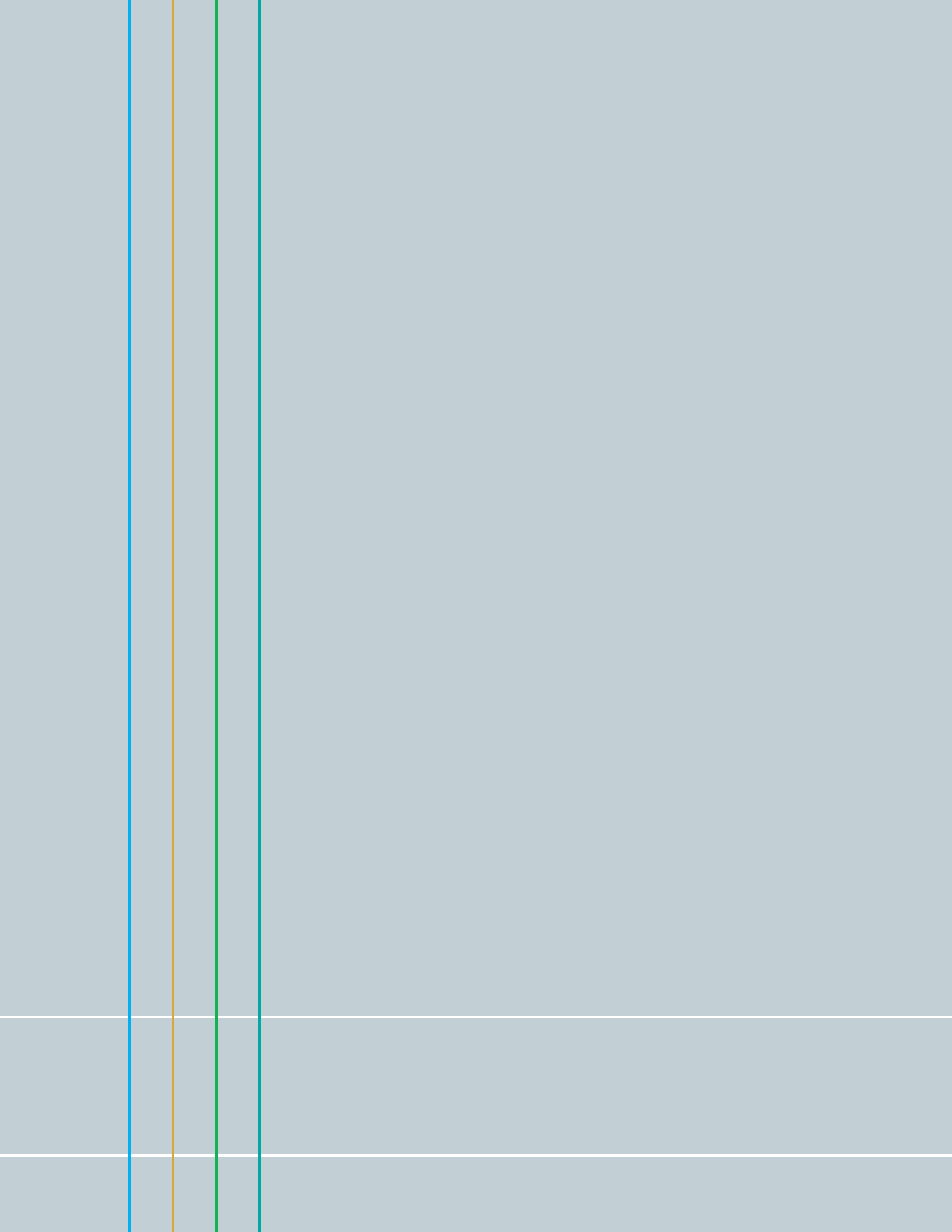




**30<sup>TH</sup>**

**ANNUAL  
REPORT**

**2015 - 16**





*Late Shri Radheshyamji Goenka*

1929-2010

**Founder & Visionary**

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

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

SHRI AJAY GOENKA	:	CHAIRMAN & MANAGING DIRECTOR
SHRI RAHUL MAHESHWARI	:	EXECUTIVE DIRECTOR
SHRI MAHENDRA PATEL	:	INDEPENDENT DIRECTOR (upto 02.07.2015)
SHRI KANTIBHAI PATEL	:	INDEPENDENT DIRECTOR
SMT. AANAL TRIVEDI	:	INDEPENDENT DIRECTOR
SHRI ABHILASH DELWADIA	:	INDEPENDENT DIRECTOR (w.e.f. 30.12.2015)
SHRI INDRASINH B. ZALA	:	INDEPENDENT DIRECTOR (w.e.f. 12.08.2015)
SHRI SHASHIKANT THAKAR	:	INDEPENDENT DIRECTOR (upto 30.12.2015)

