

Date : 28th December, 2018

To,
DCS-CRD
The BSE Limited,
P. J. Towers,
Dalal Street,
Mumbai - 400 001
Stock Code: 523523

Listing Department,
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza,
Bandra (E),
MUMBAI - 400 051
Stock Code: RAINBOWPAP

Dear Sir / Madam,

Sub: Annual Report for 2017-18

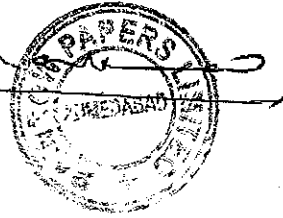
With reference to the above subject and in compliance with Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, we are filing the soft copy of the Annual Report of the Company for the year 2017-18, along with the Notice of 32nd Annual General Meeting of the Company held on Friday, 28th September, 2018 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.

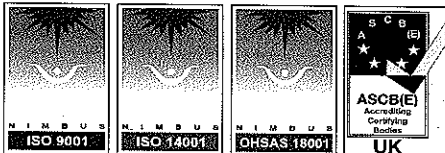
Thanking You,

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
Tel: 91-79-26855714 / 16, 71797179 / 80
Fax: 91-79-26855712 • Email: info@rainbowpapers.com
www.rainbowpapers.com
CIN : L21010GJ1986PLC008772

Works:
1453, Village Rajpur, Taluka Kadi.
Kalol-Mehsana Highway, (N.G.) Pin: 382715
Telefax: 02764-278492/8516
Tel: 9879605436/37
Email: rplworks@rainbowpapers.com
M.Cote: 02764-278413, 9879605440

Rainbow Papers Limited

32nd Annual Report
2017-18

COMPANY INFORMATION

SUSPENDED BOARD OF DIRECTORS:

SHRI AJAY GOENKA	:	CHAIRMAN & MANAGING DIRECTOR
SHRI RAHUL MAHESHWARI	:	EXECUTIVE DIRECTOR
SMT. AANAL TRIVEDI	:	DIRECTOR
SHRI KANTIBHAI PATEL	:	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

RESOLUTION PROFESSIONAL

MR. R. D. CHOUDHARY
CHARTERED ACCOUNTANT

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

REGISTERED OFFICE

801, AVDHESH HOUSE,
OPP. SHRI GOVIND GURUDWARA,
SARKHEJ-GANDHINAGAR HIGHWAY,
THALTEJ, AHMEDABAD-380 054
WEBSITE: www.rainbowpapers.com
PHONE: 079-26855714/16
EMAIL: info@rainbowpapers.com

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 380006
Tel No : +91 79 26465179 /86 / 87
E-mail id : ahmedabad@linkintime.co.in

LISTINGS**For Equity Shares :**

BSE Limited (Scrip Code 523523)

National Stock Exchange of India Limited (Stock Symbol RAINBOWPAP)

NOTICE

NOTICE is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING** of the members of **M/s. RAINBOW PAPERS LIMITED** will be held on **Friday, the 28th day of September, 2018, 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, 2018 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 Ms. Aanal Trivedi (DIN 06931339) who retires by rotation and being eligible, offer themselves for re-appointment.
03. 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

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

RE-APPOINTMENT OF MR. AJAY GOENKA AS MANAGING 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. Ajay Goenka (DIN : 00139512) as Managing Director of the Company with effect from 19.08.2018 to 18.08.2023 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. Ajay Goenka.”

“**RESOLVED FURTHER THAT** remuneration payable to Mr. Ajay Goenka, 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 may 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.”

“**RESOLVED FURTHER THAT** pursuant to section 17 of the Insolvency and Bankruptcy Code, 2016 powers of Mr. Ajay Goenka stands suspended during the continuance of the Corporate Insolvency Resolution Process.”

BY ORDER OF THE BOARD OF DIRECTORS

PLACE: AHMEDABAD
DATE: 14th August, 2018

SHASHIKANT THAKAR
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 22nd September, 2018 to 28th September, 2018 (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
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. Submission of KYC for all physical shareholders

Pursuant to SEBI Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20.04.2018 all security holders holding securities in physical mode are required to re-submit their PAN and Bank details to its RTA, failing which they will be put under strict vigilance. Format of providing details is attached to the Annual Report.

14. Voting through electronic means:

- (i) The voting period begins on 25th September, 2018 (09:00 a.m.) and ends on 27th September, 2018 (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 22nd 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:
- (viii)

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)

	<ul style="list-style-type: none"> 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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant “Rainbow Papers Limited” on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

- (xviii) 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.
- (xix) 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.
- (xx) 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: 14th August, 2018**

**SHASHIKANT THAKAR
COMPANY SECRETARY
F1607**

ANNEXURE TO NOTICE

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

ITEM NO. 5

The Suspended Board of Directors of the Company at its meeting held on 14th August, 2018 had subject to approval of members in a general meeting re-appointed Mr. Ajay Goenka as the Managing Director of the Company for a period of 5 years from August 20, 2018 to August 19, 2023 (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 14th August, 2018.

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 20, 2018 to August 14, 2023.

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

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

Remuneration and Perquisites:

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

a. Salary

Salary: Rs. 2,00,000/- per month

b. Perquisites

The Managing 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 Managing Director for self, parents and family shall be reimbursed by the company.

(iii) Contribution to Provident Fund

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

(iv) Gratuity

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

(v) Leave Encashment:

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

The retirement benefits as provided in item (iii) and (iv) shall not be included in the computation of ceiling on remuneration of Mr. Ajay Goenka 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 Managing 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.

Powers of Managing Director stands suspended as per Insolvency and Bankruptcy Code, 2016 until the completion of Corporate Insolvency Resolution Process.

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

BY ORDER OF THE BOARD OF DIRECTORS

**PLACE: AHMEDABAD
DATE: 14th August, 2018**

**SHASHIKANT THAKAR
COMPANY SECRETARY
F1607**

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	Ms. Aanal Trivedi	34	12/08/2014	MBA (Finance)	8
2.	Mr. Ajay Goenka	60	11/09/1990	B.Com	38

DIRECTORS' REPORT

Dear Shareholders,

Your Directors' have pleasure in presenting the 32nd Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2018.

1. FIRST YEAR OF IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (Ind AS)

This is the first year of implementation of Indian Accounting Standards (Ind AS). The standalone financial statements for the year ended 31st March, 2018 have been prepared in accordance with the Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The financial statements for the year ended on 31st March, 2017 have been restated in accordance with Ind AS for comparative information.

2. FINANCIAL HIGHLIGHTS :

The standalone and consolidated financial results of the company for the year ended 31st March, 2018 are as under:

	(Rs. in Lacs)	
FINANCIAL RESULTS	2017-18	2016-17
Revenue from Operations	28.39	5273
Depreciation	11,111.72	13648
Profit before Exceptional & Extraordinary Items & Tax	(19,872.33)	(16946)
Prior Period items / Exceptional items	---	---
Taxation: Less/ (Add) Current Tax	---	---
MAT credit reversal of earlier years /mat credit entitlement	---	---
Deferred Tax	---	---
Short/Excess Provision of Earlier Years	---	---
Net Profit After Tax For The Year	(19,872.33)	(16946)
EPS (Face Value of Rs. 2 per share)		
Basic	(18.71)	(15.95)
Diluted	(18.71)	(15.95)

3. DIVIDEND

Considering the continued losses in the Financial Year 2017-18, Board of Directors do not recommend any dividend for the year.

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

Your Company was in talks with Joint Lenders' Forum (JLF) for approval of One Time Settlement (OTS) as proposed by the prospective investor M/s. Kushal Limited along with the Scheme of Compromise and Arrangement with the Unsecured Creditors of the Company and Scheme of Amalgamation of M/s. Rainbow Papers Limited with M/s. Kushal Limited. Pursuant to approval of the said scheme and OTS by the JLF, your Board on 14th September, 2017 approved the OTS and the scheme.

The said OTS was put to hold due to admission of petition filed under Insolvency and Bankruptcy Code, 2016 by one of the operational creditor M/s. Neeraj Paper Agencies Limited. Accordingly Hon'ble National Company Law Tribunal (NCLT) had appointed Mr. George Samuel as the Interim Resolution Professional (IRP) vide its order dated 22nd September, 2018. Due to appointment of IRP powers of the Board of Directors were suspended till the completion of Corporate Insolvency Resolution Process (CIRP).

Mr. R. D. Choudhary was appointed as the Resolution Professional by the Committee of Creditors formed under the provisions of the Insolvency and Bankruptcy Code, 2016. Expression of Interest was called for the submission of Resolution Plan for reviving the operations of the Company. After going through the proposals received, Committee decided to again call for the expression of interest. M/s. Kushal Limited was the sole bidder to submit the Resolution Plan and after going through the legality of the plan submitted, it was approved by the Committee of Creditors with requisite majority.

The said plan is placed before the NCLT for their kind consideration and approval.

6. PUBLIC DEPOSITS

The Company has not accepted or renewed any deposits from the public during the financial year 2017-18.

7. HUMAN RESOURCES

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

8. 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:

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

On account of non applicability of CSR for the reporting period, CSR policy as recommended by the CSR Committee and approved by the Board of Directors is given in the Annual Report on CSR Activities as an **Annexure A** to this Report, but other details as required as per the Companies Act, 2013 is not given due to non applicability.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Aanal Trivedi, Director of the Company, retires by rotation and being eligible, have offered themselves for re-appointment.

Shri Ajay Goenka, Managing Director of the Company whose term ends on 20th August, 2018 and in the board meeting held on 14th August, 2018 has extended term of his appointment for further period of 5 years subject to approval of Members in the General Meeting of the Company.

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

10. 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 9 times on 20th April, 2017, 30th May, 2017, 20th July, 2017, 24th July, 2017, 12th August, 2017, 29th August, 2017, 14th September, 2017, 28th November, 2017 and 14th February, 2018.

11. 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. Abhilash Delwadia. The other independent directors of the Committee are Mr. Indrasinh B. Zmdala and Mr.Kantibhai Patel.

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

For the Finanacial year 2017-18, the Audit Committee met 5 times on the following dates: 30th May, 2017, 12th August, 2017, 14th September, 2017, 28th November,2017 and 14th February, 2018.

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.

12. 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 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 12th August, 2017.

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.

13. BOARD EVALUATION

The Powers of Board has been suspended until the completion of Corporate Insolvency Resolution Process and thus no evaluation of Board Members has been carried out and no separate meeting of the Independent Directors has been held.

14. INSURANCE

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

15. 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. 1,90,672/- lying with the Company for a period of seven years pertaining to the year ended on 31st March, 2010, was transferred during the year 2017-18, to the Investor Education and Protection Fund established by the Central Government.

16. 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.

17. 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 are managed in a fair and transparent 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 Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also annexed to the Directors' Report.

18. 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). 105268895 nos. of equity shares forming 99.11% of the equity share capital of the Company stands dematerialized on 31st March, 2018.

19. 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 and 2017-18 to BSE and NSE on account of pending approval of resolution plan before the NCLT. Your Company has not paid custodial fees to National Securities Depository Ltd. and Central Depository Services (India) Ltd.

20. 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. 46 of the accompanying financial statements in respect of non-provision of interest on NPA accounts of banks of Rs. 136.86Crore(Previous Year Rs. 143.31 Crore), for the year under consideration and the total amount of such unprovided interest till date is Rs. 280.17Crore(Previous Year Rs.143.31Crore) The exact amounts of the said non provisions of interest are not determined and accounted for by the company and to that extend Bankers loan liabilities are understated and loss is understated”

21. 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 2018-19.

22. COST AUDITORS

As there is no manufacturing activity during the reporting period, cost auditor is not being appointed.

23. SECRETARIAL AUDIT REPORT

Pursuant to Section 204 read with Section 134(3) of the Companies Act, 2013, Resolution Professional has appointed M/s. Yogesh Chhunchha & Co., Company Secretaries, Ahmedabad as Secretarial Auditor of the Company for FY 2017-18. 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 has not complied with Section 124 (6) of the Act and Rules made thereunder in respect of Transfer of Shares in Investor Education and Provident Fund in respect of which dividends have not been paid / claimed for seven consecutive years or more.

