

Stock Code: 523523

28th September, 2017

To,
The Listing Department,
The BSE Ltd,
P J Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir / Madam,


Sub: Annual Report for 2016-17

With reference to the above subject and in compliance with Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, we are filing the soft copy of the Annual Report of the Company for the year 2016-17, along with the Notice of 30th Annual General Meeting of the Company held on Thursday, 28th September, 2017 at Gujarat Paper Makers' Association, 802 Avdhesh House, Opp. Guru Govind Gurudwara, S.G> Highway, Thaltej, Ahmedabad - 380 054.

Please take the same on your record and acknowledge the receipt of the same.

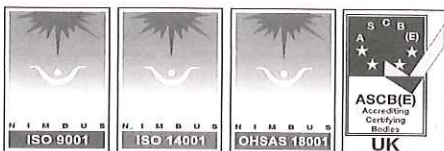
Thanking You,

Yours faithfully,
FOR RAINBOW PAPERS LIMITED


SHASHIKANT THAKAR
COMPANY SECRETARY
MEMBERSHIP NO. 1607



Encl.: As Above.



Regd. Office:

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

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31st ANNUAL REPORT

2016-17

CORPORATE INFORMATION

BOARD OF DIRECTORS

SHRI AJAY GOENKA	:	CHAIRMAN & MANAGING DIRECTOR
SHRI RAHUL MAHESHWARI	:	EXECUTIVE DIRECTOR
SHRI KANTIBHAI PATEL	:	INDEPENDENT DIRECTOR
SMT. AANAL TRIVEDI	:	INDEPENDENT DIRECTOR
SHRI ABHILASH DELWADIA	:	INDEPENDENT DIRECTOR
SHRI INDRASINH B. ZALA	:	INDEPENDENT DIRECTOR

COMPANY SECRETARY

SHRI SHASHIKANT THAKAR

STATUTORY AUDITORS

M/S. MEHTA LODHA & Co.
CHARTERED ACCOUNTANTS
AHMEDABAD

COST AUDITORS

SHRI V. H. SHAH
COST ACCOUNTANT
AHMEDABAD

INTERNAL AUDITORS

RNCA & ASSOCIATES
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

LISTINGS

FOR EQUITY SHARES:

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

REGISTERED OFFICE

801, Avdhesh House
Opp. Shri GuruGovind Gurudwara
Sarkhej-Gandhinagar Highway, Thaltej
Ahmedabad-380054. Gujarat. INDIA
Phone: 079-26855714/16
Email: info@rainbowpapers.com
www.rainbowpapers.com
CIN: L21010GJ1986PLC008772

WORKS

Rajpur Unit I (Master Cote)

1423, VILLAGE RAJPUR,
TAL: KADI, KALOL-MEHSANA HIGHWAY (N.G.)
PIN 382 715

Rajpur Unit II

1453, VILLAGE RAJPUR,
TAL: KADI, KALOL-MEHSANA HIGHWAY (N.G.)
PIN 382 715

REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.
506-508, Amarnath Business Centre-1(ABC-1)
Besides Gala Business Centre
Near Xt Xavier's College Corner
Off C G Road , Ellisbridge, Ahmedabad - 380 006.
Phone No. +91 79 26465179 /86 / 87
Email: ahmedabad@linkintime.co.in

FROM THE CMD'S DESK

Dear Shareholders,

It's my humble privilege to bring to your notice the present scenario of the Company for the year under review. The Company has been passing through the most critical phase of its life time, due to the some unavoidable reasons beyond the control of the Management. During the FY 2016-17, since it's an most difficult year for the Company, the performance of the Company was adversely affected due to higher interest cost, frequent stoppages of the machines, under utilization of the plant capacity, higher amount of variable cost, discontinuation of production etc due to various reasons. The severe liquidity crunch and various outside factors beyond the reach of the management, has resulted the Company's operations become unviable and we could not make the plant fully operational throughout the year to avoid any further losses to the Company, however the Management has been making sincere efforts to come over all the adversities and bring back the operations on right track and re-gain the glory.

The management of the Company is working continuously day and night to look after the long term interest of all the stake holders of the Company, who have been extending their support to the company during its critical time. The Company management ensures to come out with all possible corrective actions and revival measures to improve the current situation and further envisage wider steps to put the Company on progressive path in the coming days with high ambitions and aspirations for the better future of the Company.

The current market situation of Paper Industry is quite encouraging and we expect the same trend to continue in future.

Finally, I would like to take this opportunity to express my sincere gratitude to our stake holders for showing their continued support and confidence on us and we hope to receive the same support in future also.

AJAY GOENKA

CHAIRMAN & MANAGING DIRECTOR

NOTICE

NOTICE is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of the members of M/s. RAINBOW PAPERS LIMITED will be held on Thursday, the 28th day of September, 2017, at 11.00 a.m., at Gujarat Paper Makers' Association, 802, 8th Floor, Avdhesh House, Opp. Guru Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad- 380 054, to transact the following business :

ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date together with Directors' and the Auditors' Report thereon.
02. To appoint a Director in place of Mr. Ajay Goenka (DIN 00139512) who retires by rotation and being eligible, offer themselves for re-appointment.
03. To appoint a Director in place of Mr. Indrasinh Zala (DIN 02137365), who retire by rotation and being eligible, offer themselves 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, the Company hereby ratifies the appointment of M/s. Mehta Lodha & Co. (Firm Registration No. 106250W) , Chartered Accountants, Ahmedabad, as the Statutory Auditors of the Company to hold office for a period of 3 years commencing from the conclusion of this Annual General Meeting of the Company till the conclusion of 33rd Annual General Meeting of the Company to be held in the year 2019, at a remuneration as may be decided by the Board of Directors of the Company as per the recommendation of the Audit Committee".

SPECIAL BUSINESS:

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

PAYMENT OF REMUNERATION TO COST AUDITORS

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the

Companies Act, 2013 and the Rules framed thereunder, and as amended from time to time, and such other permissions as may be necessary, the payment of the remuneration of Rs. 30,000/- (Rupees Thirty Thousand Only) with applicable Taxes plus reimbursement of out of pocket expenses if any, to Mr. V. H. Shah, who were appointed by the Board of Directors of the Company, as "Cost Auditor" to conduct the audit of cost records maintained by the Company for Financial Year ending 31st March, 2018, be and is hereby ratified and approved.

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

RE-APPOINTMENT OF RAHUL MAHESHWARI AS WHOLE TIME DIRECTOR

"RESOLVED THAT pursuant recommendation of Nomination and Remuneration Committee and the approval of the Board and subject to Sections 196, 197, 203 and rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Rahul Maheshwari (DIN : 00289730) as Whole time Director of the Company with effect from 14.08.2017 to 13.08.2022 on the remuneration and terms and conditions as set out in the explanatory statement attached hereto, which is approved and sanctioned with authority to Board of Directors of the Company to alter and vary any terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed between the Board of Directors and Mr. Rahul Maheshwari."

"RESOLVED FURTHER THAT remuneration payable to Mr. Rahul Maheshwari, shall not exceed overall ceiling of the Total Managerial Remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as my be prescribed from time to time."

"RESOLVED FURTHER THAT that the Board be and is hereby authorized to do all acts, deeds and things and execute all the documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee or Directors or Director(s) to give effect to aforesaid resolution."

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

RE-APPOINTMENT OF SMT. AANAL N. TRIVEDI AS DIRECTOR

“RESOLVED THAT pursuant to Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Aanal N. Trivedi (DIN 06931339), who was appointed as an Director with effect from 12th August, 2014, and holds office upto the date of ensuing Annual General Meeting, be and is hereby appointed as an Director of the Company.”

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

RE-APPOINTMENT OF MR. KANTIBHAI PATEL AS INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Kantibhai Patel, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of five years up to 36th Annual General Meeting of the Company.”

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD SHASHIKANT THAKAR
DATE : 29th August, 2017 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 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.

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 21st September, 2017 to 28th September, 2017 (both days inclusive).

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 AGM.

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 day 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
2009-10	16 th August, 2017
2010-11	3 rd November, 2018
2011-12	3 rd November, 2019
2012-13	20 th October, 2020
2013-14	29 th October, 2021

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 participant 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 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 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 Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting is given hereinafter.

13. Voting through electronic means:

- (i) The voting period begins on 25th September, 2017 (09:00 a.m.) and ends on 27th September, 2017 (05:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip/ Address Slip.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. · Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "Rainbow Papers Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on

Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 29th August, 2017

SHASHIKANT THAKAR
COMPANY SECRETARY

ANNEXURE TO NOTICE

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

Item No. 5

The Board, on the recommendations of the Audit Committee, has approved the appointment of Mr. V. H. Shah as the Cost Auditor of the Company at a remuneration of Rs. 30,000/- (Rupees Thirty Thousand Only) with applicable Taxes plus reimbursement of out of pocket expenses if any, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor needs to be ratified by the Shareholders of the Company. Accordingly, approval of the members is requested for passing an Ordinary Resolution as set out at item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors to conduct audit of the cost records of the Company for the Financial Year ending March 31, 2018.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 5 for approval by the shareholders.

Item No. 6

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.

The Board of Directors of the Company at its meeting held on 10th August, 2017 had subject to approval of members in a general meeting re-appointed Mr. Rahul Maheshwari as the Whole Time Director of the Company for a period of 5 years from August 15, 2017 to August 14, 2022 (both days inclusive).

The terms of his appointment and the payment of remuneration have also been approved by Remuneration Committee at its meeting held on 10th August, 2017.

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

The re-appointment shall be for a period of 5 years from August 15, 2018 to August 14, 2022.

Mr. Rahul Maheshwari, subject to such instructions and directions as may from time to time be given to him by the

Board of Directors of the Company (hereinafter referred to "the Board") shall endeavor to comply with such directions and subject to such restrictions as the Board may in its sole discretion impose. Mr. Rahul Maheshwari shall have powers to look after day to day affairs of the Company and enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things, which, in the ordinary course of business, he may consider necessary or proper or in the best interest of the Company.

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

Remuneration and Perquisites:

Mr. Rahul Maheshwari shall be entitled to the following remuneration and perquisites:-

- a. Salary
Salary: Rs. 2,00,000/- per month
- b. Perquisites
The Whole Time Director will be entitled to the following perquisites subject to maximum ceiling of Rs. 1,00,000/- p.m. as under:
 - (i) Housing
Furnished accommodation with the electricity, gas and water supply.
 - (ii) Medical Reimbursement
All expenses incurred by the Whole Time Director for self, parents and family shall be reimbursed by the company.
 - (iii) Contribution to Provident Fund
Company's contribution to Provident Fund as per Rules of Company.
 - (iv) Gratuity
As per the Gratuity Act and rules of Company, but shall not exceed half month's salary for each completed years of service.
 - (v) Leave Encashment:
The Managing Director shall be entitled to fully paid leave as per the Company's Rules. Encashment of leave at the end of the tenure is permitted.
The retirement benefits as provided in item (iii) and (iv) shall not be included in the computation of ceiling on remuneration of Mr. Rahul Maheshwari to the extent provided in Schedule V of the Companies Act, 2013.
 - (vi) Other Allowances
 - a. The company shall provide a chauffeur driven car for use on Company's business and also

for personal purpose and telephone at the residence of the Whole Time Director.

- b. The company shall provide for self and family, once in a year, to and fro fare for any place in India / abroad in accordance with rules of the company.
- c. Annual fees of club subject to maximum of one club.
- d. Reimbursement of all entertainment expenses and other expenses properly incurred for the business of the Company.
- e. The Whole Time Director in addition to above shall also be entitled to such other benefits or amounts as may be approved by the Board subject to such modification as may be made by the Board within the limits on remuneration prescribed from time to time under Schedule V of the Companies Act, 2013.

(vii) Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year during the tenure of the Whole Time Director, salary and perquisites shall be subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013 are payable.

(viii) Overall Remuneration

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.

None of the directors of the Company except Mr. Rahul Maheshwari be deemed to be concerned or interested in the said resolution, since it relates to his re-appointment as the Whole Time Director of the Company.

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

Item No. 7

Mrs. Aanal Trivedi (DIN 06931339), was appointed as Director of the Company with effect from 12th August, 2010 and later re-appointed in the 28th Annual General Meeting of the Company and to hold office for further period of three years. She holds office of Director up to the date of ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mrs. Aanal Trivedi and Mr. Shashikant Thakar are concerned or interested in the resolution of the accompanying notice relating to her concerned appointment. None of the other Directors, and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at item No. 7 of the accompanying Notice.

Item No. 8

Mr. Kantibhai Patel (DIN 02325787), was appointed as Independent Director of the Company with effect from 12th August, 2010 and later re-appointed in the 28th Annual General Meeting of the Company and to hold office for further period of Five years. He holds office of Independent Director up to the date of ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The aforesaid Director have given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and in the opinion of the Board, he fulfill the conditions specified in the Act and the Rules framed there under for re-appointment as Independent Director

The Board considers that it is desirable to continue to avail his services as Independent Directors and accordingly, the Board recommends the above resolution for the approval of the members of the Company.

Mr. Kantibhai Patel, is concerned or interested in the resolution of the accompanying notice relating to his concerned appointment. None of the other Directors, and Key Managerial Personnel of the Company and their relatives are concerned or interested, , in the resolution set out at item No. 8 of the accompanying Notice.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD SHASHIKANT THAKAR
DATE : 29th August, 2017 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.	Mr. Ajay Goenka	58	11/09/1990	B.Com	38
2.	Mr. Indrasinh Zala	68	12/08/2015	B.Com	45
3.	Mr. Rahul Maheshwari	41	30/08/2011	ACMA	15
4.	Mr. Aanal Triwedi	33	30/12/2015	MBA (Finance)	7
5.	Mr. Kantibhai Patel	71	12/08/2010	B.Sc., LL.B., MLW	44

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 31st Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2017.

1. Financial Highlights

The standalone and consolidated financial results of the company for the year ended 31st March, 2017, are as under:

(` in Lacs)

FINANCIAL RESULTS	STANDALONE		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	5273	—	35763	44275
Depreciation	13648	—	13642	13642
Profit before Exceptional & Extraordinary Items & Tax	(16946)	—	(43978)	(55785)
Prior Period items / Exceptional items	—	—	(2781)	(2781)
Taxation: Less/ (Add) Current Tax	—	—	0	0
MAT credit reversal of earlier years /mat credit entitlement	—	—	(2463)	(2463)
Deferred Tax	—	—	(2555)	(2554)
Short/Excess Provision of Earlier Years	—	—	(181)	(181)
Net Profit After Tax For The Year	(16946)	—	(51958)	(64155)
Add: Balance brought forward	(33080)	—	18622	30819
Net Surplus Available For Appropriation	(50027)	—	(33336)	(33336)
Capital Reserve on Consolidation	—	—	-	-
Dividend Paid / Dividend Add Back	—	—	212	212
Corporate Tax on Dividend /	—	—	43	43
Corporate Tax on Dividend Add Back	—	—	-	-
Transfer to General Reserve	—	—	-	-
Surplus carried forward to Balance Sheet	(50027)	—	(33080)	(33080)
EPS (Face Value of Rs. 2 per share)				
Basic	(15.95)	—	(48.92)	(60.40)
Diluted	—	—	-	-

2. Dividend

Considering the continued losses in the Financial Year 2016-17, Board of Directors do not recommend any dividend for the year.

3. Finance

Since all the credit facilities provided to your Company has been classified as Non – Performing Asset (NPA) as on 31st March, 2016, a Joint Lender's Forum (JLF) was created by the secured lenders consisting of Bankers, Financial Institutions and Asset Reconstruction Company.. Many meetings are being held at regular intervals to discuss successful revival of the Company and a way forward to address the crisis in totality & bring the liquidity issues at manageable level. The Company is pursuing within & outside JLF for the long term resolution to the current financial issues.

4. Operations

During the period under review, the Company's operations continued to be affected due to non availability of adequate working capital which has adversely affected the plant.

Furthermore, the Company could not undertake necessary and regular capital expenditure as per industry norms for proper maintenance and upkeep of plant and equipment in the previous year due to paucity of funds.

5. OUTLOOK

Axis Bank has vide its assignment agreement dated 27th March, 2017 has assigned the total debts of Consortium Limits excluding the short term loan due from the Company alongwith the underlying rights, benefits and obligations to an Asset Reconstruction Company, M/s.

Asset Care and Reconstruction Enterprises Limited (ACRE).

Your Company is in discussion with all the Joint Lenders Forum Members i.e. Axis Bank, Allahabad Bank, Bank of India, Corporation Bank, Dena Bank, Indian Overseas Bank, Punjab National Bank of India, Union Bank of India, IFCI Limited and TFCI Limited for the possible revival of the Company.

6. Exports & Imports

During the Year under review, your Company has exported 1978.28 MT of paper. The export proceeds amounted to Rs. 69.21 Lacs. Exports have gone down due to liquidity crunch and unviable operations.

Your Company imported 5165.64 MT of raw material during the year under review. The imports amounted to Rs. 515.20 Lacs.

