22/01/2013

SPEED-POST

सं. 31/2009 कें.प. 2

भारत सरकार
औद्योगिक और वित्तीय पुनर्निर्माण बोर्ड

22 वीं मंजिल, जवाहर व्यापार भवन,
1, टॉलस्टॉय मार्ग,
नई दिल्ली– 110001
दिनांक : 22/1/2013

फैक्स:– 23701211
सेवा में,

DATE OF ISSUE
22 JAN 2013

(संलग्न सूची के अनुसार)

विषय :- M/S RAINBOW DENIM LTD
के मामले /मामला संख्या 31/2009

महोदय,

S.S.

मुझे दिनांक 27/12/2012 की ~~कार्यवाही/आदेशों~~/ की प्रमाणित प्रति आपको सूचना तथा आवश्यक कार्रवाई के लिये भेजने का निदेश हुआ है।

S.S.

भवदीय

आलोक

(आलोक जगनरिया)
बेंच अधिकारी–II

BOARD FOR INDUSTRIAL AND FINANACIAL RECONSTRUCTION

CASE NO.31/2009
(M/S. RAINBOW DENIM LIMITED)

BENCH OFFICE – II

SUMMARY RECORD OF THE PROCEEDINGS OF THE HEARING HELD ON 27.12.2012 BEFORE THE BENCH CONSISTING OF SHRI NIRMAL SINGH, CHAIRMAN AND SHRI B.S. MEENA, MEMBER.

PRESENT	**S/Shri/Ms.**
M/s. Rainbow Denim Ltd.	**S.R. Jariwala, C.A** **H. K. Chauhan, Sr. Manager(F)**
IDBI Bank Ltd. (OA)	**D B Sawangikar, DGM**
Bank of India	**T N V Subramanian, Sr. Mngr.**
EXIM Bank Ltd.	**Priyanka Ojha, Manager**
Dena Bank	**S. K. Jain, Manager**
DIT(R)	**D. R. Jain, Advocate**
SEBI	**Shalini Shah, Asst. Legal Adv.**

Based on its audited balance sheet (ABS) as on 31.03.2009, M/s. Rainbow Denim Limited filed a reference with BIFR u/s 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as the `Act') vide Form `A' received by BIFR on 15.07.2009. The decision to file the reference was taken in the company's Board of Directors' meeting held on 27.05.2009. It is noted from Form `A' and other papers filed by the company that it was incorporated on 08.04.1999 in the State of Punjab and owned a factory located in Distt. Mohali. The company stated that it was engaged in the manufacture and sale of Denim Fabric under heading 23(1) of IDRA, 1951. The factory, which as per Form 'A' employed 986 workers, was reported to be working. The company's above-mentioned ABS showed its net worth (NW) as Rs. 2798.35 lacs consisting of paid up capital of Rs. 1820.94 lacs and free

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reserves of Rs 977.41 lacs as on 31.03.2009. The net worth was claimed to have been fully eroded due to the accumulated losses, which stood at Rs.3220.04 lacs. The company's investment in plant & machinery (P&M) was Rs. 15227.52 lacs. The company confirmed having supplied copies of Form `A' with full set of enclosures to all its secured creditors.

1.1 In the hearing held on 12.10.2009, the Bench issued the following directions:-

(a) the secured creditors may file their objections if any, on the sickness of the company within 15 days with a copy to the company.

(b) the company to file its rejoinder to the objections of the secured creditors within further 15 days with a copy to each of the secured creditor concerned.

(c) the next hearing in the case would be held on **09.02.2010 at 11.00 A.M**.

1.2 In the hearing held on 09.02.2010, the Bench issued the following directions :-

(a) the company to furnish audited balance sheet duly signed by the statutory auditors and approved by AGM to all the secured creditors and the Board within one week.

(b) EXIM Bank to submit its comments on the company's rejoinder dated 06.02.2010 within 10 days to the Board with a copy to the company.

(c) the company to submit its rejoinder to the objections dated 05.02.2010 of AB Bank Ltd. within 10 days, with a copy to AB Bank Ltd.

(d) A company registered with the Board enjoys protection from recovery proceedings u/s 22 (1) of the Act from the date of registration. It is just and equitable that it does not dispose of or alienate its fixed assets, which would be prejudicial to the interests of its creditors, without the prior approval of the Board. Therefore, the Bench reiterates the direction u/s 22-A of the Act and directs the company not to dispose of or alienate any

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of its fixed assets, without the prior approval of the Board, till the next hearing.

(e) the next hearing in the case would be held on 23.03.2010.

1.3 The company without any forwarding letter submitted a copy of the Hon'ble AAIFR order dated 11.03.2010 filed against the registration letter dated 13.08.2009, wherein it was stated that as per the decision of the Board in regard to registration of a reference, the company was restrained from disposing of or alienating in any manner any fixed assets of the company without the consent of the Board. The Hon'ble AAIFR vide order dated 11.03.2010 allowed the appeal filed by the company and set aside the impugned order issued by the Registrar and remanded the matter to the Board to proceed further in the matter in accordance with law.

1.4. In the hearing held on 23.03.2010, the Bench issued the following directions:-

(a) the company to submit its audited balance sheet for 2008-09 with the notes on accounts, and other schedule duly signed by the statutory auditors within one week to the Board and the secured creditors.

(b) the company shall submit a statutory auditors' certificate indicating the net worth and accumulated losses of the company, within one week to the Board and the statutory creditors.

(c) the next hearing the case would be held on 03.05.2010 at 10.30 A.M. to announce orders in the case.

1.5 In the hearing held on 03.05.2010, the Bench observed that reserved orders have to be announced by the same Bench and, therefore, issued the following:-

(a) The orders in the case would be announced by the same Bench which had heard the arguments.

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(b) The date for announcing the orders would be obtained by Bench Officer and communicated to the parties in the case.

1.6 The date for pronouncing the orders by the same Bench was communicated vide notice dated 02.06.2010 and the date for pronouncing the orders was fixed for 21.06.2010.

1.7. In the hearing held on 21.06.2010, the Bench pronounced the following orders:-

I) The company has not been able to explain satisfactorily, the objections to the sickness submitted by EXIM Bank. If some of the accounting adjustments, which must be made to arrive at the conclusion if networth of the company was genuinely negative, are made then networth of the company will have to be considered as positive:-

(a) In the Financial Year (FY) 2004-05 the company disbursed loans of Rs.8.69 crores to sister concern/related parties and repayment were made contingent upon their capability to repay. In FY 2005-06 the company wrote off these loans to the extent of Rs.5.85 crores which debit should not be taken into account.

b) The company has provided for interest payment to term lenders of Rs.4.69 crores in FY 2006-07, Rs.9.75 crores in FY 2007-08 and Rs.10.73 crores in FY 2008-09. Interest has not been paid by RDL, but has been funded by the Banks for this period. Therefore, interest should not had been debited as expenditure. Thus in order to calculate the real networth debit entry of Rs.25.17 crores would have to be reversed and profits to that extent would increase.

c) After making these two adjustments to the statistics given by the company the networth position would work out to be as under:-

Accumulated losses claimed by the company at Rs.32.20 crores would get reduced to Rs.1.16 crores after making above stated adjustments. Paid up share capital of the company is Rs.18.20 crores and reserves in share premium account are Rs.4.93 crores. Therefore, the networth of the company is positive by Rs.21.97 crores.

II) It is true that neither the schedule nor the notes on accounts were signed by the auditors of the company. This fact had duly been admitted by the auditors and they have only reiterated that it is not necessary for them to sign these schedules and notes on accounts. Therefore, even the objections raised by AB Bank also get substantiated. Even when the date was fixed for pronouncing the judgement, the company submitted a letter dated 08.06.2010 and submitted a signed audited report for the financial year ending 2009-10. The reference in this case has been filed based on the balance sheet for the FY 2008-09 and sickness has to be determined on the basis of balance sheet of that year as per Form `A'.

III). Therefore, the Bench came to the conclusion that the company has only tried to exploit the provisions of SICA by filing a reference after making accounting entries to claim sickness whereas the company was not genuinely sick. If even some of the accounting entries are adjusted, the networth of the company remains positive. Therefore, the Bench concluded that the reference is non-maintainable and accordingly dismissed the reference.

1.8 The company filed an appeal in Hon'ble AAIFR against the Board's order dt. 21.06.2010. The Hon'ble AAIFR, vide its order dated 27.06.2011 passed in company's appeal no. 237/2010, set aside the impugned order and remanded the case to the BIFR for fresh disposal and directed to consider the explanation given by appellant company in respect of objections raised by the secured creditors and pass a reasoned order assigning reasons for either accepting or rejecting the same. A decision on the reference of the appellant company be taken within a period of forty five days from the date of receipt of this order. Parties to appeal before the BIFR on 28.07.2011. In compliance with the order of Hon'ble AAIFR the case was fixed on 02.08.2011.

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1.9. In the hearing held on **02.08.2011**, the representative of the company, referred to company's letter dated 16.07.2011 informing that in the appeal filed by the Company against order dated 21.06.2010 of Hon'ble BIFR passed in company's reference no. 31/2009, the Hon'ble AAIFR, vide its order dated 27.06.2011 has set aside the BIFR's order dated 21.06.2010 and remanded the case to BIFR for reconsider determination of sickness of the company. The company was directed by the Hon'ble AAIFR to be present before the Hon'ble BIFR on 28.07.2011. Accordingly the company is presenting its case again before the Hon'ble BIFR. He further submitted that the Hon'ble BIFR, with its order dated 21.06.2010, had dismissed company's reference no. 31/2009 on the following grounds:

a) In the Financial Year 2004-05 the company disbursed loans of Rs. 8.9 Crores to sister concern/related parties and repayment were made contingent upon their capability to repay. In FY 2005-06 the company wrote off these loans to the extent of Rs. 5.85 crores, debit of which should not be taken into account.

b) The company has provided for interest payment to term lenders of Rs. 4.69 crores in FY 2006-07, Rs. 9.75 crores in FY 2007-08 and Rs. 10.73 crores in FY 2008-09. Interest has not been paid by company, but has been funded by the Banks for this period. Therefore, interest should not had been debited as expenditure. Thus in order to calculate the real net worth debit entry of Rs. 25.17 crores would have to be reversed and profits to that extent would increase.

c) After making these two adjustments to the statistics given by the company the networth position would work out to be as under:

Accumulated losses claimed by the company at Rs. 32.20 crores would get reduced to Rs.1.16 crores after making above stated adjustments. Paid up share capital of the company is Rs.18.20 crores and reserves in

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share premium account are Rs.4.93 crores. Therefore, the net worth of the company is positive by Rs.21.97 crores.

1.9.1 He further stated that on the above points the company got clarification from a reputed Chartered Accountant Firm (Bansi S. Mehta & Co.). The Chartered Account Firm, vide their letter 29.03.2011 has expressed their opinion, which inter-alia opined that until such time that the term loans were restructured through a CDR approval by the lenders, the contractual liability for interest on loans continued and had to be recognized through appropriate provision and charge to the profit and loss accounts of the respective years, even if the same remained unpaid and was effective funded. This action was in compliance of the mandatory Accounting Standard and the provisions of the Act. Though the company had received CDR approval during FY 2008-09 for restructuring of its debts, no lender had given effect to the same and therefore it had to be accounted for by the Company (Refer Note No. B-9 in Schedule 17 to the Accounts for FY 2008-09). Further even the lenders who had advanced such objections to sickness, agreed that the entire CDR package had failed and was required to be reworked.

1.9.2 He further added that in terms of Judgement of AAIFR in case of Krimpex Synthetics Ltd., even if interest is not provided in the accounts, the same ought to be added to the accumulated losses for the purpose of determining sickness. In view of aforesaid opinion of reputed Chartered Accountant Firm, which the company is also endorsing and relying on Judgement of AAIFR in case of Krimpex Synthetics Ltd, he requested the Bench to re-consider company's reference and declare the company as sick industrial company under SICA.

1.9.3 The representative of Bank of India (BOI) stated that they have the same objections as were raised earlier that the company has provided for interest payment to term lenders and has debited the same as expenditure in the Balance Sheet of 2009-10 on the basis of which company has filed the instant reference. If the interest payment is not allowed as expenditure, company's net worth would be positive. He further stated that they have not received a copy of company's submissions dated 16.07.2011. The BOI would like to file written response to the company's submissions and wants a copy to be made available to them.

1.9.4 The representatives of the IDBI, EXIM Bank, Dena Bank and AB Bank stated that earlier also they had no objection to the sickness of the company, still they have no objections to the sickness of the company.

1.10 The Bench issued the following directions:

(i) Company to serve a copy of their letter dated 16.07.2011 on BOI and also on the other secured creditors and Govt. Departments concerned within 15 days and produce a copy of proof of service to the Board.

(ii) Secured creditors and other parties concerned to file writen responses clearly indicating their view on determination of sickness of the company to the Board within next two weeks with copy to the company and the BOI.

(iii) The company may submit a rejoinder within next one week.

(iv) The IDBI /BOI to submit copy of CDR approval granted in 2008-09 along with reasons of its failure and copy of 2nd CDR approved in 2010 and submit their legal opinion about the chargeability / debit of interest under the given facts.

(v) The next date of hearing is **05.09.2011.**

1.11 In the hearing held on **05.09.2011** the representatives of the IDBI, EXIM Bank, Dena Bank and AB Bank stated that they have no objection to the sickness of the company. The representative of BOI stated that earlier they filed objections but now after order of Hon'ble AAIFR, they have no objection to the sickness of the company keeping in view the observations of the Hon'ble AAIFR. Having considered the materials on records and the submissions made during the hearing the Bench observed that in view of order of AAIFR and the submissions made, the interest of Rs. 25.17 Crores payable to term lenders is allowed to be debited as expenditure in order to calculate the real net worth of the company. This fact has also been got clarified from a reputed Chartered Accountant Firm (Bansi S. Mehta & Co.). The Bench further observed that there are no objections to the company's sickness from the parties. Considering that the company fulfilled the various criteria for sickness under SICA, the Bench was satisfied that the company had become a sick industrial company in terms of section 3(1)(o) of the SICA. The representative of the company indicated that it would not be possible for them to work out a scheme u/s 17(2) of the Act on their own. In view of this, the Bench noted that the provisions of Section 18 of the Act would have to be explored in public interest in relation to the company. Accordingly, in terms of provisions of Section 17(3) of the SICA, the Bench appointed **Industrial Development Bank of India(IDBI) as the Operating Agency (OA)** with directions to prepare a revival scheme for the company, if feasible within an overall period of three months. The company shall submit a fully tied up DRS as per the enclosed guidelines and check list to the IDBI(OA) within a period of six weeks. The IDBI(OA) was directed to keep in view the provisions of Section 18 of the Act and the enclosed guidelines while carrying out this exercise. The IDBI(OA) shall convene a joint meeting of all concerned including Central/State Government Departments and submit a fully tied up DRS, if emerges, within a further period of further one month. The company was directed not to dispose of or alienate/create third party interest on, any of its assets as per Section 22A of SICA without the permission of BIFR. The cut-off-date (COD) for the scheme shall be taken as 31.03.2011. The next date of hearing is **26.12.2011, which was subsequently postponed.**

1.12 In the hearing held on 05.07.2012 the Bench was satisfied that most of the queries raised by the BIFR, vide its letter dated 27.02.2012, have been answered and DRS has been recommended by the OA for circulation. Therefore the Bench directed the Board's office to examine company's DRS and submit the same for its early circulation. The Bench fixed the next date tentatively on **11.10.2012 (Thursday)**, which may be changed subject to the actual date of circulation of DRS.