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 has not filed, till date of this report, Form MR-1 for Re-appointment of Mr. Rahul Maheshwari as Whole Time Director made at 31st AGM held on 28/09/2017 under section 196 of the Act and Rules made thereunder.

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

24. MANAGEMENT'S VIEW ON QUALIFICATIONS

Directors would like to state that your Auditors have given Qualified Report for the Financial Year 2017-18 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

“One of the operational creditors of the Company had filed suit against the Company under Insolvency and Bankruptcy Code, 2016 and the same was admitted by the National Company Law Tribunal (NCLT) vide their order dated 12th September, 2017 and thus the powers of the Board were suspended and without power the said compliance of Section 124 in respect of Transfer of Shares in Investor Education and Provident Fund in respect of which dividends have not been paid / claimed for seven consecutive years or more was not complied to.

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

The powers of the Directors were suspended and thus the said form was not filed.

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”

25. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (3) of the Companies Act, 2013, in relation to the financial statements for FY 2017-18, 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, 2018 and of the loss for the year ended 31st March, 2018;
- 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

26. 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.

27. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There had been no frauds reported by the auditors pursuant to section 143(12) of the Companies Act, 2013.

28. 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.

29. 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.

30. 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 2017-18.

31. 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 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.

Due to non operation of the plant throughout the year, there is no foreign exchange earnings or outgo.

32. 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.

33. 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 R Goenka	NA
2.	Rahul J Maheshwari	NA

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
6	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 31.03.2018)

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

During the year under review, no remuneration has been increased for any KMP.

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

Market Capitalization	BSE	NSE
31.3.2018	24,85,48,482	24,96,10,655
31.3.2017	50,66,56,521	50,45,32,175
P/E Ratio	BSE	NSE
31.3.2018	(0.13)	(0.13)

31.3.2017	(0.30)	(0.30)
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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 17-18

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

34. 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.

35. 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 C** to this Report.

36. 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 behalf of the Suspended Board of Directors

Place : Ahmedabad

Date : 14.08.2018

**R. D. Choudhary
Resolution Professional
Regd. No. IBBI/IPA-001/IP-
P00157/2017-18/10326**

**Ajay Goenka
Managing Director
DIN : 00139512**

ANNUAL REPORT FY 2017-18 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 2017-18, 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

(Rs. Lacs)

	2014-15	2015-16	2016-17	Total
Net Profits	575.38	(46905.73)	(16952.04)	(63282.39)
Average Net profit*	-	-	-	(21094.13)

*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)

(Rs. Lacs)	
Total	
2% of Average Net profit	(421.88)

5. Details of CSR spent during the financial year.

- (a) Total amount spent for the financial year: NIL
- (b) Amount unspent, if any: Rs. 57.79 Lacs
- (c) Manner in which the amount spent during the financial year is detailed below : NA

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.

Amount not spent on account of Company passing through financial distress on account of closure of plant since 27th July, 2016 and further Company passing through Corporate Insolvency Resolution Process (CIRP) as per the provisions of Insolvency and Bankruptcy Code, 2016 has made difficult for the Company to undergo any CSR activity.

For behalf of the Suspended Board of Directors

**Place : Ahmedabad
Date : 14.08.2018**

**R. D. Choudhary
Resolution Professional
Regd. No. IBBI/IPA-001/IP-
P00157/2017-18/10326**

**Ajay Goenka
Managing Director
DIN : 00139512**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[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.

i) Promoters	0	0	0	0.00	0	0	0	0.00	0.00
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) :	105252395	963905	106216300	100.00	105268895	948405	106217300	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2017			Shareholding at the end of the year 31-03-2018			% change in share holding 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	5000000	4.71	4.57	5000000	4.71	4.57	0.00
2	Rainbow Industrial Park Private Limited	1500000	1.41	1.41	0	0.00	0.00	-1.41
3	Drupa Suppliers Private Limited	9000000	8.47	0	9000000	8.47	0	0.00
4	Ajaykumar Radheshyam Goenka	2500	0.00	0	2500	0.00	0	0.00
5	Sangeeta Ajay Goenka	100500	0.09	0	100500	0.09	0	0.00
6	Talati Nikita Aniket	44180	0.04	0	44180	0.04	0	0.00
7	Niyati Sunny Agrawal	50500	0.05	0	50500	0.05	0	0.00

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

Sl. No.	Name of the Promoter	No. Of Shares
	Decrease in the shareholding due to invocation of pledged shares	
2.	Rainbow Industrial Park Private Limited	1500000

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2017	
		No. of shares	% of total shares of the Company
1	Aspire Emerging Fund	10496943	9.88
2	Sparrow Asia Diversified Opportunities Fund	7825256	7.37
3	Emerging Market Opportunities Fund	7230502	6.81
4	Hardik Bharat Patel	5014109	4.72
5	Life Insurance Corporation of India	4500000	4.24
6	Ruchit Bharat Patel	4131342	3.89
7	General Insurance Corporation of India	3310000	3.12
8	Indian Overseas Bank	3174000	2.99
9	India Focus Cardinal Fund	2880500	2.72
10	Apnagar Housing Development and Finance Limited	2648002	2.49

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year 31-03-2018	
		No. of shares	% of total shares of the Company
1	Aspire Emerging Fund	10496943	9.88
2	Sparrow Asia Diversified Opportunities Fund	7825256	7.37

3	Emerging Market Opportunities Fund	7230502	6.81
4	Life Insurance Corporation of India	4500000	4.24
5	Ruchit Bharat Patel	3563031	3.35
6	General Insurance Corporation of India	3310000	3.12
7	Indian Overseas Bank	3174000	2.99
8	India Focus Cardinal Fund	2880500	2.71
9	Hardik B. Patel	2397350	2.26
10	Silver Stallion Limited	1367451	1.29

(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	2500	0	31/03/17		
		2500	0	31/03/18	0	
2	Shri Rahul Maheshwari	100	0	31/03/17	0	
		100	0	31/03/18	0	
3	Shri Kantibhai Patel	0	0	31/03/17	0	
		0	0	31/03/18	0	
4	Shri Indrasinh Zala	0	0	31/03/17	0	
		0	0	31/03/18	0	
5	Shri Abhilash Delwadia	0	0	31/03/17	0	
		0	0	31/03/18	0	
6	Smt. Aanal Trivedi	0	0	31/03/17	0	
		0	0	31/03/18	0	

	B. Key Managerial Personnel:					0
1	Shri Shashikant Thakar	0	0	31/03/17	0	
		0	0	31/03/18	0	

V. INDEBTEDNESS

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

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness as on 01-04-2017				
(i) Principal Amount	1,16,027.75	204.9	-	1,16,232.65
(ii) Interest accrued & due but not paid	-	-	-	
Total (i+ii)	1,16,027.75	204.9	-	1,16,232.65
Change in Indebtedness during the financial year 2017-18				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness as on 31-03-2018				
i) Principal Amount	1,16,027.75	204.9	-	1,16,232.65
ii) Interest accrued & due but not paid	-	-	-	-
Total (i+ii)	1,16,027.75	204.9	-	1,16,232.65

VI. REMUNERATION PAYABLE TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration Payable to Managing Director, Whole-time Directors and / or Manager:

(Rs. In Lacs)

Sl. 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		
* Remuneration of Rs. 6.936 Lakhs is payable to Mr. Rahul Maheshwari.				

B. Remuneration payable to other directors:

(Rs. In Lacs)

Sl. 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	0	0	0
	Commission	0	0	0	0
	Others, please specify Professional Fees for attending Labour Matters of the Company	0	0	0	0
	Total (1)	0	0	0	0
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	0	0	0
	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

(Rs. In Lacs)

Sl. 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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of Companies Act	Brief description	Details of penalty/punishment/Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any give details
A. COMPANY					
Penalty					
Punishment					
Compounding			Nil		
B. DIRECTORS					
Penalty					
Punishment					
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding			Nil		

For and on behalf of the Suspended Board of Directors

**Place : Ahmedabad
Date: 14/08/2018**

**R. D. Choudhary
Resolution Professional
Regd. No. IBBI/IPA-001/IP-P00157/2017-18/10326**

**Ajay Goenka
Managing Director
DIN : 00139512**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

01. INDIAN PAPER INDUSTRY INTRODUCTION:

Future of Indian paper industry is quite promising as the domestic demand is on the rise. Increasing population and literacy rate, growth in GDP, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India. Similar to global market, the growth in demand in India is largely led by consumer packaging paperboard segment. The size of the paper industry has grown from 13 million TPA in 2011-12 to 17 million TPA in 2017-18; it is expected to reach to 23 million TPA in 2021-22 by growing at 7% CAGR.

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 & In-direct employment to nearly 1.3 million people. The paper industry in India is highly fragmented industry.

The change in Global Scenario resulting from China's ban on import of waste paper and closure of substantial capacity in that country, has brought two sided benefits to Indian paper makers, especially for those who recycle waste paper, on account of lower waste paper prices as well as higher realization of newsprint, paper and paperboard.

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. Resolution Plan for revival of the Company is pending for final approval before the Hon'ble National Company Law Tribunal (NCLT). Once the plan is approved, your company would commence its operations and given such huge demand in the market your company would be able to revive in accelerated manner.

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

As stated earlier that your Company is passing through Corporate Insolvency Resolution Process (CIRP) as initiated under Insolvency and Bankruptcy Code, 2016 and its resolution Plan is pending for approval before NCLT. Until the resolution plan is not approved the revival process of the Company cannot be initiated.

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 behalf of the Suspended Board of Directors

**Place : Ahmedabad
Date : 14.08.2018**

**R. D. Choudhary
Resolution Professional
Regd. No. IBBI/IPA-001/IP-
P00157/2017-18/10326**

**Ajay Goenka
Managing Director
DIN : 00139512**

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2018.

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 Nine times on the following dates:

20/04/2017	30/05/2017	20/07/2017
24/07/2017	12/08/2017	29/08/2017
14/09/2017	28/11/2017	14/02/2018

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 2017-18	No. of Board Meetings attended	Attendance in last AGM	Number of Directorship in Other public companies as on 31-03-2018		Details of Committee positions held in other public companies as on 31-03-2018		Share holding
						Chairmanship	Membership	Chairmanship	Membership	
Shri Ajay Goenka	00139512	Chairman & Managing Director	9	8	Yes	1	2	-	-	2500
Shri Rahul Maheshwari	00289730	Executive Director	9	9	Yes	-	-	-	-	100
Shri Kantibhai Patel	02325787	Independent Director	9	4	Yes	-	1	-	-	-
Smt. Aanal Trivedi	06931339	Independent Director	9	6	No	-	-	-	-	-
Shri Indrasinh B. Zala	02137365	Independent Director	9	7	No	-	-	-	-	-

Shri Abhilash Delawadia	00539759	Independent Director	9	7	No	-	-	-	-	-
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(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 37 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 15 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 17 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 35 years, is M.B.A. (Finance), having experience of more than 7 years.

5) MR. INDRASINH B. ZALA
Independent Director

Mr. Indrasinh B. Zala aged 68 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 63 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 Chapter 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 Abhilash Delwadia	Independent Director	Chairman	5	5
2.	Shri Kantibhai Patel	Independent Director	Member	5	3
3.	Shri Indrasinh B. Zala	Independent Director	Member	5	5

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.

(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.

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 2017-18, one meeting of the Nomination and Remuneration Committee was held on 12th August, 2017. The necessary quorum was present at the meeting.

