</u>		
Provision for proposed dividend on equity shares	395.88	394.87
Provision for dividend distribution tax on proposed dividend	67.28	67.12
Provision for wealth tax	0.68	0.57
Total	591.95	571.37

Note - 12 : 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 2012	626.51	3555.61	32.36	476.54	40753.16	264.30	17.76	34.98	66.94	115.54	35.35	240.54	56.48	46276.07
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	896.90	6581.00	34.47	476.54	71839.47	264.30	17.76	44.77	69.04	156.38	49.36	246.95	68.84	80745.77
Additions	21169.76	1075.54	-	-	20248.99	-	-	6.57	3.29	21.30	1.79	40.05	0.96	42568.25
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Differences	-	26.15	-	-	269.42	-	-	-	-	-	-	-	-	295.57
At 31 March 2014	22066.66	7682.69	34.47	476.54	92357.89	264.30	17.76	51.34	72.33	177.68	51.15	287.00	69.81	123609.59
Depreciation														
At 1 April 2012	-	1193.98	15.85	131.89	13328.95	220.75	15.06	13.52	50.06	64.28	16.24	214.86	26.26	15291.70
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	17945.43
Charge for the year	-	570.13	0.89	16.37	4140.42	5.22	0.35	4.48	3.25	24.29	4.21	11.72	5.30	4786.62
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2014	-	2014.15	17.62	165.49	19811.91	232.02	15.82	21.45	56.56	97.72	24.35	238.09	36.86	22732.05
At 31 March 2013	896.90	5136.98	17.72	327.42	56167.99	37.49	2.29	27.81	15.73	82.97	29.21	20.58	37.27	62800.35
At 31 March 2014	22066.66	5668.58	16.83	311.04	72546.73	32.28	1.94	29.90	15.77	79.98	26.79	48.91	32.93	100877.56

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:

- (i) 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.
- (ii) 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 ` 294.75 Lacs was added) to the cost of the fixed assets.
- (iii) During the year revaluation of land is carried out by registered approved valuer based on their reports land is revalued at ` 21970.90 Lacs, in pursuance of this upward revalued amount ` 21019.02 Lacs is shown as addition to Fixed Asset and accordingly Revaluation Reserve to that extent is shown under the head of Reserves & Surplus.

13 CAPITAL WORK IN PROGRESS COMPRISES:

	As at March 31,2014	As at March 31,2013
Building and Plant & Machinery , Pre operative expenses (Pending Allocation)	37,420.99	35,589.63
TOTAL	37,420.99	35,589.63

- 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 31,2014	As at March 31,2013
--	------------------------	------------------------

Trade investments

Investment in equity instruments

Unquoted

Investment in wholly owned subsidiaries:

- | | | |
|---|-------|-------|
| a) Nil Equity Shares [March 31, 2013: 10000] Face Value of ` 10 each held in Rainbow Infrabuild Private Limited (At cost) | - | 1.00 |
| b) 300 Equity Shares [March 31, 2013: 300] Face Value of AED 1000 each in Rainbow Papers JLT (At cost) | 40.90 | 40.90 |

Investments

Nil Units [March 31,2013: 1,50,000] Face Value of ` 10 each of Union KBC Mutual Fund (At cost)

Total	40.90	56.90
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Aggregate amount of unquoted investment of ` 40.90 Lacs

(` in Lacs)

15 LONG-TERM LOANS & ADVANCES:

(Unsecured, considered good, unless otherwise stated)	As at March 31,2014	As at March 31,2013
---	------------------------	------------------------

- | | | |
|---|----------------|----------------|
| (a) Capital advances | 6657.64 | 6353.08 |
| (b) Security deposits | 6.85 | 7.52 |
| (c) Other loans & advances | | |
| - Advances recoverable in cash or kind* | 3.05 | 4.05 |
| Total | 6667.54 | 6364.65 |