1.13 The Board has formulated a Draft Rehabilitation Scheme (DRS) for the revival of the company on the basis of DRS prepared and submitted by the IDBI(OA). The BIFR, vide its order dated 26.09.2012 circulated the DRS to all concerned for consent as required u/s 19(2) read with section 19(1) of Act and directed that short particulars of the said scheme be published in two leading newspapers (one National Daily and Local Daily in vernacular) having circulation in the locality where the registered office of the company is located, inviting objections/suggestions within 60 days from the date of this order. The Board fixed the hearing on **27.12.2012** to hear objections/ suggestions of various parties concerned on circulated DRS.

2. In the hearing held today**(27.12.2012)**the representative of IDBI(OA) submitted the they received objections/suggestions from Min.of Corporate Affairs (MCA) and the Dept.of Income Tax.He submitted that the MCA, vide its letter dated 30.10.2012 has no objections to the sub para (i), (iii), (iv), (vi) to (ix) of para 15.6 of the DRS.The MCA has opposed the exemption from payment of fee on increase in authorized share capital of the company as envisaged in sub-para (ii) of Para 15.6 of the DRS.Further the MCA has no objection to sub para(v) of Para 15.6 of the DRS provided deposits are not accepted from the general public. The representative of IDBI(OA) further informed that the IT Dept. wanted to seek a clarification from the Company that no relief has been sought in the DRS from the IT Dept. In response the Company has confirmed that it is not seeking any

relief from the IT Dept. In view of aforesaid the representative of IDBI(OA) requested the Bench to sanction the scheme with appropriate amendments.

2.1 The representatives of secured creditors present in the hearing had no objection to the provisions made in the circulated DRS relating to them.

2.2 The Ld. Advocate of DIT(R) offered no comments, as the company is not seeking any relief from the IT Dept.

2.3 The representative of SEBI referred to its letter dated 21.12.2012 submitting suggestions/ objections on Para 15.5 of the DRS. The representative of the SEBI stated that lock-in provision may be made in sub para (i) of Para 15.5 of the DRS in respect of preferential issue of equity shares. Further regarding sub para (ii) of Para 15.5 of circulated DRS, the SEBI stated that the Regulation 10(1) (d) (i) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation 2011 exempts the acquisition made pursuant to the scheme made under section 18 of SICA from applicability of only Regulation 3 and 4 of Takeover Regulations, 2011 subject to fulfillment of the conditions stipulated therein. Regarding sub para (iii) of Para 15.5, the SEBI submitted that this relief is under the purview of the concerned stock exchanges. Hence, the Company has to approach the respective stock exchanges for the listing of the additional shares to be issued under the scheme.

2.4 The Ld. Consultant of company did not contest the objections of MCA and the SEBI. He further agreed to delete the sub para (ii) of 15.6 and adding proviso

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to sub para (v) of Para 15.6 of circulated DRS, as suggested by the MCA. He also agreed to add proviso clause to sub para (i) and (ii) of Para 15.5 of DRS as suggested by the SEBI and to prefix "to consider" to sub para (iii) of Para 15.5 of DRS, so as to enable the concerned stock exchange to consider granting relief on approach by the company after sanction of scheme.

3. Having considered the objections/suggestions of the parties present in the hearing and material on record the Bench issued following directions:

(i) Delete sub para (ii) of Para 15.6

(ii) Following sentence be added at the end of sub para (v) of Para 15.6.

"provided deposits are not accepted from the general public"

(iii) Following sentence be added at the end of sub para (i) of Para 15.5.

"provided as per clause 78(1) of ICDR Regulations, such preferential issue of equity shares shall be locked in for a period of three years. As per clause 78(6) of ICDR Regulations, the entire pre-preferential allotment of allottees would be locked in for a period of six months from the date of preferential allotment.

(iv) Following sentence be added at the end of sub para (ii) of Para 15.5.
"subject to fulfillment of the conditions stipulated in Regulation 3 and 4 of Takeover Regulations, 2011".

(v) **"To consider"** be prefixed to sub para (iii) of Para 15.5

(vi) The Bench thereafter considered the other reliefs sought in Para 15 one by one and observed that no secured creditor have raised any objections to provisions to Para 15.1, hence this Para be retained without any alteration.

Further the Bench directed to replace the last sentence *"interest shall be payable at the rate of 9% p.a. on reducing balance basis"* of Para 15.2 with ***"interest if any".***

(vii) The Bench directed to insert **"plus interest if any"** between the word "amount" and "as" in the second line of the Para 15.3 relating to Unsecured Creditors.

(viii) The Bench observed that no response has since been received from the DGFT. In order to grant an opportunity to consider the reliefs and concessions sought from them, **the Bench directed that the relief and concessions sought from DGFT in Para 15.4 be made "To consider" only.**

(ix) **Para 15.7 be retained without any alteration.**

3.1 The Bench **Sanctioned the Scheme** with the deletion/ addition/ amendments in the circulated DRS as directed in sub para of Para 3 supra.

औद्योगिक और
Board for Industrial
BENCH-II

(B.S. MEENA)
MEMBER

(NIRMAL SINGH)
CHAIRMAN

DATE OF ISSUE
22 JAN 2013

Board for Industrial & Financial Reconstruction
BENCH-II
प्रमाणित सत्य प्रतिलिपि
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Bench/ Section Officer

BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION

M/s. RAINBOW DENIM LIMITED (RDL)

(BIFR CASE NO. 31 / 2009)

SANCTION SCHEME (SS-12)

1. BACKGROUND

Rainbow Denim Limited (RDL) was incorporated as a Public Limited Company on 12th November, 1999 with the objective to establish facilities for manufacturing of Denim Fabrics at Village – Chaundheri, P. O. Dappar, Tehsil - Derabassi, Dist. Mohali, Punjab - 140 506. The location offered advantages of proximity to raw material, lower cost of power and sales tax incentives etc.

RDL was originally promoted as a division of Rama Petrochemicals Ltd.

Rama Petrochemicals Limited (RPL), promoted by Shri D.J. Ramsinghani and Shri. L.J.Ramsinghani was engaged in the manufacture of methanol.

In May 1997, RPL diversified into manufacture of denim and approached institutions/banks for part financing its project for manufacture of denim fabrics. The project, estimated to cost Rs.12050 lakh, was proposed to be financed by promoters contribution and rupee term loan from institutions/banks namely IDBI Bank Ltd (IDBI), Industrial Investment Bank of India (IIBI), Export Import Bank of India (EXIM) Bank of India (BOI) & Dena Bank. RDL is enjoying working capital facilities from Bank of India, Dena Bank, AB Bank Ltd (AB Bank) & IDBI Bank Ltd.

With approval of all term lending institutions and Banks and respective High Court of Bombay and Punjab and Haryana, Rama Petrochemicals Ltd hived of the denim division to Rainbow Denim Ltd w.e.f 1st November 1999. Rainbow Denim Limited (erstwhile division of Rama Petrochemicals Limited) plant for manufacture of Denim Fabrics is situated at Village Chaundheri, P.O. Dappar, District- Patiala in Punjab.

RDL's Board comprises of 5 members with Shri H D Ramsinghani as Chairman & Managing Director. The day-to-day affairs of the company are looked after by Shri H D Ramsinghani who is assisted by Shri S .S. Arora – Whole Time Director as Plant Incharge. Operations of the plant are looked after by Shri S. S. Arora. He is assisted by a team of qualified and experienced personnel.

RDL has commenced commercial production from January 1st, 2002. The installed capacity of Denim Plant has increased to 18.00 mmpa from 14.00 mmpa and has 101 numbers of looms in aggregate. The increase in the capacity has given rise to economies of scale while retaining the flexibility of producing different varieties of Denim Fabric. The incremental benefit of expansion of capacities has partially offset adverse financial impact on account of lower manufacturing margins in the current scenario.

Restructuring of dues in FY 2002 : Although the company commenced its operations in June 2000, it was not able to earn adequate accruals as synchronization of plant took some time and it could achieve optimal parameters in terms of yield and efficiency for manufacturing classical denim only in January 2002. Further, as the company needed time for establishing its market presence and value added varieties of denim, at its request, its liabilities were restructured by FIs/Banks in June 2002 by way of reschedulment of installments, revision in rate of interest on step-up basis so as to give an yield of 15% p.a., deferment/funding of overdue interest and further interest.

Restructuring under CDR in FY 2005: The companies liabilities were again restructured in FY 2005 to reduce its interest cost, improve cash flow and competitiveness in domestic and international market. The restructuring included reschedulment of principal, reduction in rates of interest, conversion of funded/deferred interest into equity and OCCPS and waiver of Further Interest and Liquidated damages. It was duly approved by CDR –EG.

The operation of the company after CDR restructuring were satisfactory for a brief period and it was servicing interest and principal up to December 2006 /June 2007.

Monitoring committee (MC) meetings along with all the banks were held at frequent intervals (21/6/06, 2/9/06, 14/9/06 and 25/11/06) to closely monitor the workings of the company. The company had proposed deep restructuring options in the MC meeting held on September 14, 2006. However, considering extension of repayment period and reduction in rate of interest, both options were not considered favorably by the MC. The MC impressed upon the promoters to come with other viable alternatives including OTS, induction of strategic investor, etc. However, no such proposal has materialized.

At the CDR Monitoring Committee meeting held on November 25, 2006, the banks decided to carry out the Techno Economic Viability (TEV) study before any view on restructuring could be taken. Accordingly Northern India Textile Research Association (NITRA) was appointed to carry out the assignment. The TEV study indicates that the plant is in good health with all the machines are in working condition. The capacity utilization of the unit matches with the average industry's norms and is an indication that the various indicators like shortage of power, machine break down and other machine stoppages due to operational reasons are within control. NITRA recommended setting up of facilities for mercerization and flat finish and enhancing the ring yarn capacity which RDL has already implemented the suggestion as per TEV study, reschedulment of debt , reduction in interest cost. As per TEV Report, RDL is a Techno–Economically viable unit.

At the Monitoring Committee meeting held on June 21, 2007, there was detailed discussion among the lenders on the TEV study and various options available including OTS, action under SARFAESI and restructuring of dues. It was felt that restructuring of dues of the company could be explored subject to the company bringing in funds required for the fresh capital expenditure. An indicative restructuring package was also discussed. There was consensus that IDBI may work out the revised package and the same could be circulated to the lenders for final approval.

CDR –EG along with all secured lenders approved the revised CDR package in FY 2010.

Further all Term Lenders namely IDBI, BOI, EXIM, Dena Bank and AB Bank have carved out their limits as per approved CDR package & IDBI, BOI, AB Bank and Dena Bank has also released their share of working capital limits as per CDR package.

The company has been repaying its debt obligation (interest / installment) as per the CDR package.

M/s Kakode & Associates carried out the valuation of assets of RDL and submitted their report dated 08.04.2011. As per their report, the fair market value of the assets of RDL has been assessed at Rs. 10819.37 lakh and distress value is Rs 9196.46 lakh, as per details given here under:-

Sr. No.	**Description**	**Fair Value (Rs in lakh)**
1.	Land*	1156.20
2.	Building and site development including infrastructure	2062.39
3.	Machinery & other movable assets	7600.78
	Total	**10819.37**

* 192700 sq.mtrs

2. REFERENCE TO BIFR

2.1 The accumulated losses exceeded its net worth at the end of financial year March 31, 2009 where upon RDL made a reference to BIFR u/s.15 (1) of SICA and the reference was registered as Case No. 31/2009.

The reference was heard on various dates between 12.10.2009 and 21.06.2010. During the course of the hearings AB Bank and EXIM Bank filed objections before Hon'ble BIFR objecting to the sickness of RDL. RDL filed its rejoinders to the various objections raised by AB Bank and EXIM Bank.

The Hon'ble BIFR rejected the reference vide its Order dated 21.06.2010 on the ground that interest was debited to P&L account though it was not paid.

RDL filed an appeal before AAIFR against the BIFR order dated 21.06.2010 and AAIFR remanded the case (31/2009) back to BIFR for fresh consideration vide its order dated 27.06.2011.

The reference was again heard by BIFR on 02.08.2011 and parties were asked to file their written submissions, if any.

Accordingly RDL filed its written submissions and the case was heard on 05.09.2011. After considering the submissions made by RDL and the other lenders, Hon'ble BIFR declared RDL as a sick company under SICA and appointed IDBI Bank Ltd (IDBI) as an Operating Agency vide its order dated 05.09.2011.

2.2 The company had submitted a DRS to IDBI (OA), copies of which were circulated to all concerned parties for their comments / views. A joint meeting of the secured lenders and other agencies was convened by the IDBI (OA) on December 12, 2011.Based on further information submitted by the Company and the views of the lenders, DRS is submitted to the Hon'ble Bench, along with summary record of the proceedings of the aforesaid joint meeting, vide OA's letter dated December 15, 2011 upon which queries were raised by the Bench on 27.02.2012 and which were replied by OA, vide their letter dated 19.04.2012 accompanied by Company's letter dated 19.03.2012. The latest hearing took place on 05.07.2012 in which the Bench observed that the queries are properly replied.

3. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

3.1 The Capital Structure of RDL as on 31.03.2011:

PARTICULARS	Number of Shares	Face Value per share (Rs.)	Total (Rs. Lakh)
(i) Authorised Capital			
Equity Shares	27,000,000	10	2,700.00
(ii) Issued,Subscribed and Paid Up Capital			
Equity Shares *	18,209,359	10	1820.93

*Out of this 1,04,02,470 equity shares were issued pursuant to the scheme of arrangement u/s 391/394 of the companies Act, 1956 approved by Bombay High Court and Punjab & Haryana High Court.

