

Date : 14th September, 2017

Scrip Code : RAINBOWPAP

Stock Code : 523523

Listing Department

National Stock Exchange of India Ltd

5th Floor, Exchange Plaza,
Bandra (E),
MUMBAI - 400 051

DCS-CRD

The BSE Limited,

P. J. Towers,
Dalal Street,
Mumbai - 400 001.

Dear Sirs,

Sub: Outcome of Today's Board Meeting

This is to inform you that the Board of Directors of the Company, at its meeting held today, 14th September, 2017, at the registered office of the Company, has upon consideration of the recommendations of Audit Committee inter alia;

1. Approved and taken on record the Un-audited Financial Results under IND AS along with Independent Auditor's Limited Review Report for the Quarter ended 30th June, 2017.
2. The Company has entered into a settlement formula with Labour / workmen under section 18 (2p) of the Industrial Disputes (Gujarat) Act 1966, vide agreement dated 28th August, 2017. The initial payment out of the compromised amount has been remitted.
3. One of the unsecured creditor i.e. Neeraj Paper Agencies Limited has moved to Honourable National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016 and Hon'ble NCLT, Ahmedabad Bench has admitted the petition vide order dated 12th September, 2017.
4. With reference to the order passed the Hon'ble NCLT, Ahmedabad Bench, Board has decided to appeal against the said order at the appropriate forum on the basis of merits of our case and after seeking advice from legal advisors.
5. The One Time Settlement (OTS) formula offered to Joint Lender's Forum (agreed to be funded by Kushal Tradelink Limited) has been agreed upon by requisite majority of JLF Members and

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SG Highway, Thaltej, Ahmedabad-54. Gujarat. INDIA

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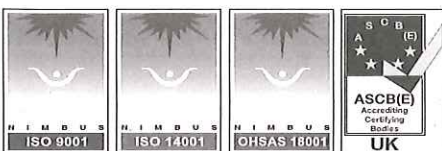
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initial payment towards OTS amount has also been remitted to JLF by Kushal Tradelink Limited. Board took note of the sanction letter issued by the lead bank being one of the member bank of Joint Lender Forum (JLF) sanctioning the One Time Settlement (OTS) offered by the Board to be funded by Kushal Tradelink Limited.

6. Approved Composite Scheme of Compromise and Arrangement Scheme of Compromise and Arrangement between Rainbow Papers Limited and its Secured and Unsecured Creditors and Amalgamation of Rainbow Papers Limited ('Transferor Company') with Kushal Tradelink Limited ('Transferee Company') and their respective shareholders and creditors (hereinafter referred as "Scheme") (which inter-alia includes various terms for OTS as agreed upon by Joint Lender's Forum with requisite majority) and Amalgamation of Rainbow Papers Limited ('Transferor Company') with Kushal Tradelink Limited ('Transferee Company') and their respective shareholders and creditors (hereinafter referred as "Scheme") under Section 230-232 of the Companies Act, 2013

In consideration of the merger of the Company with the Transferee Company in terms of the Scheme and based on the valuation report issued by M/s. V. Goswani & Co., Independent Chartered Accountants along with fairness opinion provided by M/s. Corporate Capital Ventures Private Limited, Merchant Banker, the Transferee Company will issue and allot 76 fully paid up equity shares of Rs. 2/- each to the Equity Shareholders of the Company as on the Record Date for every 1 fully paid up equity share of Rs. 2/- each held by them in the Company.

The above said Scheme is subject to the approval of the Stock Exchanges, Securities and Exchange Board of India (SEBI), Hon'ble National Company Law Tribunal (NCLT), shareholders, creditors, and other regulatory authorities, as applicable.

The disclosure in respect of the aforesaid Scheme as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are enclosed as **Annexure 1**.

This is for your information and record.

Thanking you,
Yours faithfully,

FOR RAINBOW PAPERS LIMITED

AJAY GOENKA
MANAGING DIRECTOR
DIN : 00139512



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Annexure 1

Disclosures in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015

1. Name of the entity(ies) forming part of the Amalgamation/merger, details in brief such as size, turnover, etc.

a) Transferor Company: Rainbow Papers Limited

b) Transferee Company: KushalTradelink Limited

As on 31st March, 2017 (Rs. in lakhs)

Company	Paid-up Capital	Turnover	Net Worth
Rainbow Papers Limited	2,124.35	5,272.46	(22,006.88)
KushalTradelink Limited (Consolidated)	4,745.33	2,35,958.42	24,394.78

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "Arms length"

No. The proposed Composite Scheme of Compromise Arrangement and Amalgamation is not between related parties.