Sr. No.	Name of Director	Category of Directorship	Committee Position Held	No. of Meetings held	No. of Meetings attended
1.	Shri Indrasinh B. Zala	Independent Director	Chairman	1	1
2.	Shri Kantibhai Patel	Independent Director	Member	1	0
3.	Smt. Aanal Trivedi	Woman Director	Member	1	1

- DETAILS OF REMUNERATION PAID TO THE DIRECTORS:**

(Rs. In Lacs)

Name	Designation	Particulars					
		Salary	Contribution To Provident Fund	Perquisites	Total	Service Contract	Period of Contract
Ajay Goenka	Chairman & Managing Director	-	-	-	-	5 years	21.08.13 to 20.08.18
Rahul Maheshwari	Executive Director	-	-	-	-	5 years	14.08.17 to 13.08.22

- 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:

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 shareholders/investors Grievance committee comprises 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, 3 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

(D) 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, 2018 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
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.
2016-17	31 st AGM	Gujarat Paper Makers' Association 802 Avdhesh House, 8 th Floor, Opp. Guru Govind Gurudwara, S.G. highway, Thaltej, Ahmedabad - 380054	28 th September, 2017	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
2013-14	Approval of Related Party Transactions for FY 2014-15 & 2015-16.	25/09/2014
EGM	<ol style="list-style-type: none"> 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. 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. 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. 2. Authority to the Board of Directors for dilution of shareholding in Rainbow Papers JLT, Dubai by sale/otherwise.	28/09/2015
2016-17	1. Re-appointment of Shri Rahul Maheshwari as Whole Time Director	28/09/2017

(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, 2017	24/07/2017
30 th September, 2017	10/10/2017
31 st December, 2017	27/01/2018
31 st March, 2018	27/04/2018

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 Disclosure 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 Suspended 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.rainbowpapers.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 32nd Annual General Meeting to be held is as under:-

Date : 29th September, 2018

Day : Saturday

Time : 11.00 a.m.

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

Financial Year: 1st April, 2017 to 31st March, 2018.

2) **Financial Calendar (Tentative)**

Quarter	Tentative Dates of Board Meeting for (F.Y.2018-19)*
1 st Quarter Results	Mid of August, 2018
2 nd Quarter Results	Mid of November, 2018
3 rd Quarter Results	Mid of February, 2019
4 th Quarter Results	End of May, 2019

3) **Book Closure Date:**

The Shares Transfer books and Register of Members will remain closed from 21st September, 2018 to 28th September, 2018 (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 Rs.)	Price Low (In Rs.)	Volume (No. of Shares)	Price High (In Rs.)	Price Low (In Rs.)	Volume (No. of Shares)
Apr-17	5.76	3.91	1552853	5.7	3.9	2861913
May-17	4.73	3.72	1027715	4.6	3.75	2469544
Jun-17	4.57	3.31	801741	4.55	3.25	2177688
Jul-17	4.62	2.68	3001230	4.45	2.6	2381216
Aug-17	4.72	3.66	1516663	4.65	3.65	1713231
Sep-17	4.24	3	1056390	4.1	3	2972127
Oct-17	3.8	2.89	759895	3.7	2.9	1704014
Nov-17	4.08	2.58	1699667	4	2.65	5992251
Dec-17	2.84	2.25	1747725	3.05	2.3	15931841
Jan-18	4.67	2.82	4225355	4.6	2.9	14547733
Feb-18	3.59	2.85	877958	3.5	2.85	1901674
Mar-18	3	2.3	1104021	3	2.3	1828672

* 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. Link Intime India Private Limited, Ahmedabad.

a) Share Transfer System:

As the members are aware, the Company has appointed M/s. Link Intime 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.

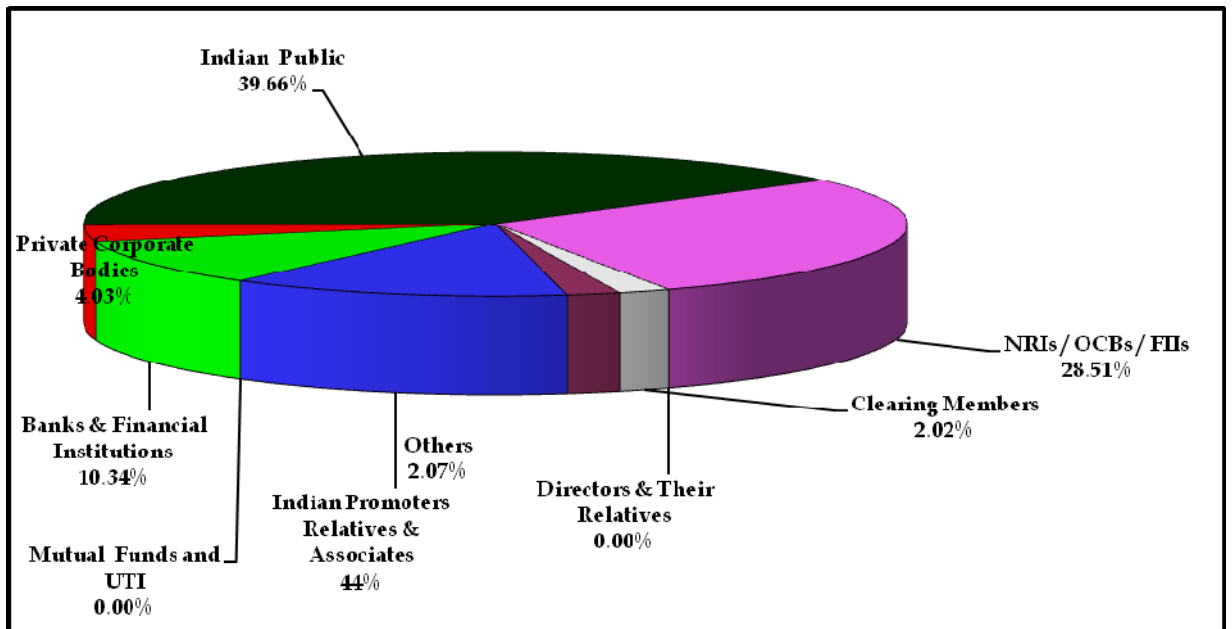
9) Distribution of Holdings as on 31st March, 2018:

Category	As on 31 st March, 2018			
	No. of Shareholders		No. of Shares	
	Total	%	Total	%
Upto 500	5835	49.0089	1733088	1.6316
501 to 1000	1970	16.5463	1854593	1.7460
1001 to 2000	1171	9.8354	1998172	1.8812
2001 to 3000	668	5.6106	1804763	1.6991
3001 to 4000	300	2.5197	1119035	1.0535
4001 to 5000	645	5.4174	3176936	2.9910
5001 to 10000	659	5.5350	5425868	5.1083
10001 and above	658	5.5266	89104845	83.8892
TOTAL	11906	100.00	106217300	100.00

10) Shareholding Pattern of the Company as on 31st March, 2018:

Category	No of Shares held	% of Share Holding
1) Promoters Holding:		
i. Indian Promoters relatives & associates (including Body Corporates)	14197680	13.37
ii Foreign Promoters :	---	---
Sub Total (A)	14197680	13.37
2) Non Promoters Holding:		
i. Mutual Funds and UTI	500	---
ii. Banks & Financial Institutions	10984000	10.34
Sub Total (B)	10984500	10.34
3) Others		

i. Private Corporate Bodies	4281252	4.03
ii. Indian Public	42123677	39.66
iii. NRIs / OCBs / FIIs	30281731	28.51
iv. Directors & their relatives & Friends (other than promoter Director)	100	---
v. Clearing Members	2146123	2.02
vi. others	2202237	2.07
Sub Total (C)	81035120	76.29
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



11) Dematerializations of shares and liquidity:

As on 31st March, 2018, 99.11% 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	105268895	99.11
PHYSICAL	948405	0.89
TOTAL	106217300	100.00

12) Plant Location

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

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, 2018 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 behalf of the Suspended Board of Directors

Place: Ahmedabad
Date : 14.08.2018

R. D. Choudhary
Resolution Professional
Regd. No. IBBI/IPA-001/IP-
P00157/2017-18/10326

Ajay Goenka
Managing Director
DIN : 00139512

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2018

[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, 2018** (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 has not complied with Section 124 (6) of the Act and Rules made thereunder in respect of Transfer of Shares in Investor Education and Provident Fund in respect of which dividends have not been paid / claimed for seven consecutive years or more.***
- ⇒ ***The Company has not complied with Section 135 of Companies Act 2013 and Rules made thereunder in respect of spending the Unspent Amount of Previous Years on CSR activities.***
- ⇒ ***The Company has not filed, till date of this report, Form MR-1 for Re-appointment of Mr. Rahul Maheshwari as Whole Time Director made at 31st AGM held on 28/09/2017 under section 196 of the Act and Rules made thereunder.***
- ⇒ ***The Company has not filled up of Casual Vacancy of “Chief Financial Officer” in terms of Section 203 of the Act.***

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 :

- ⇒ ***The National Company Law Tribunal, Ahmedabad Bench vide its Order C.P. (I.B) 88/9/NCLT/AHM/2017 dated 22/09/2017 had appointed Mr. George Samuel as Interim Resolution Professional under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) and Corporate Insolvency Resolution Process (CIRP) for the Company is under process and accordingly pursuant to Section 17 of IBC, 2016 the powers of the Board of Directors of the Company were suspended in terms of Section 17 of IBC during the continuation of the CIR Process.***
- ⇒ ***The National Company Law Tribunal, Ahmedabad Bench vide its Order IA 345/2017 in C.P. (I.B) 88/9/NCLT/AHM/2017 dated 06/11/2017 had appointed Mr. Ramchandra D. Chaudhary as Resolution Professional u/s 22 the IBC, 2016.***
- ⇒ ***The National Company Law Tribunal, Ahmedabad Bench vide its Order IAP 94/2018 in C.P. (I.B) 88/9/NCLT/AHM/2017 dated 19/03/2018 had extended period of CIRP for a period of 90 Days beyond 180 Days u/s 12 the IBC, 2016.***

For Yogesh Chhunchha & Co.

CS Yogesh Chhunchha
Proprietor

Place : Ahmedabad
Date : August 14, 2018

Membership No. : F9306 / COP No.: 11005

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE - 1' and forms an integral part of this report.

**‘ANNEXURE - 1’
(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.

For **Yogesh Chhunchha & Co.**

Place : **Ahmedabad**
Date : **August 14, 2018**

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

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, 2018**, 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.

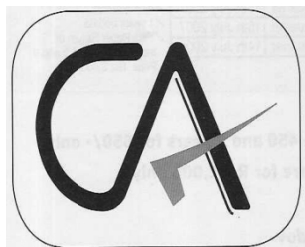
For **Yogesh Chhunchha & Co.**

CS Yogesh Chhunchha
Proprietor

Place : **Ahmedabad**

Date : **August 14, 2018**

Membership No. : **F9306 / COP No.: 11005**



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
RAINBOW PAPERS LIMITED.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **RAINBOW PAPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements")

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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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. 46 of the accompanying financial statements in respect of non-provision of interest on NPA accounts of banks of Rs.280.17Crore. 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, the aforesaid Ind-AS 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 2018, its loss, changes in equity and cash flows for the year ended on that date.

Matter of Emphasis:

- 1. We draw attention to Note No. 45(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. 51(a)&(f) 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.*

3. *We draw attention to Note No. 48 of the accompanying Financial Statement in respect of assignment/treatment of Debts by Axis Bank.*
4. *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 and further in view of various points under the Head "Matter of Emphasis" the going concern of the company is seriously affected.*
5. *We draw attention to Note 44 to the standalone financial statements which describes the status of Corporate Insolvency Resolution Process that the Company underwent with the Hon'ble National Company Law Tribunal (NCLT), the matter is yet to be decided on the date of signing the Financial statements.*

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;

**FOR, MEHTA LODHA & CO.
(FIRM REGD.NO: 106250W)
CHARTERED ACCOUNTANTS**

**PLACE: - AHMEDABAD
DATE:- 30th May 2018.**

**PRAKASH D SHAH
PARTNER
M.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, 2018]

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.

(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 4 on 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 during the year. In our opinion, the frequency of verification is reasonable. As informed to us the discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
- 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.