*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, 2014	As at March 31, 2013
<u>Raw materials:</u>		
- Paper	5216.38	3131.94
[Goods in transit]	258.32	135.22
- Chemicals	1285.90	1145.02
[Goods in transit]	30.73	53.72
Work-in-progress	1790.26	887.06
Finished goods	613.55	292.72
Stock in trade (In respect of goods acquired for trading)	751.95	194.05
Stores & spares	1412.68	1037.67
[Goods in transit]	13.51	1.46
Loose tools	130.57	402.04
<u>Others:</u>		
Fuels & packing material	306.00	389.52
[Goods in transit]	44.02	62.65
(Above inventories taken, valued and certified by the management)		
Total	11853.87	7733.07

(₹ in Lacs)

17 TRADE RECEIVABLES: (Unsecured, considered good, unless otherwise stated)	As at March 31, 2014	As at March 31, 2013
Outstanding for a period exceeding Six months from the date they are due for payment	99.63	78.21
Others	9251.11	11615.59
Total	9350.74	11693.80

(₹ in Lacs)

18 CASH AND BANK BALANCES:	As at March 31, 2014	As at March 31, 2013
<u>Cash and cash equivalent:</u>		
a Balance with Banks:		
- In Collection accounts	55.19	36.14
- In Current accounts	18.96	29.67
- In EEFC accounts	0.07	-
b Cash on hand	6.90	8.45
c <u>Other bank balances:</u>		
- In Dividend Accounts	13.44	13.40
- In Margin Money*	1688.54	1713.00
Total	1783.10	1800.66

* Margin Money deposits (including accrued interest thereon) with a carrying amount of ₹ 1688.54 Lacs (31 March 2013: ₹ 1713.00 Lacs are given as margin against Letter of Credit open with bank)

(₹ in Lacs)

19 SHORT-TERM LOANS AND ADVANCES:	As at March 31, 2014	As at March 31, 2013
Unsecured considered good, unless otherwise stated:		
Loans and advances to related parties:		
- Loans to subsidiaries*	6024.17	4991.08
Other loans and advances:		
- Advances recoverable in cash or kind	16.22	21.13
- Advances to creditors	3193.50	4775.79
- Balances with government authorities	1961.80	2094.57
- Advance tax and mat credit entitlement	2787.78	1814.33
- Advance fringe benefit tax	0.53	0.53
- Prepaid expenses	221.83	191.59
Total	14205.83	13889.02

Disclosure under Clause 32 of Listing Agreement

(₹ in Lacs)

	Outstanding as at March 31, 2014	Maximum Balance outstanding during the year ended March 31, 2014
*Subsidiary Company		
Rainbow Papers JLT	6024.17	6098.39
(Previous Year outstanding in Rainbow Infrabuild Pvt. Ltd. is ₹ 132.92 Lacs and in Rainbow Papers JLT ₹ 4858.16 Lacs)		

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

(₹ in Lacs)

<u>Contingent liabilities</u>	As at March 31, 2014	As at March 31, 2013
Guarantees:		
- Bank Guarantee	681.35	803.68
Other money for which company is contingently liable:		
- Export obligation in respect of custom duty on machinery imported on EPCG scheme (EODC is pending)	-	2875.94
<u>Commitment:</u>		
Estimated amount of contracts, remaining to be executed on capital accounts and not provided for ₹ 563.93 Lacs net of advance (PY ₹ 1419.75 Lacs).		

(₹ in Lacs)		
21 REVENUE FROM OPERATIONS:	Year ended March 31, 2014	Year ended March 31, 2013
<u>Sale of products</u>		
Paper sales	47045.55	39565.65
Paper sales (export) (including deemed exports)	8353.92	9244.52
Paper sales (trading)	10881.79	4300.77
Bricks sales	29.92	105.95
Plastic sheet sales	19.76	144.23
<u>Sale of services</u>		
Job work	165.78	16.37
<u>Other Operating Revenue</u>		
Export incentive	439.67	344.82
Fly ash sales	17.03	47.90
Miscellaneous waste sales	288.30	447.03
	67241.72	54217.24
Less : Excise duty	1627.95	1543.55
Total	65613.77	52673.69