3.2 Equity shareholding pattern as on 30.09.2011

Particulars	Rs. Lakh	%
Promoters & associates	842.30	46.26%
Public Financial Institutions	27.46	1.51%
Banks / Mutual Funds	275.06	15.11%
NRI	5.12	0.28%
Domestic Companies	83.44	4.57%
General Public	587.56	32.27%
Total	**1820.94**	**100.00%**

The equity shares of the company are presently listed at Bombay Stock Exchange Limited

Trading (Frequently / Rarely) – Frequently

Market Price of Shares – Rs 6.82 (Closing rate as on 12.12.2011 on BSE)

Face Value of Shares – Rs 10/- per share

Dematerialised – Yes , 90.49% of the RDL total share capital is dematerialised.

Details of shares pledged (%) (Institution / Banks):

As per the restructuring package, company has already pledged 5501847 equity shares in favour of institutions / banks .This corresponds to 30.21% of total share capital of the company

4. PROMOTERS

RDL has been promoted by Ramsinghani family. Shri H. D. Ramsinghani, aged 49 years, Chairman & Managing Director, has over 25 years of experience in India and Abroad. He has done his Post Graduation in Management from USA. He has rich and varied experience in the field of Textiles, Petrochemicals and Fertilizers.

5. BOARD OF DIRECTORS

RDL is a board managed company and its Board presently comprises of five directors, as under :

Name	Designation	Qualification	Experience
Mr. H .D.Ramsinghani	Chairman & Managing Director	Post Graduate in Management	25 years experience in the fields of Textiles, Petro Chemicals and Fertilisers
Mr. S S Arora	Whole Time Director	Commerce Graduate	Experience in the fields of Textiles, Petro Chemicals and Fertilisers
Mr. D. N. Singh	Director	B.Sc.,(Chemical Engineering)	40 years experience in Chemical Industry
Mr. Mahendra Lodha	Director	Chartered Accountant	Engaged in corporate advisory services and expertise in the field of Corporate Financing & Corporate Restructuring
Mr. Deepak Gupta	Nominee Director of IDBI Bank Ltd	M.Phil (Eco), MFM	16 years experience in fields of Project Finance, Recovery , SME etc.

6. Technical and Professional Staff

The day to day affairs of the company are looked after by Shri. H.D. Ramsinghani, Chairman & Managing Director under the suprintendence and control of the Board of Directors. The overall operations of the plant are looked after by Shri S.S.Arora, Whole Time Director, Incharge of the Plant. Shri Arora is assisted by core team comprising general managers, shift engineers, other technical personnel and marketing team at plant. RDL has about 962 employees as at present consisting of managerial, supervisory, technical, skilled and un-skilled employees. The overall organisational structure may be considered as adequate.

The details of No. of Workers (Manpower)

Sr.No.	Staff / Workers	Total Nos.
1	Managerial Staff	87
2	Staff	52
3	Workmen	624
4	Contractual	199
	Total	**962**

7. Reasons for Sickness

RDL's performance was affected on account of following reasons :

- The operation of the company declined during 2006-07 as the realization from denim took a sharp plunge from Rs 82 to Rs 65 per meter and it was not able to service the existing high debt.

- The company's performance did not reach the projected profitability levels in line with CDR package on account of low realization as also high interest burden (since only part loans of the company are covered under TUFs).

- The performance of the company has been affected due to various factors like over supply position, prices of the raw material viz. cotton, change in the preference and demand for the company's product.

- Due to increased competition, the company has not been able to pass on the increased cost to its customers.

- On account of appreciation of rupee against dollar, the export realizations and incentives that accrued on account of export have reduced causing adverse impact on profitability.

- The operating profit margin of the company has been adversely affected due to high interest burden and company is finding it difficult to service its debt obligations.

- The company's loans are covered under TUFs to the extent of 33% only for which the benefit is not available as the account is NPA with banks. Also, the balance loan carries interest rate in the range of 11-12% p.a. The other major players have low interest burden due to availability of TUF Subsidy vis-à-vis RDL. This substantially erodes the competitive edge of the company.

- The denim capacity in the country has increased significantly in the last two years from 250 mn meters to 420 mn meters. The capacities are expected to increase further with ongoing expansion by the existing players and new entrants. Due to above factors, the net sale realization has decline from 82/- per meter in June 2005 to Rs 72 per meter in quarter ended March 2006. For the company, realization had decreased to as low as 65 per meter in FY 2007.

- The company's working capital limit was last assessed by Bank of India for FY 2001 and there has been no increase in working capital since then. The sales had affected due to constraint of need based working capital limit and lower realization.

8. Past Financial Performance:

a) Financial Position:

Rs in Lakh

Past Financial Position as on March 31,	2007	2008	2009	2010	2011
	12 Mths	12 Mths	12 Mths	12 Mths	12 Mths
Net Fixed Assets	14379.06	13868.50	13338.41	12466.03	11602.63
Investments	4.56	6.56	6.56	6.56	5.31
Current Assets	4643.14	4952.53	4472.89	4506.78	6657.91
Less : Current Liabilities	-3840.59	-4645.99	-4193.67	-4800.57	-1860.93
Less :Secured Term Loans	-10099.92	-10486.82	-11569.31	-11668.60	-13312.17
Less :Working Capital Loans	-1709.72	-1710.02	-1640.06	-1639.95	-1956.13
Less :Other Secured & Unsecured Loans	-328.63	-681.37	-761.73	-905.32	-886.85
Less :Deferred Payment Liability	0.00	0.00	0.00	0.00	0.00
Net Worth	**3047.90**	**1303.39**	**-346.91**	**-2035.07**	**249.77**
FACR	*1.53*	*1.47*	*1.29*	*1.19*	*0.90*
Current Ratio	*0.84*	*0.78*	*0.77*	*0.70*	*1.74*
DER (excluding Capital Reserve & Interest Subsidy)	*4.07*	*14.08*	*-11.79*	*-4.23*	*-60.80*
DER	*3.20*	*7.50*	*-30.89*	*-5.29*	*52.98*
Past Financial Position as on March 31,	**2007**	**2008**	**2009**	**2010**	**2011**
	12 Mths	12 Mths	12 Mths	12 Mths	12 Mths
Equity Share Capital	1820.93	1820.93	1820.93	1820.93	1820.93
Reserves and Surplus (Share Premium A/c)	576.22	493.64	493.64	493.64	493.64
Less : Accumulated Loss	0.00	-1615.80	-3220.04	-4862.11	-2531.18
Less : Miscellaneous Expenditure	-6.50	-5.05	-3.71	-2.35	-1.01
Net Worth (including Free Reserves)	**2390.65**	**693.72**	**-909.18**	**-2549.89**	**-217.62**
Other Reserves & Surplus (Capital Reserve & Interest Subsidy)	657.25	609.67	562.27	514.82	467.39
Total	**3047.90**	**1303.39**	**-346.91**	**-2035.07**	**249.77**

Comments

- Current Ratio has increased from 0.70 as on March 31, 2010 to 1.74 as on March 31, 2011 due to implementation of CDR package & interest liabilty converted into Funded Interest Term Loan and also increase in inventory levels.
- The term loans have increase in FY 2010-11 on account of implementation of CDR package by lenders and CDR effect of the same given in the books.
- The networth (including Free Reserves) as per SICA is negative at Rs. 2549.89 lakh and Rs 217.62 as on 31.3.2010 and 31.03.2011 respectively on account of reliefs & concessions received from institutions & banks on implementation of CDR package.
- The decline in FACR is mainly due to non-servicing of term loans, accrual of interest and decline in the value of assets due to normal depreciation,etc.

- The current assets as on March 31, 2011 aggregating to Rs 6657.91 lakh comprise of stocks – Rs 4000.02 lakh , debtors Rs 1917.92 lakh , loans & advances (comprising advance for raw material & services -Rs 116.42 lakh ,export incentives receivable - Rs 174.49 lakh , Others –Rs 43.85 lakh) aggregating to Rs 334.76 lakh, security deposits – Rs 125.35 lakh and cash & bank balance Rs 279.86 lakh.
- The current liabilities as on March 31, 2011 aggregating to Rs 1860.93 Lakh comprise of Sundry Creditors Rs 1527.79 lakh , Advance to Customers Rs 46.46 lakh, Interest accrued Rs 59.58 lakh , Other liabilities (comprising Expenses payable - Rs 48.19 lakh , Salary & Wages Payable – Rs 48.98 lakh , Bonus / Exgratia Payble – Rs 26.00 lakh ,Retention / Security Money Payable - Rs 13.65 lakh , TDS income Tax / ESIC & PF / Sales Tax Payable / Other Liabilities payable – Rs 43.04 lakh) aggregating to Rs 179.86 lakh and provisions for gratuity / leave encashment Rs.47.24 lakh.

b) Working Results:

Rs in Lakh

Past Physical Performance in the Year ended March 31,	**2007**	**2008**	**2009**	**2010**	**2011**
	12 Mths	**12 Mths**	**12 Mths**	**12 Mths**	**12 Mths**
Installed Capacity (No. of Looms)	101	101	101	101	101
Production (in 000 meters)	15833	15970	16211	15337	15077
Past Working Results in the Year ended	**31st March, 2007**	**31st March, 2008**	**31st March, 2009**	**31st March, 2010**	**31st March, 2011**
	12 M	**12 M**	**12 M**	**12 M**	**12 M**
Net Sales	10671.60	12227.32	13589.63	12961.07	15707.93
Gross Profit (EBIDTA)	452.90	479.51	655.36	747.44	2034.74
Interest / Financial Cost	881.97	1389.44	1494.64	1505.35	1370.50
Preliminary & Operative	1.30	1.30	1.34	1.34	1.34
Depreciation	847.50	861.60	876.36	890.89	892.97
Operating Profit (Loss)	-1277.87	-1772.83	-1716.98	-1650.14	-230.07
Other Income	25.60	75.98	112.74	8.07	28.99
Profit / (Loss) before Tax	-1252.27	-1696.85	-1604.24	-1642.07	-201.08
Income Tax	0.00	0.00	0.00	0.00	0.00
Profit / (Loss) After Tax	-1252.27	-1696.85	-1604.24	-1642.07	-201.08
Extraordinary Item	-1.06	-1.55	0.00	0.00	2532.01
Transferred from General Reserve (Net)	1253.33	82.60	0.00	0.00	0.00
Net Profit / (Loss) Carried Over to B/S	0.00	-1615.80	-1604.24	-1642.07	2330.93

Comments :

- The company's turnover has increased from Rs. 12961.07 lakh in FY 2009-10 to Rs.15707.93 lakh in FY 2010-11 due to increase in sales realization per meter and change in varieties of product.
- Gross Profit has increased from Rs. 747.44 lakh in FY 2009-10 to Rs 2034.74 lakh in FY 2010-11 due to increase in sales realization per meter, decrease in raw material consumption, power & fuel cost, administrative & selling expenses.

- During the period ended March 31, 2011, the company incurred a net Loss of Rs 201.08 lakh (profit of Rs 2330.93 lakh including extraordinary items of Rs 2532.01 lakh) as compared to net loss of Rs 1642.07 lakh in the period ended March 31, 2010
- Extra-Ordinary item includes reliefs, concessions and refunds of Rs.2532.01 lakh on implementation of CDR package.

9. Loans and Credit facilities

9.1 Details of existing credit facilities:

Exposure of Institutions and Banks : (as on October 31,2011)

Term Loans :

			(Rs in Lakh)		
	Sanctioned Limit	**Principal**	**Over dues ***		
Financial Institutions/ Banks	**as per CDR**	**Outstanding**	**Principal**	**Interest**	**Total**
IDBI Bank Limited	5,185.22	4942.30	61.71	29.32	91.03
ACRE Ltd.*	1,272.41	1212.40	0.00	0.00	0.00
Export Import Bank of India	604.45	551.44	0.00	3.58	3.58
Bank of India	3836.99	3313.23	1.22	0.00	1.22
Dena Bank	2,326.98	2226.35	0.00	10.48	10.48
AB Bank Limited	61.32	60.05	0.00	0.00	0.00
TOTAL	**13287.37**	**12305.77**	**62.93**	**43.38**	**106.31**

* Industrial Investment Bank of India Ltd (IIBI) has assigned the debt to Asset Care & Reconstruction Enterprises Ltd. (ACRE) vide Deed of assignment dated June 21, 2011.ACRE has now stepped into the shoes of IIBI and has become a secured creditor of Rainbow Denim Limited (RDL). Further RDL has entered into Deed of Settlement at Rs 544.77 lakh on 26.08.2011 with ACRE out of which Rs 94 lakh has already been paid towards upfront payment, interest & incidental expenses.

* The company has since repaid all overdues of secured lenders as on date there are no overdues.

Board for Industrial and Financial Reconstruction

<u>Working Capital Loans :</u>

Rs in Lakh

Banks	Fund Based		Non-Fund Based		Over dues		
	Sanctioned	O/s	Sanctioned	O/s	Prin.	Interest	Total
Bank of India	982.00	903.05	765.00	143.48	0.00	0.00	0.00
Dena Bank	525.00	449.23	665.00	120.67	0.00	0.00	0.00
AB Bank	278.00	236.96	200.00	0.00	0.00	0.00	0.00
IDBI Bank	100.00	70.69	570.00	119.70	0.00	0.00	0.00
Total	**1885.00**	**1659.93**	**2200.00**	**383.85**	**0.00**	**0.00**	**0.00**

Security Details:

1. Term Loans from Financial Institutions and Bank are secured by First Charge ranking pari-passu on all movable and immovable assets, present and future (subject to charge on specified movables created/ to be created in favour of RDL's Bankers to secure Working Capital)

2. Personal guarantee of Managing Director of the Company and erstwhile Director of the Company and Corporate guarantee of Rama Petrochemicals Limited in respect of Term Loans and Working Capital Loans.

3. Further, Term Loans are also secured by First Charge on immovable properties of Rama Petrochemicals Limited.

4. Working Capital Loans are secured by hypothecation of Raw Materials, Semi Finished Goods, Finished Goods, Stores and Spares and Book Debts and second pari-passu charge on immovable properties of the RDL's.

9.2 Details Other Secured Loans as on 31.03.2011:

(Rs. Lakh)

Name	Amount (Rs)
Dhawalgiri Properties Pvt. Ltd., Mumbai	305.84
TOTAL	**305.84**

Security Details:

The loan is secured by First Charge on the office premises and personal guarantees of erstwhile Directors of the Company.

9.3 Details unsecured Loans as on 31.03.2011

(Rs. Lakh)

Name	Amount (Rs)
Rainbow Agri Industries Limited *	581.00
TOTAL	

* Promoters contribution received as per the approved CDR package.