Name of Director	Category of Directorship	Designation
Shri Ajay Goenka	Managing Director	Chairperson
Shri Rahul Maheshwari	Executive Director	Member
Shri Kantibhai Patel	Independent Director	Member

The details about the CSR policy recommended by the CSR Committee and approved by the Board of Directors, alongwith other details required as per the Companies Act, 2013 and rules made thereunder are given in the Annual Report on CSR Activities as an Annexure A to this Report.

10. Environment, Health 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, compliance of environmental regulations and preservation of natural resources.

The Company accords the highest priority to Environment, Health and Safety. Your Company continues to be accredited with ISO 9001, ISO 14401, OHSAS 18001.

11. Directos and Key Managerial Personnel

Shri Ajay Goenka, Managing Director and Shri Indrasinh Zala, Independent Director of the Company, retires by rotation and being eligible, have offered themselves for re-appointment.

Shri Rahul Maheshwari, Executive Director of the Company whose term ends on 14th August, 2017 and in the board meeting held on 12th August, 2017 has extended term of his appointment for further period of

7. Public Deposits

The Company has not accepted or renewed any deposits from the public during the financial year 2016-17.

8. Human Resources

During the year under review, workmen strenght has gone down substantially due to operations being adversely affected.

9. Corporate Social Responsibility (CSR)

In line with the provisions of the Companies Act, 2013 and rules made thereunder, Corporate Social Responsibility (CSR) Committee has been formed and the Composition of the CSR Committee is as under:

5 years subject to approval of Members in the General Meeting of the Company.

Smt. Aanal Triwedi, who was appointed as Director on 12th August, 2014 and holds office upto the ensuing Annual General Meeting of the Company and in respect of whom a request has been received for Confirmation of Director and thus her appointment has been placed for your approval.

Shri Kantibhai Patel who was appointed as Independent Director and whose term ends at the ensuing Annual General Meeting of the Company and being eligible for appointment, have offered himself for re-appointment as Independent Director.

The Board recommends their re-appointment as Directors as detailed in the notice convening the Annual General Meeting.

12. Composition and number of meetings of the Board

The Board of Directors of the Company comprises of well qualified and experienced persons having expertise in their respective areas. It has appropriate combination of Executive and Non-Executive Directors consisting of one Chairman & Managing Director, one Executive Director, three Independent Director and one Woman Director as required pursuant to Section 149 of the Companies Act, 2013.

The Board meets at regular intervals with gap between two meetings not exceeding 120 days. During the year under review, the Board met 6 times on 30th May, 2016, 07th June, 2016, 18th June, 2016, 13th August, 2016, 14th November, 2016 and 14th February, 2017.

13. AUDIT AND RISK MANAGEMENT COMMITTEE

In compliance with the requirement of Section 177 of the Companies Act, 2013, the Board of Directors has constituted Audit Committee. The members of the Audit Committee possess financial/accounting expertise and exposure. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

The Audit & Risk Management Committee comprises of the Independent Directors of the Company under the Chairmanship of Mr. Kantibhai Patel. The other independent directors of the Committee are Mr. Indrasinh B. Zmdala and Mr. Abhilash Delwadia.

Statutory Auditors, Internal Auditors and Chief Financial Officer are the permanent invitees at the committee meetings. Company Secretary acts as the Secretary of the Committee.

For the Financial year 2016-17, the Audit Committee met 4 times on the following dates: 30th May, 2016, 13th August, 2016, 14th November, 2016 and 14th February, 2017.

The recommendations given by the Audit Committee are considered and reviewed by the members of the Board of the Company. However, there is no such case where the Board dissented or did not accept the recommendation of the Audit Committee.

The Company has established the vigil mechanism through Whistle Blower Policy for all the stakeholders of the Company which also provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases as per the Policy.

The Whistle Blower Policy will be applicable to all the stakeholder of the Company, which is an extension of the Code of Business Conduct through which the Company seeks to provide a mechanism for the Stakeholders to disclose their concerns and grievances on Unethical Behavior and Improper/Illegal Practices and Wrongful Conduct taking place in the Company for appropriate action. The Company shall oversee the vigil mechanism only through the Audit Committee. If any of the members of the Audit Committee have a conflict of interest in a given case, they should excuse themselves and the others in the Committee would deal with the matter on hand.

14. Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of a Director and other matters provided under Sub-section (3) of Section 178

Pursuance to Section 178 of the Companies Act, 2013, as applicable to the Company, the Company has renamed a "Remuneration Committee" during the financial year 2016-17. The Composition of the Nomination & Remuneration Committee is as under:

1. Shri Kantibhai Patel – Independent Director
2. Shri Indrasinh B. Zala – Independent Director,
3. Smt. Aanal N. Trivedi – Professional Director

The Committee met once on 1st July, 2016.

The Nomination & Remuneration Committee considers the requirement of the skill sets on the Board, integrity of the persons having standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions, recommend the appointment to the Board for approval.

The Committee has approved a policy with respect to the appointment and remuneration of the Directors and Senior Management personnel. The objectives of this policy are:

- (a) to create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company;
- (b) encourage people to perform to their highest level;
- (c) allow the Company to compete in each relevant employment market;
- (d) provide consistency in remuneration throughout the Company;
- (e) align the performance of the business with the performance of key individuals and teams within the Company;
- (f) long term value creation; and
- (g) attract and retain the best professionals.

The policy details of the types of remuneration to be offered by the Company and factors to be considered by the Board, Nomination & Remuneration Committee and management in determining the appropriate remuneration strategy.

15. Board Evaluation

The board of directors has carried out an annual evaluation of its own performance, Board committees

and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the committee was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of the independent Directors held on 24th March, 2017, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

16. Insurnace

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

17. 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 Rs. 2,31,071/- lying with the Company for a period of seven years pertaining to the year ended on 31st March, 2009, was transferred during the year 2016-17, to the Investor Education and Protection Fund established by the Central Government.

18. 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.

19. Corporate Governance

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders expectation. At Rainbow Papers Limited, it is imperative that our company affairs ae managed in a fair and transpaeperent manner. This is vital to gain and retain the trust of our stakeholders.

As stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report and Report on Corporate Governance form part of this Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also annexed to the Directors' Report.

20. 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). 10,52,53,395 nos. of equity shares forming 99.09% of the equity share capital of the Company stands dematerialized on 31st March, 2017.

21. Listing of Shares

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

Your Company has not paid annual listing fees for financial year 2016-17 to BSE on account of short term liquidity crisis being faced by the Company. Your Company has paid custodial fees to National Securities Depository Ltd. and Central Depository Services (India) Ltd.

22. Statutory Auditors and their Report

M/s. Mehta Lodha & Co., Chartered Accountants, the Statutory Auditors of the Company who were appointed at the 29th Annual General Meeting to hold office till 33rd Annual General Meeting are subject to ratification. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for ratification as Auditors of the Company. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. furnished a certificate regarding their eligibility for re-appointment as Statutory Auditors of the Company, pursuant to Section 139 (1) of the Companies Act, 2013 read with rules. The Board of Directors recommends their re-appointment.

The Auditors Report contains following qualification

"We draw attention to Note No. 36 of the accompanying financial statements in respect of non-provision of interest on NPA accounts of banks of Rs.143.31 Crore. The exact amounts of the said non provisions are not determined and accounted by the company"

23. Internal Auditors

Pursuant to the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014, your Company has appointed M/s RNCA & Associates., Chartered Accountants, as the Internal Auditors of the Company for conducting internal audit for the financial year 2017-18.

24. Cost Auditors

M/s. V. H. Shah, Cost Accountant, has been appointed as Cost Auditors for the financial year 2017-18 to conduct the cost audit of the accounts maintained by the company. He has confirmed his eligibility for appointment under the provisions of Section 148 of the Companies Act, 2013. The remuneration proposed to be paid to the Cost Auditor is submitted for ratification for approval of the shareholders at the ensuing Annual General Meeting of the Company.

25. Secretarial Audit Report

Pursuant to Section 204 read with Section 134(3) of the Companies Act, 2013, the Board of Directors has appointed M/s. Yogesh Chhunchha & Co., Company Secretaries, Ahmedabad as Secretarial Auditor of the Company for FY 2016-17. The Secretarial Audit Report provided by M/s Yogesh Chhunchha & Co. is annexed with the Board's report as Annexure B.

The Secretarial Audit Report contains following qualification

"The Company had not filed the Disclosures under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to Respective Stock Exchanges in relation to change in Shareholding Position of Promoters due to invocation of Pledge by Financial Institution(s) to whom the Shares were pledged for providing credit Assistance to the Company.

The Company had not filed e-Form MGT-10 in relation to to change in Shareholding Position of Promoters due to invocation of Pledge by Financial Institution(s) to whom the Shares were pledged for providing credit Assistance to the Company.

During the Financial Year under review, the Company has not complied with Section 135 of Companies Act 2013 and Rules made thereunder in respect of amount to be spent on CSR activities.

The Company had not filled up the Casual Vacancy of "Chief Financial Officer" in terms of Section 203 of the Companies Act, 2013."

26. MANAGEMENT'S VIEW ON QUALIFICATION

Directors would like to state that your Auditors have given Qualified Report for the Financial Year 2016-17 and in that connection your Directors are of the following views.

"Financial Institutions and Banks have declared advances as NPA, and thus these require no provision of interest in the books of accounts."

With regards to the qualifications mentioned in the Secretarial Audit Report your directors would like to state that "Company was not in receipt of full receipt of information for invocation of pledged shares as required to provide full disclosures to the stock exchanges under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and to the Registrar of Companies in e-Form MGT-10.

Your Company is going through financial crisis and thus the amounts required to be spent towards Corporate Social Responsibility (CSR) has not been spent.

With respects to filing of casual vacancy for the post of Chief Financial Officer in terms of Section 203 of the Companies Act, your Directors were not able to find any suitable candidate for the post and thus the position of KMP remains vacant. Your Directors will strive harder to find a suitable candidate and will comply with the law"

27. REFERENCE TO BIFR

On account of erosion of 100% net worth of the Company, The Company has become a Sick Industrial Company under the provisions of the Sick Industrial Companies (Special Provisions) Act 1985. The Company was registered with Honourable Board for Industrial and Financial Reconstruction (BIFR) with reference registration number 99/2016 which stands abated vide notification dated 25th November, 2016 issued by Ministry of Finance, Government of India.

28. Directors' Responsibility Statement

In terms of Section 134 (3) of the Companies Act, 2013, in relation to the financial statements for FY 2016-17, the Board of Directors states that:

- a) In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) The Directors have selected such accounting policies and applied them consistently and made

judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2017 and of the loss for the year ended 31st March, 2017;

- c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the financial statements have been prepared on a going concern basis.
- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

29. Statement on Declaration given by Independent Directors under Sub-Section (6) of Section 149

Shri Kantibhai Patel, Shri Indrasinh B. Zala and Shri Abhilash Delwadia Independent Directors of the Company have given their declarations to the Board that they meet the criteria of Independence as provided under the applicable provisions of the Companies Act, 2013 and Listing Regulations.

30. Particulars of Contracts or Arrangements with Related Parties

During the year under review, there are no related party transactions that have taken place between the related parties.

31. Code of Conduct

The Company has adopted a Code of Business Conduct based on the business principles of the Company. The Board has laid down the code of conduct for all Board members and Senior management of the Company. The code of conduct has been posted on the website of the company. All Board members and Senior

management personnel affirms the compliance with the code on an annual basis in the prescribed format.

32. Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has put in place an Anti-Sexual Harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the year 2016-17.

33. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Operations of the Company were adversely affected due to liquidity crunch and we could not make plant fully operational throughout the year thus the details relating to conservation of energy, technology absorption, as prescribed under section 134 of the Companies Act, 2013 read with Companies (Account) Rules, 2014 would not be applicable.

34. Risk Management Policy

The Board of Directors has developed and implemented risk management policy for the Company ensuring that systems of risk management are in place. It has identified and assessed internal and external risks, with potential impact and likelihood, that may impact the Company in achieving its strategic objectives or may threaten its existence. The policy lays down procedures for risk identification, assessment, monitoring, review and reporting.

35. Particulars of Employees

The information required underpursuant to Section 197 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided below:

1. The ratio of the remuneration of each director to the median employee's remuneration:

Sr.No.	Name of the Director	Ratio (Remuneration of Director to Median Remuneration)
1.	Ajay Goenka	NA
2.	Rahul Maheshwari	4.26 times

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr.No	Name	Designation	% increase (incl. sitting fees)
1.	Ajay Goenka	Managing Director	0.00
2.	Rahul Maheshwari	Executive Director	0.00
3.	Kanitibhai Patel	Independent Director	0.00
4.	Indrasinh Zala	Independent Director	0.00
5.	Abhilash Delwadia	Independent Director	0.00
6.	Aanal Trivedi	Director	0.00
7	Shashikant Thakar	Company Secretary	0.00

3. The percentage increase in the median remuneration of employees in the financial year:

0% (% increase in the remuneration of median employee as on 31.03.2017)

4. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Shri Ajay Goenka (Managing Director) has vide his letter dated 04/04/2016 requested company to waive off total remuneration payable to him and the same has been honored by the Board.

Shri Rahul Maheshwari (Executive Director), has vide his letter date 25/05/2016 requested the Board to reduce his Remuneration to Rs, 6,93,600/- p.a. from Rs. 24,00,000/- p.a. and the same has been honored by the Board

During the year under review, no remuneration has been paid to them thus it remains payable to that extent.

5. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Market Capitalization	BSE	NSE
31.3.2017	50,66,56,521	50,45,32,175
31.3.2016	1,65,69,89,880	1,69,41,65,935
P/E Ratio	BSE	NSE
31.3.2017	(0.30)	(0.30)
31.3.2016	(0.32)	(0.33)

percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which

the Company came out with the last public offer in case of listed companies.

6. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year:

Average percentage increase is NIL in FY 16-17

7. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

There is no increase in the remuneration paid to the Company Secretary.

8. The key parameters for any variable component of remuneration availed by the Directors: NOT APPLICABLE.

9. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

Sr. No.	Name of the Employee	Designation	Ratio
Not Applicable			

10. Affirmation that the remuneration is as per the remuneration policy of the company:

We hereby affirm that the remuneration paid to the Key Managerial Personnel is as per the remuneration policy of the Company.

11. Name of every employee of the company, who-

- i. if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees —NIL

- ii. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month—NIL
- iii. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company—NIL

36. Industrial Relations

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

37. The Extract of the Annual Return

The details forming part of the extract of the Annual Return in Form MGT 9 as required under Section 134 (a) of the Companies Act, 2013, is attached as Annexure E to this Report.

38. Appreciation and Acknowledgements

The Board of Directors places on record its appreciation for the continued support and confidence received from its Bankers and employees of the Company.

The Directors are also thankful to all other stakeholders for their valuable sustained support to the Company.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 12.08.2017

AJAY R. GOENKA
CHAIRMAN & MANAGING
DIRECTOR

DIRECTORS' REPORT - ANNEXURE - A
ANNUAL REPORT FY 2016-17 ON CSR ACTIVITIES:

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programmes:

The Committee has approved a Corporate Social Responsibility policy and the major guiding principle to attain the CSR objectives in a professional and integrated manner, are as under:

- * Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery / community in which it operates.
- * Using environment friendly and safe processes in production.
- * Create a positive footprint within the society by creating inclusive and enabling infrastructure / environment for liveable communities.
- * Ensure environmental sustainability by adopting best ecological practices and encouraging conservation / judicious use of natural resources.
- * Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
- * Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- * Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
- * Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.

During the year 2016-17, the Company has not contributed to any fund towards CSR activity on account of heavy losses incurred.

2. The Composition of the CSR Committee

The CSR Committee of the Company consists of three directors, out of which one director is Independent Director. Composition of CSR Committee is in accordance with section 135 of the Companies Act, 2013:

Name of Director	Category of Directorship	Designation
Shri Ajay Goenka	Managing Director	Chairperson
Shri Rahul Maheshwari	Executive Director	Member
Shri Kantibhai Patel	Non- Executive Independent Director	Member

3. Average net profit of the company for last three financial years

(₹ Lacs)

	2013-14	2014-15	2015-16	Total
Net Profits	3348.19	575.38	(46905.73)	(42982.16)
Average Net profit*	-	-	-	(14327.39)

*Calculated for this purpose in accordance with the provisions of Section 198 of the Act read with Rules

4. Prescribed CSR Expenditure (2% of the Amount as in the item 3 above)

(₹ Lacs)

2% of Average Net profit	(286.55)
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5. Details of CSR spent during the financial year.
- (a) Total amount spent for the financial year: NIL
- (b) Amount unspent, if any: ₹ 57.79 Lacs
- (c) Manner in which the amount spent during the financial year is detailed below :
- Not Applicable as the Company has not contributed any fund in CSR activity during the year.
6. In case the company has failed to spend the 2%, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
- No viable project for CSR could be finalised.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 12.08.2017

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT - ANNEXURE - B

(A) FOREIGN EXCHANGE EARNINGS AND OUTGO

Description	₹ In Lacs.
Foreign Exchange Earned	604.19
Miscellaneous Income	—
Sale of CER	—
Foreign Exchange Used (Actual Basis)	
Import of Capital Goods	—
Import of Fuel, Components, Stores and Spare Parts	533.94
Travelling, Subscription and Others	0.16

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Rainbow Papers Limited
Ahmedabad

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rainbow Papers Limited (hereinafter referred as "*the Company*"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 (hereinafter referred as "*the Audit Period*") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for *the Audit Period* according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other Laws and Rules *specifically to the Company* namely :
 - (a) The Indian Boilers Act, 1923; and
 - (b) The Factories Act, 1948.