(` in Lacs)		
22 OTHER INCOME:	Year ended March 31, 2014	Year ended March 31, 2013
Interest income from foreign subsidiary	675.91	368.13
Profit / (Loss) on sale of Investment	25.60	-
Profit / (Loss) on sale of Fixed Assets	-	2.97
Foreign exchange gain (Net)	363.01	151.16
Total	1064.52	522.26

(` in Lacs)		
23 COST OF MATERIALS CONSUMED:	Year ended March 31, 2014	Year ended March 31, 2013
<u>Opening Stock</u>		
Papers	3267.16	3569.46
Chemicals (Coating Division)	62.90	49.54
	3330.06	3619.00
<u>Add : Purchases</u>		
Papers	28449.33	22666.52
Chemicals (Coating Division)	481.98	514.35
	32261.37	26799.87
<u>Less : Closing Stock</u>		
Papers	5474.70	3267.16
Chemicals (Coating Division)	26.22	62.90
Total	26760.45	23469.81

(₹ in Lacs)		
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Year ended March 31, 2014	Year ended March 31, 2013
<u>Opening Stock</u>		
Finished goods	292.72	315.61
Work in progress	887.06	903.43
Stock-in-trade	194.05	83.47
Total (A)	1373.83	1302.51
<u>Closing Stock</u>		
Finished goods	613.55	292.72
Work in progress	1790.26	887.06
Stock-in-trade	751.95	194.05
Total (B)	3155.76	1373.83
Total (A-B)	(1781.93)	(71.32)

(` in Lacs)		
25 EMPLOYEE BENEFITS EXPENSE:	Year ended March 31, 2014	Year ended March 31, 2013
Salary and Wages	2023.27	1675.58
Contribution to Provident and other funds	91.72	82.94
Staff welfare expense	28.37	33.45
Total	2143.36	1791.97

Defined Contribution Plan

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

Particulars	2013-14	2012-13
Employer's Contribution to Provident Fund	23.34	22.08
Employer's Contribution to Pension Scheme	51.82	49.00
Employer's Contribution to Provident Fund (For Key Personnel)	0.11	0.11
Employer's Contribution to Pension Scheme (For Key Personnel)	0.26	0.26

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)	
	2013-14	2012-13	2013-14	2012-13
I. Reconciliation of opening and closing balance of Defined Benefit Obligation				
Opening defined benefit obligation	153.77	115.08	67.13	52.03
Excess / Short provision	-	-	-	-
Service cost	27.80	28.16	13.50	13.88
Interest cost	11.70	9.55	4.84	4.01
Actuarial (Gain) / Loss	(5.05)	6.49	(4.58)	7.01
Benefits paid	(23.48)	(5.51)	(16.79)	(9.80)
Closing defined benefit obligation	164.74	153.77	64.10	67.13

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

	(` in Lacs)	
	Gratuity (Funded)	
	2013-14	2012-13
Opening fair value of plan assets	19.43	16.44
Expected return	1.78	1.48
Actuarial Gain / (Loss)	(0.87)	1.44
Employer contribution	20.13	5.57
Benefits paid	(19.43)	(5.51)
Closing fair value of plan assets	21.04	19.42

III. Reconciliation of fair value of assets and obligation

	(` in Lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013-14	2012-13	2013-14	2012-13
Fair value of plan assets	21.04	19.42	0.00	0.00
Present value of obligation	164.74	153.77	64.10	67.13
Amount recognised in balance sheet	143.70	134.35	64.10	67.13

IV. Expense recognised during the year

	(` in Lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013-14	2012-13	2013-14	2012-13
Service cost	27.80	24.28	13.50	14.04
Interest cost	11.70	5.46	4.84	2.64
Expected return on plan assets	(1.78)	(1.51)	0.00	0.00
Actuarial (Gain) / Loss	(4.18)	26.36	(4.58)	14.81
Net cost included in 'Employee Benefit Expense'	33.54	54.59	13.76	31.50

