

Stock Code : RAINBOWPAP

March 23, 2016

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

Dear Sir,

Sub: Dilution of Stake in M/s Rainbow Papers JLT, Dubai

With reference to the above captioned subject, we wish to inform you that the share capital of our subsidiary company, Rainbow Papers JLT, Dubai has increased and resultantly our stake in the said company stands diluted. Therefore, M/s Rainbow Papers JLT has ceased to be a subsidiary of our Company.

The approval from shareholders was taken in the 29th AGM of the Company, the copy of resolution is attached herewith.

You are requested to take note of the same.

Thanking you,

Yours faithfully,

FOR RAINBOW PAPERS LIMITED


AJAY GOENKA
MANAGING DIRECTOR



Encl: As above

Regd. Office:

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



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE 29TH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. RAINBOW PAPERS LIMITED HELD ON MONDAY, THE 28TH DAY OF SEPTEMBER, 2015 AT 12:00 NOON AT AHMEDABAD MANAGEMENT ASSOCIATION (AMA), ATIRA CAMPUS, DR. VIKRAM SARABHAI MARG, AHMEDABAD - 380015.

RESOLUTION NO. 7

AS SPECIAL RESOLUTION

DILUTION OF INVESTMENT OF THE COMPANY IN RAINBOW PAPERS JLT, DUBAI (WHOLLY OWNED SUBSIDIARY)

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a), Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, amendments or re-enactments thereto) and the Rules made thereunder (collectively the "Act"), Clause 49 of the Listing Agreement with the Stock Exchanges on which the shares of the company are listed and Regulation 26(2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Memorandum and Articles of Association of the Company and subject to requisite approvals, permissions and sanctions as may be required, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall include a Committee thereof authorised for the purpose) for dilution of either the entire investment of the Company in Rainbow Papers JLT, Dubai {Wholly Owned Subsidiary(WOS)} or to such an extent as the Board may decide by way of sale or dilution of shareholding by raising capital by the said WOS."

"RESOLVED FURTHER THAT Shri Ajay Goenka, Chairman & Managing Director and Shri Rahul Maheshwari, Executive Director of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things including but not limiting to deciding the time when the dilution/divestment be done by the Company, the manner of dilution/divestment, extent of dilution/divestment, other incidental and ancillary activities thereto determining such other terms



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and conditions relevant to such dilution/divestment, negotiating and finalizing the terms of sale or issue of fresh shares and executing the share purchase agreement(s) by whatever name called and such other contracts, undertakings as may be necessary desirable and expedient to be agreed, signed and executed to complete the aforesaid transaction and to settle any question that may arise in this regard and incidental thereto and to sign such declarations , undertakings, forms confirmations etc, as may be requisite in their behalf. "

"CERTIFIED TRUE COPY"

FOR, RAINBOW PAPERS LIMITED

RUNEL RATHI
COMPANY SECRETARY



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

RESOLUTION NO. 7

Rainbow Papers JLT, Dubai is a Wholly Owned subsidiary of the company engaged into business of trading in paper. The company has grown over a period of time and has exhibited good financial performance. However, on account of slow recovery of the receivables, the said subsidiary is facing liquidity crunch and had requested the company to provide much needed working capital and funds for on going business activities. However, on account of financial position of the company, the Board of Directors of the company had felt that it would not be possible for the company to provide more fund to the said subsidiary for operations and working capital requirements, as requested.

In view of above, Rainbow Papers JLT, Dubai has taken a decision to raise fresh capital by issue and allotment of shares to outside investors so that needed funds may be garnered. The company does not have any option except to agree to the aforesaid decision.

Consequently, the shareholding of the company in the said Wholly Owned Subsidiary may be reduced to minority and may fall below 50%. Clause 49 of the Listing Agreement provides that any disinvestment by a company in its subsidiary, which reduces its holding below 50% will need approval of the members by way of Special Resolution in General Meeting. Though the same is not a disinvestment, the Board of Directors of the company, as an abundant caution decided to seek approval of the members in the General Meeting by way of Special Resolution for such dilution under Clause 49 of Listing Agreement as well as under Section 180(i)(a) of the Companies Act, 2013.

"CERTIFIED TRUE COPY"

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