We have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with the Stock Exchanges; and
- (ii) Secretarial Standards issued by the Institute of Company Secretaries of India.

We report, that during *the Audit Period*, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned *above except to the extent as mentioned below*:

- *The Company had not filed the Disclosures under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to Respective Stock Exchanges in relation to change in Shareholding Position of Promoters due to invocation of Pledge by Financial Institution(s) to whom the Shares were pledged for providing credit Assistance to the Company.*
- *The Company had not filed e-Form MGT-10 in relation to to change in Shareholding Position of Promoters due to invocation of Pledge by Financial Institution(s) to whom the Shares were pledged for providing credit Assistance to the Company.*

- *During the Financial Year under review, the Company has not complied with Section 135 of Companies Act 2013 and Rules made thereunder in respect of amount to be spent on CSR activities.*
- *The Company had not filled up the Casual Vacancy of "Chief Financial Officer" in terms of Section 203 of the Companies Act, 2013.*

We further report that, during *the Audit Period*, there were no actions/events/applicability in pursuance of:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, requiring compliance thereof by the Company during *the Audit Period*.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the Audit, there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines *however there is not system to take Compliance Reports on Periodical Basis and hence the same were not submitted to the Board at the Meeting held.*

We further report, that the compliance by the Company of applicable Financial Laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Auditors and other Designated Professionals.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during *the Audit Period* under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, *except Meetings called at shorter notice to transact urgent business and in such meeting at least one independent director were present*, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority of the decisions being carried through were captured and recorded as part of the minutes.

We report further that, during the Audit Period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs except the following :

- *During the year under review, the Company had received Demand Notices under the Insolvency and Bankruptcy Code, 2016 from several Creditors.*
- *During the year under review, one the Lender for Term Loan to Company, had issued Possession Notice under Rule 8 (1) of the Securitization and Reconstruction of Financial Assets & Enforcement of Security Act, 2002 for Immovable Assets of the Company.*
- *During the year under review, several Lenders of Credit Facilities have issued notice to the Company for e-auction for Sale of Immovable Properties of the Company charged to them.*
- *During the year under review, several Lenders have issued notices to the Company under Section 13 (2) of the Securitization and Reconstruction of Financial Assets & Enforcement of Security Act, 2002.*
- *During the year under review, the Company had received Several Notices for Winding-up of the Company from its Creditors.*

For Yogesh Chhunchha & Co.

Place : Ahmedabad
Date : August 12, 2017

CS Yogesh Chhunchha
Proprietor
Membership No: F9306 / COP No.: 11005

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE - A' and forms an integral part of this report.

'ANNEXURE - A'

(To the Secretarial Audit Report)

To
The Members
Rainbow Papers Limited
Ahmedabad

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad
Date : August 12, 2017

For Yogesh Chhunchha & Co.
CS Yogesh Chhunchha
Proprietor
Membership No:F9306 / COP No.: 11005

DIRECTORS' REPORT - ANNEXURE - E Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	L21010GJ1986PLC008772
ii)	Registration Date:	4 th July, 1986
iii)	Name of the Company:	Rainbow Papers Limited
iv)	Category / Sub-Category of the Company:	Public
v)	Address of the Registered office and contact details:	801, Avdhesh House, Opp. Guru Govind Gurudwara, S.G Highway, Thaltej, Ahmedabad – 380054 Tel: 91-79-26855714/16
vi)	Whether listed company Yes / No :	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any :	Link Intime India Private Limited 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near XT Xavier's College Corner Off C G Road , Ellisbridge, Ahmedabad 380006 Tel No : +91 79 26465179 /86 / 87 E-mail id : ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The company is engaged in only one business activity, i.e. manufacturing and trading of paper.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
		NA			

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No. shares held at the beginning of the year 01/04/2016				No. shares held at the end of the year 31/03/2017				% change during the Year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
a)	Individual/HUF	1996185	0	1996185	1.88	197680	0	197680	0.19	-1.69
b)	Central Govt.	0	0	0	0	0	0	0	0	0
c)	State Govt (s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	44229166	0	44229166	41.64	15500000	0	15500000	14.59	-27.05
e)	Banks / FII(s)	0	0	0	0	0	0	0	0	0
f)	Any Other	0	0	0	0	0	0	0	0	0
	Sub-Total A(1):	46225351	0	46225351	43.52	15697680	0	15697680	14.78	-28.74
(2)	FOREIGN									
1.	Individuals (NRIs/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
2.	Bodies Corporate	0	0	0	0	0	0	0	0	0

3.	Institutions	0	0	0	0	0	0	0	0	0
4.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
5.	Others	0	0	0	0	0	0	0	0	0
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0	0
	Total Shareholding of Promoter(A)=A(1)+A(2)	46225351	0	46225351	43.52	15697680	0	15697680	14.78	-28.74
B.	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
1.	Mutual Funds	500	0	500	0.00	500	0	500	0.00	0.00
2.	Financial Institutions /Banks	50000	0	50000	0.05	3174000	0	3174000	2.99	2.94
3.	Central Government	0	0	0	0	0	0	0	0	0
4.	State Government(s)	0	0	0	0	0	0	0	0	0
5.	Venture Capital Funds	0	0	0	0	0	0	0	0	0
6.	Insurance Companies	7810000	0	7810000	7.35	7810000	0	7810000	7.35	0.00
7.	Foreign Institutional Investors	33183198	0	33183198	31.24	29868201	0	29868201	28.12	-3.12
8.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
9.	Others	0	0	0	0	0	0	0	0	0
	Sub-Total B(1) :	41043698	0	41043698	38.64	40852701	0	40852701	38.46	-0.18
(2)	NON-INSTITUTIONS									
a)	Bodies Corporate									
i)	Indian	15424461	21500	15445961	14.55	14203632	0	14203632	13.3722	1.17
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ` 1 lakh	1096461	947905	2044366	1.92	13692157	963905	14656062	13.80	11.87
(ii)	Individual shareholders holding nominal share capital in excess of ` 1 lakh	1202716	0	1202716	1.13	16659358	0	16659358	15.68	14.55
c)	Others	0	0	0	0.00	1995801	0	1995801	1.88	1.88
i)	Employees	0	0	0	0	0	0	0	0	0
ii)	Non Resident Repatriates	15050	0	15050	0.01	6114	0	183964	0.17	0.17
iii)	Non Resident Non Repatriates	4084	0	4084	0.00	183964	0	6114	0.01	-0.01
iv)	Non domestic companies	0	0	0	0.00	0	0	0	0.00	0.00
v)	Trusts	0	0	0	0	0	0	0	0	0
vi)	Others-Clearing Members	26568	0	26568	0.03	1961988	0	1961988	1.85	1.82
vii)	Directors & Their Relatives & Friends	209506	0	209506	0.20	0	0	0	0.00	-0.20
viii)	Foreign Nationals	0	0	0	0	0	0	0	0	0
	Sub-Total B(2) :	17978846	969405	18948251	17.84	48703014	963905	49666919	46.76	28.92
	Total Public Shareholding (B)=B(1)+B(2) :	59022544	969405	59991949	56.48	89555715	963905	90519620	85.22	28.74
(C)	Shares held by Custodians for GDRs & ADRs									
i)	Promoters	—	—	—	—	—	—	—	—	—
ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (C)-	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	105247895	969405	106217300	100	105253395	963905	106217300	100	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2016			Shareholding at the end of the year 31-03-2017			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	Orient Newsprint Limited	23265588	21.9	19.42	5000000	4.71	4.57	-17.19
2	Rainbow Industrial Park Private Limited	6814340	6.42	6.42	1500000	1.41	1.41	-5.01
3	Drupa Suppliers Private Limited	14149238	13.32	4.85	9000000	8.47	0	-4.85
4	Ajaykumar Radheshyam Goenka	1018231	0.96	0.96	0	0.00	0	-0.96
5	Draupadidevi Goenka	455774	0.43	0.43	0	0.00	0	-0.43
6	Sangeeta Ajay Goenka	337500	0.32	0.22	100500	0.09	0	-0.23
7	Talati Nikita Aniket	181680	0.17	0.13	44180	0.04	0	-0.13
8	Ajay Goenka Jt With Sangeeta Goenka	2500	0	0	2500	0.00	0	0.00
9	Niyati Sunny Agrawal	500	0	0	50500	0.05	0	0.05

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of the Promoter	No. of Shares
	Increase in the shareholding due to purchase from open market	
1	Niyati Agrawal	50000
	Decrease in the shareholding due to invocation of pledged shares	
1.	Orient Newsprint Limited	18265588
2.	Rainbow Industrial Park Private Limited	5314340
3.	Drupa Suppliers Private Limited	5149238
4.	Ajaykumar Radheshyam Goenka	1018231
5.	Draupadidevi Goenka	455774
6.	Sangeeta Ajay Goenka	237000
7.	Talati Nikita Aniket	137500

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2016	
		No. of shares	% of total shares of the Company
1	Highbluesky Emerging Market Fund	10545499	9.9282
2	Aspire Emerging Fund	10496943	9.8825
3	Sparrow Asia Diversified Opportunities Fund	7825256	7.3672
4	Devkant Synthetics (India) Pvt. Ltd.	7238043	6.8144
5	Life Insurance Corporation Of India	4500000	4.2366
6	General Insurance Corporation Of India	3310000	3.1163
7	Mangal Keshav Capital Limited	2978614	2.8043
8	India Focus Cardinal Fund	2880500	2.7119
9	Headway Capital Advisors Limited	2091643	1.9692
10	Silver Stallion Limited	1435000	1.3510

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year 01-04-2017	
		No. of shares	% of total shares of the Company
1	Aspire Emerging Fund	10496943	9.88
2	Drupa suppliers Pvt. Ltd.	9000000	8.47
3	Sparrow Asia Diversified Opportunities Fund	7825256	7.37
4	Emerging Market Opportunities Fund	7230502	6.81
5	Hardik Bharat Patel	5014109	4.72
6	Orient Newsprint Limited	5000000	4.71
7	Life Insurance Corporation of India	4500000	4.24
8	Ruchit Bharat Patel	4131342	3.89
9	General Insurance Corporation of India	3310000	3.12
10	Indian Overseas Bank	3174000	2.99

(iv) Shareholding Pattern Directors and Key Managerial Personnel:

Sr. No.	Name	No. of Shares at the beginning (01/04/16) / end of the year (31/03/17)	% of total shares of the Company	Date	Increase / Decrease	Reason
A.	Directors:					
1	Shri Ajay Goenka	1018231	0.96	31/03/16		
		0	0	31/03/17	1018231	Sale
2	Shri Rahul Maheshwari	100	0.00	01/04/15	0	
		100	0.00	31/03/16	0	
3	Shri Kantibhai Patel	0	0	01/04/15	0	
		0	0	31/03/16	0	
4	Shri Indrasinh Zala	0	0	01/04/15	0	
		0	0	31/03/16	0	
5	Shri Abhilash Delwadia	0	0	01/04/15	0	
		0	0	31/03/16	0	
6	Smt. Aanal Trivedi	0	0	01/04/15	0	
		0	0	31/03/16	0	
B.	Key Managerial Personnel:					
1	Shri Shashikant Thakar	0	0	01/04/16	0	
		0	0	31/03/17	0	

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(` in Lacs)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as on 01-04-2016				
(i) Principal Amount	1,01,710.49	302.26	-	1,02,012.76
(ii) Interest accrued & due but not paid	1,987.19	-	-	1,987.19
Total (i+ii)	1,03,697.68	302.26	-	1,03,999.95
Change in Indebtedness during the financial year 2016-17				
Addition	32,884.83	-	-	32,884.83
Reduction	18,567.57	97.36	-	18,664.93
Net Change	14,317.26	-97.36	-	14,219.90
Indebtedness as on 31-03-2017				
i) Principal Amount	1,16,027.75	204.90	-	1,16,232.66
ii) Interest accrued & due but not paid	-	-	-	-
Total (i+ii)	1,16,027.75	204.90	-	1,16,232.66

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ In Lacs)

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		Ajaykumar R. Goenka (Managing Director)	Rahul J. Maheshwari (Executive Director)	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	6.936	6.936
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit			
	- others specify	0	0	0
	Others, please specify	0	0	0
	Total (A)	0	6.936	6.936
Ceiling as per the Act		5% of the Net Profit of the Company and overall 10% of Net Profits to both the directors		

B. Remuneration to other directors: (₹ In Lacs)

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Kantibhai Patel	Indrasinh Zala	Abhilash Delwadia	
1.	Independent Directors				
	Fee for attending board / committee meetings	0.1	0.125	0.1	0.325
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	0.1	0.125	0.1	0.325
2.	Other Non-Executive Directors				
	Fee for attending Board / committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	0.10	0.125	0.1	0.325
	Total Managerial Remuneration				
Overall Ceiling as per the Act		1% of the Net Profit of the Company			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(` In Lacs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO*	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3.00	-	3.00
(b)	Value of perquisites u/s 17(2) of the Income-tax, Act 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others specify				
5	Others, please specify	-	-	-	-
	Total	-	3.00	-	3.00

* Remuneration to CFO is paid upto the Month of September, 2015

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.	COMPANY			NIL		
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty					
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 12/08/2017

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

MANAGEMENT DISCUSSION & ANALYSIS REPORT

01. INDIAN PAPER INDUSTRY INTRODUCTION:

Paper industry is vital to the manufacturing sector of a country. The paper industry supplements the economy through revenue generation, foreign exchange earnings, and employment initiation. The industry grew with the rising level of literacy, improving well-being of the people and surging aspiration levels. Paper usage has increased over the years.

India has 17% of the world's population yet accounts for only about 3% of the world's production of paper and paperboard. The Paper Industry has witnessed a supply pressure on account of significant capacity addition & comparatively lesser growth in paper demand. Indian paper industry in capacity wise is the 15th largest among the world & provides direct & Indirect employment to nearly 1.3 million people. The paper industry in India is highly fragmented industry.

India is set to emerge as the world's fastest-growing major economy ahead of China, as per a recent report by the World Bank. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices. According to a Goldman Sachs report released in September 2015, India could grow at a potential 8% on average between 2016 and 2020, powered by greater access to banking, technology adoption, urbanization and other structural reforms

02. COMPANY OVERVIEW:

Rainbow is engaged in sales of paper and paper products. The Company offers wide range of paper including Writing and Printing paper, Newsprint paper, Duplex Board, Coated Paper, Color Paper and Board, Crepe paper, Poster Paper, Cast coated paper, fluorescent paper. The products manufactured by your company are primarily used for industrial, packaging, stationery & text book purpose. The products have wide acceptability across the globe. Being located in Gujarat with 1600 km coastal line, Rainbow is one of best located paper manufacturing unit in the Country. Your Company generates wealth out of waste by using recycled grades of waste paper as prime source of raw material & making 100% eco-friendly paper. Last year was not the good year for the company. Your Company has not been able to utilize available production capacity because of various reasons and accordingly the operations at the factory are adversely affected. Your

Company making its best efforts for successful revival of its operations.

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 one of biggest paper mill in India in terms of installed production capacity of 359100 MTPA under the single roof. It is one of best located paper mill in India because of proximity to the port making cost of Import & Export much cheaper. Your company enjoys the advantage of manufacturing multiple products catering to the needs of various segments & believe in policy of sale and produce. Your company has well established market & purchase network.

Weakness

Import policy affects the prices and availability of paper & paper product and accordingly the profitability. International demand of waste paper affect the waste paper price & accordingly the profitability.

Opportunities and Threats

For the Indian paper industry, strong economic growth has been accompanied by equally robust demand for paper. The demand drivers and growth triggers have come from a combination of factors:

- Rising level of national income;
- Growing per capita disposable income;
- Improving aspiration levels of the people;
- Expanding population;
- Widening spread of education and literacy throughout the country; and
- Increasing size of the service industry, higher level of industrial activity and corporate spending.

There is therefore enormous potential for the paper industry in the country. Yet, this is accompanied by

serious challenges, primarily from rising raw material cost.

A major cost component of production is energy which has become a challenge for the manufacturers. The Government of India has withdrawn the core sector status hitherto enjoyed by the paper industry, which has made coal availability more challenging. Cost of coal is escalating and prospect of availability of quality coal is diminishing. This has escalated production costs of mills which are dependent on coal for generation of steam/power. Availability of power (quantity & quality), consistency in quality production and its costs add to the sensitivities of the industry, adversely impacting margins

Until these constraints are overcome, paper manufacturers will find it difficult to compete with external threat.

05. 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

AJAY R. GOENKA

DATE : 12/08/2017

CHAIRMAN & MANAGING
DIRECTOR

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2017.

1. COMPANY'S PHILOSOPHY ABOUT CORPORATE GOVERNANCE:

The company's philosophy is that Corporate Governance is a process which enables the Company to operate in a systemic manner to meet its ethical, legal and business expectations and at the same time fulfills its social responsibilities, a sound Corporate Governance is critical to enhance and retain stakeholders' trust. The Company envisages the attainment of a high level of transparency and accountability in the functioning of the Company and conduct of its business internally and externally.