## COMPANY SECRETARY

SHRI SHASHIKANT THAKAR (w.e.f. 16.01.2016)

## STATUTORY AUDITORS

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

## COST AUDITORS

SHRI V. H. SHAH  
COST ACCOUNTANT  
AHMEDABAD

## BANKERS

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

## REGISTERED OFFICE

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

## WORKS

Rajpur Unit I (Master Cote)  
1423, VILLAGE RAJPUR,  
TAL: KADI, KALOL-MEHSANA HIGHWAY (N.G.)  
PIN 382 715

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

## LISTING

- BSE Limited (Script Code - 523523)
- National Stock Exchange of India Limited  
(Stock Symbol - RAINBOW PAP)

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FROM THE CMD'S DESK

Dear Shareholders,

The baseline projection for global growth in 2016 is a modest 3.2 percent, broadly in line with last year. The recovery is projected to strengthen in 2017 & beyond, driven primarily by emerging market and developing economies, as condition in stressed economies start gradually to normalize. But uncertainty has increased & risk of weaker growth scenario is more tangible. Major macroeconomics realignments like slowdown & rebalancing in China, decline in commodity price especially for oil with sizable redistributive consequences, a related slowdown in investment, trade and declining capital flows to emerging market & developing economies, are affecting prospects differentially across countries & regions.

Indian economy grew by 7.6% in the FY 2015-16 & in the last quarter of fiscal growth rate was 7.9 % making good progress approaching fast towards average GDP growth rate of 8 % achieved during the 2003-2011. There is a good bit of improvement in economy which was comparatively not in great shape when our dynamic Prime Minister Mr Narendra Modi came into power in 2014. Inflation has been contained around 5% and forex reserves are also in good shape. Lot of changes has happened on the policy front, it is the fact that actions have happened & are continuing to happen. Various measures are being taken by Government to boost investment & growth in sector like infrastructure including highways & railways as well as in the innovation, entrepreneurs & energy sector.

In the last 20 years, globally the usage of Paper has increased from 92 million ton to 208 million ton, witness the growth of 126%. The average document is copied 9 to 11 times. About 12 million ton of papers were produced in India in 2015-16, while imports were 2.3 million tones. Imports have been increasing significantly the last four to five year, at more than 16 % every year. Muted demand globally resulting paper companies in Asia, particularly China exporting surplus capacity to India, which intensify competitive pressures. The paper sector has witnessed a supply glut on account of significant capacity addition in writing & printing and paper segment over 2009-12, demand on other hand has not increased as expected. Demand for paper & paperboard grew at CAGR of 5.5 % over the last five years while capacity rose by 7 % in the same period. On the input cost side, fibre cost has increased but paper manufacturer are unable to pass on cost putting pressure on their margins. Inadequate demand growth in India vis a vis considerable surplus capacity in ASEAN countries, China results excess supply of paper & resultant sharp decline in paper price.

FY 2014-15 was a difficult year for the Company. During the year, performance of company was adversely impacted due to higher interest cost, fall in sale price & under utilization of plant capacity due to various reasons. Large imports from China, Russia & Canada has affected our sales realization likewise multiple usage of recycled grades of waste paper has resulted increase in the cost of procurement. The company has been facing severe liquidity crunch & stringent bank policies in providing the necessary financial assistance has resulted difficult environment for the company to run its operations.

In the new financial year, your company will continue to focus on excellence across all its operations, commercial as well operational. We are hoping for reduction in cost, better demand conditions hence higher prices. We will strive hard to bring down our interest cost by becoming operationally & financially much smarter than before.

Finally I would like to take this opportunity to express my gratitude to our stakeholder for their continued support & confidence in us & I hope to continue to receive your support in future.