There are undisputed amounts payable in respect of above dues which were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

Name of the Statues	Nature of Dues	Rs. In Lakhs*	Period to which amount relates
Employees' Provident Fund and Miscellaneous Provisions Act, 1952.	Provident Fund	Rs. 178.09	From October 2014 to May 2016
Professional Tax	Professional Tax	Rs. 26.53	From March-2015 to September 2018
Employee State Insurance Commission	ESIC	Rs. 0.19	From April-2017 to September-2018
Finance Act 1994.	Service Tax	Rs50.37	From May 2015 to March 2016
Central Sales Tax Act, 1956	Central Sales Tax	Rs 82.33	From May 2015 to March 2016
Commission of Electricity Board	Electricity Duty Payable	Rs 417.69	From April 2012 to August 2016
Income Tax Act, 1961	Tax Deducted as Source	Rs 167.72	From March 2015 to September 2018
	Dividend Distribution Tax	Rs. 72.21	F.Y. 2013-14

*In absence of evidence, if any, Payment made during the year are apportioned on FIFO basis 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 and the records of the Company examined by us, following are the details of outstanding dues which have not

been deposited on account of any dispute:-

Name of the Statues	Nature of Dues	Rs. (In Lacs)	Period to which amount relates	From where dispute is pending
Income Tax Act, 1961	Income Tax	1.10	A.Y. 2001-02	Based on Form B dated 04-10-2017*
Income Tax Act, 1961	Income Tax	55.51	A.Y. 2003-04	Based on Form B dated 04-10-2017*
Income Tax Act, 1961	Income Tax	128.23	A.Y. 2004-05	Based on Form B dated 04-10-2017*
Income Tax Act, 1961	Income Tax	59.93	A.Y. 2005-06	Based on Form B dated 04-10-2017*
Income Tax Act, 1961	Income Tax	50.71	A.Y. 2002-03	Based on Form B dated 04-10-2017*
Income Tax Act, 1961	Income Tax	36.29	A.Y. 2009-10	Based on Form B dated 04-10-2017*
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	A.Y. 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
Value Added Tax Act, Gujarat	VAT	109.08	FY 2015-16	Hon'ble Sales Tax Appellate Tribunal
Custom Act, 1975	Custom Duty	238.96	FY 2007-08, FY 2008-09 and FY2012-13	Office of the Commissioner of Customs

* Taken based on the claims submitted by the respective departments under CIRP Process.

**Net of Rs 6.50 Lacs paid under protest.

- viii. According to the records of the Company examined by us and the information and explanation given to us by the management, 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 31/03/2018*(Rs in Lacs)	Period of Default*
		Total Amount(Including Principal and Interest)*	
Financial Institutions	IFCI Limited	10,576.49	October 2015
	Tourism Finance Corporation of India Limited	1,572.99	March 2016
	ACRE	14,646.14	April 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 2018.

FOR, MEHTA LODHA & CO.
(FIRM REGD.NO: 106250W)
CHARTERED ACCOUNTANTS

PRAKASH D SHAH
PARTNER
M.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, 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.

**FOR, MEHTA LODHA & CO.
(FIRM REGD.NO: 106250W)
CHARTERED ACCOUNTANTS**

**PLACE: - AHMEDABAD
DATE:- 30th May 2018.**

**PRAKASH D SHAH
PARTNER
M.No. 34363**

Rainbow Papers Limited
(CIN L21010GJ1986PLC008772)

Statement of Profit & Loss for the year ended March 31, 2018

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Dis-continuing operations		
I Revenue from operations	24	28.39
II Other Income	25	1.43
III Total income (I+II)	29.82	5,306.97
IV Expenses		
(a) Cost of material consumed	26	28.38
(b) Purchase of stock in trade		2,196.27
(c) Changes in inventories		913.69
(d) Employee benefit expense		285.70
(e) Finance Costs		988.24
(f) Depreciation and amortization expense		770.63
(g) Other expense		11,111.72
Total expense (IV)	30	13,647.57
		8,493.58
		19,902.15
		22,245.72
V Net Profit/(Loss)		(19,872.33)
VI Exceptional items		-
VII Profit/(loss) before tax (V-VI)		(19,872.33)
VIII Tax Expense :		
(1) Current Tax		-
(2) Deferred Tax		-
(3) MAT Credit entitlement		-
(4) Excess/Shprt Provision of tax of earlier years		-
Income tax expense		-
IX Profit/(loss) for the period (VII-VIII)		(19,872.33)
X Other Comprehensive Income		-
A (i) Items that will not be reclassified to profit or loss		-
B (i) Items that will be reclassified to profit or loss		7.72
(ii) Income Tax related to items that will be reclassified to profit or loss		-
XI Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		(19,872.33)
XII Earnings Per Equity Share (Face Value of Rs.2 each)		
(1) Basic		(18.71)
(2) Diluted		(18.71)
		(15.95)
		(15.95)

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For Mehta Lodha & Co
Chartered Accountants

Firm Reg. No. 106250W

Per Prakash D Shah
Partner
Membership No. 034363

Date: May 30, 2018
Place: Ahmedabad

For and on behalf of
Suspended Board of
Directors

Ajay Goenka
DIN :00139512
Chairman & Managing
Director

R. D. Choudhary
Resolution Professional
Regd. No. IBBI/IPA-
001/IP-P00157/2017-
18/10326

Rahul Maheshwari
DIN: 00289730
Executive Director

Shashikant Thakar
Company Secretary

Date: May 30, 2018
Place: Ahmedabad

RAINBOW PAPERS LIMITED
(CIN L21010GJ1986PLC008772)
Cash Flow Statement for the year ended on 31st March 2018

(Rs. In Lakhs)

Particulars	Current year	Previous Year
A. Cash flow form operating activities		
Net Profit before extra ordinary items	(19,872.33)	(16,938.75)
Adjustments to reconcile profit before tax to net cashflow		
Depreciation and amortisation	11,111.72	13,647.57
Baddebt written off (Net)	74.17	312.82
Provision for Fairvalue adjustment	6,980.23	-
Investment written off/ (written back)	1,002.75	-
Finance Costs	0.21	30.39
Loss/(Profit) on sale of Assets/Investment	(1.29)	(5.56)
Foreign Currency Monetry Assets Reserve	-	614.41
Changes in employee benefits measurements	-	(7.72)
Operating profit before working capital changes	(704.54)	(2,346.84)
Adjustments For:		
(Increase)/decrease in trade payables	(60.42)	(1,604.95)
Increase/(decrease) in current liabilities and provisions	287.21	(1,362.38)
(Increase)/decrease in inventories	28.40	839.91
(Increase)/decrease in trade receivable	639.76	2,599.06
(Increase)/decrease in other non current liabilities	3,240.14	(13,837.41)
Movement in Other current Assets	33.63	3,324.29
Movement in Other Non Current Assets	45.57	89.49
Cash used in operations	3,509.75	(12,298.83)
Income taxes paid (net)	-	(3.11)
Net cash flow from operating activities	3,509.75	(12,301.94)
Cash flow from investing activities		
Purchase of fixed assets (Including CWIP)	-	(128.33)
Proceeds from sale of fixed assets	1.30	6.87
Movement in Loans and Advances	121.60	(53.21)
Purchase/Sale of of non-current investments	-	(1,361.59)
Interest received	1.02	16.94
Net cash used in investing activities	123.93	(1,519.32)
Cash flow from financing activities		
Proceeds from long term borrowings	(4.23)	(40,825.46)
Proceeds from short term borrowings	(594.47)	53,754.53
Interest paid	(1.23)	(47.34)
Unpaid dividend transferred to fund	(1.91)	(2.33)
Net cash generated from / (used) in Financing Activities	(601.84)	12,879.40
Net (decrease)/increase in Cash & Cash Equivalents	3,031.83	(941.86)
Cash and Cash Equivalentts at beginning of year	60.12	1,001.98
Cash and Cash Equivalentts at end of year	3,091.95	60.12

As per our report of even date attached.

**For Mehta Lodha & CoChartered
AccountantsFirm Reg. No. 106250W**

**Per Prakash D Shah
Partner
Membership No. 034363**

**For and on behalf of Suspended
Board of Directors**

**Ajay Goenka
DIN :00139512
Chairman & Managing Director**

**Rahul Maheshwari
DIN: 00289730
Executive Director**

**Shashikant Thakar
Company Secretary**

**For Rainbow Papers
Limited (In CIRP)**

**R. D. Choudhary
Resolution Professional
Regd. No. IBBI/IPA-
001/IP-P00157/2017-
18/10326**

**Date: May 30, 2018
Place: Ahmedabad**

**Date: May 30, 2018
Place: Ahmedabad**

Rainbow Papers Limited
(CIN L21010GJ1986PLC008772)
Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital	(Rs. In Lakhs)	
Particulars	No. of Shares	Amount (Rs)
Balance as at April 1, 2016	10,62,17,300	2,124.35
Changes during the year -		-
Balance as at March 31, 2017	10,62,17,300	2,124.35
Changes during the year -		-
Balance as at March 31, 2018	10,62,17,300	2,124.35

B. Other Equity								(Rs. In Lakhs)	
Particulars	Reserves & Surplus						Other Comprehensive Income	Total	
	Capital Reserves	Securities Premium Reserves	Revaluation Reserves	General Reserves	Retained Earnings	Other Reserves			
Balance as at April 1, 2016	30.19	25,565.20	21,019.02	2,454.89	(33,080.51)	(586.98)	-	15,401.81	
Additions during the year	-	-	-	-		614.41		614.41	
Employee Benefits							(7.72)	(7.72)	
Profit for the year	-	-	-	-	(16,938.75)	-	-	(16,938.75)	
Balance as at March 31, 2017	30.19	25,565.20	21,019.02	2,454.89	(50,019.26)	27.43	(7.72)	(930.25)	
Additions during the year	-	-	-	-		-			
Profit for the year	-	-	-	-	(19,872.33)	-	-	(19,872.33)	
Balance as at March 31, 2018	30.19	25,565.20	21,019.02	2,454.89	(69,891.59)	27.43	(7.72)	(20,802.58)	

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For Mehta Lodha & Co
Chartered Accountants
Firm Reg. No. 106250W

Per Prakash D Shah
Partner
Membership No. 034363

For and on behalf of Suspended Board of Directors

Ajay Goenka
DIN :00139512
Chairman & Managing Director

Rahul Maheshwari
DIN: 00289730
Executive Director

Shashikant Thakar
Company Secretary

Date: May 30, 2018
Place: Ahmedabad

For Rainbow Papers Limited (In CIRP)

R. D. Choudhary
Resolution Professional
Regd. No. IBBI/IPA-001/IP-P00157/2017-18/10326

Date: May 30, 2018
Place: Ahmedabad

Company Overview & Significant Accounting Policies

1 Reporting Entity

Rainbow Paper Limited is a public limited company has been incorporated under the provisions of the Companies Act, 1956 having its registered office at Ahmedabad, Gujarat. Its shares are listed on the stock exchange. The company is primarily engaged in trading and marketing of paper.

2 Basis of preparation

(a) Statement of compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The Company has adopted all the relevant Ind AS and the adoption was carried out in accordance with Ind AS 101, "First Time Adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. There being no effect of such transition, hence reconciliation for the same is not required.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest rupee.

(c) Basis of Measurement

The financial statements have been prepared on the historical cost basis.

(d) Use of Estimates and Judgments

In preparing these financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant

effects on the amounts recognized in the financial statements is included in the respective note.

Assumptions and Estimation Uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting

in a material adjustment within the next financial year are included in the respective note.

(e) Measurement of Fair Values

The Company has established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments (if any). If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant

a Financial Instruments

1 Financial Assets

i Classification

The Company classifies its financial assets in the following measurement categories:

▶ Those measured at amortized cost and Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss)

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

▶ A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at Fair Value through Profit and Loss Account (FVTPL):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

▶ A debt investment is measured at Fair Value through other comprehensive income (FVOCI)

if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that

are solely payments of principal and interest on the principal amount outstanding.