The Company has complied with the requirements of the Corporate Governance code in terms of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as discussed herein below.

2. BOARD OF DIRECTORS & BOARD MEETINGS:

(a) COMPOSITION OF BOARD OF DIRECTORS:

The Board of Directors presently comprises of six Directors out of which one is Managing Director, One is Executive Director, three are Independent Directors and One woman Director. All Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

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 Kantibhai Patel	Non-executive	Independent Director
4.	Smt. Aanal Trivedi	Non-executive	Woman Director
5.	Shri Indrasinh B. Zala	Non-executive	Independent Director
6.	Shri Abhilash Delwadia	Non-executive	Independent Director

All the Directors on the Board of the Company have made necessary declarations / disclosures regarding their other directorships along with Committee positions held by them in other companies.

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long term interests of the stakeholders are being served. The Chairman and Managing Director are assisted by the Executive Directors / Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted the following Committees, namely Audit & Risk Management Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and CSR Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs. Committee/Board Meetings to discuss internal audit reports and/or to provide detailed insights on items.

(b) NUMBER OF BOARD MEETINGS:

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

30/05/2016	07/06/2016	18/07/2016
13/08/2016	14/11/2016	14/02/2017

The maximum time gap between any consecutive meetings did not exceed 120 days as required under Section 149(3) of the Companies Act, 2013.

In terms of the provisions of the Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 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.

(c) 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 2016-17	No. of Board Meetings attended	Attendance in last AGM	Number of Directorship In Other public companies as on 31-03-2017		Details of Committee positions held in other public companies as on 31-03-2017		Share-holding Equity Shares of face value of ₹ 2/- each
						Chairmanship	Membership	Chairmanship	Membership	
Mr. Ajay Goenka	00139512	Chairman & Managing Director	6	6	Yes	1	2.90	-	-	2500
Mr. Rahul Maheshwari	00289730	Executive Director	6	6	Yes	-	-	-	-	100
Mr. Kantibhai Patel	02325787	Independent Director	6	5	Yes	-	2	-	-	-
Mrs. Aanal Trivedi	06931339	Independent Director	6	4	No	-	-	-	-	-
Shri Indrasinh B. Zala	02137365	Independent Director	6	5	Yes	-	-	-	-	-
Shri Abhilash Delawadia	00539759	Independent Director	6	5	No	-	-	-	-	-

(d) INFORMATION SUPPLIED TO THE BOARD:

The matters generally placed before the Board, inter alia, include:

- Quarterly results of the Company and its operating divisions or business segments
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report.
- Minutes of Meetings of the Audit Committee and other Committees of the Board
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any significant development in Human Resources, Industrial Relations front like implementation of Voluntary Retirement Scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and steps taken by management

to limit risks of adverse exchange rate movement, if material.

- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as dividend non-payment, share transfer delay (if any), among others.
- Appointment, remuneration and resignation of Directors.
- Formation / Reconstitution of Board Committees.
- Terms of reference of Board Committees.
- Minutes of Board meetings of subsidiary company.
- Declaration from Independent Directors at the time of appointment / annually.
- Disclosure of Directors' interest and their shareholding.
- Appointment or removal of the Key Managerial Personnel.
- Appointment of Internal Auditors and Secretarial Auditors.

- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors.
- Dividend declaration.
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made
- Significant changes in accounting policies and internal controls.
- Statement of significant transactions, related party transactions and arrangements entered by unlisted subsidiary companies.
- Issue of securities
- Recommending appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee.
- Borrowing of monies, giving guarantees or providing security in respect of loans.
- Brief on statutory developments, changes in government policies, among others with impact thereof, Directors' responsibilities arising out of any such developments.
- Compliance Certificate certifying compliance with all laws as applicable to the Company.
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996.
- Brief on information disseminated to the press.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board Meetings.

(e) **CODE OF CONDUCT:**

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the employees, and Non-Executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. – Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

A copy of the Code has been put on the Company's website (www.rainbowpapers.com). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

A declaration signed by the Company's Chairman and Managing Director is forming part of this Report.

(f) **DIRECTORS' PROFILE:**

A brief resume of Directors, nature of their expertise in specific functional areas and names of companies in which they hold Directorships, Memberships / Chairmanships of Board Committees, and Shareholding in the Company are provided in this Report.

1) **MR. AJAY GOENKA**

Chairman & Managing Director

Mr. Ajay Goenka, CMD, aged 59 years is a commerce graduate. He started his career at a very young age of 20 years as a paper trader. It is under his leadership that M/s. Rainbow Papers Limited has flourished from a small trading unit to a giant production house manufacturing 200 different varieties of paper, having total installed capacity of 3,59,100 MT per annum as on date. He has a rich experience of 36 years in the paper industry.

He is also associated with various Non Profit organizations, Paper associations and schools. He is the Founder Chairman of Indian Agro & Recycled Paper Mills Association, Gujarat Division.

2) **MR. RAHUL MAHESHWARI**

Executive Director

Mr. Rahul Maheshwari, aged 39 years, is Bachelor of Commerce & ICWA. He was working with the Company since 2003 and lastly as Vice President. Thereafter, he was appointed as Whole-time Director. He is having experience of 14 years in field of marketing, purchase and exports.

3) **MR. KANTIBHAI PATEL**

Independent Director

Shri Kantibhai H. Patel aged 71 years, is a Bachelor of Science and Law from Gujarat University. He is also Master of Labour Welfare (MLW). He has been associated with Textile industries for 16 years and served as Labour Welfare Officer for 8 years in New Cotton Mills Limited. He started his own practice as an advocate in 1980. His area of practice includes Labour Law and Criminal Law (Management) side. He is the Chairman of the Audit & Risk Management Committee and Nomination & Remuneration committee of the Board of Directors of the Company.

- 4) MRS. AANAL TRIVEDI
Woman Director
Mrs. Aanal N. Trivedi aged 34 years, is M.B.A. (Finance), having experience of more than 6 years.
- 5) MR. INDRASINH B. ZALA
Independent Director
Mr. Indrasinh B. Zala aged 67 years, is a commerce graduate, having more than 44 years of experience in print media & electronic media.
- 6) MR. ABHILASH DELWADIA
Independent Director
Mr. Abhilash Delwadia aged 62 years is a Bachelor of Science and Law and M.B.A., having more than 32 years of experience in banking and mutual fund sector.

3. COMMITTEES OF THE BOARD

Your Company has constituted the following committees:-

(A) AUDIT & RISK MANAGEMENT COMMITTEE

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act 2013 and Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The most important functions performed by the Committee are:

Financial Reporting and Related Processes:

- * Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- * Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon / audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting

policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and/ or recommendation, if any, made by the Statutory Auditors in this regard.

- * Review the Management Discussion and Analysis of financial and operational performance.
 - * Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
 - * Review the investments made by the company.
- Internal Controls and Governance Processes
- * Review the adequacy and effectiveness of the Company's system and internal controls.
 - * Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
 - * To oversee and review the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

Audit :

- * Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- * Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- * Review and recommend to the Board the appointment / re-appointment of the Statutory Auditors and Cost Auditors' considering their independence and effectiveness and their replacement and removal.
- * Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- * To recommend to the Board the remuneration of the Statutory Auditors / Cost Auditors.

- * To discuss with the Statutory Auditors / Chief Internal Auditors any significant difficulties encountered during the course of the Audit.
- * Review annual Cost Audit Report submitted by the Cost Auditor.

Other Duties :

- * To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor

and to approve the appointment of the Chief Financial Officer.

- * To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

The composition of the Audit Committee as on date and details of the Members participation at the Meetings of the Committee are as under:

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	4	4
2.	Shri Abhilash Delwadia	Independent Director	Member	4	3
3.	Shri Indrasinh B. Zala	Independent Director	Member	4	3

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. The Statutory Auditors, Internal Auditors, CFO are permanent invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The Scope of Nomination & Remuneration Committee is to review the remuneration package to Managing Director and Executive Director and Executives at the top level Management of the Company and gives its recommendation to the Board and act in terms of reference of the Board from time to time.

The Remuneration Committee of your Company comprises of three members including Chairman, all of them are independent director.

During the period 2016-17, one meeting of the Nomination and Remuneration Committee was held on 1st July, 2016. The necessary quorum was present at the meeting.

(B) NOMINATION & REMUNERATION COMMITTEE

The existing "Remuneration Committee" has been renamed as "Nomination and Remuneration Committee" in compliance with Section 178 of the Companies Act, 2013.

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 Indrasinh B. Zala	Independent Director	Member	1	1
3.	Smt. Aanal Trivedi	Woman Director	Member	1	1

DETAILS OF REMUNERATION PAID TO THE DIRECTORS:

(` In Lacs)

Name	Designation	Particulars					Period of
		Salary	Contribution To Provident Fund	Perquisites	Total	Service	
Ajay Goenka*	Chairman & Managing Director	-	-	-	-	5 years	21.08.13 to 20.08.18
Rahul Maheshwari#	Executive Director	-	-	-	-	3 years	30.08.14 to 29.08.17

* Shri Ajay Goenka, Managing Director has requested Company vide his letter dated 03/04/2016 requesting the Company not to pay him any remuneration on account of Liquidity issues.

Shri Rahul Maheshwari, Executive Director has requested Company vide his letter dated 15/06/2016 requesting the Company not to reduce remuneration payable to him to Rs. 57800/- p.m. on account of Liquidity issues.

SITTING FEES PAID TO NON EXECUTIVE DIRECTORS:

During the year, the Company has not paid any sitting fees to Non Executive Directors for attending Board & Committee meetings though payable amount is as under:

Sr. No.	Name of Director	Designation	Sitting Fees paid (`)	No of Board Meetings/	No of Committee Meetings attended
1	Shri Shashikant Thakar	Independent Director	NIL	5	4
2	Shri Abhilash Delwadia	Independent Director	NIL	5	4
3	Mr. Indrasinh B. Zala	Independent Director	2NIL	5	4

Remuneration policy

The recommendations about the remuneration of Directors are subject to the approval of the Members of the Company and the remuneration of the key managerial persons is to be recommended by the Nomination and Remuneration Committee to the Board.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The existing "Share Transfer & Shareholders Grievance Committee" has been reconstituted as "Stakeholders Relationship Committee" in compliance with Section 178 (5) of the Companies Act, 2013. The terms of reference for the Stakeholders Relationship Committee are in conformity with the requirements Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178(5) of the Companies Act 2013.

a) COMPOSITION & ATTENDANCE OF THE MEETING:

The Stakeholders Relationship Committee comprises of the following Directors:

Sr. No.	Name of Director	Category of Directorship	Committee Position Held
1.	Shri Abhilash Delwadia	Independent Director	Chairman
2.	Shri Ajay R. Goenka	Managing Director	Member
3.	Shri Rahul Maheshwari	Executive Director	Member
4.	Smt. Aanal Trivedi	Independent Director	Member

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

b) TERMS OF REFERENCE OF THE COMMITTEE:

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities.
- issue and allot right shares/bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and other officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors/ stakeholders grievances;

- all other matters incidental or related to shares, debentures and other securities of the company.

c) NUMBER OF COMPLAINTS:

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

Opening Balance as on 01.04.2016	:	Nil
Complaints received during the year	:	Nil
Total	:	Nil
Complaints Redressed during the year	:	Nil
Closing Balance as on 31.03.2017	:	Nil

(C) SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, a separate meeting of Independent Directors, without the attendance of the non independent directors and the members of the management, was held on 24th March, 2017 as required under Schedule IV to the Companies Act, 2013, (Code of Independent Directors) and Regulation 25(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

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
2013-14	28 th AGM	Ahmedabad Management Association (AMA), ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	25 th September, 2014	11.00 a.m.
2014-15	29 th AGM	Ahmedabad Management Association (AMA), ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	28 th September, 2015	12.00 Noon
2015-16	30 th AGM	Ahmedabad Management Association (AMA), ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	28 th September, 2016	11.00 a.m.

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

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

Year	Subject	Date of AGM/EOGM
2013-14 EGM	Approval of Related Party Transactions for FY 2014-15 & 2015-16.	25/09/2014
	1. Consent of the Company under Section 62(1)(c) of the Companies Act, 2013 to the Board of Directors to raise funds up to Rs. 1,000 Crores.	
	2. Consent of the Company under Section 180 (1)(c) of the Companies Act, 2013 to the Board of Directors to borrow up to Rs. 3000 Crores.	
	3. Consent of the Company under Section 180 (1) (a) of the Companies Act, 2013 to the Board of Directors to create charges on the movable and immovable properties of the Company.	14/07/2014
2014-15	1. Authority to the Board of Directors for issue of Non-Convertible Debentures/ Bonds for amount not exceeding \$250 Million.	28/09/2015
	2. Authority to the Board of Directors for dilution of shareholding in Rainbow Papers JLT, Dubai by sale/otherwise.	

(iii) Postal Ballot:

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

5. RECONCILIATION OF SHARE CAPITAL AUDIT REPORTS:

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

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

For the quarter ended	Furnished on
30 th June, 2016	July 27, 2016
30 th September, 2016	October 25, 2016
31 st December, 2016	January 25, 2016
31 st March, 2017	April 25, 2017

6. DISCLOSURES:

01. Materially Significant Related Party Transactions:

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Notes to the Financial Statements as stipulated under Accounting Standard 18 (AS-18), with the Promoters, their subsidiaries or relatives, Directors or the Management etc, All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.

The Board has adopted Related Party Transactions policy and the same will be available at Company's Website : www.rainbowpapers.com

02. Details of Statutory Non-Compliances:

There have not been any non-compliance by the Company and no penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any Statutory Authorities, on any material related to capital markets, during the period under review.

03. Management Discussion and Analysis Report:

Management Discussion and Analysis Report form a part of this Annual Report and is in accordance with the requirements as laid down in Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 entered with the Stock Exchanges.

04. Regulation 34(3) read with Schedule V : Disclosure of Accounting Treatment:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently and comply with material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013.

05. Clause 49(II) (B):

None of the Independent/Non-Executive Directors have pecuniary relationship or transactions with the Company which is in the judgement of the Board may affect the independent of the Director except receiving sitting fee for attending Board/committee meetings.

06. Regulation 36(3) : Shareholders Information:

Appointment/Re-appointment of Directors: The brief resume of directors retiring by rotation and appointment of Independent Directors, including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership of committees of the Board is forming part of the report.

07. CEO & Managing Director Certificate:

Certification by the Managing Director and Chief Executive Officer of the Company as required under Regulation 33(2) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is provided at the end of the Corporate Governance Report.

08. Risk Management:

The management of the company has identified some of the major areas of concern having inherent risk viz., foreign Currency Fluctuations, Client Concentration, Technology, Risk and Credit Control. The process relating to minimizing the above risks has already been initiated at the different levels of management and the same is expected to be further strengthened in the financial year 2016-17.

09 It is confirmed that no personnel has been denied access to the Audit Committee.

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 Regulation 33(2) of the SEBI (Listing Obligations and Disclosures Requirements)

Regulations, 2015 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.rainbowpapes.com". 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 communication are filed with BSE Limited & National Stock Exchange of India Limited electronically through BSE Helpdesk and NSE Electronic Application Processing System (NEAPS) respectively.

9. ADDITIONAL INFORMATION FOR SHAREHOLDERS:

1) Annual General Meeting:

The details of the 30th Annual General Meeting to be held is as under:-

Date : 28th September, 2017

Day : Thursday

Time : 11.00 a.m.

Venue : Gujarat Paper Makers' Association, 802, 8th Floor, Avdhesh House, Opp. Shri Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad- 380 054

Financial Year: 1st April, 2016 to 31st March, 2017.

2) Financial Calendar (Tentative)

Quarter	Tentative Dates of Board Meeting for (F.Y.2017-18)*
1 st Quarter Results	Mid of August, 2017
2 nd Quarter Results	Mid of November, 2017
3 rd Quarter Results	Mid of February, 2018
4 th Quarter Results	Last week of May, 2018

*These dates may vary on account of relaxation provided by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 on account of first time adoption of Indian Accounting Standards.

3) Book Closure Date:

The Shares Transfer books and Register of Members will remain closed from 21st September, 2017 to 28th September, 2017 (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.