9.4 Details Contingent Liability as on 31.03.2011.

(Rs. Lakh)

Sr. No.	Name	Amount (Rs)
1.	Custom duty on capital goods and raw material imported under advance Licensing / EPCG Scheme against which export obligation is to be fulfilled.	2700.00
2	Export Bonds executed with Customs / Excise Authorities	125.00
3	Capital Commitments (Net of Advances)	413.53

Bond for Rs. 270,000,000 was issued against total export obligation of US$ 77,598,359 was to be fulfilled by January 12, 2009 or such further extension as may be granted. Out of which the Company has fulfilled export obligation of US$ 57,866,385 upto March 31, 2011.Against the balance obligation of US$ 19,731,974,the Company has submitted third party export proofs of US$ 23,814,200 to the DGFT, upon approval of which, no liability on this account is expected.

9.5 Dues to Workers

There do not exist any dues to workers.

9.6 Statutory Liabilities

- There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues outstanding as on 31st March, 2011, for a period of more than six months from the date they became payable.

- There are no dues of sales tax, income tax, wealth tax, service tax, custom duty, excise duty on account of any disputes.

10.0 MARKET REPORT

Global Denim Market

The global denim market has constantly grown decade after decade as between 2% - 5% p.a. Currently the global denim fabric is estimated to be at around 5 billion meters per annum and there is adequate global capacity to feed this requirement. Currently the global capacity is estimated at around 6.6 billion meters per annum. World Jeans Market – 51.6$ Billion in 2007 and Expected to become 56.2$ Billion by 2014. Global demand is growing at 5% annually. Over 70% of denim production is based in China, India, Turkey, Pakistan and Bangladesh . However 70% of world's jeans consumption is in EU, US and China. The per - capita consumption of jeans in India is, however, only about 0.3 jeans per person p.a. The per capital consumption of jeans in USA is 1.9 jeans per person p.a.

Denim Market in India

Dr P R Roy was instrumental in introducing denim in India. The Indian domestic market has been steadily growing at between 10-12% p.a. In india new brands were introduced with creative styling using value added denims. Capacity also started getting increased and the Indian denim started getting global acceptance. There are only 28 denim mills in India having manufacturing capacity of 700 million mtrs per annum. The Indian denim fabric market is expected to grow at 10-12% in the coming decade (2010-12).The drivers of denim growth in India include a favorable demographic profile , increasing disposable incomes with youth , expectation of GDP to be maintained at 8-9% growth in organized retails and in penetration of jeans in smaller towns and cities of India. The Indian denim industry has the potential to grow from 550 million meters per annum to 1200 mmpa by 2020. Out of 559 mmpa about 200 mmpa is exports which is likely to rise by 3-5% annually. With the increase in cost of production in Europe , America and Latin America also Turkey many mills are likely to close down in the coming two years. Hence , the focus is bound to shift to India due to its stable socio-economic scenario.

In India the main players are Arvind, Raymond, Ashima, KG Denim, Nandan Denim, Jindal worldwide, and Rainbow Denim etc. Arvind has the largest share in the domestic market with 50% denim manufacturing capacity. The balance capacity is dispersed amongst other players with capacities ranging from 8 to 20 mmpa. While Arvind Mills, KG Denim etc. also market their own brand of jeans.

RDL sells only denim fabrics and is catering predominantly to the domestic market. Good Overseas and local Demand. In recent period the Company is improving its margin on local sales. RDL has no firm buy back arrangements for export of denim, the market for which has been on a downtrend in the recent past. The company has over 2 months of orders in hand and as a matter of policy, it is not entering into any long-term contract as the prices of denim are firming up.

RDL fabrics are primarily intended for exports to the developed markets of the world. To keep abreast with international fashion trends, the fabrics are not only produced in shades of blue, but a mix of vibrant color combinations to make Rainbow a part of the select few in India with such unique manufacturing capabilities.

The fully integrated ultra modern plant for Ring & Open End Spinning, Dyeing, Weaving and Finishing is equipped with state of the art quality control system for operation at all stages. RDL has been awarded ISO 14001 certification for Environment Management System. This is a step towards practicing internationally accepted norms for increasing efficiency at all level.

Apart from being certified with ISO 14001, we have adopted various energy conservation methods and make optimum use of water and other natural resources. It's manufacturing plant is equipped with an Effluent Treatment Plant (ETP) to ensure that waste products are either recycled or used within the plant itself.

RDL product basket encompasses a wide range of slub denim (slub x open end), cross hatch (slub x slub), poly denim (Cotton x polyester), stretch denim (cotton x Lycra), ring slub denim (ring slub x ring slub), fancy denim and other varieties tailored for the fashion conscious buyers. The various weave and twill directions for end- to-end applications include right from broken twill to RHT/LHT, 3/1 weave, herring bones, canvas and structured denims. Denims offered in a variety of options are washed, stone washed, over –dyed, casts and tints in sulphur, open end , ring spun , amsler and multi-count fabrics in different weights like 14.50/13.50/12.50/10.50/8.50/6.50/5.00 oz per sq. yard. Being a composite textile plant we are capable of easily changing our product mix to suite the requirements of our various clients.

Rainbow Denim uses the popular color dyeing technology used for indigo dyeing known as Rope Dyed method. It allows production of very high volumes of a single shade with high consistency and imparts very rich, deep and uniform colors to the fabric end-to-end or selvedge to selvedge. The colors provided by this technology give out the best effect whether it is enzyme wash, sandblast, bleach, stonewash, tints etc. The color range provided by Rainbow is one of the best for denim fabric. Our shades include classic indigo, light blue indigo, black deep indigo and blue-black & black blue.

11.0 THE SCHEME

The Rehabilitation Scheme envisages following strategy for revival of the company:

11.1 Mobilization of Funds:

a) RESOURCES FOR WORKING CAPITAL

RDL is expected to achieve a total income of Rs 18813.47 lakh in the year 2011-2012 and shall increase to Rs 21094.35 lakh in the year 2012-2013.The company is enjoying working capital facilities from various banks such as Bank of India, Dena Bank, IDBI Bank & AB Bank Ltd.

b) RESTRUCTURING OF SHARE CAPITAL

i. The existing paid-up equity share capital shall be written down by 60 % against the accumulated losses of the company.

ii. The issued, subscribed and paid-up equity capital of the company comprising 18209359 equity shares of Rs.10 each fully paid-up shall stand reduced to 7283743 equity shares of Rs.10 each fully paid-up, aggregating Rs. 728.37 lakh after derating .

iii. In case of fractional shareholding subsequent to write down, such fractional shareholding shall be held in a Trust on behalf of the fractional shareholders. Thereafter the company shall appoint a SEBI approved Merchant Banker for valuing the shares of the company held in the said Trust, and the fractional shareholders shall be given a choice to sell their fractional shareholding to promoters at a price arrived at by the Merchant Bankers.

c) INDUCTION OF FUNDS BY PROMOTERS

i. Unsecured loans / Right Issue / Preferential Allotment (Equity Shares) from Promoters / Promoter Associates

Promoters will arrange to bring in aggregate an amount of Rs. 1020 lakh [comprising Rs 601 lakh has to be brought as per CDR package (of which Rs 581 lakh brought in as at 31.03.2011 and balance Rs 20 lakh has brought in as at 9.12.2011) and balance Rs. 420 lakh by way fo unsecured loan/equity].

The company is also proposing to convert Rs. 600 lakh, which were bought by the company by way of unsecured loan, in to Equity Shares by way of Preferential Allotment to the promoters at par after de-rating.

The unsecured loans from promoters shall be interest free and shall not be withdrawn during the rehabilitation period.

The unsecured loans Rs 420 lakh, which are being infused by the promoters during rehabilitation package, shall have an option of converting into Equity Share by way of Preferential Allotment to the promoters, at par as may be approved by BIFR after de-rating.

The Unsecured loans / Equity shares shall be brought in from individual promoters/ promoters associates/ their friends / their relatives/ domestic companies / overseas corporate bodies / incorporated non-resident entities of promoters etc.

The promoters of RDL further undertake to bring in additional funds, to the extent necessary, in the event of shortfall in the cost of the scheme.

11.2 Payment Secured Creditors

a) TERM LENDERS

RDL has received approval / sanction from individual Banks / FI's namely IDBI , EXIM , BOI, Dena and AB Bank in respect of restructuring of liabilities / limits as per terms of CDR approved package and is paying its debt obligation as per the scheme.

Further, Industrial Investment Bank of India Ltd (IIBI) a secured term lender has assigned the debt to Asset Care & Reconstruction Enterprises Ltd. (ACRE) vide Deed of assignment dated June 21, 2011.ACRE has now stepped into the shoes of IIBI and has become a secured creditor of Rainbow Denim Limited (RDL).Further RDL has entered into Deed of Settlement at Rs 544.77 lakh on 26.08.2011 with ACRE out of which Rs.94 lakh has already been paid towards upfront payment, interest & incidental expenses.

b) WORKING CAPITAL LENDERS

RDL is enjoying working capital facilities from BOI, Dena , IDBI Bank & AB Bank .The bankers have released the Cash Credit Limits (Fund Based Limits) and Capex L/c (Non – Fund Based limits) as per terms of CDR approved package.

c) OTHER SECURED LOANS

RDL shall pay the oustanding dues of Rs 305.84 lakh alongwith interest as per para 15.2

11.3 Capital Expenditure

As per CDR approved package , company placed an order for purchase of 18 No. Looms aggregating to Rs 429.95 lakh (including advance Rs 46.10 lakh) and utilised the additional capex L/C limit of Rs. 400 lakh with initial margin of 10% p.a. and subsequently the company will arrange the buyers credit/ suppliers credit to enable the L/C to be rolled over as permitted by RBI, during which time the company shall gradually build up the margin of 15% at every six month interval to full extent so as to ensure retiring the L/C at the end of 3 years.The facility will be secured by exclusive first charge on specific assets to be acquired out of the facility and personal guarantee of promoter i.e. Shri H.D. Ramsinghani.

All the lenders have opened LC for the facility and equipment is expected to be received at the site shortly and implementation of the same will be completed by January 2012.

Sharing pattern among the banks for capex proposed (as per CDR) is as under:

Sr. No	Bank	Amount (lakh)	O/s as on 31.10.2011
1	IDBI Ltd	136.00	119.70
2	Bank of India	132.00	143.48
3	Dena Bank	132.00	120.67
	Total	**400.00**	**383.85**

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12.0 COST OF SCHEME AND MEANS OF FINANCE

Cut-off-date : 01.04.2011

Period of Scheme 01.04.2011 to 31.03.2018

Rs in lacs

	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	Total
Cost of Scheme								
Increase Capital Expenditure (inc Margin)	450.00	-	-	-	-	-	-	**450.00**
Normal Capital Expenditure	-	100.00	100.00	200.00	200.00	200.00	200.00	**1000.00**
Repayments of Term Loans to FIs/Bank	877.51	1,017.28	1,025.78	947.33	921.25	947.35	989.94	**6726.44**
Repayments of Other Loans	-	-	61.17	61.17	61.17	61.17	61.17	**305.85**
Repayments of Unsecured Loans - (For Conversion into Equity Shares)	-	-	581.00	-	-	-	-	**581.00**
Repayments/Decrease of Deferred Payment Liabilities	-	-	390.00	-	-	-	-	**390.00**
Repayments/Decrease of Interest Accrued & Due	260.32	-	-	-	-	-	-	**260.32**
Decrease in Bank Borrowings	71.13	-	-	-	-	-	-	**71.13**
Incremental Working Capital	(1,146.90)	351.86	85.60	6.08	6.27	6.49	6.69	**(-) 683.91**
TOTAL	**512.06**	**1,469.14**	**2,243.55**	**1,214.58**	**1,188.69**	**1,215.01**	**1,257.80**	**9,100.83**
Means of Finance								
Net Cash Accruals	102.06	1,069.14	1,643.55	1,214.58	1,188.69	1,215.01	1,257.80	**7690.83**
Increase in Equity Shares Capital	-	-	600.00	-	-	-	-	**600.00**
Increase in Unsecured Loans/Equity Shares - Promoters	20.00	400.00	-	-	-	-	-	**420.00**
Increase in Deferred Payment Liability	390.00	-	-	-	-	-	-	**390.00**
TOTAL	**512.06**	**1469.14**	**2243.55**	**1214.58**	**1188.69**	**1215.01**	**1257.80**	**9100.83**

12.2 Shareholding pattern before & after sanction of the scheme

a) Shareholding pattern before sanction of the Scheme as on 30.09.2011

Particulars	Rs in lakh	%
Promoters & associates	842.30	46.26%
Total Promoters Share Capital (1)	**842.30**	**46.26%**
Public Share Capital		
Public Financial Institutions	27.46	1.51%
Banks / Mutual Funds	275.06	15.11%
NRI	5.12	0.28%
Domestic Companies	83.44	4.58%
General Public	587.56	32.27%
Total Public Share Capital (2)	**978.64**	**53.74%**
Total Share Capital	**1820.94**	**100.00%**

b) Shareholding pattern after sanction of the Scheme

Rs in lakh

Particulars	Proposed after de-rating		Post Restructuring	
	Amount	%	Amount	Holdings
Promoters Share Capital				
Promoters & associates	336.92	25.36%	936.92	70.53%
Promoters & associates (additional)	600.00	45.17%		
Total Promoters Share Capital (A)	**936.92**	**70.53%**	**936.92**	**70.53%**
Public Share Capital				
Public Financial Institutions	10.98	0.83%	10.98	0.83%
Banks / Mutual Funds	110.02	8.28%	110.02	8.28%
NRI	2.05	0.15%	2.05	0.15%
Domestic Companies	33.38	2.51%	33.38	2.51%
General Public	235.02	17.70%	235.02	17.70%
Total Public Share Capital -----(B)	**391.45**	**29.47%**	**391.45**	**29.47%**
Total Share Capital (A)+(B)	**1328.37**	**100.00%**	**1328.37**	**100.00%**

Note: For the purpose of above working,the shares to be allotted to Promoters are considered to be allotted at par.

12.3 Justification for capital reduction at 60%

In view of the continuous losses and in order to reflect the true value of the share of the company (which is negative) it is proposed to de-rate the shares of the Company.

The shares of the Company are listed on Bombay Stock Exchange Ltd and being traded at Rs 6.82 per share as on 12.12.2011 below its face value of Rs. 10 per share.