V. Investment Details

	% invested	
	2013-14 (%)	2012-13 (%)
	Public sector securities	100%
FDR with banks	0%	20%
Balance with banks	0%	3%
Total	100%	100%

VI. Actuarial Assumptions

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013-14	2012-13	2013-14	2012-13
	Mortality Table(LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	9.10%	8.50%	9.10%	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:-

	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
<u>Gratuity(Funded)</u>					
Defined Benefit obligation	164.74	153.77	115.08	65.09	66.94
Plan asset	21.04	19.42	16.44	17.31	18.69
Surplus/(deficit)	(143.70)	(134.35)	(98.64)	(47.78)	(48.25)
Experience adjustment on plan liability	12.14	1.77	27.18	-	-
Experience adjustment on plan assets	0.87	(1.44)	1.47	-	-
<u>Leave Encashment (Unfunded)</u>					
Defined benefit obligation	64.10	67.13	52.03	27.31	14.06
Experience adjustment on plan liability	(1.87)	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 2014-15 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.

26 FINANCE COSTS:	(₹ in Lacs)	
	Year ended March 31,2014	Year ended March 31,2013
(1) Interest expenses		
(a) Term loans	2968.35	820.05
(b) Working capital facilities	1767.42	1688.63
(c) Others	226.30	114.14
	4962.07	2622.82
Less: Interest on Margin Money , Deposits and others*	163.33	192.06
	4798.74	2430.76
(2) Other borrowing cost	1277.75	845.53
Total	6076.49	3276.29

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

27 OTHER EXPENSES:	(₹ in Lacs)	
	Year ended March 31,2014	Year ended March 31,2013
Consumption of stores & spare parts	261.10	265.15
Consumption of chemical	4482.70	3816.65
Consumption of power & fuel	5569.10	5205.63
Consumption of packing materials	949.00	795.09
Paper pulping, cutting, packing and finishing expenses	537.99	449.41
Bricks processing charges	15.33	44.50
Plastic sheet processing charges	5.24	17.10
<u>Repairs and maintenance :</u>		
Machinery	155.00	164.89
Building	18.27	35.74
Others	56.67	50.66
	229.94	251.29
Payment to auditors#	7.26	10.55
Factory expenses	156.96	175.63
Insurance	95.50	128.00
Rent expense	22.29	16.75
Rates and Taxes [includes Wealth Tax ` 11381]	8.52	6.44
Excise duty adjustment for stocks (net)*	18.83	-1.00
Advertisement, Stationery and Communication	57.82	68.50
Legal, Consultancy and Professional Fees	85.72	97.58
Freight & forwarding outward expense (export)	633.87	699.94
Sales outward expenses	557.37	400.04
Selling costs	608.30	641.18
Miscellaneous expenses	21.07	13.50
Donation	5.36	1.38
Travelling & conveyance	106.36	98.50
Total	14435.63	13201.81

* 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.

# Payment to auditors	(₹ in Lacs)	
	March 31,2014	March 31,2013
As auditor:		
Statutory auditor	5.00	7.00
Tax auditor	-	0.80
For taxation matters	0.40	0.40
For company law matters	0.50	0.90
For other services	1.36	1.45
Total	7.26	10.55

28 EXCEPTIONAL ITEMS:	(₹ in Lacs)	
	Year ended March 31,2014	Year ended March 31,2013
Excess/(Short) provision of earlier years	-	(4.06)
Total	-	(4.06)

29 PROPOSED DIVIDEND:	(₹ in Lacs)	
	Year ended March 31,2014	Year ended March 31,2013
Dividend proposed to be distributed to equity shareholders		-
Total Amount (in Lacs)	395.88	394.87
- 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::		
Particulars	2013-14	2012-13
Operating Revenue by Geographical Segment		
India	56820.18	43084.35
Outside India	8793.59	9589.34
Addition to Fixed Assets and Intangible Assets		
India	42863.82	34479.55
Outside India	-	-
Carrying amount of Fixed Assets		
India	138298.55	98389.98
Outside India	-	-