▶ Financial assets are not reclassified subsequent to their initial recognition except if and in

the period the Company changes its business model for managing financial assets.

ii Measurement

At initial recognition, the Company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value except trade receivables which are initially measured at transaction price. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A regular way purchase and sale of financial assets are accounted for at trade date.

iii Subsequent Measurement and Gains and Losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

iv Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2 Financial Liabilities

i Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

ii Derecognition

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

iii Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

b Property, Plant and Equipment

i Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Capital Work-in-progress includes cost of assets at sites and constructions expenditure.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv Depreciation/Amortisation

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Amortization on leasehold land is provided over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

v Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Cost of raw materials, stores and spares are determined on First In First Out (FIFO) basis

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Excess/shortages if any, arising on physical verification are absorbed in the respective consumption accounts.

d. Impairment

i Impairment of Financial Assets

The Company recognizes loss allowances for financial assets measured at amortized cost using expected credit loss model.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

For trade receivables, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

For all other financial assets, the Company measures loss allowances at an amount equal to twelve months expected credit losses unless there has been a significant increase in credit risk from initial recognition in which those are measured at lifetime expected credit risk.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial asset. Twelve months expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full.

Measurement of Expected Credit Losses Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of Allowance for Expected Credit Losses in the Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines (on the basis of availability of the information) that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii Impairment of Non-Financial Assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e. Employee Benefits

- i. Short Term Employee Benefits**
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.
- ii Long term Employee Benefits:**
Provident Fund and Superannuation Contribution are accrued each year in terms of contracts with the employees. Provision for Gratuity is determined and accrued on the basis of actuarial valuation by Life Insurance Corporation of India. Leave encashment benefit to employees has been provided on an estimated basis.

f. Provisions (other than Employee Benefits), Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present legal 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 are determined based on best estimate 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

g. Revenue Recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

h. Recognition of Dividend Income, Interest Income

- i. Interest Income**
Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.
- ii. Dividend income:**
Dividend income on investments is recognised as and when received.

i. Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realised simultaneously.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

k. Borrowing Cost

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset until such time the assets are substantially ready for their intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

l. Earnings Per Share

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

m. Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Note 5 - Non Current Investments**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Investment (Unquoted - At Cost)			
Investment in equity instruments			
Unquoted			
300 Equity Shares [March 31, 2017: 300, April 1, 2016: 300] Face Value of AED 1000 each in Rainbow Papers FZC (At cost) (Earlier Known as Rainbow Papers JLT)	40.90	40.90	40.90
5000 Equity Shares [March 31, 2017: 5000, April 1, 2016: 5000] Investment in Saniya Notebook Private Limited	0.50	0.50	0.50
NIL Equity Shares [March 31, 2017: 32500, April 1, 2016: NIL] Investment in Agressive Exim Private Limited	-	65.00	-
NIL Equity Shares [March 31, 2017: 5350, April 1, 2016: NIL] Investment in Anand Potato Cold Storage Private Limited	-	107.00	-
NIL Equity Shares [March 31, 2017: 7680, April 1, 2016: NIL] Investment in Anand Shakti Cement Private Limited	-	192.00	-
NIL Equity Shares [March 31, 2017: 7500, April 1, 2016: NIL] Investment in Eastman Merchants Private Limited	-	15.00	-
NIL Equity Shares [March 31, 2017: 18750, April 1, 2016: NIL] Investment in Fastner Machinery Dealers Private Limited	-	93.75	-
NIL Equity Shares [March 31, 2017: 65000, April 1, 2016: NIL] Investment in Kites Infraprojects Private Limited	-	130.00	-
NIL Equity Shares [March 31, 2017: 42500, April 1, 2016: NIL] Investment in Popcorn Treaders Private Limited	-	85.00	-
NIL Equity Shares [March 31, 2017: 42500, April 1, 2016: NIL] Investment in Positiveview Traders Private Limited	-	85.00	-
NIL Equity Shares [March 31, 2017: 2000, April 1, 2016: NIL] Investment in Viking Agencies Private Limited	-	4.00	-
NIL Equity Shares [March 31, 2017: 60500, April 1, 2016: NIL] Investment in Waterlink Dealers Private Limited	-	121.00	-
NIL Equity Shares [March 31, 2017: 30000, April 1, 2016: NIL] Investment in Wellman Commerce Private Limited	-	60.00	-
NIL Equity Shares [March 31, 2017: 22500, April 1, 2016: NIL] Investment in Worthwhile Traders Private Limited	-	45.00	-
Quoted			
116600 Equity Shares [March 31, 2017: 116600, April 1, 2016: NIL] Investment in Blue Print Securities Limited*	358.84	358.84	-
Total	400.24	1,402.99	41.40

Aggregate amount of unquoted investment is Rs. 41.40 Lakhs (March 31,2017 : Rs 1044.15 Lakhs, April 1,2016 : Rs. 41.40 Lakhs)

*Market Value of Qouted Investments is Rs. 358.84 Lakhs (March 31,2017 : Rs 358.84 Lakhs, April 1,2016 : Rs. NIL)

The management tried to ascertain the fair value of investments which company can recover from transfer or disposal of such investments. On the basis of preliminary details available, management is of the view to create provision for diminution in the value of investments in the shares of private limited companies and carry over the investment in listed securities of last traded price. Provision in diminution of value of Investments created during the year Rs. 1,002.75 lakhs (March 31,2017 : Rs NIL, April 1,2016 : Rs. NIL)

Note 6 - Long Term Loans And Advances**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances recoverable in cash or kind*	1.35	1.35	11.34
Total	1.35	1.35	11.34

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

Note 7 - Other Non-Current Financial Assets**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security deposits (unsecured, considered good)	5.29	10.87	11.40
Total	5.29	10.87	11.40

Note 8 - Other Non-Current Assets

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Advances	1,651.80	1,691.78	1,780.75
Less : Provision for fairvalue adjustment (Refer Note 30)	-1,645.66	-	-
Total	6.14	1,691.78	1,780.75

Note 9 - Inventories

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Raw Materials (including goods in Transit)	31.91	60.30	360.24
(b) Work in Progress	11.00	11.00	162.69
(c) Finished Goods	2.48	2.48	136.49
(d) Stores & spare parts and Chemicals	753.30	753.30	958.42
(e) Fuels & Packing material (including goods in Transit)	14.40	14.40	63.55
Total	813.09	841.48	1,681.39

Note 10 - Trade Receivables

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Trade Receivables			
Unsecured, considered good	6.65	720.58	3,632.46
Total	6.65	720.58	3,632.46

Note 11 - Cash and Cash Equivalents

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash and cash equivalents :			
a Cash on hand	0.31	0.64	9.02
b Balances with banks:			
On current accounts	3,082.91	48.84	61.23
c Other bank balances			
In Dividend Accounts	8.73	10.64	12.97
In Margin Money & Fixed Deposits			918.76
Total	3,091.95	60.12	1,001.98

* Balances with banks in current accounts includes Rs. 3050 lakhs of deposits received from resolution applicant as per the terms of Expression of Interest

Note 12 - Loans And Advances

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances to employees	0.15	1.99	1.44
Advances recoverable in cash or kind	5,334.57	5,459.33	5,396.66
Less : Provision for fairvalue adjustment (Refer Note 30)	-5,334.57	-	-
	-	5,459.33	5,396.66
Total	0.15	5,461.32	5,398.10

Note 13 - Current Tax Assets

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Income Tax	221.79	221.79	218.68
	-	-	-
Total	221.79	221.79	218.68

Note 14 - Loans And Advances**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with Government Authorities	648.47	645.94	1,207.30
Advances to Suppliers	4.80	52.66	2,781.48
Prepaid expenses	13.33	1.63	35.75
Total	666.60	700.23	4,024.53

Note 15 - Share Capital**(Rs. In Lakhs)**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Number	Rs	Number	Rs	Number	Rs
Authorised Share capital						
Equity Shares of Rs. 2 each	20,00,00,000	4,000	20,00,00,000	4,000	20,00,00,000	4,000
		4,000		4,000		4,000
Issued, Subscribed & Paid up Share Capital						
Equity Shares of Rs. 2 each	10,62,17,300	2,124.35	10,62,17,300	2,124.35	10,62,17,300	2,124.35
		-		-		-
	10,62,17,300	2,124.35	10,62,17,300	2,124.35	10,62,17,300	2,124.35

(a) Reconciliation of the nos of shares & amount outstanding as at the beginning and at the end of the year.

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Number	Rs	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	10,62,17,300	2,124.35	10,62,17,300	2,124.35	10,62,17,300	2,124.35
Add: Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	10,62,17,300	2,124.35	10,62,17,300	2,124.35	10,62,17,300	2,124.35

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 2 per share. Each holder of equity share is entitled to one vote per share and ranks pari passu. 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 Shareholders holding more than 5% of the shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of shares	% of Holding	No of shares	% of Holding	No of shares	% of Holding
Name of Equity Share Holders						
Orient Newsprint Limited	50,00,000	4.71%	50,00,000	4.71%	2,32,65,588	21.90%
Drupa Suppliers Pvt Limited	90,00,000	8.47%	90,00,000	8.47%	1,41,49,238	13.32%
Highbluesky Emerging Market Fund	-	0.00%	-	0.00%	1,05,45,499	9.93%
Aspire Emerging Fund	1,04,96,943	9.88%	1,04,96,943	9.88%	1,04,96,943	9.88%
Sparrow Asia Diversified Opportunities Fund	78,25,256	7.37%	78,25,256	7.37%	78,25,256	7.37%
Devkant Sythetics (India) Pvt Ltd	18,84,498	1.77%	18,84,498	1.77%	72,38,043	6.81%
Rainbow Industrial Park Pvt Ltd	15,00,000	1.41%	15,00,000	1.41%	68,14,340	6.42%
Emerging Market Opportunities Fund	72,30,502	6.81%	72,30,502	6.81%	-	0.00%

Note 16 - Other Equity**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<u>a. Capital Reserve</u>			
Balance at the beginning and at the end of the year	30.19	30.19	30.19
<u>b. Securities premium account</u>			
Balance at the beginning and at the end of the year	25,565.20	25,565.20	25,565.20
<u>c. Revaluation reserve</u>			
Balance at the beginning and at the end of the year	21,019.02	21,019.02	21,019.02
<u>d. Other Reserves</u>			
<u>i. General Reserve</u>			
Balance at the beginning and at the end of the year	2,454.89	2,454.89	2,454.89
<u>ii. Forfeiture of Warrants</u>			
Balance at the beginning and at the end of the year	27.43	27.43	27.43
<u>iii. Foreign Currency Monetary Item Translation Difference Account (FCMITDA): (Refer Note A)</u>			
Balance as per last account	-	(614.41)	(239.55)
Add: Addition during the year (net)	-	614.41	(374.86)
	-	-	(614.41)
<u>iv. Retained Earnings</u>			
Balance as per last financial statements	(50,019.25)	(33,080.50)	18,622.13
Add: Profit for the year	(19,872.33)	(16,938.75)	(51,958.31)
Proposed dividend reversed (Refer Note B)			212.43
Dividend distribution tax on proposed dividend reversed (Refer Note B)			43.25
Adjustment			
	(69,891.58)	(50,019.25)	(33,080.50)
<u>e. Other comprehensive Income</u>			
Balance at beginning of the year	(7.72)	-	-
<u>Addition</u>			
Remeasurement of employee benefits	-	(7.72)	-
	(7.72)	(7.72)	-
Total	(20,802.57)	(930.24)	15,401.82

Note 17 - Borrowings**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<u>Non Current Borrowings</u>			
<u>A) Secured:</u>			
(a) From banks:			
- Rupee term loans	-	-	32,917.70
- Vehicle loans	-	4.23	12.00
(b) From others:			
- Rupee term loan	-	-	7,900.00
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 Chairman 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 2016-17 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. Mehsana and Further secured by exclusive charge on survey no. 1444 & part of 1445 admeasuring 16633 Sq. Mtrs. situated at village Rajpur, Ta. Kadi, Dist. Mehsana, 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.

(b) 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.

Note 18 - Other Non Current Liabilities

Particulars	(Rs. In Lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Others:			
Retention money and creditors for capital goods			
Export Advance Received*	-	-	14,186.11
Other long-term liabilities**	4,113.00	872.86	524.16
Total	4,113.00	872.86	14,710.27

*Export Advances are secured by way of Export Performance Bank Guarantee from Indian Banks for \$Nil (March 31, 2017 \$NIL April 01, 2016 \$21.94 mn).