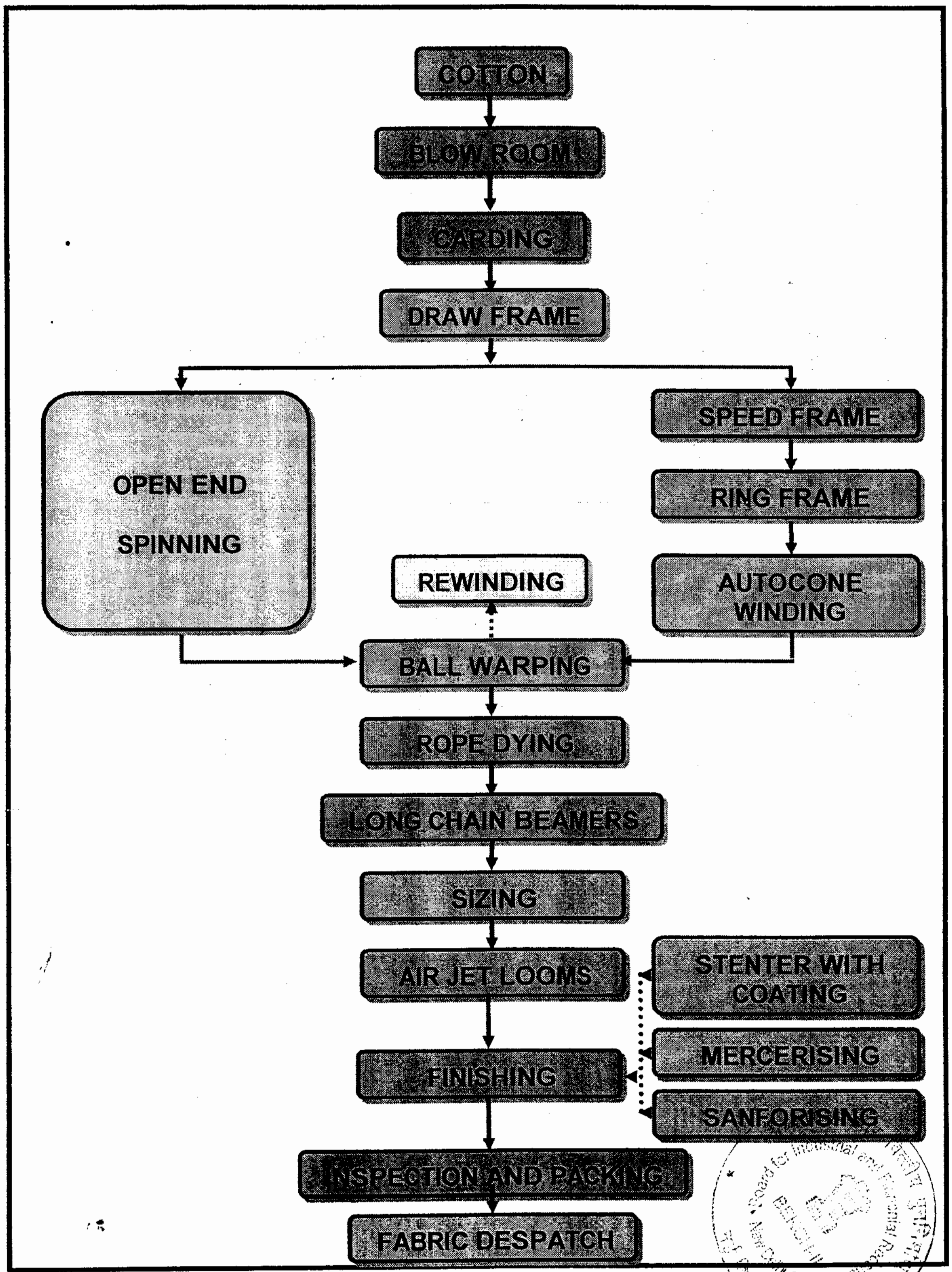
Market value of assets and Realizable value of assets as per the valuation report, dated 8.04.2011 conducted by M/s Kakode & Associates worked out to Rs.10819.37 lakh and Rs.9196.46 lakh respectively and accordingly, the value of share has become negative as the liabilities are far in excess of the said valuation.

Method of valuation	Value per share (Rs)
Net Assets Value (Book Value)	1.34
Fair Market value	(2.96)
Realisable value	(11.87)
Profit Earning Capacity Value Method (PECV)	1.93

On the basis of the above value of shares computed under different methods by the company the shares are proposed to be de-rated at 60%.

13.0 MANUFACTURING PROCESS, FACILITIES & INFRASTRUCTURE

a) Manufacturing Process



b) Manufacturing Process & Facilities

(i) BLOW ROOM/AUTOMATIC BALE OPENER : (Crosrol, UK)

Cotton being a natural fiber, its characteristics varies from bale to bale of same lot and even within the bale. Automatic Bale Openiner Machine is used to make homogenous mixing by taking out equal and small tufts from each bale of cotton.

This is equipped with latest technology like PLC, Inverter to Control the speed and monitoring the moving parts speed with the help of non contact type sensor.

Company have three numbers of Blow Room lines for opening and cleaning of cotton. These machines are connected to a centralized waste evacuation system to remove the cotton waste generated during process. All machines are equipped with door safety switch and PLC, which helps in solving any type of problem during operation.

These machines are also equipped with latest technology like PNP and NPN Sensor, MCB to give trouble free working. Entire system is automatically synchronized with the help of Photohelic. No manual operation is required at any stage.

(ii) CARDING : (Crosrol, UK)

Company have installed 14 nos. MK-5C and 8 nos. MK-6 Crosrol Cards for further cleaning of cotton, removing the neps and to make uniform sliver of cotton. These machines are equipped with Long Term and Mid Term Auto-leveller to maintain the uniformity of Sliver, which can be checked for uniformity on Card Management System. These machines are having on line monitoring system called Card Management System (CMS). Length of Sliver, quality of Sliver in terms of CV% and other technical parameters can be adjusted on CMS as per the requirement of production.

(iii) DRAW FRAMES : (VOUK, Italy/ Schlafhorst, Germany//Rieter, Switzerland)

Company have 4 nos. of "VOUK" make SH-22 Model and 2 nos. "ZINSER" make 720 Model Draw Frames which are used to make the cotton sliver to be more uniform and even. Parallelization of fibres is also done by attenuation.

Company have installed 4 nos. of SH-802E "VOUK" make and 2 nos. of RSB-D 35 "RIETER" make Finisher Draw Frame. These Draw Frames are equipped with Auto Levellers to ensure uniformity in sliver. These Machines are equipped with on line quality monitoring system. Any type of deterioration in sliver quality on account of CV, Draft Deviation and Count Deviation can be corrected with Spectrograph on the machine itself.

(iv) AUTO CORO : (Schlafhorst, Germany/Rieter, Switzerland)

Company have 4 nos. of SE-9 ACO 288 Schlafhorst Make Auto Coros which are equipped with Coro Lab and Yarn Cleaning System to produce uniform yarn. Length on the package can be selected on informator. All technical parameter can be adjusted on informator. Automatic Piecer does piecing without man handling. After fixed length, Package doffing is done by doffer.

In Auto Coros, yarn is made from sliver. Each Auto Coro have 264 positions. These Machines are equipped with on line quality monitoring system which helps in finding out the reasons of deterioration in yarn quality with the help of CV, Dia Deviation, Count Deviation, and Spectrograph, Spectrogram, CVL Curve on the machine itself. We can constantly monitor the yarn quality with the help of using matrix principle.

Company have one R-20 Autocoro Machine supplied by Rieter having 280 positions. The machine is equipped with Yarn Cleaning System to ensure uniform quality. All technical parameters can be adjusted at BOD with the help of Touch Screen. Piecing and doffing of package is done by Robot Automatically.

(v) SLUB ATTACHMENT DEVICE : (AMSLER, Switzerland)

Company have 2 nos. Slub Attachment Devices to make Fancy Yarn. Yarns acquire their typical character as a result of fluctuation in the yarn dia. These yarns give special effect on the surface structure of the fabric giving the product a natural, rustic or simply different character.

Fluctuation in dia of yarn as per predetermined programme stored in Memo Card is achieved through IRI regulator-4009.

(vi) SPEED FRAME : (Toyoda, Japan)

Company have installed 3 nos. of Speed Frames Model FL 100 of Toyoda, Japan. To ensure optimum speed, roving quality and ease of operation, the FL 100 has eliminated the cone drum mechanism and instead uses separate motors. Machine having roving stop at desired length. The unique mechanism minimises roving irregularities with the combination of a microcomputer and CCD Electronic Eye sensors accurate to the 0.1mm level maintain ideal winding tension. Machine is also equipped with automatic lubrication system.

(vii) RING FRAME : (Toyoda, Japan)

Company have installed 7 nos. of Ring Frames Model RX 240 of Toyoda, Japan with Slub and Multi-count attachments to produce fancy yarn. The Ring Fames are equipped with E draft and Auto-doffing system. Count can be changed by the enlarged colour function panel (Touch Screen) without changing any gear.

(viii) PROCESS CONER : (Murata, Japan)

Company have installed 3 nos. of Autoconer Winding Machine Model 21 C of Toyoda, Japan equipped with individual air splicer, single side and single deck type to wind from ring bobbins onto 6" traverse plastic paper cheese. It is also equipped with Electronic Yarn Clearer.

N

(ix) BALL WARPER : **(McCoy Ellison, USA)**

Company have installed 4 nos. latest Ball Warpers Model 680 of McCoy Ellison Inc. U.S.A. With this machine we can get good quality of Rope and Ball by arrangement like Vacuum Reed. It has PLC control System which helps in controlling and monitoring speed, hold down pressure, traverse strock, quality of ball and leasing and Doffing time.

(x) ROPE DYEING : **(Morrison, USA)**

Company have state of the art technology Morrison Rope Dyeing machine having 24 Rope Dyeing capacity with the following facilities:

- Mercerizing.
- Individual arrangement for Indigo, sulphur black and other shades to provide best quality for washing and rubbing effect.
- Separate arrangement for Sulphur/other shades topping and bottoming.
- Individual collections tanks for different styles i.e. different shades of dyes.

For on line monitoring we have following testing equipment in the Testing Laboratory.

1. Spectrophotometer – for evaluating concentration of Indigo for consistency of shade throughout the lot and lot to lot.
2. Veto meter – For controlling and measuring concentration of Sodium Hydro Sulphite.
3. We have chemical laboratory to check concentration of purity of different chemicals used by titration method.

The Dye Room is fully air ventilated having sufficient amount of free oxygen for better air change for better oxidation by which we can get good colour effects.

(xi) LONG CHAIN BEAMER : **(McCoy Ellison, USA)**

Company have 10 nos. latest Long Chain Beamers Model 103 to re-open the rope and convert it into beam for Sizing. With the machine, we get better beam tension and beam hardness.

(xii) SIZING: **(Iral Griffin & Sons Inc. U.S.A.)**

Company have 2 nos. fully computerized and Automatic Sizing Machine of Iral Griffin & Sons Inc. to produce good quality sized beam. Creel Tension, Temperature of Cylinder, Stretch control and moisture control of sized yarn is totally controlled by Digital Computer. It is equipped with Saw Box having Vertical Nips along with unique yarn path which eliminate hard size marks.

Yarn exit path produces a perfect tangential path which reduces yarn hairiness. Vertical Nip maximizes the effect of Wet Splitting and provides much greater operator access.

(xiii) LOOMS : (Toyoda, Japan/Tsudocoma, Japan)

Company have installed 70 nos. "Toyoda Looms" and 31 nos. "Tsudocoma Looms" fully automatic having following facilities :

- TAPO – Automatic pick finder.
- Electronic let-off and take-up motion with different settings for stop mark for any contrast fabric like Denim.
- ABS – Automatic Weft Brake System for better control on weft insertion and other damages related to weft are also controlled.
- Fully automatic centralized lubrication system.

(xiv) FINISHING RANGE :

Company have composite Finishing Range comprising of the followings :

a. Stenter Machine with Coating Head : (Dhall, India)

Company have 7 chambers Stenter Machine for Heat setting of stretch fabric and application of different kind of chemicals like PU, Pigments etc.

b. Mercerising Machine : (Dhall, India)

To give flat finish to the fabric wth highly concentrated caustic and auxiliaries, Company have installed Mercerising Machine.

c. Sanforising Finishing Range : (Morrison, USA)

Company have integrated Finishing Range of Morrison containing Brushing, Singing, Padding, Sanforising and Palmer in the same line. It is the most versatile, having on line defect observations.

(xv) INSPECTION MACHINE: (KITAMURA, Japan)

Company have installed three Inspection Machines supplied by Kitamura, Japan having computer in-built facilities for preparing cutting map to have optimum "A"/Premium quality of fabric as per the internationally accepted four point American System. This helps the automatic cutting machine to prepare fabric rolls accordingly.

Further, for shade checking and washing effect of fabric, company make blanket of small pieces of fabric from all rolls and grade our fabric as per shade.

Company has also installed Automatic Heat Shrinkage Machine to pack the fabric rolls.

(xvi) TESTING FACILITIES : **(Uster, Switzerland)**

a. Cotton Testing :

- HVI 900 of "Uster"
- Micro Dust Trash Analyzer

b. Yarn Testing :

- UT-4SE of "Uster"
- Tensokid of "Uster"
- Wrap Reel of "Innolab"
- Beasley Balance of "Innolab"

c. Fabric Testing :

- Bursting Strength Tester of "Presto"
- Tear Strength Tester of "Presto"
- Crock Meter of "Innolab"
- Colour Cabinet of "Innolab"
- Tumbler Washing and Drying Machine of "Stafab"

(xvii) EFFLUENT TREATMENT FACILITIES : **(Thermax)**

Company have installed Effluent Treatment plant supplied by Thermax which is equipped with :

- SAFF (Submerged Aeration Fixed Film Reactor) technology.
- Bio-Assay Test facility.
- Centrifuge Decanter for chemical and biological sludge handling.
- DMA (Dual Media Filter) and ACF (Activated Carbon Filter)
- Facility of both chemical and biological treatment.

Installation of Reverse Osmosis (R.O.). Plant for recycling of treated water for process is under consideration.

c) **Infrastructure facilities**

i) Land

The plant is situated in an area of 192700 sq. mtrs of free hold land.

ii) Factory Buildings

There exists a following factory building:

a) Spinning Building admeasuring 7858.67 sq. mtr
b) Processing Building admeasuring 5507.01 sq.mtr
c) Weaving and Inspection Building admeasuring 5651.37 sq.mtr
d) Finish & Packed Goods godown admeasuring 1893.38 sq.mtr

e) Bales and Yarn go down admeasuring 2379.30 sq.mtr
f) Utilities Building admeasuring 8230.97 sq.mtr

iii) Water

The requirement of water per day is 642 kl and the same is met by sourcing the same through 01 Nos. borewells

iv) Utilities:

The requirement of power for operation of the plant is 4500 KVA and the same is met through Punjab State Electricity Board. Further, the Company has back up power supply in terms of 02 Nos. generator set of 62 KVA and 15 KVA to meet lighting load of the company.

v) Pollution Control equipment

The Company has requisite pollution control approvals for running the factory and the same are valid up to 31.12.2016.