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) 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

7) *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-16	16.85	7.55	219552	16.4	7.45	1312873
May-16	7.55	3.83	7968764	7.1	3.80	5986852
Jun-16	4.85	3.35	5115217	4.85	3.35	4205182
Jul-16	4.55	3.01	2941615	4.4	3.1	4152792
Aug-16	3.15	1.98	5265635	3.15	2	7623777
Sep-16	4.32	1.94	7002159	3.95	2	6308200
Oct-16	5.85	3.48	8434506	5.85	3.55	4268891
Nov-16	4.89	3.29	3516828	4.8	3.2	3308343
Dec-16	4.59	3.12	1050536	4.65	3.2	3127319
Jan-17	5.63	3.26	1911208	6.05	3.15	13077406
Feb-17	6.2	4.65	3559756	6.35	4.7	5457136
Mar-17	5.25	4.01	2547660	5.15	4.1	4484359

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

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

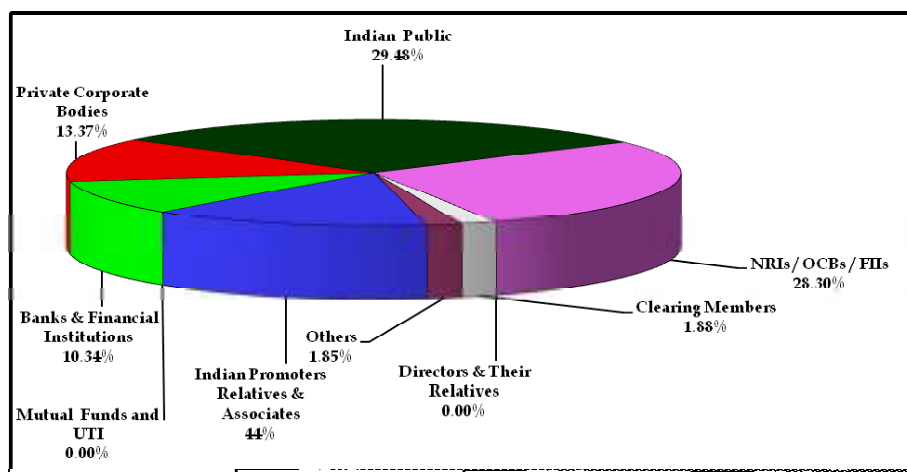
The Members are advised to correspond with the RTA at its office at 5th Floor, 506 to 508 Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Opp. Wagh Bakri Tea Lounge, Near St. Xavier's College Corner Off C G Road, Ellisbridge, Ahmedabad – 380006. Shares sent for transfer in physical 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.

9) DISTRIBUTION OF HOLDINGS AS ON 31ST MARCH, 2017:

Category (No. of Shares)	As on 31 st March, 2016			
	No. of Shareholders		No. of Shares	
	Total	%	Total	%
Upto 500	4793	56.3352	1531982	1.4423
501 to 1000	1313	15.4325	1224898	1.1532
1001 to 2000	737	8.6624	1256391	1.1828
2001 to 3000	381	4.4781	1025936	0.9659
3001 to 4000	154	1.8101	572943	0.5394
4001 to 5000	353	4.1490	1736892	1.6352
5001 to 10000	333	3.9140	2729480	2.5697
10001 and above	4793	5.2186	96138778	90.5114
TOTAL	3691	100.00	106217300	100.00

11) SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2017:

Category	No of Shares held	% of Share Holding
1) Promoters Holding:		
i. Indian Promoters relatives & associates (including Body Corporates)	15697680	14.78
ii Foreign Promoters:	—	—
Sub Total (A)	15697680	14.78
2) Non Promoters Holding:		
i. Mutual Funds and UTI	500	—
ii. Banks & Financial Institutions	10984000	10.34
Sub Total (B)	10984000	10.34
3) Others		
i. Private Corporate Bodies	14203632	13.37
ii. Indian Public	31315420	29.48
iii. NRIs / OCBs / FIIs	30058279	28.30
iv. Directors & their relatives & Friends (other than promoter Director)	1961988	1.85
v. Clearing Members	1995801	1.88
Sub Total (C)	79535120	74.88
4) Shares held by Custodians and against which Depository Receipts have been issued (GDRs)	—	—
Sub Total (D)	—	—
Grand Total (A+B+C+D)	106217300	100.00



12) DEMATERIALIZATIONS OF SHARES AND LIQUIDITY:

As on 31st March, 2017, 99.09% 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	105247895	99.09
PHYSICAL	963905	0.91
TOTAL	106217300	100.00

13) PLANT LOCATION:

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

14) ADDRESS FOR CORRESPONDENCE:

a) Company : Shri Shashikant Thakar
 Company Secretary
 Rainbow Papers Limited
 801, Avdesh 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 :
 Link Intime India Private Limited
 5th floor, 506 to 508
 Amarnath Business Centre – 1 (ABC-1)
 Beside Gala Business Centre,
 Opp. Wagh Bakri Tea Lounge,
 Near St. Xavier's College Corner
 Off C G Road, Ellisbridge,

Ahmedabad – 380006.

Phone Nos : +91 79 26465179 /86 / 87

E-mail : ahmedabad@linkintime.co.in

15) OTHER INFORMATION TO THE SHAREHOLDERS:

a) 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,
 Fax: (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,
 Fax: (022) 2272 3199
 E-mail: investors@cdslindia.com,
 Website: www.cdslindia.com.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : AHMEDABAD

DATE : 12/08/2017

AJAY R. GOENKA

CHAIRMAN & MANAGING
 DIRECTOR

CERTIFICATE BY MANAGING DIRECTOR

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We further confirm that :
 - (i) there were no significant changes in internal control over financial reporting during the year;
 - (ii) there were no significant changes in accounting policies during the year and
 - (iii) there were no instances of significant fraud of which we are aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : AHMEDABAD
DATE : 12/08/2017

AJAY R. GOENKA
CHAIRMAN & MANAGING DIRECTOR

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Rainbow Papers Limited
Ahmedabad

We have examined the compliance of conditions of corporate governance by Rainbow Papers Limited (hereinafter referred as "*the Company*") for the financial year ended March 31, 2017, as stipulated in Chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchange(s), where equity shares of the Company are listed.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, with all the mandatory conditions of Corporate Governance as stipulated in Chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchange(s), where equity shares of the Company are listed.

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.

Place : Ahmedabad
Date : August 12, 2017

For Yogesh Chhunchha & Co.
CS Yogesh Chhunchha
Proprietor
Membership No:F9306 / COP No.: 11005

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 March 31, 2017, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Qualification

1. We draw attention to Note No. 36 of the accompanying financial statements in respect of non-provision of interest on NPA accounts of banks of Rs.143.31 Crore. The exact amounts of the said non provisions are not determined and accounted by the company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to accounting of Inter-division transfer as sales and material amounting to Rs. 26.80 Lacs and further read with the notes to accounts, 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, of the state of affairs of the Company as at March 31 2017, its loss and its cash flows for the year ended on that date.

Matter of Emphasis:

1. We draw attention to Note No. 35(a)&(e) of the accompanying Financial Statement in respect of Winding up Notices and Notices under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act 2002).

2. We draw attention to Note No. 28(a)&(e) of the accompanying Financial Statement in respect of the accounts of Loan Liabilities & borrowings, Current liabilities, Trade receivables, Loans and advances given (Including Advance for Land), Balance with Revenue Authority, Statutory Dues Long outstanding advances for Capital Goods and Various other Advances are subject to confirmation from the respective parties.
3. We draw attention to Note No. 38 of the accompanying Financial Statement in respect of assignment/treatment of Debts by Axis Bank.
4. We draw attention to Note No. 41(g) of the accompanying Financial Statement in respect of cancellation of VAT and CST Number.
5. We draw attention to Note No. 40 of the accompanying Financial Statement in respect of cessation of production on account of Non-Supply of Electricity ,determination of status of Impairment of the Assets of the company and further in view of various points under the Head "Matter of Emphasis" the going concern of the company is seriously affected.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, on the basis of information given to us, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable for the year under consideration.
2. As required by Section 143 (3) of the Act, we broadly report (except otherwise stated) that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls refer to our separate report in Annexure-B; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. there are no long term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
 - iii. There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in note-32 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 and December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For Mehta Lodha & Co.,
Chartered Accountants
Firm Regn No: 106250W

Place : Ahmedabad
Date : 30th May 2017

(Prakash D. Shah)
(Partner)

Membership No:34363

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[ANNEXURE A REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT OF OUR REPORT OF EVEN DATE FOR THE YEAR ENDED ON 31ST MARCH, 2017]

- i. (a) As informed to us, the Company is in process of preparing proper records showing full particulars, including quantitative details and situation, of fixed assets of the company.
- (b) As informed to us, the fixed assets are physically verified by the Management at regular intervals, however during the year no physical verification is undertaken by the company and therefore we are unable to comment on any discrepancies between the records and physical verification.
- (c) As informed to us and on the basis of the records of the company, the title deeds of immovable properties, as disclosed in Note 13 of fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the Management but due to closure of the factory, physical verification of inventory could not done by the company and in view of the said facts, we could not comment on any discrepancy between the physical stock and the book records.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and accordingly the para iii (a), (b) and (c) of the Order are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public (Other than exempted deposit) within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Pension Fund, income tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities. On the basis of the information and explanation submitted to us, there are undisputed amounts payable in respect of above dues which were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

Name of the statute	Nature of dues	In Lacs*	Periods to which amount relates
Employee Provident Fund and Miscellaneous Provisions Act, 1952.	Provident Fund	178.09	From October 2014 to May 2016
Professional Tax	Professional Tax	23.58	From March-2015 to May 2016
Finance Act 1994	Service Tax	50.37	May 2015 to March 2016
Central Sales Tax Act, 1956	Central Sales Tax	107.31	May 2015 to March 2016
Commission of Electricity Board	Electricity Duty Payable	1176.87	From April 2012 to August 2016
Income Tax Act, 1961	Tax Deducted as Source	141.47	March 2015 to August 2016
	Dividend Distribution Tax	72.21	F.Y. 2013-14

*In absence of evidence, if any, Payment made during the year are apportioned on FIFO basis in order to determine the outstanding liabilities. Further the amount of interest on the above outstanding amount and the penalty thereon are not included in the above amounts.

- (b) According to the information and explanations given to us, following are the details of outstanding dues which have not been deposited on account of any dispute:-

Name of the statute	Nature of dues	₹ In Lacs	Periods to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	595.76	A.Y. 2011-12	Hon'ble Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	383.20	Asstt. Year 2012-13	Hon'ble Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	987.53	A.Y. 2013-14	Hon'ble Income Tax Appellate Tribunal
Value Added Tax Act, Gujarat	VAT	120.45*	FY2011-12	Hon'ble Sales Tax Appellate Tribunal
Value Added Tax Act, Gujarat	VAT	4.00	FY 2013-14	Hon'ble Sales Tax Appellate Tribunal
Custom Act, 1975	Custom Duty	238.96	F.Y. 2007-08, F.Y. 2008-09 & F.Y. 2012-2013	Office of the Commissioner of Customs

*Net of Rs 6.50 Lacs paid under protest.

- viii. According to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to financial institution and bank as at the balance sheet date. Details of which are as below:-

Particulars	Name of Lender	Amount of Default as on 31/03/2017*(Rs in Lacs) *Total Amount (Including Principal and Interest)	Period of Default*
Financial Institutions	IFCI Limited	10,576.49	October 2015
	Tourism Finance Corporation of India Limited	1,572.99	March 2016
Banks	Union Bank of India	12,169.27	November 2015
	Indian Overseas Bank	18,496.37	March 2016
	Axis Bank	16,292.85	January 2016
	Allahabad Bank	16,056.96	October 2015
	Bank of India	18,938.87	March 2015
	Dena Bank	10,212.76	October 2015
	Punjab National Bank	4,819.89	December 2015
Corporation Bank	6,879.87	November 2015	

*The above table does not include the interest which bank has not provided after the account has been classified Non Performing Assets.

- ix. In our opinion, and according to the information and explanations given to us during the year, company has not raised money by way of initial public offer/ further public offer/ debt instruments and term loan. Accordingly the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given by the management, transactions with related parties are in compliance with the provisions of Sections 177 and 188 of Companies Act, 2013 where applicable and the details of such related party transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given by the management and on overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company and not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given by the management, the provision of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Place : Ahmedabad
Date : 30th May 2017

For Mehta Lodha & Co.,
Chartered Accountants
Firm Regn No: 106250W
Prakash D. Shah
(Partner)
Membership No: 34363

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT [ANNEXURE B REFERRED TO IN PARAGRAPH 2 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT OF OUR REPORT OF EVEN DATE FOR THE YEAR ENDED ON 31ST MARCH, 2017]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rainbow Papers Limited ("the Company") as of 31 March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ahmedabad
Date : 30th May 2017

For Mehta Lodha & Co.,
Chartered Accountants
Firm Regn No: 106250W

Prakash D. Shah
(Partner)
Membership No:34363

BALANCE SHEET AS AT 31ST MARCH 2017

(` in Lacs)

Particulars	Note No	As at March 31,2017	As at March 31,2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	2124.35	2124.35
(b) Reserves and Surplus	4	(930.24)	15,401.83
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	4.23	40829.70
(b) Other Long term liabilities	6	1,702.35	15,545.64
(c) Long-term provisions	7	292.58	256.44
(d) Deferred Tax Liability (net)	8	5,048.06	5,048.06
(3) Current Liabilities			
(a) Short-term borrowings	9	58,578.89	34,025.13
(b) Trade payables	10	14,432.09	16,330.99
(c) Other current liabilities	11	58,665.98	30,397.57
(d) Short-term provisions	12	145.03	152.94
Total		140,063.32	160,112.65
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	13		
(i) Tangible assets		123,105.66	136,754.12
(ii) Capital WIP		6,426.78	6,298.89
(b) Non-current investments	14	1,402.99	41.40
(c) Long term loans and advances	15	1,704.01	1,803.51
(2) Current assets			
(a) Inventories	16	841.48	1,681.39
(b) Trade receivables	17	720.58	3,632.46
(c) Cash and bank balance	18	59.65	1,001.98
(d) Short Term Loans and advances	19	5,802.17	8,898.90
Total		140,063.32	160,112.65

Summary of significant accounting policies 2.1

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

As per our separate report of even date attached.

For Mehta Lodha & Co
Chartered Accountants
(Firm Reg No: 106250W)

Prakash D Shah
Partner
Mem. No. 034363

Ahmedabad
May 30, 2017

For and on behalf of the Board of Directors

Ajay Goenka DIN :00139512 Chairman & Managing Director
Rahul Maheshwari DIN: 00289730 Executive Director
Shashikant Thakar Company Secretary

Ahmedabad
May 30, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(` in Lacs)

Particulars	Note No	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from operations	20	5,272.46	35,762.26
Less : Excise duty		108.61	817.09
Revenue from operations (Net)		5,163.85	34,945.17
Other income	21	143.12	178.89
Total Revenue (I)		5,306.97	35,124.06
EXPENSES			
Cost of materials consumed	22	2,196.28	26,072.59
Purchase of stock-in-trade		913.69	5,142.43
Changes in inventories	23	285.70	2,683.06
Employee benefit expense	24	995.95	2,041.98
Depreciation and amortization expense	13	13,647.57	13,642.23
Finance costs	25	770.64	12,565.84
Other expenses	26	3,443.62	17,790.32
Total Expenses (II)		22,253.45	79,938.45
Profit / (Loss) before exceptional and extraordinary items and tax (III) (I-II)		(16,946.48)	(44,814.39)
Exceptional items (IV)	27	-	1,945.08
Profit/(Loss) before tax (V) (III- IV)		(16,946.48)	(46,759.47)
Tax expense:			
Current tax		-	-
Prior period tax adjustment		-	181.10
MAT Credit Reversal of Earlier Years		-	2,463.33
Deferred tax		-	2,554.40
Total tax expense (VI)		-	5,198.83
Profit/(Loss) for the year	(V-VI)	(16,946.48)	(51,958.30)
Earnings per equity share [nominal value of share Rs. 2 (March 31, 2017 Rs. 2)]			
(1) Basic		(15.95)	(48.92)
(2) Diluted		(15.95)	(48.92)
Summary of significant accounting policies	2.1		

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

As per our separate report of even date attached.

For Mehta Lodha & Co
Chartered Accountants
(Firm Reg No: 106250W)

Prakash D Shah
Partner
Mem. No. 034363

Ahmedabad
May 30, 2017

For and on behalf of the Board of Directors

Ajay Goenka

Rahul Maheshwari

Shashikant Thakar

Ahmedabad

May 30, 2017

DIN :00139512

DIN: 00289730

Company Secretary

Chairman & Managing Director

Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-3-2017

(` in Lacs)

	31-03-2017	31-03-2016
A. Cash Flow from Operating Activities		
Net profit before extra ordinary items	(16,946.48)	(44,814.39)
<u>Adjustments to reconcile profit before tax to net cashflow</u>		
Depreciation and amortisation	13,647.57	13,642.22
Sundry balances written back	312.82	1,945.88
Finance Costs	30.40	9,955.21
Loss/(Profit) on sale of Assets/Investment	(5.56)	(146.26)
Foreign Currency Monetary Assets Reserve	614.41	(374.86)
Operating profit before working capital changes	(2,346.83)	(19,792.20)
<u>Adjustment For:</u>		
Increase /(decrease) in trade payables	(1,898.90)	3,486.91
Increase/(decrease) in current liabilities and provisions	(901.81)	(1,622.95)
(Increase)/decrease in inventories	839.91	15,395.12
(Increase)/decrease in trade receivable	2,599.06	6,959.04
Cash generated from operating activities	(1,708.57)	4,425.92
Direct tax paid	(3.11)	(55.16)
Cash flow before extra-ordinary items	(1,711.68)	4,370.76
Extra-ordinary Items:		
Excess provision written back	-	(124.65)
Net cash flow from operating activities	(1,711.68)	4,246.11
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress)	(128.32)	(2,421.03)
Proceeds from sale of fixed assets	6.87	159.84
Movement in Loans and Advances	3,199.34	2,608.57
Purchase of Investments	(1,361.59)	(0.50)
Interest Income Reversed	-	(1,820.44)
Interest Income	16.94	248.57
Net cash flow from investing activities	1,733.24	(1,224.99)

(₹ in Lacs)

	31-03-2017	31-03-2016
C. Cash flow from financing activities		
Increase/(decrease) in long term borrowings	(54,668.76)	(32,392.57)
Increase/(decrease) in short term borrowings	53,754.53	34,863.60
Interest paid	(47.35)	(10,203.78)
Dividend paid (including dividend distribution tax)	(2.33)	(2.00)
Net cash flow from financing activities	(963.89)	(7,734.75)
Net change in cash & cash equivalents (a+b+c)	(942.33)	(4,713.63)
Cash and Cash Equivalents at beginning of year	1,001.98	5,715.61
Cash and Cash Equivalents at end of year	59.65	1,001.98
Note:		
1 CASH AND BANK BALANCES:		
Balance with Banks :		
- In Collection/ Current /EEFC Accounts	48.36	61.23
Cash on hand	0.65	9.02
<u>Other bank balances:</u>		
- In Dividend Accounts	10.64	12.97
- In Margin Money	-	918.76
Total	59.65	1,001.98

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

As per our separate report of even date attached.