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

Note 18a - Non Current Provisions

Particulars	(Rs. In Lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Retention money and creditors for capital goods			
Provision for employee benefits	-	-	256.44
Total	-	-	256.44

Note 19 - Borrowings

Particulars	(Rs. In Lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(A) Secured			
From Banks:			
- Rupee Loan	57,984.43	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	57,984.43	58,578.89	34,025.13

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.

Note 20 - Trade Payables**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Acceptance	-	-	1,218.54
Due to Micro Small & Medium Enterprises	535.71	535.71	432.14
For Goods, expenses, services & trade deposits	14,129.92	14,190.34	14,680.31
Total	14,665.63	14,726.05	16,330.99

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:

	2017-18	2016-17	2015-16
Principal Amount Outstanding	527.62	527.62	424.05
Interest Due	8.09	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	8.09	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.

Note 21 - Other Current Financial Liabilities**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current maturities of long-term borrowings*	58,043.32	57,649.52	26,461.55
Interest accrued and due on the borrowings	-	-	1,987.19
Unclaimed Dividend**	8.73	10.64	12.97
Other Payables			
- Payable in respect of capital goods	828.35	828.35	835.39
Total	58,880.40	58,488.51	29,297.10

* Includes of EPBG Advance to be adjusted in 12 months of Rs. Nil (March 31, 2017 : NIL, April 1,2016: Rs. 363.75 Lacs).

** Liability towards Investor Education and Protection Fund under Section 125 of The Companies Act, 2013 (Not Due as on 31.03.2016/ 31.03.2017)

Note 22 - Other Current Liabilities**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
- Statutory Liabilities	337.88	338.47	849.35
- Other Payables	1,220.18	1,248.71	1,828.91
Total	1,558.06	1,587.18	2,678.26

Note 23 - Provisions**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Provisions			
Provision for employee Benefits	29.32	145.06	152.94
Bonus			
Gratuity			
Leave encashment			
Provision for Expenses	38.24	-	-
Total	67.56	145.06	152.94

Note 24 - Revenue From Operations		(Rs. In Lakhs)	
Particulars	2017-18	2016-17	
Sale of Products			
Domestic Sales - Papers	28.39	4,304.64	
Export Sales - Papers	-	692.06	
Sales of Services			
Job work	-	47.66	
Other operating revenues			
Export incentive	-	37.43	
Fly ash sales	-	0.22	
Miscellaneous waste sales	-	190.45	
Less - Excise duty (Net)*	-	(108.61)	
Total	28.39	5,163.85	

Sales for the year 2016-17 includes Rs. 26.80 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.

Note 25 - Other Income		(Rs. In Lakhs)	
Particulars	2017-18	2016-17	
Insurance Claims	0.00	122.38	
Profit on sale of Fixed assets	1.29	5.56	
Other Income	0.14	15.18	
Total	1.43	143.12	

Note 26 - Cost Of Material Consumed		(Rs. In Lakhs)	
Particulars	2017-18	2016-17	
Opening Stock			
Papers	55.31	349.97	
Chemicals	4.99	10.27	
	60.30	360.24	
Add : Purchases			
Papers		1,887.51	
Chemicals		8.82	
	-	1,896.33	
Less : Closing Stock			
Papers	26.93	55.31	
Chemicals	4.99	4.99	
	31.92	60.30	
Total	28.38	2,196.27	

Note 27 - Changes In Inventory Of Finished Goods, Work In Progress And Traded Goods		(Rs. In Lakhs)	
Particulars	2017-18	2016-17	
Inventory at the beginning of the year			
Finished Goods	2.48	136.49	
WIP	11.00	162.69	
	13.48	299.18	
Total (a)			
Less: inventory at the end of the year			
Finished Goods	2.48	2.48	
WIP	11.00	11.00	
	13.48	13.48	
Total (b)			
Net Changes in Inventory (a-b)		-	285.70

Note 28 - Employee Benefits Expense		(Rs. In Lakhs)	
Particulars	2017-18	2016-17	
Salaries, wages, bonus	260.47	956.99	
Contributions to provident and other funds	0.26	15.21	
Staff Welfare Expenses	0.67	5.85	
Director's remuneration	4.06	10.19	
Total	265.46	988.24	

Note 29 - Finance Costs		(Rs. In Lakhs)	
Particulars	2017-18	2016-17	
(1) Interest expense on -			
Working capital loans			
Term Loans			
Unsecured loans	1.16	116.77	
	<u>1.16</u>	<u>116.77</u>	
Interest on Margin money, Deposits and others*	(1.02)	(16.94)	
	0.14	99.83	
(2) Other Borrowing Cost	0.07	(69.44)	
(3) Foreign Exchange Gain/Loss	2.80	740.24	
Total	3.01	770.63	

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

Note 30 - Other Expenses		(Rs. In Lakhs)	
Particulars	2017-18	2016-17	
Consumption of stores and spare parts (Net)	30.50	575.79	
Power and fuel	9.31	979.62	
Repairs & Maintenance			
Repairs to machinery	0.01	27.88	
Repairs to building	2.44	5.86	
Repairs and Maintenance - Others	1.96	10.85	
Packing Expense	-	64.80	
Paper Cutting, Packing & Finishing Expense	-	86.08	
Factory Expense (Net)	89.61	69.12	
Insurance Expenses	7.79	46.52	
Sales promotion including publicity (other than advertisement)	-	132.99	
Advertisement Stationery & Communication	3.37	22.26	
Payment to Auditors (Refer note 38)	2.50	2.50	
Legal and Professional Fess	37.99	51.79	
Conveyance expenses	7.69	43.69	
Donation	0.05	0.57	
Rates and Taxes	1.33	300.96	
Penalties on Taxes payable	0.02	9.72	
Bad Debts written off (Refer Note Below)	74.17	312.82	
Provision for fairvalue adjustment (Net) (Refer Note Below)	6,980.23	-	
Rent Expense	32.55	27.35	
Freight and forwarding outward expense (export)	-	48.20	
Office Expenses	-	59.47	
Diminution In Value Of Investment	1,002.75	-	
Quality Claim Expenses	-	528.86	
Other Expenses	209.31	35.92	
Total	8,493.58	3,443.62	

This being the first year of transition from Indian GAAP to Ind-AS, the company has adopted the fair value presentation of assets and liabilities and reassessed the probability of recoverability of assets other than property, plant and equipment which are brought forward at historical cost as per the option available under Ind-AS 101, First time Adoption of Ind-AS and probabilities of payables / liabilities. Accordingly, the company has written off certain receivables which are outstanding for long period, recoverability of which is remote. Further, the company has also created provisions for the probable receivables/advances which are outstanding for long period in compliance with the respective Ind-AS.

Note 31

28) (a) The accounts of Loan Liabilities & borrowings, Current liabilities, Trade receivables, Loans and advances given (Including Advance for Land), Balance with Revenue Authority and Statutory Dues 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 previous year Company has written off its Minimum Alternate Tax credit of Rs. NIL (March 31, 2017: Rs. Nil, April 01, 2016: Rs. 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.

Note 32 - Segment Reporting

Information about reportable segment:

The Company operates mainly in trading of paper products and all other activities are incidental thereto, which have similar risk and return, accordingly, there is no separate reportable Segment disclosure is required.

Information about geographical segment:

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

Particulars	(Rs. In Lakhs)	
	2017-18	2016-17
Revenues from external customers including operating revenue		
India	28.39	4,434.36
Outside India	-	729.49
Carrying amount of Non-Current Assets (Including CWIP)		
India	-	1,29,532.44
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	(Rs. In Lakhs)	
	2017-18	2016-17
Sales	28.39	4,935.75
Other Operating Income	-	228.10

Note 33 - Related Party Disclosure

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2018 for the purposes of reporting as per Ind AS 24 - Related Party Disclosures, which are as under:

A) Holding, Subsidiaries, Fellow Subsidiaries, and Associates (As certified by the management)

1) Holding Company	None
2) Subsidiaries:	None
3) Fellow Subsidiary:	None
4) Associates:	1 Orient Newsprint Limited 2 Drupa Suppliers Private Limited 3 Rainbow Industrial Park Private Limited 4 Nigo Best Packs Private Limited 5 Windsor Papers Private Limited

5) Key Management Personnel and Relatives:

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

Enterprise over which Key Management Personnel and their relative exercise significant influence with

None

B) Transaction with related parties

Nature of Transaction	(Rs. In Lakhs)			
	Person mentioned in (4) above		Key Management Personnel and Relatives	
	2017-18	2016-17	2017-18	2016-17
Loan repaid	32.47	938.5	7.95	34.17
Loan taken	21.40	4.5		5.46
Loan taken*	25.91	1185.66		88.35
Rent				0.08
Directors' Remuneration				10.19
Salary				7.6
Reversal of Interest Income				
Advance received back	0.09			
Loan repaid**	247.14			
Loan taken***	123.13			

C) Disclosures of material transactions with related parties during the year:			(Rs. In Lakhs)
Sr.No	Description	Related Parties	Amount
1	Loan repaid	Orient Newsprint Limited	32.33
		Ajay Goenka	6.85
		Rahul Maheshwari	1.10
		Saniya Notebook Private Limited	0.14
2	Loan taken	Orient Newsprint Limited	16.90
		Saniya Notebook Private Limited	4.50
3	Loan taken*	Orient Newsprint Limited	25.91
4	Loan repaid**	Orient Newsprint Limited	247.14
5	Loan taken***	Orient Newsprint Limited	4.97
		Rainbow Industrial Park Private Limited	118.16
6	Advance received back	Nigo Best Packs Private Limited	0.09

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

** Loan repaid represents amount of loan discharged by by way of customer payment.

*** Loan taken represents amount of loan taken by by way of vendor payment.

Note 34: Earning Per Share

Particulars	2017-18	2016-17
Net Profit/(Loss) attributable to the Equity Share Holders	Rs. Lakhs (0.20)	(0.17)
Weighted average No. of shares outstanding during the year for basic and diluted	Number 10,62,17,300	10,62,17,300
Nominal value of shares	2	2
Basic / Diluted Earnings Per Share	(18.71)	(15.95)

Note 35 - Contingent liabilities and commitments (to the extent not provided for)

Particulars	2017-18	2016-17
Claim against company not acknowledged as debt :		
- Income Tax Matters	1966.49	1966.49
- Custom Duty	238.96	238.96
- VAT/CST	124.45	124.45

Note 36 - Note on Corporate Social Responsibility

(a) Gross amount required to be spent by the Company during the year is Rs.NIL (March 31, 2017: Rs. NIL, April 01,2016 Rs. NIL)

(b) Amount spent by the Company during the year is Rs.NIL (March 31, 2017: Rs. NIL, April 01,2016 Rs. NIL)

Note 37 - Tax Expenses

(Rs. In Lakhs)

(a) - Income Tax Expenses

Current Tax	2017-18	2016-17
Provision for Current Tax	-	-
Excess provision for current tax of earlier years written back	-	-
Net Deferred Tax	-	-
Income tax expense for the year	-	-

(b) - Deferred Tax

Particulars	2017-18	2016-17
Deferred Tax Liabilities		
Fixed assets: impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	9,504.74	9,504.74
Total (a)	9,504.74	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	4,456.68	4,456.68
Total (b)	4,456.68	4,456.68
Deferred Tax Liabilities (Net) (a-b)	5,048.06	5,048.06

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 Ind AS 12 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 deferred Tax should be recognised.

(b) These amounts are subject to Income Tax Assessment of the company and on the assumption of certainty of its Payment in subsequent years.

(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.