14. CUT OFF DATE: 01.04.2011

Scheme Period: 01.04.2011 to 31.03.2018

15. RELIEFS AND CONCESSIONS

The scheme envisages following reliefs and concessions with April 1,2011, as on cut off date:

15.1 SECURED LENDERS:

The company is not seeking any relief from secured lenders under this scheme, as the liabilities of company were restructured and **sanctioned by Secured Lenders (Term Lenders & Working Capital Bankers)** as per already approved CDR package as under:

1. **Cut off Date (COD)** : April 1, 2006 (For Restructuring of Liabilities as per CDR approved Package)

2. Term Lenders / Working Capital Lenders:

A Term Loans

Sr. No.	Particulars	Amount Rs in Lakh	ROI	Repayments From	Repayments To
1	**Reschedulement of Outstanding Term loans under TUFS- Old**		Average yield of 9% interest to be charged on step up basis from cut off date as under	The repayment schedule is based on annual cash flows and on variable basis	
	IDBI	901.38	6% p.a(2006-07 & 2007-08)	01-Oct-10	01-Oct-15
	IIBI	505.98	7% p.a(2008-09 & 2009-10)		
	EXIM	178.53	13.5% p.a (2010-11 onwards)		
	BOI	1377.47			
	Dena	0.00			
	ABB	0.00			
	Total	**2963.36**			
2	**The outstanding Non-TUFS Term loans of Rs. 4785.06 lakh now divided into sustainable debt (Rs 2873.60 lakh) and non-sustainable debt (Rs. 1911.46 lakh)**				
a	Reschedulement of Outstanding Term loans under Non TUF-(Sustainable)		Average yield of 9% interest to be charged on step up basis from cut off date as under	The repayment schedule is based on annual cash flows and on variable basis	
	IDBI	1603.92	6% p.a(2006-07 & 2007-08)	01-Oct-10	01-Jul-17
	IIBI	242.06	7% p.a(2008-09 & 2009-10)		
	EXIM	179.78	11 % p.a (2010-11 onwards)		
	BOI	121.63			
	Dena	726.21			
	ABB	0.00			
	Total	**2873.60**			
b	**Reschedulement of Outstanding Term loans under Non TUF- (Un - Sustainable)**		Interest from cut off date at 4% p.a payable monthly.	The repayment schedule is based on annual cash flows and on variable basis	
	IDBI	1065.82		01-Apr-17	01-Apr-20
	IIBI	160.84			
	EXIM	119.85			
	BOI	80.81			
	Dena	484.14			
	ABB	0.00			
	Total	**1911.46**			

Sr. No.	Particulars	Amount Rs in Lakh	ROI	Repayments	
				From	To
3	**Existing FITL / Existing Deferred Interest - I (OLD)**		Interest from cut off date at 0% p.a	The repayment schedule is based on annual cash flows and on variable basis	
	IDBI	775.38		01-Apr-20	01-Apr-24
	IIBI	132.29			
	EXIM	25.44			
	BOI	425.00			
	Dena	333.72			
	ABB	0.00			
	Total	**1691.83**			
4	**FITL / Deferred Interest (NEW) -II on simple basis from 1.4.2006 to 31.03.2009**		Interest from cut off date at 0% p.a	The repayment schedule is based on annual cash flows and on variable basis	
	IDBI	674.47		01-Apr-20	01-Apr-24
	IIBI	161.56			
	EXIM	78.34			
	BOI	679.88			
	Dena	156.81			
	ABB	42.88			
	Total	**1793.94**			
	Deferred Interest comprises of TUFs Loan , Non – TUFs Loan (Sustainable / Unsustainable), New TUFs Loan (Devolved / Undevolved Capex L/C's), WCTL (inclusive of Devolved Raw Material L/C's), Working Capital Facilities (CCH, WCDL, PC etc) & Overdue Interest -Term Loan & Working Capital Facility etc.				
5	**FITL / Deferred Interest (NEW) -II on simple basis from 1.4.2009 to 31.12.2009**		Interest from cut off date at 0% p.a	The repayment schedule is based on annual cash flows and on variable basis	
	IDBI	164.25		01-Jan-11	01-Jan-16
	IIBI	69.68			
	EXIM	22.51			
	BOI	162.55			
	Dena	101.63			
	ABB	18.44			
	Total	**539.06**			
	Deferred Interest comprises of TUFs Loan , Non – TUFs Loan (Sustainable / Unsustainable), New TUFs Loan (Devolved / Undevolved Capex L/C's), WCTL (inclusive of Devolved Raw Material L/C's), Working Capital Facilities (CCH, WCDL, PC etc) & Overdue Interest -Term Loan & Working Capital Facility etc.				

Sr. No.	Particulars	Amount Rs in Lakh	ROI	Repayments	
				From	To
6	**Capex L/C's (Devolved / Undevolved) falling due to be converted to New Term loan**		Interest from cut off date at 9% p.a	The repayment schedule is based on annual cash flows and on variable basis	
	IDBI	0.00		01-Oct-10	01-Oct-15
	IIBI	0.00			
	EXIM	0.00			
	BOI	483.65			
	Dena	246.20			
	ABB	0.00			
	Total	**729.85**			
7	**WCTL**		Interest from cut off date at 4% p.a	The repayment schedule is based on annual cash flows and on variable basis	
	IDBI	0.00		01-Apr-17	01-Apr-20
	IIBI	0.00			
	EXIM	0.00			
	BOI	506.00			
	Dena	278.27			
	ABB	0.00			
	Total	**784.27**			
	Difference between availed CC limit and DP as on September 30, 2007 shall be carved out on reduced margin of 10% as WCTL (inclusive of Dena Bank Devolved L/C Raw Material of Rs 181 lakh (approx)				
	Grand Total				
	IDBI	5185.22			
	IIBI	1272.41			
	EXIM	604.45			
	BOI	3836.99			
	Dena	2326.98			
	ABB	61.32			
	Grand Total (Term Loans)	**13287.37**			

औद्योगिक और वित्तीय पुनर्निर्माण बोर्ड
Board for Industrial and Financial Reconstruction
BENCH-II
New Delhi

* IIBI has assigned the debt to Asset Care & Reconstruction Enterprises Ltd. (ACRE) vide Deed of assignment dated June 21, 2011.ACRE has now stepped into the shoes of IIBI and has become a secured creditor of Rainbow Denim Limited (RDL).Further RDL has entered into Deed of Settlement at Rs 544.77 lakh on 26.08.2011 with ACRE out of which Rs 94 lakh has already been paid towards upfront payment, interest & incidental expenses. Balance Repayment schedule towards the settlement of dues is as under:

Amount Payable	
Due Date	**Amount (Rs in lakh)**
15.11.11	17.14
15.02.12	17.14
15.05.12	59.27
15.08.12	57.50
15.11.12	55.35
15.02.13	53.21
15.05.13	50.79
15.08.13	48.93
15.11.13	46.78
15.02.14	44.64
Total	**450.76**

B Working Capital Loans

Rs in Lakh

Sr. No.	Particulars	IDBI	BOI	Dena	ABB	Total
1	<u>Working Capital</u>					
	Fund Based Limits	100.00	982.00	525.00	278.00	1885.00
	Non- Fund Based Limits	100.00	300.00	200.00	200.00	800.00
	FBN Outside (MPBF)			800.00	500.00	1300.00
2	Additional L/C (Capex Requirement) **(Refer Note 1 below)**	136.00	132.00	132.00	0.00	400.00
3	Peak Season Limits (Additional) **(Refer Note 2 below)**	334.00	333.00	333.00	0.00	1000.00
	Total (B)	**670.00**	**1747.00**	**1990.00**	**978.00**	**5385.00**

1	Additional capex L/C limit of Rs. 400 lakh with initial margin of 10% for purchase of looms and subsequently the company will arrange the buyers credit / suppliers credit to enable the L/C to be rolled over as permitted by RBI, during which time the company shall gradually build up the margin of 15% at every six month interval to full extent so as to ensure retiring the L/C at the end of 3 years. The facility will be secured by exclusive first charge on specific assets to be acquired out of the facility and personal guarantee of promoter i.e. Shri H.D. Ramsinghani.
2	Additional Peak season L/C limit of Rs. 1000 lakh for cotton procurement with Nil margin.
3	Simple Interest debited/accrued to CC / WCDL/ PC/ WCTL/ Devolved L/C's (Raw Material / Capex) etc account from cutoff date April 1, 2006 till December 31, 2009 shall be carved out and converted into FITL/Deferred interest and shall not carry any interest and repayable from April 1, 2020 till April 1, 2024. The repayment schedule is based on annual cash flows and on variable basis. **(Refer Sr. No. 4 & 5 in term Loans)**
4	Working capital Facilities (CC / WCDL/ PC etc) margins to charged at 10% on RM / FG /WIP / Consumables Stores & Spares/ Book Debts upto 120 days .Reduction in L/C / BG margin to Nil.
5	Interest Rate on Fund Based (Cash Credit / WCDL etc) facility has been envisaged at 9% p.a.from the cut off date in line with the interest rate on the term loans.
6	Fund Based (CC/WCDL/PC/FBN etc) limits & Non – Fund Based (L/C / BG) Limits to be reinstated and shall be allowed to be utilised subject to availability of drawing power.
7	Full interchangeability of Fund based limits between CC, WCDL, PC, FBN and PCFC facilities
8	Full interchangeability of Non -Fund based limits between L/C & BG.
9	Book Debts / PC Period to be allowed upto 120 days and FBP / FBN / FBD to be allowed upto 180 days.

C

Appropriation of interest / installment taken by lender after Cut off Date 1.4.2006 :
Interest (Term Loans & Working Capital Loans (CC / WCDL/ PC etc) and installment taken by any lender after cut off date in terms of existing interest / repayment schedule to be adjusted against future dues (Interest / Installments).

15.2 OTHER SECURED LOANS – Dhawalgiri Properties Pvt. Ltd.,

To agree to accept the outstanding amount of Rs. 305.84 lakh as at 31.03.2011 in 10 equal half yearly installments commencing from 30.09.2013 and ***interest if any.***

15.3 UNSECURED CREDITORS

The unsecured creditors as on 31.03.2011 amounting to Rs. 1527.79 lakh to receive 100% of the principle amount **plus interest if any,** as per their payment terms. These unsecured creditors represent regular parties from whom raw materials, services, capital goods etc. are procured for efficient running of plant operations.

15.4 DIRECTOR GENERAL OF FOREIGN TRADE *TO CONSIDER*

i) To agree to waive disputed demand of outstanding interest, penalty raised against EPCG License No. 03501092 dated 13.01.1999 was issued against total export obligation (EO) of US$ 77,598,359 was to be fulfilled by January 12, 2009 or such further extension as may be granted. Out of which the Company has fulfilled export obligation of US$ 57,866,385 upto March 31, 2011 and to agree to extend the period for fulfilling export obligation against EPCG License 03501092 dated 13.01.1999 for a period of 12 years from date of sanction of scheme.

The Foreign Trade Polity announced by the Govt. of India for 2009-14, a provision for BIFR units has been provided which provides that any firm / Company registered with BIFR or any firm / Company acquiring a unit, which is under BIFR, may be allowed EO extension, as per rehabilitation package prepared by the Operating Agency and approved by BIFR / Rehabilitation Department of State Govt., upto 12 years if not specified.

ii) In addition to above EPCG License , the details of other EPCG Licences obtained by RDL are as under and the company is in process to fulfilling the export obligation of these licenses.

- EPCG License No. 0330010504 dated 14.12.2005 was issued against total export obligation of US$ 77,72,040 is to be fulfilled by December 13, 2013 or such further extension as may be granted.

- EPCG License No. 0330020053 dated 21.05.2008 was issued against total export obligation of US$ 40,64,435 is to be fulfilled by May 20,2016 or such further extension as may be granted.

15.5 SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

i) Exemption to the company from the applicable provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as provided in clause 70(1)(c) to facilitate the preferential allotment, after derating of existing Equity capital, of additional equity shares of Rs 600 Lakh to the promoters and their associates for cash at par in respect of promoters contribution already brought in and also allotment of equity shares on preferential basis in respect of proposed promoter contribution to be brought in by the promoters and their associates in conformity with the sanctioned package. **Provided as per clause 78(1) of ICDR Regulations, such preferential issue of equity shares shall be locked in for a period of three years. As per clause 78(6) of ICDR Regulations, the entire pre-preferential allotment of allottees would be locked in for a period of six months from the date of preferential allotment.**

ii) Exemption to the company from the applicable provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations,2011 as provided in clause 10(1)(d)(i) to facilitate the preferential allotment, after de rating of existing Equity capital, of additional equity shares of Rs 600 lakh to the promoters and their associates for cash at par in respect of promoters contribution already brought in and also allotment of equity shares on preferential basis in respect of proposed promoter contribution to be brought in by the promoters and their associates in conformity with the sanctioned package **subject to fulfillment of the conditions stipulated in Regulation 3 and 4 of Takeover Regulations, 2011**

iii) **To consider** to grant listing for the additional shares to be issued to the promoters, their associates etc under the revival scheme after derating of existing shares of the company.

15.6 MINISTRY OF CORPORATE AFFAIRS :

To Consider:-

i) To exempt the company from the applicability of section 81(1A) of the Companies Act with respect to fresh issue of capital to the promoters, their friends, relatives & Associates against their contribution or to assignee of debts.

ii) **(DELETED).**

iii) To exempt the company from the applicability of provisions of Sections 293(1)(a) and 293(1)(d) and other relevant applicable provisions of the Companies Act, 1956 and regulations thereunder relating to sale of surplus assets if necessary

iv) Exemption to the company and associates from provisions contained in Sections 370 , 372 and 372A of the Companies Act for raising finance under the rehabilitation scheme;

v) Exemption from the applicability of Section 58A of the Companies Act and other means for raising / having raised funds for rehabilitation; **provided deposits are not accepted from the general public**

vi) Restructuring and Reduction in the existing Equity Share Capital of the Company to the extent of 60% of the existing equity share capital of the company as envisaged under the scheme without following the procedure laid down under Sections 100 to 104 and 106 of the Companies Act, 1956 and without obtaining the specific approval of the Equity Shareholders.

vii) As a result of the allotment in the manner specified hereinabove, equity shareholder of the company becomes entitled to any fractional coupon/s of equity shares of the company, no such fractional coupon/s shall be issued in respect of or representing such equity shares of the company but such fractional coupon/s shall be consolidated into whole equity shares and the Board of Directors of the company shall allot any one or more of such consolidated share to a 'Trust' on behalf of the fractional shareholders. Thereafter the company shall obtain the estimate of fair price for the sale of such shares from SEBI approved Merchant Banker and the fractional shareholders shall be given a choice to sell their fractional shareholding to promoters at a price arrived at by the Merchant Bankers.Every such sale of consolidated equity shares shall be at price/s as recommended by the Merchant Banker as above.Upon receipt of the purchase price in respect of such sale the Board of Directors shall allot the equity shares to the approved purchaser/s, the total net sale proceeds of such consolidated equity shares after defraying there from all costs, charges and expenses of sale/s shall be distributed and divided among such equity shareholders of the company as would otherwise have been entitled to such fraction of the equity shares of the company, in proportion to their respective interest in their fraction.

viii) All members whose name shall appear in the Register of Members of the Company on the record date shall surrender to the company their share certificates on such date/s as the Board of Directors may determine, for cancellation of their share certificates in respect of equity shares held in the company and the company shall issue to them certificates for equity shares in the company to which they may be entitled in terms of the restructuring of equity share capital as envisaged under the scheme and every such shareholder of the company shall take all steps to obtain from the company to which he is entitled to herein above. Upon the new equity shares being issued and allotted by the company to the Members standing on the Register of Members of the company on the record date, share certificates in respect of the shares held by them in the company prior to such reduction shall stand cancelled.

ix) In the event of default on the part of any shareholder in surrendering the equity share certificate/s for cancellation as aforesaid, upon the new shares in the Company being issued and allotted by it to the shareholders whose name shall appear on the Register of Members of the Company on such date as aforesaid, the share certificates in relation to the shares held by them in the company prior to such reduction shall be deemed to have been cancelled, on allotment of the new share/s as provided herein above.