For Mehta Lodha & Co
Chartered Accountants
(Firm Reg No: 106250W)

Prakash D Shah
Partner
Mem. No. 034363

Ahmedabad
May 30, 2017

For and on behalf of the Board of Directors

Ajay Goenka	DIN :00139512	Chairman & Managing Director
Rahul Maheshwari	DIN: 00289730	Executive Director
Shashikant Thakar		Company Secretary

Ahmedabad
May 30, 2017

Notes to financial statement for the year ended 31st March 2017

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 & fluorescent paper.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENT:

These financial statements have been prepared pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, 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. 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 Drawback, MEIS, EPCG 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.

2.4 DEPRECIATION:

The company has provided depreciation, On the additions made on or after 1.4.2009 to Plant & Machinery on "Straight Line Method" and on all its other Fixed Assets on "Written Down Value Method", on pro-rata basis in accordance with the Section 123(2), as per useful life specified in Schedule II of the Companies Act 2013 or useful life determined by the management on the basis of the evaluation by Chartered Engineer. In case of adoption of useful life on the basis of Chartered Engineers Certificate, the useful life is lesser than the useful life specified in Schedule II.

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 as ascertainable to the management. Current

Investments are valued at Cost or Net Realizable Value whichever is lower.

2.7 INVENTORIES:

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

2.8 EXCISE DUTY AND CENVAT CREDIT:

Excise Duty payable on finished good 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 un discounted 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 employees 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.

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 realized in future.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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.

2.16 Accounting Policies not referred to are in consistent with the generally accepted accounting policies.

(` in Lacs)

3 SHARE CAPITAL :	As at March 31, 2017	As at March 31, 2016
<u>Authorised Capital:</u>		
20,00,00,000 Equity Shares of ` 2/- each (PY 20,00,00,000 Equity Shares of ` 2/- each)	4000.00	4000.00
<u>Issued, Subscribed & Fully Paid up Capital :</u>		
10,62,17,300 Equity shares of ` 2/- each fully paid (PY 10,62,17,300 Equity Shares of ` 2/- each fully paid)	2124.35	2124.35
Out of the above 5,11,77,275 of Rs. 2 each (PY 5,11,77,275 Equity Shares of ` 2 each) fully paid up represent Global Depository Receipts (GDRs).		
Total issued, subscribed and fully paid-up share capital	2124.35	2124.35

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Equity shares:	As at March 31, 2017		As at March 31, 2016	
	No of Shares	Amount in Lacs	No of Shares	Amount in Lacs
Shares outstanding at the beginning of the year	106,217,300	2124.35	106,217,300	2,124.35
Add: Conversion of Convertible Warrants during the year	-	-	-	-
Shares outstanding at the end of the year	106,217,300	2124.35	106,217,300	2124.35

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

Equity Shares:

The company has one class of equity shares having a par value of Rs.2 each. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Director, if any, is subject to the approval of share holders in the 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.

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

Name of share holders	As at March 31, 2017		As at March 31, 2016	
	No of Shares held	% of holding	No of Shares held	% of holding
Orient Newsprint Limited	5,000,000	4.71%	23,265,588	21.90%
Drupa Suppliers Pvt Limited	9,000,000	8.47%	14,149,238	13.32%
Highbluesky Emerging Market Fund	-	0.00%	10,545,499	9.93%
Aspire Emerging Fund	10,496,943	9.88%	10,496,943	9.88%
Sparrow Asia Diversified Opportunities Fund	7,825,256	7.37%	7,825,256	7.37%
Devkant Synthetics (India) Pvt Ltd	1,884,498	1.77%	7,238,043	6.81%
Rainbow Industrial Park Pvt Ltd	1,500,000	1.41%	6,814,340	6.42%
Emerging Market Opportunities Fund	7,230,502	6.81%	-	0.00%

(` in Lacs)

4 RESERVES & SURPLUS :	As at March 31,2017	As at March 31,2016
<u>a. Capital Reserve</u>	30.19	30.19
<u>b. Securities Premium account</u>	25565.20	25565.20
<u>c. Revaluation Reserve</u>		
Balance as per last accounts	21019.02	21019.02
Less: reversal on account of devaluatoin	-	-
	<u>21,019.02</u>	<u>21,019.02</u>
<u>d. Other Reserves :</u>		
<u>i. General Reserve</u>	2454.89	2454.89
<u>ii. Forfeiture of Warrants</u>	27.43	27.43
<u>iii. Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer Note A)</u>		
Balance as per last accounts	(614.41)	(239.55)
Add: Addition During the Year (net)	614.41	(374.86)
	<u>-</u>	<u>(614.41)</u>
<u>iv. Surplus/Deficit in the statement of profit and loss</u>		
Balance as per last financial statements	(33,080.49)	18,622.13
Add: Profit/(Loss) for the year	(16,946.48)	(51,958.30)
Proposed dividend reversed (Refer Note B)	-	212.43
Dividend distribution tax on proposed dividend reversed (Refer Note B)	-	43.25
	<u>(50,026.97)</u>	<u>(33,080.49)</u>
Total reserves and surplus	<u>(930.24)</u>	<u>15,401.83</u>

Note No A

Deferral/capitalization of exchange differences:

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

Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.

In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized to the Profit and Loss account over the balance life of the long-term monetary item, however the period of amortization does not extend beyond; March 31, 2020 [extended by notification no GSR 913(E) dated 29th December 2011].

During the previous year the advances received for exports, being a long-term monetary item was settled with the bank as the customer has invoked the bank gaurantee hence Rs. 614.41 Lacs has been transferred to Statement of Profit & Loss Account during the year. (PY Rs. 374.86 Lacs were added to the Foreign Currency Monetary Item Translation Difference Account).

Note No B

During the previous year, Indian Overseas Bank has raised an objection for declaring the Dividend for the year ended on March 31, 2015 and persuance to the same the company has reversed the proposed dividend declared and Dividend Distribution Tax thereon.

(₹ in Lacs)

5 LONG TERM BORROWINGS:	As at March 31,2017	As at March 31,2016
<u>(A) Secured :</u>		
(a) From banks:		
- Rupee term loans	-	32917.70
- Vehicle loans	4.23	12.00
(b) From others		
Rupee Term Loan	-	7900.00
Total	4.23	40,829.70

(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 Survey No 1423,1453, 1439/p/1, 1440/p/1 & 1441/p Village: Rajpur, Taluka: Kadi, Dist:Mehsana. Second charge on paripasu basis on entire current assets of the company.The loan is further secured by personal guarantee of Shri Ajay Goenka Chaiman and Managing Director of company, Smt Sangeeta Goenka and three promoter group companies. Term Loan is carrying Rate of Interest(at present) from 13% to 13.75% p.a. repayable over a period of 7 years.

Corporate Loan from Bank of India is secured by way of exclusive charge on Land at Survey no 1524,1457-58,1483-84,1447/4/p collectively admeasuring 62524 sq. mts situated at Village: Rajpur, Taluka: Kadi, Dist:Mehsana together with building and fixed structures thereon . The loan is further secured by personal guarantee of Shri Ajay Goenka Chaiman and Managing Director of company, Smt Sangeeta Goenka and three promoter group companies. Term Loan has been converted into EPBG during the year under consideration and same set of security is exclusively charged with the said bank.

Corporate Loan from IFCI Ltd is secured by exclusive charge on power division assets of the Company bearing survey No. 1474/1, 1474/2, 1475, 1476, 1477, 1478, 1517 P1, 1517 P2 (now forming part of new survey No. 1442/1) and 1451, 1473, 1520, 1521 total admeasuring 81403 Sq. Mtrs. situated at village Rajpur, Ta. Kadi, Dist. Mehshana and Further secured by exclusive charge on survey no. 1444 & part of 1445 admeasuring 16633 Sq. Mtrs. situated at village Rajpur, Ta. Kadi, Dist. Mehshana, by way of pledge of 1,32,22,317 equity shares of Rainbow Papers Limited having Face Value of Rs.2/- , being held by promoters and promoter group companies, which were sold by IFCI Limited during the year 2015-16 and 2016-17.The loan is further secured by personal guarantee of Shri Ajay Goenka Chaiman and Managing Director of company. Term Loan is carrying Rate of Interest (at present) 15.05% p.a. and is repayable in 5 years with balloning installments quarterly.

Vehicle Loan:

Vehicle loan from banks were secured by hypothecation of vehicles and are repayable over a period of 3 years carrying rate of interest 11.77% p.a..Further loan is guaranted by Shri Ajay Goenka Chaiman and Managing Director of company.

(₹ in Lacs)

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

Financial Year	Amount
2018-19	4.23

(c) Company has defaulted in repayment of Loans and Interest thereon:

Term loans and other long term borrowing drawn by the company from Banks and other Financial Institutions were defaulted by the company and the same were termed as Non-performing Assets by the respective Banks/Financial Institutions. Pursuant to the same, all the NPA liabilities were treated as current liabilities and disclosed accordingly in the Financial Statements for the year.

(` in Lacs)

6 OTHER LONG TERM LIABILITIES:	As at March 31,2017	As at March 31,2016
Other :		
Retention money and creditors for capital goods	828.35	835.39
Export Advance Received*	-	14186.09
Other long-term liabilities**	874.00	524.16
	<u>1,702.35</u>	<u>15,545.64</u>

* Export Advances are secured by way of Export Performance Bank Guarantee from Indian Banks for \$Nil (PY \$21.94 mn).

**Other long term liabilities are repayable after period of twelve months or more.

(` in Lacs)

7 LONG TERM PROVISIONS:	As at March 31,2017	As at March 31,2016
<u>Provisions for employee benefits :</u>		
Provision for gratuity	233.09	185.04
Provision for leave encashment	59.49	71.40
Total	<u>292.58</u>	<u>256.44</u>

(` in Lacs)

8 DEFERRED TAX LIABILITIES (NET):	As at March 31,2017	As at March 31,2016
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	9,504.74	9,504.74
Gross deferred tax liability	9504.74	9,504.74
Deferred tax assets		
Impact of expenditure charged to the Statement of Profit and Loss but allowed for tax purpose on payment basis and Others	4456.68	4,456.68
Gross deferred tax asset	4456.68	4,456.68
Net deferred tax liability	<u>5048.06</u>	<u>5,048.06</u>

Notes:

- (a) Deferred Tax liability calculated as above is excluding the assets pertaining to power Generating units, the Income of which being deductible u/s 80IA 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 timing difference arising in a year is reversed during Tax holiday period itself, no deffered Tax should be recognised.
- (b) These amounts are subject to Income Tax Assessment of the company.
- (c) In view to heavy accumulated losses and uncertainty of its realization/ payment of taxes in near future, no additional provision for Deferred Tax Asset/liability has been made by the company during the year.

(₹ in Lacs)

9 SHORT TERM BORROWINGS:	As at March 31,2017	As at March 31,2016
(A) Secured :		
From Banks:		
- Rupee Loan	58,373.99	32,852.50
- From Banks (Buyer's Credit)	-	870.37
(B) Unsecured :		
Other Loans and advances :		
From Others	204.90	302.26
Total	<u>58,578.89</u>	<u>34,025.13</u>

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 and 1453 of Village: Rajpur, Taluka: Kadi, Dist:Mehsana. Second charge on paripasu basis on all fixed assets, situated at survey no 1423 and 1453 of Village: Rajpur, Taluka: Kadi, Dist:Mehsana .The loan is further secured by personal guarantee of Shri Ajay Goenka Chairman & Managing Director of the company.

(₹ in Lacs)

10 TRADE PAYABLES:	As at March 31,2017	As at March 31,2016
- Acceptances	-	1218.54
- Due to Micro Small & Medium Enterprises	535.71	432.14
- For Goods, expenses, services & trade deposits	13,896.38	14,680.31
Total	<u>14,432.09</u>	<u>16,330.99</u>

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

	2016-17	2015-16
Principal Amount Outstanding	527.62	424.05
Interest Due	8.09	8.09
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	8.09	8.09

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)

11 OTHER CURRENT LIABILITIES:	As at March 31,2017	As at March 31,2016
Current maturities of long-term borrowings*	57,649.52	26,461.55
Interest accrued and due on borrowings	-	1987.19
Unclaimed dividend**	10.64	12.97
Other payables:		
- Statutory Liabilities(Net)***	(29.46)	106.95
- Advances from customers / others	1,035.28	1,828.91
Total	58,665.98	30,397.57

* Includes of EPBG Advance to be adjusted in 12 months of Rs. Nil (PY Rs. 363.75 Lacs).

** Liability towards Investor Education and Protection Fund under Section 125 of The Companies Act, 2013 (Not Due as on 31.03.2017)

*** Statutory Liabilities is disclosed as net off balances receivable from excise authorities of Rs. 614.05 Lakhs.

(` in Lacs)

12 SHORT TERM PROVISIONS:	As at March 31,2017	As at March 31,2016
<u>Provision for employee benefits:</u>		
Provision for bonus	111.64	113.16
Provision for gratuity	29.07	33.95
Provision for leave encashment	4.14	5.83
<u>Others:</u>	0.18	-
Total	145.03	152.94

13. 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 st April 2015	22,066.66	7,682.69	2.85	476.54	94,952.04	71.02	17.76	41.42	35.33	164.57	37.76	69.02	70.42	125,688.08
Additions	-	785.11	-	-	50,030.46	-	0.06	0.16	3.31	24.45	1.97	3.34	9.48	50,858.34
Disposal / Adjustment	-	-	-	9.92	-	-	-	-	-	30.36	-	-	-	40.28
At 31 st March 2016	22,066.66	8,467.80	2.85	466.62	144,982.50	71.02	17.82	41.58	38.64	158.67	39.73	72.36	79.91	176,506.14
Additions	-	-	-	-	-	-	-	-	-	-	0.04	0.09	0.30	0.43
Disposal / Adjustment	-	-	-	-	-	-	-	-	0.01	20.78	0.16	-	0.01	20.96
At 31 st March 2017	22,066.66	8,467.80	2.85	466.62	144,982.50	71.02	17.82	41.58	38.63	137.88	39.61	72.44	80.19	176,485.61
Depreciation														
At 1 April 2015	-	2,624.67	1.19	209.69	22,933.88	69.40	16.23	20.61	26.25	115.89	25.94	49.12	43.60	26,136.47
Charge for the year	-	635.39	0.58	39.21	12,899.33	0.88	0.31	6.71	3.77	21.89	7.80	14.26	12.09	13,642.23
Disposal / Adjustment	-	-	-	6.80	-	-	-	-	-	19.87	-	-	-	26.67
At 31 st March 2016	-	3,260.06	1.77	242.10	35,833.21	70.28	16.54	27.32	30.02	117.91	33.74	63.38	55.69	39,752.02
Charge for the year	-	604.20	0.32	35.36	12,966.36	-	0.27	5.74	3.24	15.91	2.76	4.96	8.46	13,647.57
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	19.60	0.05	-	-	19.65
At 31 March 2017	-	3,864.26	2.09	277.46	48,799.57	70.28	16.81	33.06	33.26	114.22	36.45	68.34	64.15	53,379.95
Net Block														
At 31 March 2016	22,066.66	5,207.74	1.08	224.52	109,149.29	0.74	1.28	14.26	8.63	40.76	5.99	8.98	24.21	136,754.12
At 31 March 2017	22,066.66	4,603.54	0.76	189.17	96,182.92	0.74	1.01	8.51	5.37	23.65	3.16	4.10	16.04	123,105.66
	22,066.66	4,603.54	0.76	189.16	96,182.92	0.74	1.01	8.52	5.37	23.65	3.16	4.10	16.04	123,105.63
Note														
(i) Inclusion of Civil Works as Plant and Machinery or Building, being technical matter, is certified by the management														
(ii) Treatment of Capitalization being technical matter, is as certified by the management and the details of Capital Work In Progress is as under:-														
CAPITAL WORK IN PROGRESS COMPRISES:														
Building and Plant & Machinery , Pre operative expenses (Pending Allocation)													As At March 31, 2016	
													As At March 31, 2017	
													6,426.78	
TOTAL													6,298.89	
(a) 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.														
(b) 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.														
(c) Advances to Project suppliers are shown under Long term loans & advances included in Capital advances.														