Notes:

- 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.
- Operating revenue comprises

Particulars	2013-14	2012-13
Sales	64868.77	51833.94
Other operating income	745.00	839.75

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
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 Maheshwari	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
5. Smt. Draupadidevi R Goenka	Relative of Director

(b) Disclosure of Related Party Transactions (₹ in Lacs)

Nature of Transaction	Parties mentioned at a (i) above		Key management personnel	
	2013-14	2012-13	2013-14	2012-13
Unsecured Loan taken	-	7295.00	-	-
Office Rent Paid	-	-	9.07	6.75
Directors' Remuneration	-	-	167.93	115.27
Salary	-	-	52.96	52.96
Interest income from subsidiaries	675.91	392.05	-	-
Issue of share (on conversion)	204.12	4875.00	-	-
Loan given to subsidiaries (Net of repayment)	-	3797.58	-	-
Convertible Warrant issued	-	1518.75	-	-

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	8.17
		Smt. Draupadidevi R Goenka	0.90
2	Directors' Remuneration	Shri Ajay R Goenka	142.43
		Shri Rahul J Maheshwari	25.50
3	Salary	Smt. Sangeeta A. Goenka	24.08
		Smt. Niyati Agrawal	28.88
4	Interest Income from subsidiaries	Rainbow Paper JLT	675.91
5	Equity share issued on conversion of warrant	Drupa Suppliers Pvt Limited	204.12

33) Earnings per share:

Particulars		31.03.2014	31.03.2013
Net profit for the year attributable to Equity Shareholders	₹ Lacs	2403.76	3536.16
Weighted average number of Equity Shares outstanding for Basic earning per shares	Numbers	98829837	94595382
Weighted average number of Equity Shares outstanding for Diluted earning per shares	Numbers	106077837	97102232
Basic earnings per share (face value of ₹ 2 each)	₹	2.43	3.74
Diluted earnings per share (face value of ₹ 2 each)	₹	2.27	3.64

34) Derivative Instruments :

- 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)	
	2013-14	2012-13
Payables – USD	47.10	69.54
Receivables - USD	12.09	18.64
Receivables - Euro	-	0.74
Term Loans - USD	-	41.27

35) Information regarding stock:

a) Consumption of Raw Materials:

	(` in Lacs)	
Product	2013-14 Amount	2012-13 Amount
Base & Waste Papers	26241.79	22968.82
Chemicals (Coating Division)	518.66	500.98
TOTAL	26760.45	23469.80

b) Work in Progress:

	(` in Lacs)	
Product	2013-14 Amount	2012-13 Amount
Paper & others	1755.23	880.64
Chemicals (Coating Division)	35.03	6.42
TOTAL	1790.26	887.06

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

	(` in Lacs)					
Product	Sales		Opening Stock		Closing Stock	
	2013-14 Amount	2012-13 Amount	2013-14 Amount	2012-13 Amount	2013-14 Amount	2012-13 Amount
Papers	64653.30	51567.38	292.72	315.61	613.55	292.72

d) Details of Goods Traded:

	(` in Lacs)	
Goods Purchased	2013-14 Amount	2012-13 Amount
Paper	10883.88	4127.90

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

	(` in Lacs)	
	2013-14	2012-13
(i) Raw Materials	10856.74	8046.99
(ii) Components – spare parts	1.17	25.26
(iii) Chemical	293.37	100.51
(iv) Capital Goods	110.79	2172.07

f) Expenditure in foreign currency during the financial year:

	(` in Lacs)	
	2013-14	2012-13
(i) Technical Know how / Professional Fees / Consultancy Fees	1.70	18.18
(ii) Interest on FCNR Loan	46.86	1425.91
(iii) Foreign Traveling Exp	3.22	13.70