(c) - Movement in Deferred Tax

Particulars	Opening balance as at April 01	Statement of Profit and Loss	Other Comprehensive Income	Closing Balance as at March 31
2017-18				
Deferred Tax Liabilities				
Fixed assets: impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	9,504.74	-	-	9,504.74
Total (a)	9,504.74	-	-	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	4,456.68	-	-	4,456.68
Total (b)	4,456.68	-	-	4,456.68
Net Deferred Liability (a - b)	5,048.06	-	-	5,048.06

Particulars	Opening balance as at April 01	Statement of Profit and Loss	Other Comprehensive Income	Closing Balance as at March 31
2016-17				
Deferred Tax Liabilities				
Fixed assets: impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	9,504.74	-	-	9,504.74
Total (a)	9,504.74	-	-	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	4,456.68	-	-	4,456.68
Total (b)	4,456.68	-	-	4,456.68
Net Deferred Liability (a - b)	5,048.06	-	-	5,048.06

(c) - Effective Tax Reconciliation

Reconciliation of the tax expense (i.e., current tax and deferred tax) amount considering the enacted Income tax rate and effective Income tax rate of the

Particulars	2017-18	2016-17
Profit before Tax for the year (Rs. In Lakhs)		
Tax Rate as per Income Tax Provisions	(19,872)	(16,946)
Computed Tax Expense	30.90	30.90
Adjustments:		
Tax effect on non deductible expenses	-	-
Tax of earlier years written back	-	-
Previous years unused tax loss	-	-
Tax Expense as per statement of Profit and Loss	-	-

Note 38 - Payment to Auditors

	2017-18	2016-17
Statutory Audit Fees	2.50	2.50
Others	-	0.90
Total	2.50	3.40

Note 39 - Retirement Benefits

During the year 2017-18 , all employees at the year end are on ex-gratia, hence not attracting the gratuity and leave encashment liability, hence the company has not provided for any gratuity and leave encashment provisions during the year

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

Particulars	2017-18	2016-17
Employer's Contribution to Provident Fund	-	5.15
Employer's Contribution to Pension Scheme	-	9.93
Employer's Contribution to Provident Fund(For Key Personnel)	-	0.02
Employer's Contribution to Pension Scheme(For Key Personnel)	-	0.05
Total	-	15.15

Defined Benefit Plan

The Company has adopted Indian Accounting Standard 19 (Ind AS-19) "Employee Benefits" and provided for gratuity (unfunded) and leave encashment (unfunded) based on actuarial valuation done as per Projected Unit Credit Method.

I. Reconciliation of opening and closing balance of Defined Benefit Obligation

	Gratuity		Leave Encashment		(Rs. in Lacs)
	2017-18	2016-17	2017-18	2016-17	
Opening defined benefit obligation	262.16	219.07	63.65	77.24	
Excess / Short provision	-	-	-	-	
Service cost	-	33.95	-	17.83	
Interest cost	-	16.86	-	5.87	
Actuarial (Gain) / Loss	-	-	-	-36.55	
Benefits paid	-	-	-	-0.74	
Amounts recognized in Other Comprehensive Income	-	-7.72	-	-	
Closing defined benefit obligation	262.16	262.16	63.65	63.65	

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

	Gratuity		Leave Encashment		(Rs. in Lacs)
	2017-18	2016-17	2017-18	2016-17	
Opening fair value of plan assets	-	-	0.08	-	
Expected return	-	-	(0.02)	-	
Actuarial Gain / (Loss)	-	-	-	-	
Employer contribution	-	-	-	-	
Benefits paid	-	-	-	-	
Closing fair value of plan assets	-	-	0.06	-	

III. Reconciliation of fair value of assets and obligation

	Gratuity		Leave Encashment		(Rs. in Lacs)
	2017-18	2016-17	2017-18	2016-17	
Fair value of plan assets	-	0.06	-	-	
Present value of obligation	-	262.16	-	63.64	
Amount recognised in balance sheet	-	262.10	-	63.64	

IV. Expense recognised during the year (under the head "Employee Benefit expenses" of Note '28')

	Gratuity		Leave Encashment		(Rs. in Lacs)
	2017-18	2016-17	2017-18	2016-17	
Service cost	-	33.95	-	17.83	
Interest cost	-	16.85	-	5.87	
Expected return on plan assets	-	-	-	-	
Actuarial (Gain) / Loss	-	(7.72)	-	(36.55)	
Expenses deducted from the fund	-	0.02	-	-	
Adjustment to the Opening fund	-	-	-	-	
Net cost included in 'Employee Benefit Expense'	-	43.10	-	-12.85	

V. Investment Details

	% invested 2017-18 (%)		% invested 2016-17 (%)		(Rs. in Lacs)
	Paper Division	Mastercote	Paper Division	Mastercote	
	Public sector securities	0%	0%	0%	0%
Special deposit schemes	0%	0%	0%	0%	0%
State Govt. securities	0%	0%	0%	0%	0%
FDR with banks	0%	0%	0%	0%	0%
Balance with banks	0%	0%	0%	100%	0%
Policy of insurance	0%	0%	100%	0%	0%
Total	0%	0%	100%	100%	

VI. Actuarial Assumptions

	Gratuity		Leave Encashment		(Rs. in Lacs)
	2017-18 2006-08 (Ultimate)	2016-17 2006-08 (Ultimate)	2017-18 2006-08 (Ultimate)	2016-17 2006-08 (Ultimate)	
Mortality Table(LIC)	0.00%	7.25%	0.00%	7.25%	
Discount rate (per annum)	0.00%	7.25%	0.00%	7.25%	
Expected rate of return on plan assets (per annum)	0.00%	7.25%	0.00%	7.25%	
Rate of escalation in salary (per annum)	0.00%	6.00%	0.00%	6.00%	

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

	31.03.2018 Rs. in lakhs	31.03.2017 Rs. in lakhs	31.03.2016 Rs. in lakhs	31.03.2015 Rs. in lakhs	31.03.2014 Rs. in lakhs
Gratuity					
Defined Benefit obligation	-	262.16	219.07	226.11	164.74
Plan asset	-	0.07	0.08	17.03	21.04
Surplus/(deficit)	-	(262.09)	(218.99)	(209.08)	(143.70)
Experience adjustment on plan liability	-	72.32	36.68	6.48	12.14
Experience adjustment on plan assets	-	-	2.67	1.61	0.87
Leave Encashment					
Defined benefit obligation	-	63.63	77.24	109.33	64.10
Experience adjustment on plan liability	-	40.48	31.77	15.33	(1.87)

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 2017-18 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.

Note 40: Financial risk management objectives and policies

Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk, market risk and commodity risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company and provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to protect the Company's financial results and position from financial risks, maintain market risks within the acceptable parameters while optimizing returns and protect the Company's financial investments while maximizing returns.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash equivalents,	Ageing analysis Credit rating	Credit limit set and Ageing analysis protect
Liquidity Risk	Borrowing and other	Rolling Cash flow forecasts	Availability of committed credit lines and borrowing
Market Risk- Interest Rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market Risk- Foreign Exchange	Future commercial transactions recognized	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.
Commodity Risk	Purchase of Raw Material	Fluctuation in Imported material	Procurement and Inventory

Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle the obligation as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Customer wise limits are set accordingly.

The Company considers the probability of default of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- Actual or expected significant adverse changes in business.
- Actual or expected significant changes in the operating results of the counterparty.
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- Significant increase in credit risk on other financial instruments of the same counterparty.

The Company categorizes financial assets based on the assumptions, inputs and factors specific to the class of financial asset into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit impaired.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Provision for expected credit losses:

Description of category	Category	Basis for recognition of expected credit loss provision	
		Investments Loans and Deposits	Trade Receivables
Assets where the counter-party has	High-quality	12 month	Life time expected credit losses (simplified approach)
Assets where there is low risk of default	Quality assets, low credit risk	12 month	
Assets where the probability of default is	Standard assets, moderate credit risk	12 month	
Assets where there has been a	Substandard assets, relatively	Life time	
Assets where there is a high probability	Low quality	Life time	
Assets are written off when there is no	Doubtful assets,	Asset is written off	

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Expected credit loss for loans and deposits:

Particulars	Description of category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31st March, 2018						
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	1.50	-	-	1.50
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	NA	-	-	-	-
As at 31st March, 2017						
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	5,462.67	-	-	5,462.67
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	NA	-	-	-	-
As at 31st March, 2016						
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	5,409.45	-	-	5,409.45
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	Loss allowance measured at life time expected credit losses	NA	-	-	-	-

Expected credit loss for trade receivables under simplified approach:

Ageing of trade receivables as at year end

Due from Date of Invoice	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Not Due		
0 - 90 days		
91 - 180 days		
Beyond 180 days	6.65	720.58
Gross Carrying Amount	6.65	720.58
Expected Credit Loss	-	-
Net Carrying Amount	6.65	720.58

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analysis derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturity pattern of borrowings and Trade Payables:

Particulars	Refer Note	0-1 year	1-5 years	Total
As at 31st March, 2018				
Short Term Borrowings	19	57,984.43	-	57,984.43
Trade Payables	20	14,665.63	-	14,665.63
Other Financial Liabilities	21	58,880.40	-	58,880.40
Total		72,650.05	-	72,650.05
As at 31st March, 2017				
Borrowings	19	58,578.89	-	58,578.89
Trade Payables	20	14,726.05	-	14,726.05
Other Financial Liabilities	21	58,488.51	-	58,488.51
Total		1,31,793.45	-	1,31,793.45
As at 31st March, 2016				
Borrowings	19	34,025.13	-	34,025.13
Trade Payables	20	16,330.99	-	16,330.99
Other Financial Liabilities	21	29,297.10	-	29,297.10
Total		79,653.22	-	79,653.22

Market Risk-Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Since the company does not have any borrowings, the interest sensitivity analysis for the interest rate is not undertaken by the management.

Further, the company does not have any Foreign currency risk.

Note 41: Derivative Financial Instrument (As certified by Management)

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

	2017-18	(Rs. in Lacs) 2016-17
Payables - USD	355.59	355.59
Receivables - USD	-	-

Note 42: Financial Instrument

The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique :

- Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or
- Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market

Financial Assets :

Particulars	Instruments carried at			Total carrying amt.	Total fair value	Hierarchy Level
	At Cost	Fair Value	Amortized cost			
		FVTPL	Carrying amount			
As at 1st April, 2016						
Trade Receivables (Note 10)			3,632.46	3,632.46	3,632.46	
Cash and Cash Equivalents (Note 11)			1,001.98	1,001.98	1,001.98	
Loans and Advances (Note 12)			5,398.10	5,398.10	5,398.10	
Total	-	-	10,032.54	10,032.54	10,032.54	
As at 31st March, 2017						
Trade Receivables (Note 10)			720.58	720.58	720.58	
Cash and Cash Equivalents (Note 11)			60.12	60.12	60.12	
Loans and Advances (Note 12)			5,461.32	5,461.32	5,461.32	
Total	-	-	6,242.02	6,242.02	6,242.02	
As at 31st March, 2018						
Trade Receivables (Note 10)			6.65	6.65	6.65	
Cash and Cash Equivalents (Note 11)			3,091.95	3,091.95	3,091.95	
Loans and Advances (Note 12)			0.15	0.15	0.15	
Total	-	-	3,098.75	3,098.75	3,098.75	

Financial Liabilities

Particulars	Instruments carried at			Total carrying amt.	Total fair value
	At Cost	Fair Value	Amortized cost		
		FVTPL	Carrying amount		
As at 1st April, 2016					
Borrowings (Note - 19)			34,025.13	34,025.13	34,025.13
Trade payables (Note - 20)			16,330.99	16,330.99	16,330.99
Other Financial Liabilities (Note-21)			29,297.10	29,297.10	29,297.10
Total	-	-	79,653.22	79,653.22	79,653.22
As at 31st March, 2017					
Borrowings (Note - 19)			58,578.89	58,578.89	58,578.89
Trade payables (Note - 20)			14,726.05	14,726.05	14,726.05
Other Financial Liabilities (Note-21)			58,488.51	58,488.51	58,488.51
Total	-	-	1,31,793.45	1,31,793.45	1,31,793.45
As at 31st March, 2018					
Borrowings (Note - 19)			57,984.43	57,984.43	57,984.43
Trade payables (Note - 20)			14,665.63	14,665.63	14,665.63
Other Financial Liabilities (Note-21)			58,880.40	58,880.40	58,880.40
Total	-	-	1,31,530.45	1,31,530.45	1,31,530.45

Note 43 : Information Regarding Materials (As certified by Management)**(Rs. in Lacs)****a) Consumption of Raw Materials**

Product	2017-18	2016-17
Base & Waste Papers	28.38	2182.17
Chemicals (Coating Division)	-	14.11
TOTAL	28.38	2196.28

b) Work in Progress

Product	2017-18	2016-17
Paper & Others	11.00	11.00
TOTAL	11.00	11.00

c) Sales, Opening and Closing Stock of Finished Goods

Product	Sales		Opening Stock		Closing Stock	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Papers	-	4888.09	2.48	136.49	2.48	2.48

d) Details of Goods Traded

Goods Purchased	2017-18	2016-17
Paper	-	913.69

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

Particulars	2017-18	2016-17
Raw Materials	-	519.6
Components - spare parts	-	3.36
Chemical	-	10.98
Capital Goods	-	-

f) Expenditure in foreign currency during the financial year:

Particulars	2017-18	2016-17
Foreign Travelling Expenses	-	0.16

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

Raw Material	Amount		% of total Consumption	
	2017-18	2016-17	2017-18	2016-17
Imported	-	794.94	-	36.19%
Indigenous	-	1401.34	-	63.81%
	-	2196.28	0.00%	100.00%
Stores, Spares and Chemicals				
Imported	-	22.14	-	3.85%
Indigenous	30.50	553.65	100%	96.15%
	30.50	575.79	100.00%	100.00%

h) Earning in Foreign Exchange:

	2017-18	2016-17
Export of Goods on FOB Basis	-	604.19

i) The amount remitted during the year in foreign currency for dividend (*)

- Number of Non Resident Share Holders	69	52
- Number of Shares held by them	3,02,81,731	3,00,58,279

* 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.