AJAY GOENKA  
CHAIRMAN & MANAGING DIRECTOR

## NOTICE

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the members of M/s. RAINBOW PAPERS LIMITED will be held on Wednesday, the 28<sup>th</sup> day of September, 2016, at 11.00 a.m., at Ahmedabad Management Association (AMA), ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015, to transact the following business :

## ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2016 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 Shri Rahul Maheshwari (DIN 00289730) who retire by rotation and being eligible, offer themselves for re-appointment.
03. To appoint a Director in place of Mr. Kantibhai H. Patel (DIN 02325787), who retire by rotation and being eligible, offer themselves for re-appointment.
04. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Mehta Lodha & Co. (Firm Registration No. 106250W) , Chartered Accountants, Ahmedabad, as the Statutory Auditors of the Company to hold office for a period of 3 years commencing from the conclusion of this Annual General Meeting of the Company till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2019, at a remuneration as may be decided by the Board of Directors of the Company as per the recommendation of the Audit Committee".

## SPECIAL BUSINESS:

05. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- “RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, and as amended from time to time, and

such other permissions as may be necessary, the payment of the remuneration of Rs. 90,000/- (Rupees Ninety Thousand Only) with applicable Service Tax plus reimbursement of out of pocket expenses if any, to Shri V. H. Shah, who were appointed by the Board of Directors of the Company, as "Cost Auditor" to conduct the audit of cost records maintained by the Company for Financial Year ending 31<sup>st</sup> March, 2017, be and is hereby ratified and approved.

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

“RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, Mr. Abhilash Delwadia (DIN 00539759), who was appointed as an Additional Director with effect from 30<sup>th</sup> December, 2015, and holds office upto the date of ensuing Annual General Meeting and in respect of whom a notice under Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Abhilash Delwadia as a candidate for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company for a period of 3 years upto 33<sup>rd</sup> Annual General Meeting of the Company”.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD  
DATE : 7<sup>th</sup> JUNE, 2016

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 21<sup>st</sup> September, 2016 to 28<sup>th</sup> September, 2016 (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
2008-09	30 <sup>th</sup> October, 2016
2009-10	16 <sup>th</sup> August, 2017
2010-11	3 <sup>rd</sup> November, 2018
2011-12	3 <sup>rd</sup> November, 2019
2012-13	20 <sup>th</sup> October, 2020
2013-14	29 <sup>th</sup> 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](http://www.rainbowpapers.com)) of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company quoting their folio number(s).

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company.
12. Information under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting is given hereinafter.
13. Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote at the 30<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business(es) contained therein may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25<sup>th</sup> September, 2016 (09:00 a.m.) and ends on 27<sup>th</sup> September, 2016 (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 21<sup>st</sup>



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](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>- 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.</li> </ul>
DOB	<p>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.</p>
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"> <li>· 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).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant "Rainbow Papers Limited" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and

the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

## ANNEXURE TO NOTICE

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

#### Item No. 5

The Board, on the recommendations of the Audit Committee, has approved the appointment of Shri V.H. Shah as the Cost Auditor of the Company at a remuneration of Rs. 90,000/-

(Rupees Ninety Thousand Only) with applicable Service Tax plus reimbursement of out of pocket expenses if any, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor needs to be ratified by the Shareholders of the Company. Accordingly, approval of the members is requested for passing an Ordinary Resolution as set out at item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors to conduct audit of the cost records of the Company for the Financial Year ending March 31, 2017.

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

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

#### Item No. 6

Mr. Abhilash Delwadia (DIN 00539759), was appointed as Additional Director of the Company with effect from 30<sup>th</sup> December, 2015 and holds office of Director upto the date of ensuing Annual General Meeting.

Mr. Abhilash Delwadia aged 61 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. His appointment as Director of the Company would be beneficial for the efficient working of the Company.

Mr. Abhilash Delwadia has given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act and in the opinion of the Board, the Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the Management.

Mr. Abhilash Delwadia, is concerned or interested in the resolution of the accompanying notice relating to his concerned appointment. None of the other Directors, and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 6 of the accompanying Notice.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD  
DATE : 7<sup>th</sup> JUNE, 2016

AJAY GOENKA  
MANAGING DIRECTOR

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

Sr. No.	Name	Age (In Years)	Date of Appointment	Qualification	Experience (In Years)
1.	Shri Rahul Maheshwari	39	30/08/2011	ACMA	13
2.	Shri Kantibhai Patel	70	12/08/2010	B.Sc., LL.B., MLW	47
3.	Shri Abhilash Delwadia	61	30/12/2015	B.Sc., LLB, M.B.A.	32