(` in Lacs)

14 NON CURRENT INVESTMENT:	As at March 31,2017	As at March 31,2016
<u>Trade investments</u> (valued at cost unless stated otherwise)		
<u>Investment in equity instruments</u>		
Unquoted		
300 Equity Shares [March 31, 2015: 300] Face Value of AED 1000 each in Rainbow Papers FZC (At cost) (Earlier Known as Rainbow Papers JLT)	40.90	40.90
5000 Equity Shares [March 31, 2016: 0] in Saniya Notebook Private Limited	0.50	0.50
32500 Equity Shares [March 31, 2016: 0] in Agressive Exim Private Limited	65.00	-
5350 Equity Shares [March 31, 2016: 0] in Anand Potato Cold Storage Pvt. Ltd.	107.00	-
7680 Equity Shares [March 31, 2016: 0] in Anand Shakti Cement Private Limited	192.00	-
7500 Equity Shares [March 31, 2016: 0] in Eastman Merchants Private Limited	15.00	-
18750 Equity Shares [March 31, 2016: 0] in Fastner Machinery Dealers Pvt. Ltd.*	93.75	-
65000 Equity Shares [March 31, 2016: 0] in Kites Infraprojects Private Limited	130.00	-
42500 Equity Shares [March 31, 2016: 0] in Popcorn Treaders Private Limited	85.00	-
42500 Equity Shares [March 31, 2016: 0] in Positiveview Traders Private Limited	85.00	-
2000 Equity Shares [March 31, 2016: 0] in Viking Agencies Private Limited	4.00	-
60500 Equity Shares [March 31, 2016: 0] in Waterlink Dealers Private Limited	121.00	-
30000 Equity Shares [March 31, 2016: 0] in Wellman Commerce Private Limited	60.00	-
22500 Equity Shares [March 31, 2016: 0] in Worthwhile Traders Private Limited	45.00	-
Quoted		
116600 Equity Shares [March 31, 2016: 0] in Blue Print Securities Limited*	358.84	-
Total	<u>1,402.99</u>	<u>41.40</u>

Aggregate amount of unquoted investment of Rs. 10,44,15,470/- (Previous Year Rs 41,40,470/-)

*Market value of Quoted investments is Rs. 358.84

(` in Lacs)

15 LONG-TERM LOANS & ADVANCES:	As at March 31,2017	As at March 31,2016
(a) Security deposits (unsecured, considered good)	10.87	11.40
(b) Capital Advances	1,691.78	1,780.75
(c) Other loans & advances		
- Advances recoverable in cash or kind*	1.36	11.36
Total	<u>1,704.01</u>	<u>1,803.51</u>

*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 31,2017	As at March 31,2016
(a) Raw materials (including goods in Transit) :	60.30	360.24
(b) Work-in-progress	11.00	162.69
(c) Finished Goods	2.48	136.49
(d) Stores & spare parts and Chemicals	753.30	958.42
(e) Fuels & Packing material (including goods in Transit)	14.40	63.55
Total	<u>841.48</u>	<u>1,681.39</u>

(₹ in Lacs)

17 TRADE RECEIVABLES:	As at March 31,2017	As at March 31,2016
Outstanding for a period exceeding Six months from the date they are due for payment		
Secured, considered good	720.58	2,204.03
Provision for doubtful debts	-	-
Other receivables		
Secured, considered good	-	1,428.43
Provision for doubtful debts	-	-
	-	-
Total	720.58	3,632.46

(₹ in Lacs)

18 CASH AND BANK BALANCES:	As at March 31,2017	As at March 31,2016
<u>Cash and cash equivalent :</u>		
a Cash on hand	0.65	9.02
b Balances with banks:		
On current accounts	48.36	61.23
c <u>Other bank balances:</u>		
- In Dividend Accounts	10.64	12.97
- In Margin Money & Fixed Deposits	-	918.76
Total	59.65	1,001.98

(₹ in Lacs)

19 SHORT-TERM LOANS AND ADVANCES:	As at March 31,2017	As at March 31,2016
Advances recoverable in cash or kind	5,459.33	5,396.66
Balance with Government Authorities	64.76	464.89
Advance Income Tax & TDS	221.79	218.68
Advances to Suppliers	52.67	2,781.48
Loans and Advances to employees	1.99	1.44
Prepaid expenses	1.63	35.75
Total	5,802.17	8,898.90

CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for):

(₹ in Lacs)

<u>Contingent liabilities</u>	As at March 31,2017	As at March 31,2016
a <u>Claim against company not acknowledged as debt :</u>		
- Income Tax Matters	1,966.49	193.27
- Custom Duty	238.96	238.96
- VAT/CST	124.45	
b Guarantees:		
- Bank Guarantee	-	101.18
- Export Performance Bank Guarantee (MTM)	-	14589.83

(₹ in Lacs)

20 REVENUE FROM OPERATIONS:	Year ended March 31,2017	Year ended March 31,2016
<u>Sale of products</u>		
Domestic Sales - Papers	4,304.64	31,526.68
Export Sales - Papers	692.06	3,882.66
<u>Sale of services</u>		
Job work	47.66	13.89
<u>Other Operating Revenue</u>		
Export incentive	37.43	131.26
Fly ash sales	0.22	0.84
Miscellaneous waste sales	190.45	206.93
	5,272.46	35,762.26
Less : Excise duty (Net) *	108.61	817.09
Total Revenue	5,163.85	34,945.17

Sales includes Rs. 26.80 Lacs (Previous Year Rs. 261.00 lacs) of inter division transfer. The same does not have any effect on profit of the company.

*Excise Duty (Net) include the difference between excise duty on opening and closing stock of finished goods.

(₹ in Lacs)

21 OTHER INCOME:	Year ended March 31,2017	Year ended March 31,2016
Insurance claims	122.38	6.54
Other income	15.18	3.07
Profit on sale of Fixed assets	5.56	146.26
Discount Income	-	23.02
Total	143.12	178.89

(₹ in Lacs)

22 COST OF MATERIALS CONSUMED:	Year ended March 31,2017	Year ended March 31,2016
Opening Stock		
Papers	349.97	9943.41
Chemicals	10.27	26.06
Total	360.24	9,969.47
Add : Purchases		
Papers	1,887.52	16,309.02
Chemicals	8.82	154.34
	1,896.34	16,463.36
Less : Closing Stock		
Papers	55.31	349.97
Chemicals	4.99	10.27
	60.30	360.24
Total	2,196.28	26,072.59

(` in Lacs)

23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Year ended March 31,2017	Year ended March 31,2016
Opening Stock		
Finished goods	136.49	404.83
Work in progress	162.69	2559.54
Stock-in-trade	-	17.88
Total (A)	<u>299.18</u>	<u>2982.25</u>
Closing Stock		
Finished goods	2.48	136.49
Work in progress	11.00	162.69
Total (B)	<u>13.48</u>	<u>299.18</u>
Total (A-B)	<u><u>285.70</u></u>	<u><u>2,683.06</u></u>

(` in Lacs)

24 EMPLOYEE BENEFITS EXPENSE:	Year ended March 31,2017	Year ended March 31,2016
Salaries, wages, bonus	964.71	1,868.62
Contributions to provident and other funds	15.16	106.43
Staff Welfare Expenses	5.89	18.28
Director's remuneration	10.19	48.65
Total	<u>995.95</u>	<u>2,041.98</u>

Defined Contribution Plan

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

Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	5.15	32.65
Employer's Contribution to Pension Scheme	9.93	70.15
Employer's Contribution to Provident Fund(For Key Personnel)	0.02	0.25
Employer's Contribution to Pension Scheme(For Key Personnel)	0.05	0.61

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. The following details have been taken from the valuer certificate.

(` in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
i. Reconciliation of opening and closing balance of Defined Benefit Obligation				
Opening defined benefit obligation	219.07	226.11	77.24	109.33
Excess / Short provision	-	-	-	-
Service cost	33.95	35.55	17.83	19.75
Interest cost	16.86	17.05	5.87	8.12
Actuarial (Gain)/ Loss	(7.72)	(42.74)	(36.55)	(33.32)
Benefits paid	-	(16.90)	(0.74)	(8.51)
Benefits payable	0.00	0.00	0.00	(18.13)
Closing defined benefit obligation	<u>262.16</u>	<u>219.07</u>	<u>63.64</u>	<u>77.24</u>

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

(` in Lacs)

	Gratuity (Funded)	
	2016-17	2015-16
Opening fair value of plan assets	0.08	17.03
Expenses deducted from the fund	(0.02)	-
Expected return	-	2.91
Actuarial Gain / (Loss)	-	(2.67)
Employer contribution	-	0.05
Benefits paid	-	(16.90)
Adjustment to the Opening fund	-	(0.34)
Closing fair value of plan assets	0.06	0.08

III. Reconciliation of fair value of assets and obligation

(` in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
Fair value of plan assets	0.06	0.08	-	-
Present value of obligation	262.16	219.07	63.64	77.24
Amount recognised in balance sheet	262.10	218.99	63.64	77.24

IV. Expense recognised during the year

(under the head "Employee benefit expense" of Notes '25')

(` in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
Service cost	33.95	35.55	17.83	19.75
Interest cost	16.85	17.04	5.87	8.12
Expected return on plan assets	-	(2.91)	-	-
Actuarial (Gain) / Loss	(7.72)	(40.07)	(36.55)	(33.32)
Expenses deducted from the fund	0.02	-	-	-
Adjustment to the Opening fund	-	0.34	-	-
Net cost included in 'Employee Benefit Expense'	43.10	9.95	(12.85)	(5.45)

V. Investment Details

	% invested		% invested	
	2016-17 (%)		2015-16 (%)	
	RPL	Mastercote	RPL	Mastercote
Public sector securities	0%	0%	0%	0%
Special deposit schemes	0%	0%	0%	0%
State Govt. securities	0%	0%	0%	0%
FDR with banks	0%	0%	0%	0%
Balance with banks	0%	100%	0%	0%
Policy of insurance	1000%	0%	100%	100%
Total	100%	100%	100%	100%

VI. Actuarial Assumptions

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
Mortality Table(LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	7.25%	7.8% & 7.9%	7.25%	7.8% & 7.9%
Expected rate of return on plan assets (per annum)	7.25%	7.8% & 7.9%	-	-
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:-

	31.03.2017 ` in lacs	31.03.2016 ` in lacs	31.03.2015 ` in lacs	31.03.2014 ` in lacs	31.03.2013 ` in lacs
<u>Gratuity(Funded)</u>					
Defined Benefit obligation	262.16	219.07	226.11	164.74	153.77
Plan asset	0.07	0.08	17.03	21.04	19.42
Surplus/(deficit)	(262.09)	(218.99)	(209.08)	(143.70)	(134.35)
Experience adjustment on plan liability	72.32	36.68	6.48	12.14	1.77
Experience adjustment on plan assets	-	2.67	1.61	0.87	(1.44)
<u>Leave Encashment (Unfunded)</u>					
Defined benefit obligation	63.63	77.24	109.33	64.10	67.13
Experience adjustment on plan liability	40.48	31.77	15.33	(1.87)	4.97

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 2016-17 to the defined contribution plan.

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

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

		(` in Lacs)	
25 FINANCE COSTS:		Year ended March 31,2017	Year ended March 31,2016
(1) Interest expense on -			
Working capital loans		-	2,093.25
Term Loans		-	5,268.68
Unsecured loans		116.78	368.63
		<u>116.78</u>	<u>7,730.56</u>
Less: Interest on Margin Money , Deposits and others*		(16.94)	(248.57)
		<u>99.84</u>	<u>7,481.99</u>
(2) Other borrowing cost		(69.44)	2,473.22
(3) Foreign Exchange Gain/Loss		740.24	2,610.63
Total		<u>770.64</u>	<u>12,565.84</u>

*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 31,2017	Year ended March 31,2016
Consumption of stores & spare parts		575.78	5,790.15
Power and fuel		979.62	6,286.87
Packing Expense		64.80	835.34
Paper Cutting, Packing & Finishing Expense		86.08	484.33
<u>Repairs and maintenance :</u>			
Repairs to machinery		27.88	120.28
Repairs to building		5.86	15.43
Repairs and Maintainance - Others		10.85	36.40
Factory Expense		69.12	173.61
Insurance Expenses		46.52	63.35
Sales promotion including publicity (other than advertisement)		133.13	616.43
Advertisement Stationery & Communication		22.26	43.60
Payment to Auditors (Refer note (a) below)		3.40	5.78
Legal and Professional Fess		50.89	125.47
Travelling and Conveyance expenses		43.69	88.18
Donation		0.57	0.48
Rates and Taxes*		300.96	204.70
Penalties on Taxes payable		9.72	-
Bad Debts		312.82	1,945.88
Rent Expense		27.35	22.32
Selling Cost		59.34	531.68
Quality Claim Expenses		526.36	-
Other Expenses		38.42	85.30
Freight and forwarding outward expense (export)		48.20	314.74
Total		<u>3,443.62</u>	<u>17,790.32</u>

(` in Lacs)

Note: a) Payment to auditors	March 31,2017	March 31,2016
Audit fees	2.50	4.00
Tax Audit Fees	-	1.00
Others	0.90	0.78
Total	3.40	5.78

* Rates and Taxes is inclusive of non-recoverable excise duty of Rs.299.33 Lakhs (Previous Year Rs. NIL) written off.

(` in Lacs)

27 EXCEPTIONAL ITEMS:	Year ended March 31,2017	Year ended March 31,2016
Reversal of Interest & Foreign Exchange Fluctuation on advance to Subsidiary	-	1,945
Total	-	1,945

- 28) (a) The accounts of Loan Liabilities & borrowings, Current liabilities, Trade receivables, Loans and advances given (Including Advance for Land), Balance with Revenue Authority , Statutory Dues and some of the Bank balances are subject to confirmations and reconciliation and necessary adjustment, if any , will be made on receipt of Balance confirmation. However, the management does not expect any material difference affecting the current years' financial statements.
- (b) During the year ended March 31,2016 major addition in Fixed Asset was made out of Capital Work in progress of Rs. 54736.18 Lacs as on 31st March 2015. Till the year 2014-15 the interest cost, Power & Fuel, Stores and other pre-operative expenses pertaining to these fixed assets were capitalized in the cost of assets, however the fixed assets were put to use during the year and therefore the said expenses pertaining to the same has been charged to Statement of Profit & Loss.
- (c) During the year under consideration, the Company has written off its Minimum Alternate Tax credit of Rs. NIL (Previous Year 24.63 Crore) as the company is not anticipating normal income tax in the foreseeable specified period.
- (d) During the F.Y. 2015-16 under consideration, on the basis of technical evaluation, the company has re-determined estimated useful life of some of the Plant & Machinery and accordingly the depreciation has been recomputed and its full effect has been given in the Statement of Profit & Loss for the year under consideration and accordingly Loss for the said year was higher by Rs 5012.56 Lacs.
- (e) The Long outstanding advances for Capital Goods and Various other Advances are subject to confirmation from the respective parties. In the opinion of Management, these are good and recoverable.
- (f) The balance payable to Cargill International Trading PTE Limited, a party from whom the company had received advances against export order was secured by EPBG and the said EPBG was invoked during the year. Hence the liability arisen out of this invocation of Bank Guarantee now stands payable in the books of the company in the name of the respective bankers.
- (g) SEBI has vide its order WTM/RKA/MIRSD2/41/2016 dated 22nd March, 2016 has banned operations of M/s. Sharepro Services (I) Private Limited under section 11, 11B and 11D of Securities Board of India Act, 1992 in respect of frauds committed by them in transfer of dividends and transfer/ transmission of shares of their clients company. M/s Sharepro Services (I) Private Limited is also Registrar and Share Transfer Agent of the Company. In absence of non availability of information the impact of the same on the Company cannot be ascertained.
- (h) The Company is in process of filling the vacancy of Chief Finance Officer.

- 29) 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- (As certified by the management) is as under:-

Particulars	(` in Lacs)	
	2016-17	2015-16
Operating Revenue by Geographical Segment		
India	4434.36	30931.26
Outside India	729.49	4013.92
Addition to Fixed Assets and Intangible Assets		
India	0.43	50858.34
Outside India	-	-
Carrying amount of Fixed Assets (Including CWIP)		
India	129532.44	143053.01
Outside India	-	-

Notes:

- 1) Geographical Segments considered for disclosures are as follows:
 - Operating revenue outside India includes Paper sales (incl. deemed Export) and Export incentive.
- 2) Operating revenue comprises (As certified by the management)

Particulars	(` in Lacs)	
	2016-17	2015-16
Sales	4935.75	34606.14
Other operating income	228.10	339.03

30) 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
Saniya Notebook Pvt. Ltd.*	
Rainbow Papers FZC (Earlier Know as Rainbow Papers JLT)*	

*Ceased to have control as on 31.03.2016

- ii. Key Management Personnel and Relatives.