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

	(` in Lacs)			
	Amount		% of total consumption	
	2013-14	2012-13	2013-14	2012-13
Raw Materials:				
i) Imported	11447.60	7928.82	43%	33%
ii) Indigenous	15312.85	15540.98	57%	67%
Total	26760.45	23469.80	100%	100%
Stores, Spares & Chemical:				
i) Imported	317.69	214.38	7%	5%
ii) Indigenous	4426.11	3867.42	93%	95%
Total	4743.80	4081.80	100%	100%

h) Earning in Foreign Exchange:

	2013-14	2012-13
- Export of goods on F.O.B. basis	6747.31	7381.67
- Interest on Deposits	-	1.32
i) The amount remitted during the year in foreign currency for dividend (*)	127.83	127.44
- Number of non-resident shareholders	15	15
- Number of shares held by them	31959572	31858766

(*) 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. Opening balances have been considered on the basis of the last year audited balance sheet and the figures of the previous year were audited by a firm of chartered accountant other than our firm. Opening balances have been regrouped/ rearranged wherever necessary while reporting current year financial statement.

As per our separate report of even date attached.

For PARY & Co
Chartered Accountants
(Firm Reg No: 007288C)

P.Vamshi Krishna Reddy
Partner
Mem. No. 224674

Ahmedabad
May 30, 2014

For and on behalf of the Board of Directors

Ajay Goenka
Rahul Maheshwari
Mahendrabhai Patel
Shashikant Thakar
Kantibhai Patel
Runel Rathi
Chairman & Managing Director
Executive Director
Director
Director
Director
Company Secretary

Ahmedabad
May 30, 2014

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 Papers JLT, Dubai	U.A.E	AED	3.00	494.94	938.28	938.28	2878.73	228.92	-	228.92	-

Ajay Goenka
Chairman/Managing Director

Mahendrabhai Patel
Director

Rahul Maheshwari
Executive Director

Place : Ahmedabad
Date : 30th May, 2014

Shashikant Thakar
Director

Kanitibhai Patel
Director

Runeel Rathi
Company Secretary



RAINBOW PAPERS LTD
www.rainbowpapers.com

Address for Correspondence:

The COMPANY SECRETARY

Rainbow Papers Ltd

801, Avdhesh House,

Opp. Guru Govind Gurudwara,

SG Highway, Thaltej,

Ahmedabad-380054

Gujarat, India

Tel : 91-79-71797179/80




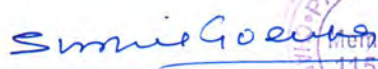

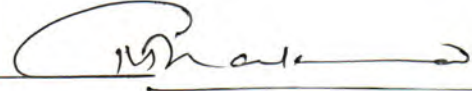
Fax : 91-79-26855712/44

Email : info@rainbowpapers.com

www.rainbowpapers.com

CIN: L21010GJ1986PLC008772

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 2014
3.	Type of Audit Observations:	Un-qualified
4.	Frequency of Observations:	N.A.
5.	Signed by:	
	- Shri Ajay Goenka CEO/Managing Director	 
	- Shri Pankit Shah CFO	
	- Mr. Sushil Goenka - Partner P A R Y & Co., Chartered Accountants	 
	- Shri Shashikant Thakar Chairman, Audit Committee	

Regd. Office:

801, Avdhesh House, Opp. Guru Govind Gurudwara,
SG Highway, Thaltej, Ahmedabad-54. Gujarat. INDIA

Tel: 91-79-26855714 / 16, 71797179 / 80

Fax: 91-79-26855712 • Email: info@rainbowpapers.com

www.rainbowpapers.com

CIN : L21010GJ1986PLC008772

Works:

1453, Village Rajpur, Taluka Kadi.

Kalol-Mehsana Highway, (N.G.) Pin: 382715

Telefax: 02764-278492/8516

Tel: 9879605436/37

Email: rplworks@rainbowpapers.com

M.Cote: 02764-278413, 9879605440