Note 44 - Details of the Insolvency Case against the company

Some of the creditors have filed notice under section 9 of Insolvency and Bankruptcy Code, 2016 and one of the application has been admitted by National Company Law Tribunal, Ahmedabad Bench and the Honble NCLT has given certain directions for the compliances. Other application has not been yet admitted.

On September 12, 2017 Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench, had admitted the petition for initiating Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) and vide its Order dated September 22, 2017 appointed Mr. George Samuel as the Interim Resolution Professional (IRP) in terms of the IBC. Subsequent to expiry of the term of interim resolution professional, NCLT has vide its order dated November 06, 2017 appointed Mr. Ramchandra D. Choudhary as the Resolution Professional (RP).

Under the CIRP, a resolution plan needs to be prepared & presented and approved by the CoC. The resolution plan which would be approved by the CoC will need to be further approved by the Hon'able NCLT. As the Company is under resolution process, the financial statements have been presented on a 'going concern' basis.

Mr. Ramchandra D. Choudhary has, in his capacity as the RP appointed in terms of the Insolvency and Bankruptcy Code, 2016, took control and custody of the management and operations of the Company from November 06, 2017. The financial results for quarter ended March 31, 2018 have been certified by the Chairman and Chief Financial Officer of the Company, in accordance with Regulation 33(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming truthfulness, fairness, accuracy & completeness of the results. These financial statements have thereafter been taken on record by the RP on May 30, 2018 for filing with the stock exchanges.

During the CIRP period an escrow account with Indian Overseas Bank is opened to manage the CIRP Process and Cost. The said account is being operated by the Resolution Professional. The effect of transactions entered through such accounts are given in the books of accounts. Balance in the account is been reflected under the head " Cash & Cash Equivalents".

The COC in its meeting held on 17/02/2018 passed a resolution for seeking extension of time to move necessary application during the CIRP process. As against the said application the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench has vide it's order dated 19/03/2018 allowed extension for a period of 90 days beyond 180 days.

Note 45 - Details of the Cases of Winding Up of the Company, Recovery by the Lenders Creditors against the company.

(a) 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.

(b) 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.

(c) Cases with District Court

(d) 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.

(e) 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.

Note 46

Loan accounts of the IFCI, TFCI, Indian Overseas Bank, Corporation Bank, Union bank of India, Dena Bank, Punjab National Bank, Allahabad 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 unprovided interest, on approximate basis, on the said loans is as under:-

Particulars	Rs. in Lacs During FY 17-18
Intrest on Loan with Bank	28017.00

Note 47 - 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.

Note 48

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.

Note 49

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 veiw of this provision for salary and its retirement benefits has been made on estimated basis.

Note 50

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.

Note 51

(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 2016-17 companies Vat & Cst number has been suspended.

Note 52

During the year the company has written off/provided for Rs 7054.40 Lacs (March 31, 2017: Rs. 312.82 Lacs) of the various Debts and Loan & advances as the management is of the opinion that the same are irrecoverable from the concerned parties.

The company has provided for diminution in value of investment for Rs.1002.75 Lakhs (March 31,2017 : Rs. NIL)

Note 53: First Time Adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS . For periods up to and including the year ended March 31, 2017, the Company prepared its annual financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. These note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016, the Company's date of transition to Ind AS and financial statements as at and for the year ended March 31, 2017.

Set out below are the applicable Ind AS 101 Optional Exemptions and Mandatory Exceptions applied in the transition from IGAAP to Ind AS.

A. Optional Exemptions availed :**Deemed Cost - Property, Plant and Equipment and Intangible Assets:**

As permitted by Ind AS 101, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets

B. Optional Exemptions availed :Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS presented in the entity's first Ind AS Financial Statements as the case may be, should be consistent with estimates made for the same date in accordance with the IGAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under IGAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS Balance Sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirements. Key estimates considered in preparation of the Financial Statements that were not required under the previous GAAP are listed below.

- i. Fair valuation of financial instruments carried at FVTPL and/or FVOCI.
- ii. Impairment of financial assets based on the expected credit loss model.
- iii. Determination of the discounted value for financial instruments carried at amortized cost.

Derecognition of Financial Assets and Liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 101, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

Classifications and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Reconciliation between financial results previously reported (referred as "Previous GAAP") and Ind AS for the year ended 31st March, 2017 are represented as under:

Particulars	For the year ended March 31, 2017
Net Profit as per previous GAAP (Indian GAAP)	(16,946.48)
Adjustment as per Ind AS:	(7.72)
Net Profit after tax as per Ind AS	(16,954.20)
Other Comprehensive Income (OCI)	7.72
Total Comprehensive Income after Tax as per Ind AS	(16,946.48)

There are no item of reconciliation between the total equity reported under Ind-AS and previous Indian GAAP for the year ended March 31, 2017.

Note 54

Previous Year's figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

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

As per our report of even date.

**For Mehta Lodha & Co
Chartered Accountants
Firm Reg. No. 106250W**

**For and on behalf of Suspended Board of
Directors**

For Rainbow Papers Limited (In CIRP)

**Per Prakash D Shah
Partner
Membership No. 034363**

**Ajay Goenka
DIN :00139512
Chairman & Managing Director**

**R. D. Choudhary
Resolution Professional
Regd. No. IBBI/IPA-001/IP-P00157/2017-
18/10326**

**Rahul Maheshwari
DIN: 00289730
Executive Director**

**Shashikant Thakar
Company Secretary**

**Date: May 30, 2018
Place: Ahmedabad**

**Date: May 30, 2018
Place: Ahmedabad**

RAINBOW PAPERS LIMITED
Note - 4 : Property, Plant and Equipment
(Rs. In Lakhs)

	Land	Factory Building	Tubewell	Office Building	Plant & Machinery	Electrical Installation	Workshop Equipment	Laboratory Equipment	Furniture	Vehicles	Office Equipment	Computers	Air Conditioners	Total
Cost of assets														
At 1 April 2016	22,066.66	8,467.80	2.85	466.62	1,44,982.50	71.02	17.82	41.58	38.64	158.67	39.73	72.36	79.91	1,76,506.16
Additions	-	-	-	-	-	-	-	-	-	-	0.04	0.09	0.30	0.43
Disposal / Adjustment	-	-	-	-	0.00	0.00	-	0.00	0.01	20.78	0.16	-	0.01	20.96
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	22,066.66	8,467.80	2.85	466.62	#####	71.02	17.82	41.58	38.63	137.89	39.61	72.44	80.19	1,76,485.62
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	8.45	-	-	-	8.45
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	22,066.66	8,467.80	2.85	466.62	#####	71.02	17.82	41.58	38.63	129.44	39.61	72.44	80.19	1,76,477.17
Depreciation														
At 1 April 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	13,647.58
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
Charge for the year	-	549.25	-	30.54	10,507.58	-	0.22	3.89	2.04	10.93	0.87	1.25	5.15	11,111.72
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	8.43	-	-	-	8.43
At 31 March 2018	-	4,413.51	2.09	308.00	59,307.15	70.28	17.03	36.95	35.30	116.72	37.32	69.59	69.30	64,483.23
Net Block														
At April 01, 2016	22,066.66	5,207.74	1.08	224.52	#####	0.74	1.28	14.26	8.62	40.76	5.99	8.98	24.22	1,36,754.14
At 31 March 2017	22,066.66	4,603.54	0.76	189.16	96,182.93	0.74	1.01	8.52	5.37	23.67	3.16	4.10	16.04	1,23,105.67
At 31 March 2018	22,066.66	4,054.30	0.76	158.62	85,675.35	0.74	0.79	4.62	3.33	12.72	2.29	2.86	10.90	1,11,993.94

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

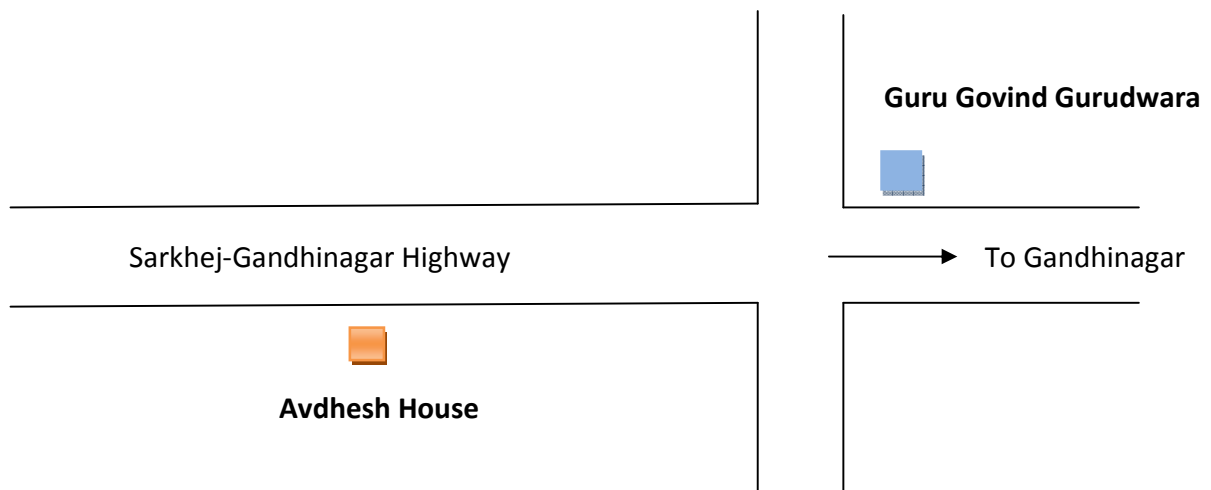
CAPITAL WORK IN PROGRESS COMPRISES:	As At March 31,	As At March 31,	As At April 01,
Building and Plant & Machinery , Pre operative expenses (Pending Allocation)	6,426.78	6,426.78	6,298.89
TOTAL	6,426.78	6,426.78	6,298.89

- (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.
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.
(b) construction of a qualifying asset.
(c) The company is in process of determination of details of the amount of the Capital Work in Progress and transfer of earlier year Capital work in progress to Fixed asset.
(d) Advances to Project suppliers are shown under Long term loans & advances included in Capital advances.

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 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 **29th day of September 2018 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, 2018, 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 Ms. Aanal Trivedi, who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution).
- 3. Ratification of Appointment of M/s. Mehta Lodha & Co., Chartered Accountants, as the Statutory Auditors of the Company (Ordinary Resolution).

Special Business:

- 4. Re -appointment of Mr. Ajay Goenka, as Managing Director of the Company (Special Resolution).

Signed this day of 2018



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.