1. Shri Ajay R Goenka	Chairman & Managing Director
2. Shri Rahul J Maheswari	Executive Director
3. Smt. Sangeeta A Goenka	Sr. Vice President
4. Smt. Niyati Agrawal	Sr. Vice President
5. Smt. Draupadidevi R Goenka	Relative

(b) Disclosure of Related Party Transactions (As certified by management) (₹ in Lacs)

Nature of Transaction	Parties mentioned at a (i) above		Key management personnel	
	2016-17	2015-16	2016-17	2015-16
Loan repaid	938.50	-	34.17	-
Loan taken	4.50	-	5.46	-
Loan taken*	1185.66	-	88.35	-
Rent	-	-	0.08	9.72
Directors' Remuneration	-	-	10.19	48.65
Salary	-	-	7.60	52.80
Reversal of Interest Income	-	1820.44	-	-
Sale of Share	-	2.05	-	-

Disclosure of Related Party Transactions (As certified by management)

(₹ in Lacs)

Sr.No.	Description	Related Parties	Amount
1	Rent	Smt. Draupadidevi R Goenka	0.08
2	Directors' Remuneration	Shri Rahul J Maheshwari	10.19
3	Salary	Smt. Sangeeta A. Goenka	5.85
		Smt. Niyati Agrawal	1.75
4	Loan taken*	Orient Newsprint Ltd	686.27
		Drupa Suppliers Pvt. Ltd	155.57
		Rainbow Industrial Park Pvt. Ltd	343.82
		Ajay Goenka	39.87
		Sangeeta Goenka	10.80
		Draupadidevi R. Goenka	30.21
		Nikita A. Talati	7.46
5	Loan taken	Rahul Maheshwari	5.46
		Saniya Notebook Private Limited	4.50
6	Unsecured Loan repaid	Orient Newsprint Ltd	314.50
		Drupa Suppliers Pvt. Ltd	155.57
		Rainbow Industrial Park Pvt. Ltd	463.20
		Ajay Goenka	9.35
		Sangeeta Goenka	10.80
		Draupadidevi R. Goenka	4.91
		Nikita A. Talati	7.46
		Rahul Maheshwari	1.65
		Saniya Notebook Private Limited	4.50

* Loan taken represents amount of loan by way of sale of shares pledged by the share holders to the lenders of the company.

31) EARNINGS PER SHARE:

Particulars		31.03.2017	31.03.2016
Net profit/ (loss) for the year attributable to Equity Shareholders	Rs. Lacs	(16946.48)	(51958.29)
Weighted average number of Equity Shares outstanding for Basic earning per shares	Numbers	106217300	106217300
Weighted average number of Equity Shares outstanding for Diluted earning per shares	Numbers	106217300	106217300
Basic earnings per share (face value of ₹ 2 each)	₹	(15.95)	(48.92)
Diluted earnings per share (face value of ₹ 2 each)	₹	(15.95)	(48.92)

32) During the year the company had specified bank Notes (SBN's) or other denomination notes as defined in the MCA notification, G.S.R. 308, dated March 31, 2017. The details of SBN's held and transacted during the period from November 8, 2016 to December 30, 2016 the denomination-wise SBN's and other notes as per the notification are as follows:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash on hand as on November 8, 2016	1,99,000	7,67,665	9,66,665
Add: Permitted Receipts	-	14,70,426	14,70,426
Less: Permitted payments	-	(21,30,799)	(21,30,799)
Less: Amount deposited in Bank	(1,99,000)	-	(1,99,000)
Closing Cash in hand as on December 30, 2016	-	1,07,292	1,07,292

33) DERIVATIVE INSTRUMENTS (As certified by management):

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

(Amt in Lacs)

	2016-17	2015-16
Payables – USD*	355.59	238.44
Receivables - USD	-	12.67

* Includes Long Term Export Advance of \$NIL (PY \$ 591.99) for 10 years.

34) INFORMATION REGARDING MATERIALS (As certified by management):

a) Consumption of Raw Materials:

(₹ in Lacs)

Product	2016-17 Amount	2015-16 Amount
Base & Waste Papers	2182.17	25902.46
Chemicals (Coating Division)	14.11	170.13
TOTAL	2196.28	26072.59

b) Work in Progress:

(₹ in Lacs)

Product	2016-17 Amount	2015-16 Amount
Paper & others	11.00	162.69
TOTAL	11.00	162.69

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

(` in Lacs)

Product	Sales		Opening Stock		Closing Stock	
	2016-17 Amount	2015-16 Amount	2016-17 Amount	2015-16 Amount	2016-17 Amount	2015-16 Amount
Papers	4,888.09	34,592.24	136.49	404.83	2.48	136.49

d) Details of Goods Traded:

(` in Lacs)

Goods Purchased	2016-17 Amount	2015-16 Amount
Paper	913.69	5142.43

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

(` in Lacs)

	2016-17	2015-16
(i) Raw Materials	519.60	8071.24
(ii) Components – spare parts	3.36	1.50
(iii) Chemical	10.98	321.85
(iv) Capital Goods	-	82.82

f) Expenditure in foreign currency during the financial year:

(` in Lacs)

	2016-17	2015-16
Foreign Traveling Exp	0.16	3.88

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

(` in Lacs)

	Amount		% of total consumption	
	2016-17	2015-16	2016-17	2015-16
Raw Materials:				
i) Imported	794.94	9237.56	36.19%	35.43%
ii) Indigenous	1401.34	16835.03	63.81%	64.57%
Total	2196.28	26072.59	100.00%	100.00%
Stores, Spares & Chemical:				
i) Imported	22.14	333.20	3.84%	5.75%
ii) Indigenous	553.65	5456.95	96.16%	94.25%
Total	575.79	5790.15	100.00%	100.00%

(` in Lacs)

h) Earning in Foreign Exchange:

	2016-17	2015-16
- Export of goods on F.O.B. basis	604.19	3252.94
i) The amount remitted during the year in foreign currency for dividend (*)	-	133.13
- Number of non-resident shareholders	52	27
- Number of shares held by them	30058279	33202332

(*) 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.

35. Details of the Cases of Winding Up of the Company, Recovery by the Lenders Creditors against the company.

(a) Winding Up Petitions:

TFCI, Shalimar Wires Industries Limited, Rachna Air Components Private Limited and Tech Aid have filed winding up petitions under section 433 and 434 of the Companies Act, 1956 against the company before the Hon'ble Gujarat High Court.

Winding Up petition filed by TFCI, Shalimar Wires Industries Limited, Rachna Air Components Private Limited and Tech Aid is pending before Hon'ble Gujarat High Court.

(b) Cases before Debt Recovery Tribunal (DRT)/DRAT Cases:

TFCI, IFCI, Dena Bank and Allahabad Bank had filed Original Applications against the Company before the Debt Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993.

However the original applications filed by IFCI, Dena Bank and Allahabad Bank are pending before the DRT, Ahmedabad and original applications filed by TFCI is pending before the DRT, Delhi.

(c) Cases Under section 138 of the Negotiable Instruments Act, 1881

TFCI, IFCI, Transworld Impex and Ion Exchange (India) Ltd had filed criminal complaints against the company and its Directors/ officers under section 138 of Negotiable Instruments Act, 1881 for dishonor of various cheques issued by the Company and the Company is contesting all the said cases and all the matters are pending for further hearing before the Hon'ble Metropolitan Magistrates, Mumbai, Hon'ble Metropolitan Magistrates, Nagpur and Hon'ble Metropolitan Magistrates, New Delhi.

(d) Cases with District Court

Anmol Polymers Private Limited and Raghav Industrial Products Limited have filed a case for recovery of money against material supplied by them to District Court of Sirmur, Shimla.

(e) Notice under SARFAESI Act, 2002

Further, IFCI Limited, Allahabad Bank, Bank of India, Axis Bank have served the Notice under Section 13(2) of Chapter III of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") against the company. Further, IFCI Limited and Allahabad Bank have served the Notice in exercise of power under section 13(4) read with rule 9 of Chapter III of the SARFAESI Act, 2002 for the symbolic / physical possession of the exclusive assets held by them of the Company and its Guarantors.

Further, IFCI Limited and Allahabad Bank have served the Notice in exercise of power under section 13(4) read with rule 9 of Chapter III of the SARFAESI Act, 2002 for the symbolic / physical possession of the exclusive assets held by them of the Company and its Guarantors.

IFCI Limited had approached Collector, Mehsana for obtaining physical possession of exclusive properties charged to them. The Company has successfully defended the case and the matter is now dismissed. Allahabad Bank has moved to Chief Metropolitan Magistrate for obtaining physical possession of the exclusive properties charged to them. The Company has approached Debt Recovery Tribunal against the Bank's move and the DRT has stayed the order of Chief Metropolitan Magistrate till further hearing.

(f) Net Worth and filing of Reference to the Hon'ble BIFR Board:-

The company had filed Reference to Hon'ble BIFR Board (governed by the Sick Industrial Companies (Special Provisions) Act, 1985) on 7th June, 2016, and the same has been registered on 25th July, 2016 as Case No. 99/2016.

On November 25, 2016, the Central Government notified The Sick Industrial Companies (Special Provision) Repeal Act, 2003 ("SICA Repeal Act") and the Government has notified December 1, 2016, as the date on which provisions of the aforementioned Act has come in force. Hence, the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA") stands repealed resulting into dissolution of BIFR / AAIFR and the BIFR Reference and Miscellaneous Applications filed by company stands abated.

36) Loan accounts of the Indian Overseas Bank, Corporation Bank, Union bank of India, Dena Bank, Punjab National Bank and Bank of India have been classified as Non Performing Assets by the Bankers and some of the bankers have not charged interest on the said accounts and therefore provision for Interest has not been made in the books of accounts and to that extent loss and bankers loan liability has been understated. The extent of exact amount is under determination and reconciliation with the banks, however as per the details available with the company, the amount of un-provided interest, on approximate basis, on the said loans is as under:-

	Rs in Lacs
Particulars	During financial year 2016-17
Interest on Loan with the Bank	14331.00

- 37) Dispute with Micro, Small and Medium Enterprise:
- (i) There is dispute with the Boxer India and Kingsley Industries Limited (a Micro, Small and Medium Enterprise) in relation to material supplied by the said party and for which the said party has filed a case before the Hon'ble Gujarat Micro and Small Facilitation Council, Gandhinagar for the recovery of the principal amount and interest thereon.
 - (ii) In view of the dispute in relation to the claim amount, interest on the amount has not been provided.
- 38) The company was informed vide letter dated 10th April 2017 received from Axis Bank Limited and letter dated 17th March 2017 of Asset Care and Reconstruction Enterprise Limited, Axis Bank has assigned debt to Asset Care and Reconstruction Enterprise Limited on 27th March 2017 except for the corporate loan amounting to Rs. 15.87 Crores. Due to non-finalization of repayment terms, the entire loan transferred by Axis Bank to Asset Care and Reconstruction Enterprise Limited has been shown under the head Short Term Borrowings.
- 39) The Company has received a show cause notice stating violation of section 25(O) of Industrial Disputes Act, 1947 & the matter is pending before the Labour Court, Kalol. In view of this provision for salary and its retirement benefits has been made on estimated basis.
- 40) Due to Non Supply of Electricity on account of default in payment to the Electricity board and other reasons, from 27th day of July, 2016 production of the company is stopped. In view of the above facts the going concern of the company is seriously affected but the company is hopeful to commence the activity and therefore the accounts are prepared on going concern basis.
- 41) (a) In the Opinion of the management the trade receivables, short term and long term loan and advances are realizable at the value stated if realized in the ordinary course of the business and the provision for all the known liabilities are adequate.
- (b) The Classification/Grouping of the accounts are made by the management, on the basis of the available data with the company and which has been relied upon by the auditor.
- (c) The amount of the inventories has been taken by the management, on the basis of the information available with the company.
- (d) The classification/grouping of liabilities as current and non-current are made by the management on the basis of the available data with the company.
- (e) The accounts of Service Tax receivable/payable, CENVAT receivable/payable, VAT input credit receivable/payable are subject to reconciliation, submission of its returns for its claims and/or its assessment
- (f) Some of the Investment (Equity Shares) held by the company are subject to transfer procedure in the name of the company.
- (g) During the year companies Vat & Cst number has been suspended.
- 42) During the year the company has written off Rs 312.82 Lacs (Previous Year Rs. 1945.88 Lacs) of the various Debts and Loan & advances as the management is of the opinion that the same are irrecoverable from the concerned parties.
- 43) As per section 135 of Companies Act 2013 and Rules made there under, the company is liable to incur Rs.Nil (Previous Year Rs. 57.79 Lacs) during the year under consideration on CSR activities. As against this during the year, company has spent Rs. NIL (Previous Year Rs. Nil) on CSR activities.
- 44) The figures of previous year has been regrouped/ re arranged wherever necessary.

As per our separate report of even date attached.

For Mehta Lodha & Co

Chartered Accountants

(Firm Reg No: 106250W)

Prakash D Shah

Partner

Mem. No. 034363

Ahmedabad

May 30, 2017

For and on behalf of the Board of Directors

Ajay Goenka

DIN :00139512

Chairman & Managing Director

Rahul Maheshwari

DIN: 00289730

Executive Director

Shashikant Thakar

Company Secretary

Ahmedabad

May 30, 2017

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

ATTENDANCE SLIP

(to be handed over at the Registration Counter)

Folio No./DP ID - Client ID No.:	
No. of Shares :	

I/We hereby record my/our presence at the 31st Annual General Meeting of the Company being held on **28th day of September, 2017 at 11.00 a.m.** at Gujarat Paper Makers' Association, 802 8th Floor, Avdhesh House, Opp. Guru Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad – 380054.

1. Name (s) of the Member and Joint Holder(s) (in block letters)

1. Mr. / Mrs. _____

2. Mr. / Mrs. _____

3. Mr. / Mrs. _____

2. Address : _____

3. Father's/Husband's Name (of the Member) : Mr _____

4. Name of Proxy : Mr./Ms. _____

Signature of the Proxy

1. _____

2. _____

3. _____

Signature(s) of Member and Joint Holder(s)

Note: Please complete the Attendance slip and hand it over at the Registration Counter at the venue.

ELECTRONIC VOTING PARTICULARS

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising.

EVSN (Electronic Voting Sequence Number)
170908019

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 30th Annual General Meeting of the Company, to be held on the **28th day of September 2017 at 11.00 a.m.** at Gujarat Paper Makers' Association, 802 8th Floor, Avdhesh House, Opp. Guru Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad – 380054 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, 2017, and the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors' thereon (Ordinary Resolution).
- 2. Re-appointment of Mr. Ajay Goenka, who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution).
- 3. Re-appointment of Mr. Indrasinh Zala, who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution).
- 4. Ratification of Appointment of M/s. Mehta Lodha & Co., Chartered Accountants, as the Statutory Auditors of the Company (Ordinary Resolution).

Special Business:

- 4. Payment of Remuneration to Cost Auditors (Ordinary Resolution)
- 5. Re -appointment of Mr. Rahul Maheshwari, as Whole-time Director of the Company (Special Resolution).
- 6. Re -appointment of Mrs. Aanal Trivedi, as Director of the Company (Ordinary Resolution)
- 7. Re -appointment of Mr.Kantibhai Patel, as Independent Director of the Company (Ordinary Resolution)

Signed this day of 2017 _____

Signature of Shareholder _____

Signature of Proxy Holder(s) _____

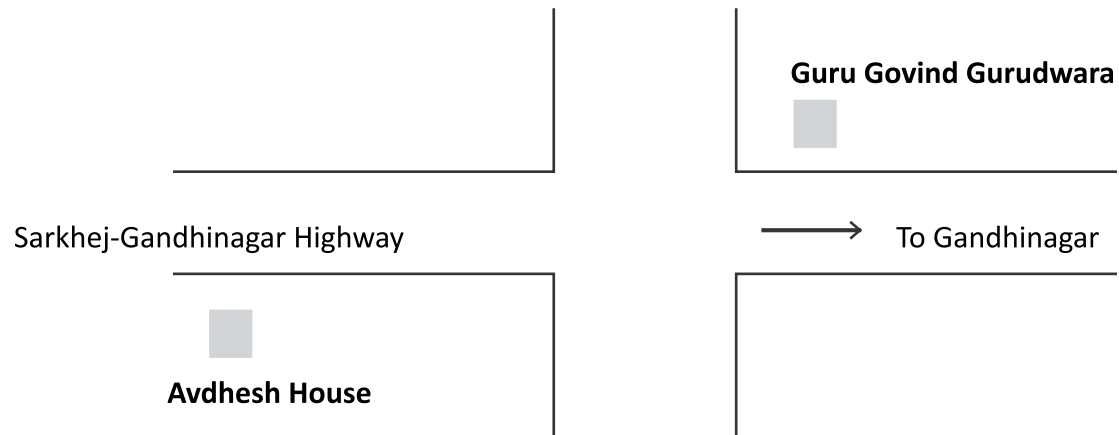


Note: The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Commencement of the meeting.

Route Map to the venue of AGM

Venue : Gujarat Paper Makers' Association
802, Avdhesh House, 8th Floor Avdhesh House
Opp. Shri Guru Govind Gurudwara,
Sarkhej – Gandhinagar Highway,
Thaltej, Ahmedabad – 380054

Landmark : Opposite Guru Govind Gurudwara, Ahmedabad.



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 : 91-79-26855714/16 | Fax : 91-79-26855712/44

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