3. Area of business of entity(ies)

a) Transferor Company

Rainbow Papers Limited is a Manufacturing Company of various kinds of papers viz writing, printing, newsprint, duplex, Kraft, coated paper, copier paper, speciality grade paperetc

b) Transferee Company

KTL is presently engaged in the business of Merchandise Trading with three overseas subsidiaries Companies and one domestic subsidiary LLP. KTL is indulged in diversified business ventures through its associates.

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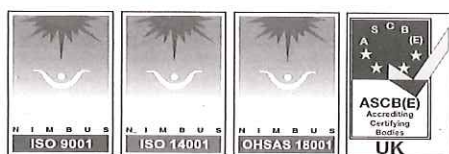
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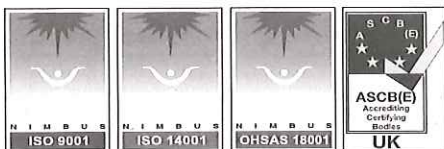
4. Rationale for Amalgamation/merger

- a) The Scheme will help to settle the outstanding dues to Secured and Unsecured Creditors and reduce the debt burden and to improvise the viability of Rainbow Papers Limited;
- b) The Scheme will help to facilitate revival/rehabilitation of the Rainbow Papers Limited.
- c) The Scheme will make the business operations of the Company viable on long term basis and result in enhancing the scale of operations and reduction in overheads, administrative, managerial and other expenditure, operational rationalization, sharing of organizational efficiency and optimal utilization of resources.
- d) Backward integration of the Transferee Company enable to enhance its business operations and provide significant impetus to its growth and will give additional strength to the operations and management of the Transferee Company.
- e) Amalgamation result in improved shareholder value for both the Companies by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability.
- f) Combined entity will help to undertake larger expansion strategies and to tap bigger opportunities in the industry
- g) Consolidation of managerial expertise of the companies will facilitate greater focus and utilization of resources.
- h) Good and viable proposition for the Transferee Company considering various factors like sound asset base of the Transferor Company, saving of time period of gestation (if a new plant of this size is set up a fresh), the fund flow position for running the plant.

5. In case of cash consideration – amount or otherwise share exchange ratio

The Share Exchange ratio is as under:

One (1) Equity shares of Kushal Tradelink Limited of face value of ₹.2.00 each for every Seventy Six (76) Equity shares of Face Value ₹.2.00 each held by members in Rainbow Papers Limited in consideration for the amalgamation of Rainbow Papers Limited into and with the Transferee Company. Fractional shares arising out of amalgamation would be dealt with in the manner provided in the Scheme.



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6. Brief details of change in shareholding pattern (if any) of listed entity:

a) Kushal Tradelink Limited

Category	Pre Amalgamation with RPL		Post Amalgamation with RPL	
	No of Shares	% of shares	No of Shares	% of shares
Promoter	154986610	62.61	154986610	62.26
Public	82280000	33.24	83677596**	33.62
Equity Shares to be issued pursuant to the scheme of amalgamation of Kushal Infrastructure Private Limited (KIPL), Ashapura Paper Mills Private Limited (APMPL), Kushal Wealth Creators Private Limited (KWCPL) and Riddhi Siddhi Recyclers Private Limited (RSRPL) into KushalTradelink Limited (Case no. 53830)*	10258850	4.15	10258850	4.12
Total	247525460	100	248923056	100

* Scheme of Amalgamation of Kushal Infrastructure Private Limited (KIPL), Ashapura Paper Mills Private Limited (APMPL), Kushal Wealth Creators Private Limited (KWCPL) and Riddhi Siddhi Recyclers Private Limited (RSRPL) into KushalTradelink Limited had been filed with BSE (Case no. 53830). Appointed date for the same being 31st March, 2017, KushalTradelink Limited has projected cash flows for the future periods (Income Approach) taking into account the discounted cash flows of KIPL, APMPL, KWCPL, RSRPL and KTL. Equity Shares to be issued to the shareholders of APMPL, RSRPL, KWCPL and KIPL, pursuant to the scheme of amalgamation of KIPL, APMPL, KWC and RSRPL into KTL, have also been considered for the valuation of KushalTradelink Limited. We have computed share holding pattern in the above table accordingly.



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** Excluding the Equity Shares to be allotted to the Secured Creditors pursuant to the OTS/
Arrangement with the Secured Creditors of the Rainbow Papers Limited

b) Rainbow Papers Limited

Category	Before Amalgamation		After Amalgamation	
	No. of Shares	% of Total	No. of Shares	% of Total
Promoters	15697680	14.78	Not Applicable	
Public	90519620	85.22		
Total	106217300	100.00		

Kindly take the above information on your record.

Thanking you,

FOR RAINBOW PAPERS LIMITED


AJAY GOENKA
MANAGING DIRECTOR
DIN : 00139512



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