15.7 EXISTING PROMOTERS

i) Promoters will arrange to bring in aggregate an amount of Rs. 1020 lakh [comprising Rs 601 lakh has to be brought as per CDR package (of which Rs 581 lakh brought in as at 31.03.2011 and balance Rs 20 lakh has brought in as at 9.12.2011) and balance Rs. 420 lakh by way fo unsecured loan/equity].

ii) The company is also proposing to convert Rs. 600 lakh, which were bought by the company by way of unsecured loan, in to Equity Shares by way of Preferential Allotment to the promoters at par after de-rating.

iii) The unsecured loans from promoters shall be interest free and shall not be withdrawn during the rehabilitation period.

iv) The unsecured loans Rs 420 lakh, which are being infused by the promoters during rehabilitation package, shall have an option of converting into Equity Share by way of Preferential Allotment to the promoters, at par as may be approved by BIFR after de-rating.

v) The Unsecured loans / Equity shares shall be brought in from individual promoters/ promoter's associates/ their friends / their relatives/ domestic companies / overseas corporate bodies / incorporated non-resident entities of promoters etc.

vi) The promoters further undertake to bring in additional funds, to the extent necessary, in the event of shortfall in the cost of the scheme.

16. EQUITY SHAREHOLDERS:

i) The existing shareholders to co-operate in the implementation of the rehabilitation scheme for the smooth operation of the Company.

ii) To accept reduction in share capital by 60%

17. FINANCIAL VIABILITY

(Rs in Lakhs)

Year ending 31st March	Mar-11	Apr-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
	Audited	**Restructured**	**Estimates**	**Estimates**	**Estimates**	**Estimates**	**Estimates**	**Estimates**	**Estimates**
Projected Working Results									
Installed Capacity in Meters									
No. of Looms	101		101	119	119	119	119	119	119
Denim Fabric Capacity in (000 mtrs)	17456		17456	20397	20397	20397	20397	20397	20397
Production in Meters									
Denim Fabric (in 000 mtrs)	15077		15187	17745	17745	17745	17745	17745	17745
Capacity utilization (%)	86%		87%	87%	87%	87%	87%	87%	87%
Manufacturing Sales	15394.71		18463.37	20692.68	21281.91	21281.91	21281.91	21281.91	21281.91
(%of Growth)			16.62%	10.77%	2.77%	0.00%	0.00%	0.00%	0.00%
Export Incentive	188.10		216.74	243.04	251.12	251.12	251.12	251.12	251.12
Other Income	154.11		158.36	208.63	207.06	207.06	207.06	207.06	207.06
Total Income	15736.92		18838.47	21144.35	21740.09	21740.09	21740.09	21740.09	21740.09
Manufacturing Exp & Cost of Goods Sold	13673.19		17161.60	18992.28	19409.58	19475.92	19544.77	19616.24	19690.42
PBDIT	2063.73		1676.87	2152.07	2330.51	2264.17	2195.32	**2123.85**	**2049.67**
Interest	1370.50		951.83	843.65	704.14	568.77	483.77	390.86	276.80
Depreciation & Preliminary Exp. w/off	894.31		992.24	996.51	1001.79	1012.35	1022.91	1033.47	1044.03
Profit before Tax	-201.08		-267.20	311.91	624.58	683.05	688.64	699.52	728.84
Extraordinary Waivers	2532.01		0.00	0.00	998.45	0.00	0.00	0.00	0.00
Profit before Tax	2330.93		-267.20	311.91	1623.03	683.05	688.64	699.52	728.84
Less : Tax / Deferred Tax Adjustments	0.00		0.00	0.00	124.97	136.66	137.78	139.96	145.83
Profit After Tax	2330.93		-267.20	311.91	1498.06	546.39	550.86	559.56	583.01
Net Cash Accruals	693.23		725.04	1308.42	1501.40	1558.74	1573.77	1593.03	1627.04
Equity Share Capital	1820.93	728.36	728.36	728.36	1328.36	1328.36	1328.36	1328.36	1328.36
Reserves and Surplus (Share Premium A/c)	493.64	493.64	493.64	493.64	493.64	493.64	493.64	493.64	493.64
Less :Accumulated Loss	-2531.18	-1438.61	-1705.81	-1393.90	104.16	650.55	1201.41	1760.97	2343.98
Net Worth (including Free Reserves)	**-216.61**	**-216.61**	**-483.81**	**-171.90**	**1926.16**	**2472.55**	**3023.41**	**3582.97**	**4165.98**
Others Reserves & Surplus (Capital Reserve & Interest Subsidy)	467.39	467.39	467.39	467.39	467.39	467.39	467.39	467.39	467.39
Total	**250.78**	**250.78**	**-16.42**	**295.49**	**2393.55**	**2939.94**	**3490.80**	**4050.36**	**4633.37**

18. Debt Service Coverage Ratio (DSCR)

Debt Service Coverage Ratio – **Refer Annexure " V"**

Comments:

Average DSCR of 1.33 is satisfactory. Although the minimum DSCR is 1.03 in FY 2013-14 which is below 1.33, the viability shall not be affected adversely in view of adequate opening bank balance and satisfactory cash flow position.

19. Debt Service Coverage Ratio without reliefs and concessions

No financial reliefs sought from Government Agencies and as such the Debt Service Coverage Ratio remains the same.

20. CONCLUSION

20.1 The rehabilitation proposal of RDL envisages repayment / settlement of dues of the secured creditors and reliefs & concessions from Central & State Government and from various other agencies as mentioned hereinabove. The net worth of RDL is expected to turn positive in FY 2013-14. The projections reveal that the accumulated losses are expected to be wiped out in the year 2014 i.e. FY 2013-14. RDL's operations are adequate to meet the financial obligations.

20.2 RDL is expected to earn a net profit excluding extraordinary waivers of Rs. (267.20) lakh, Rs. 311.91 lakh in FY 2011-12 and FY 2012-13 respectively. Net cash accruals in FY 2011-12 are expected to be Rs 725.04 lakh and the same would gradually increase to Rs. 1627.04 lakh in FY 2017-18. The net worth of RDL is expected to turn positive in FY 2013-14. The projected cash flow statement reveals that the Company shall have surplus cash flows, which can be used for incurring further capital expenditure for expansion/modernization programmes.

20.3 Therefore, the DRS can be considered to be commercially and techno-economically viable.

21. GENERAL TERMS AND CONDITIONS

(i) IDBI Bank Ltd (IDBI) is appointed as the Operating Agency (OA).

(ii) The company shall take steps to strengthen the internal control systems and internal audit system.

(iii) The company shall satisfy OA that the physical progress and all aspects of cost of the scheme / means of finance of the scheme is complied with as per the original schedule. To this end, the company shall furnish to OA such information and data as may be required by it at intervals stipulated by it. Any financial shortfall arising out of the delayed implementation of the schedule or for any other reason shall be met by the company/promoters without any recourse to FI/Banks or seeking any further reliefs/concessions from them than what has already been provided for in the Scheme within a period not exceeding three months.

(iv) The company shall not undertake any new project or expansion or make any investment or obtain any asset on lease/hire without the prior approval of BIFR during the currency of the Scheme.

(v) The company shall not declare any dividend on equity shares without prior approval of BIFR during the rehabilitation period.

(vi) The company shall continue to submit its audited balance sheets (ABSs) from cutoff date onwards at the end of each financial year within one month of the finalization thereof to the Operating Agency (OA)/secured creditors and BIFR. It shall ensure finalization of ABS in terms of provisions of Companies Act, 1956 without fail and the BOD must ensure to avoid any delay.

(vii) The loans inducted / to be inducted by the promoters shall be subordinated and interest free and shall not be withdrawn during the rehabilitation period without the prior approval of BIFR / OA.

(viii) Any shortfall in the means of finance will be brought in by the promoters.

(ix) All current dues arising after cut-off date to be paid by the company in the normal course and no special protection of SICA would be available for this purpose.

(x) The company / promoters are directed u/s 22A of SICA not to dispose of, sell or alienate any fixed assets of the company without the consent of the secured creditor and the BIFR.

(xi) Reference to BIFR shall include any successor Tribunal or Forum or Authority, which is conferred with or which exercises the powers exercised by the BIFR.

(xii) This Scheme shall come into force with immediate effect and shall be implemented by all concerned as envisaged in the Scheme.

21. The following annexures would form an integral part of the **SS-12** enclosed herewith

Sr. No.	Particulars	Annexures
1.	Assumptions	I
2.	Projected Profit & Loss Estimates	II
3.	Projected Balance Sheets	III
4.	Projected Cash Flow	IV
5.	DSCR	V

(B. S. MEENA)
MEMBER

(NIRMAL SINGH)
CHAIRMAN

औद्योगिक और वित्तीय ... Board for Industrial and Financial Reconstruction, New Delhi, BENCH-II

Board for Industrial & Financial Reconstruction
BENCH-II
प्रमाणित सत्य प्रतिलिपि
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Annexure -I

Assumption

Cost Assumptions	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18
Number of Months	12	12	12	12	12	12	12
Number of days per month	30	30	30	30	30	30	30
No. of Days in year	360	360	360	360	360	360	360
Meters Packed Production per day (in thousand Mtrs)	48,489	56,657	56,657	56,657	56,657	56,657	56,657
Conversion of Meters Packed per day (into Kgs)	23,765	28,177	28,177	28,177	28,177	28,177	28,177
Conversion of Meters Packed per annum (into Kgs)	8,555,325	10,143,868	10,143,868	10,143,868	10,143,868	10,143,868	10,143,868
Capacity (in thousand meters)	17,456	20,397	20,397	20,397	20,397	20,397	20,397
No. of Looms	101	119	119	119	119	119	119
Capacity utilisation							
Capacity utilisation-Denim Fabric	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%
Production (in thousand meters)	15,187	17,745	17,745	17,745	17,745	17,745	17,745
USD / Rs. Parity	46.25	45.75	45.75	45.75	45.75	45.75	45.75
Sales Mix							
Exports	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%
Domestic	78.00%	78.00%	78.00%	78.00%	78.00%	78.00%	78.00%
Sales Realisation -Fabric							
Exports (USD/ meter)	1.76	1.78	1.83	1.83	1.83	1.83	1.83
Domestic (Rs/meter)	127.66	127.62	130.20	130.20	130.20	130.20	130.20
Sales Quantity (in thousand Mtrs)							
Export (in thousand Mtrs)	3,458.00	3,876.00	3,903.89	3,903.89	3,903.89	3,903.89	3,903.89
Domestic (in thousand Mtrs)	12,258.00	13,741.00	13,841.08	13,841.08	13,841.08	13,841.08	13,841.08
Sales Value (Rs in lacs)							
Export Value	2,814.81	3,156.42	3,261.28	3,261.28	3,261.28	3,261.28	3,261.28
Domestic Value	15,648.56	17,536.26	18,020.63	18,020.63	18,020.63	18,020.63	18,020.63
Total Sales Value (Rs in Lacs)	18,463.37	20,692.68	21,281.91	21,281.91	21,281.91	21,281.91	21,281.91
Export Incentive Benefits (DEPB)	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
Export Incentive (Rs in Lacs)	216.74	243.04	251.12	251.12	251.12	251.12	251.12
Waste (in Qty) per annum							
Spinning Waste Sales (Qty)	941,222	970,757	830,011	830,011	830,011	830,011	830,011
Post Spinning Waste Sales (Qty)	420,047	498,041	498,041	498,041	498,041	498,041	498,041
Waste (Rs)							
Spinning Waste Sales (Rs)	10.00	11.00	12.00	12.00	12.00	12.00	12.00
Post Spinning Waste Sales (Rs)	10.00	11.00	12.00	12.00	12.00	12.00	12.00

Cost Assumptions	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18
Waste per annum (Rs per Lacs)							
Spinning Waste Sales (Rs)	94.21	105.80	99.25	99.25	99.25	99.25	99.25
Post Spinning Waste Sales (Rs)	39.15	52.83	57.81	57.81	57.81	57.81	57.81
Total Waste Sales (Rs in Lacs)	133.36	158.63	157.06	157.06	157.06	157.06	157.06
Cost of Raw Material							
Cotton (Rs./Kg)	96.41	99.25	99.95	99.95	99.95	99.95	99.95
Cotton Yarn (Rs./Kg)	135	140	142	142	142	142	142
Raw Material - Quantity							
Yarn Required for OWN Weaving per annum (in Kgs)	8,975,372.40	10,641,909.60	10,641,909.60	10,641,909.60	10,641,909.60	10,641,909.60	10,641,909.60
Cotton Requirement & Cost							
Cotton Requirement Per Annum (in Kgs)	8,184,542.40	8,441,366.40	8,300,113.20	8,300,113.20	8,300,113.20	8,300,113.20	8,300,113.20
Cotton Cost Per Annum (Rs in Lacs)	**7,890.90**	**8,378.10**	**8,296.32**	**8,296.32**	**8,296.32**	**8,296.32**	**8,296.32**
Yarn Realisation	89%	89%	90%	90%	90%	90%	90%
Yarn Requirement & Cost							
Captive Yarn Production (Own)							
Yarn Production per Annum (in Kgs) (own)	7,243,320.02	7,470,609.26	7,470,101.88	7,470,101.88	7,470,101.88	7,470,101.88	7,470,101.88
Outside Purchase of Yarn							
Yarn Requirement Per Annum (in Kgs)	1,732,052.38	3,171,300.34	3,171,807.72	3,171,807.72	3,171,807.72	3,171,807.72	3,171,807.72
Yarn Cost Per Annum (Rs in Lacs)	**2,333.27**	**4,427.69**	**4,504.01**	**4,504.01**	**4,504.01**	**4,504.01**	**4,504.01**
Dyes ,Sizing & Finishing Cost (Rs)							
Dyes ,Sizing & Finishing							
Dyeing Cost (Qty in Kgs)	6,211,695.60	7,450,714.80	7,450,714.80	7,450,714.80	7,450,714.80	7,450,714.80	7,450,714.80
Dyeing Cost (Rs per Kgs)	12.60	12.65	12.70	12.70	12.70	12.70	12.70
Dyeing Cost (Rs in Lacs)	**782.67**	**942.52**	**946.24**	**946.24**	**946.24**	**946.24**	**946.24**
Sizing Cost (Qty in Kgs)	6,211,695.60	7,450,714.80	7,450,714.80	7,450,714.80	7,450,714.80	7,450,714.80	7,450,714.80
Sizing Cost (Rs per Kgs)	6.45	6.46	6.51	6.51	6.51	6.51	6.51
Sizing Cost (Rs in lacs)	**404.62**	**484.47**	**488.20**	**488.20**	**488.20**	**488.20**	**488.20**
Finishing Cost (Qty in mtr)	15,186,750.00	17,744,970.00	17,744,970.00	17,744,970.00	17,744,970.00	17,744,970.00	17,744,970.00
Finishing Cost (Rs per Mtr)	1.60	1.65	1.70	1.70	1.70	1.70	1.70
Finishing Cost (Rs in lacs)	**242.99**	**292.79**	**301.66**	**301.66**	**301.66**	**301.66**	**301.66**
Total Dyes ,Sizing & Finishing Cost (Rs in Lacs)	**1,430.28**	**1,719.78**	**1,736.10**	**1,736.10**	**1,736.10**	**1,736.10**	**1,736.10**
Consumables Stores & Spares (Rs)							
Annual Consumables Stores & Spares (Rs in Lacs)	536.00	547.00	558.00	558.00	558.00	558.00	558.00

Cost Assumptions	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18
Annual Increase (%)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Consumables Stores & Spares (Rs in Lacs)	466.32	475.89	485.46	485.46	485.46	485.46	485.46
Total Consumables Stores & Spares (Rs in lacs)	466.32	475.89	485.46	485.46	485.46	485.46	485.46
Packing Materials (Rs)							
Packing Materials (Qty in mtr)	15,186,750.00	17,744,970.00	17,744,970.00	17,744,970.00	17,744,970.00	17,744,970.00	17,744,970.00
Packing Materials (Rs / mtr)	0.35	0.40	0.45	0.45	0.45	0.45	0.45
Packing Materials (Rs in Lacs)	53.16	70.98	79.85	79.85	79.85	79.85	79.85
Power and Fuel exps							
Power Exps							
Units consumption per day	78,000	84,000	84,000	84,000	84,000	84,000	84,000
Rate / unit	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Power Cost per annum (Rs in Lacs)	1,221.48	1,315.44	1,315.44	1,315.44	1,315.44	1,315.44	1,315.44
Fuel Expenses							
Rice Husk consumption per day	30,000	31,000	31,000	31,000	31,000	31,000	31,000
Husk Rate/ unit	4.50	4.65	4.90	4.90	4.90	4.90	4.90
Fuel Expenses per annum (Rs in Lacs)	422.82	451.31	475.58	475.58	475.58	475.58	475.58
Salary & Wages (Rs)							
Annual Salary & Wages (Rs in Lacs)	1,200.00	1,297.92	1,349.84	1,403.83	1,459.98	1,518.38	1,579.12
Annual Increase (%)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Salary & Wages (Rs in Lacs)	1,248.00	1,297.92	1,349.84	1,403.83	1,459.98	1,518.38	1,579.12
Administrative Expenses (Rs)							
Administrative Expenses (Rs in Lacs)	325.00	344.79	355.13	365.78	376.75	388.05	399.69
Annual Increase (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Administrative Exp (Rs in Lacs)	334.75	344.79	355.13	365.78	376.75	388.05	399.69
Selling & Marketing Expenses							
Sales Commission - Direct Exports	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sales Commission - Direct Exports (Rs in Lacs)	84.44	94.69	98.99	98.99	98.99	98.99	98.99
Sales Commission - Domestic Fresh / Rebates & Discounts	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sales Commission - Domestic Fresh (Rs in Lacs)	383.62	453.74	460.11	460.11	460.11	460.11	460.11
Forwarding Cost per mtr of Export	4.00	4.15	4.30	4.30	4.30	4.30	4.30
Forwarding Cost of Export (Rs in lacs)	138.32	160.85	167.87	167.87	167.87	167.87	167.87
Total Selling & Markeing Expenses	606.38	709.28	726.96	726.96	726.96	726.96	726.96
Repairs & Maintenance to Fixed Assets (Rs)							

Cost Assumptions	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18
Annual Repairs & Maintanence (Rs in Lacs)	80.00	83.23	84.89	86.59	88.32	90.09	91.89
Annual Increment	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Repairs & Maintenance (Rs in lacs)	81.60	83.23	84.89	86.59	88.32	90.09	91.89
Working Cap Assumptions (No. of Months)	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18
Trade Receivables							
-Domestic	1.00	1.00	1.00	1.00	1.00	1.00	1.00
-Exports	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Sundry Creditors	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Inventory							
- Raw Materials	1.75	1.75	1.75	1.75	1.75	1.75	1.75
- Stores, Spares & Consumables	2.00	2.00	2.00	2.00	2.00	2.00	2.00
- Finished Goods	0.60	0.60	0.60	0.60	0.60	0.60	0.60
- Work in Progress	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Interest on Working Capital - Domestic	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Interest on Working Capital - Exports	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Tax rate	32.45%	32.45%	32.45%	32.45%	32.45%	32.45%	32.45%
MAT rate	20.01%	20.01%	20.01%	20.01%	20.01%	20.01%	20.01%

0.00

Annexure II

Rainbow Denim Limited

PROJECTED PROFITABILITY

Rs in Lacs

PARTICULARS/PERIOD ENDING	Mar/11	Mar/12	Mar/13	Mar/14	Mar/15	Mar/16	Mar/17	Mar/18
MONTHS OPERATION	12	12	12	12	12	12	12	12
CAPACITY UTILISATION	87.86%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%
	Audited	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
A. INCOME :								
SALES :								
Fabric Sales :								
Export	2,497.96	2,814.81	3,156.42	3,261.28	3,261.28	3,261.28	3,261.28	3,261.28
Domestic	12,896.75	15,648.56	17,536.26	18,020.63	18,020.63	18,020.63	18,020.63	18,020.63
Export Incentive	188.10	216.74	243.04	251.12	251.12	251.12	251.12	251.12
Total Fabric Sales	15,582.81	18,680.11	20,935.72	21,533.03	21,533.03	21,533.03	21,533.03	21,533.03
Other Operating Income :								
Sale of Waste	125.12	133.36	158.63	157.06	157.06	157.06	157.06	157.06
Total Other Operating Income	125.12	133.36	158.63	157.06	157.06	157.06	157.06	157.06
TOTAL INCOME	15,707.93	18,813.47	21,094.35	21,690.09	21,690.09	21,690.09	21,690.09	21,690.09
B. MANUFACTURING EXPENSES :								
(Increase) /Decrease in Stock	(1,566.00)	1,072.64	(282.13)	-	-	-	-	-
Raw Materials Consumption	9,502.89	10,224.17	12,805.79	12,800.33	12,800.33	12,800.33	12,800.33	12,800.33
- Cotton	7,056.31	7,890.90	8,378.10	8,296.32	8,296.32	8,296.32	8,296.32	8,296.32
- Yarn	2,446.58	2,333.27	4,427.69	4,504.01	4,504.01	4,504.01	4,504.01	4,504.01
Dyes and Chemicals Consumed	1,475.24	1,430.28	1,719.78	1,736.10	1,736.10	1,736.10	1,736.10	1,736.10
Consumables, Stores and Spares	433.60	466.32	475.89	485.46	485.46	485.46	485.46	485.46
Packing Cost	52.61	53.16	70.98	79.85	79.85	79.85	79.85	79.85
Power Cost	1,217.19	1,221.48	1,315.44	1,315.44	1,315.44	1,315.44	1,315.44	1,315.44
Fuel Cost	417.51	422.82	451.31	475.58	475.58	475.58	475.58	475.58
Salaries and Wages	1,166.34	1,248.00	1,297.92	1,349.84	1,403.83	1,459.98	1,518.38	1,579.12
Repairs and Maintenance	80.03	81.60	83.23	84.89	86.59	88.32	90.09	91.89
Total Cost of Production	12,779.41	16,220.47	17,938.21	18,327.49	18,383.18	18,441.06	18,501.23	18,563.77
GROSS PROFIT	2,928.52	2,593.00	3,156.14	3,362.60	3,306.91	3,249.03	3,188.86	3,126.32
C. ADMINISTRATIVE OVERHEADS	321.19	334.75	344.79	355.13	365.78	376.75	388.05	399.69
D. SELLING AND MARKETING EXPENSES	572.59	606.38	709.28	726.96	726.96	726.96	726.96	726.96
E. GROSS PROFIT BEF INTST AND DEP	2,034.74	1,651.87	2,102.07	2,280.51	2,214.17	2,145.32	2,073.85	1,999.67
F. FINANCIAL EXPENSES :								
Interest on Term Loans	1,077.63	754.65	646.47	509.72	379.85	300.36	212.95	104.40
Other Interest and Financial Charges	292.87	197.18	197.18	194.42	188.92	183.41	177.91	172.40
G. PROFIT BEFORE DEPRECIATION	664.24	700.04	1,258.42	1,576.37	1,645.40	1,661.55	1,682.99	1,722.87
H. PRELIMINARY EXPENSES W/ OFF	1.34	1.01						
I. DEPRECIATION	892.97	991.23	996.51	1,001.79	1,012.35	1,022.91	1,033.47	1,044.03
J. OPERATING PROFIT BEF INCOME TAX	(230.07)	(292.20)	261.91	574.58	633.05	638.64	649.52	678.84
K. NON OPERATING INCOME	28.99	25.00	50.00	50.00	50.00	50.00	50.00	50.00
L. PROFIT BEFORE INCOME TAX	(201.08)	(267.20)	311.91	624.58	683.05	688.64	699.52	728.84

Contd.---

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Annexure -II (Contd.)

Rs in Lac

PARTICULARS/PERIOD ENDING	Mar/11	Mar/12	Mar/13	Mar/14	Mar/15	Mar/16	Mar/17	Mar/1
MONTHS OPERATION	12	12	12	12	12	12	12	12
CAPACITY UTILISATION	87.86%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%
	Audited	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimate
M. INCOME TAX	-	-	-	124.97	136.66	137.78	139.96	145.8
N. NET PROFIT AFTER INCOME TAX	(201.08)	(267.20)	311.91	499.61	546.39	550.86	559.56	583.01
O. PREFERENCE DIVIDEND	-	-	-	-	-	-	-	-
P. EQUITY DIVIDEND	-	-	-	-	-	-	-	-
Q. EQUITY DIVIDEND [%age]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
R. DIVIDEND TAX	-	-	-	-	-	-	-	-
EXTRAORDINARY ITEMS (Interest)	-			126.01				
EXTRAORDINARY ITEMS (Principal)	2,532.01			872.44				
PAT AFTER EXTRAORDINARY ITEMS	2,330.93	(267.20)	311.91	1,498.06	546.39	550.86	559.56	583.01
P&L BALANCE CARRIED FROM PREVIOUS BS								
S. RETAINED EARNING	2,330.93	(267.20)	311.91	1,498.06	546.39	550.86	559.56	583.01
T. NET CASH ACCRUALS	693.23	725.04	1,308.42	1,501.40	1,558.74	1,573.77	1,593.03	1,627.04
Calculation of P & L A/c Balance								
Opening Balance (Debit Balance)	(4,862.11)	(2,531.18)	(1,705.81)	(1,393.90)	104.16	650.55	1,201.41	1,760.97
Add: Equity write down		1,092.57						
Add: Retained Profit / Loss during the year	2,330.93	(267.20)	311.91	1,498.06	546.39	550.86	559.56	583.01
Closing Balance	(2,531.18)	(1,705.81)	(1,393.90)	104.16	650.55	1,201.41	1,760.97	2,343.9

Board for Industrial and Financial Reconstruction
BENCH-II

ANNEXURE-III

ANNEXURE III
Rainbow Denim Limited
PROJECTED BALANCE SHEET

Rs.in Lacs

PARTICULARS/PERIOD ENDING MONTHS OPERATION	Mar/11 12 Audited	Mar/12 12 Estimated	Mar/13 12 Estimated	Mar/14 12 Estimated	Mar/15 12 Estimated	Mar/16 12 Estimated	Mar/17 12 Estimated	Mar/18 12 Estimated
LIABILITIES :								
Equity Share Capital	1,820.93	728.36	728.36	1,328.36	1,328.36	1,328.36	1,328.36	1,328.36
Reserves and Surplus (Share Premium A/c)	493.64	493.64	493.64	493.64	493.64	493.64	493.64	493.64
Profit & Loss A/c	(2,531.18)	(1,705.81)	(1,393.90)	104.16	650.55	1,201.41	1,760.97	2,343.98
Net Worth (excluding Capital Reserve & Interest	**(216.61)**	**(483.81)**	**(171.90)**	**1,926.16**	**2,472.55**	**3,023.41**	**3,582.97**	**4,165.98**
Reserves & Surplus (Capital Reserve & Interest Sul	467.39	467.39	467.39	467.39	467.39	467.39	467.39	467.39
Net Worth	**250.78**	**(16.42)**	**295.49**	**2,393.55**	**2,939.94**	**3,490.80**	**4,050.36**	**4,633.37**
Term Loans from FIs/Banks	12,925.84	12,048.33	11,031.05	9,132.83	8,185.50	7,264.25	6,316.90	5,326.96
Other Loans & Hire Purchase	305.85	305.85	305.85	244.68	183.51	122.34	61.17	-
Unsecured Loans / Equity Shares - Promoters	581.00	601.00	1,001.00	420.00	420.00	420.00	420.00	420.00
Deferred Payment Liability		390.00	390.00	-	-	-	-	-
Interest Accrued & Dues	386.33	126.01	126.01	-	-	-	-	-
Bank Borrowings for Working Capital (incl Bills Neg	1,956.13	1,885.00	1,885.00	1,885.00	1,885.00	1,885.00	1,885.00	1,885.00
Current Liabilities	1,860.93	2,650.50	3,109.18	3,114.07	3,114.07	3,114.07	3,114.07	3,114.07
Total Liabilities	**18,266.86**	**17,990.27**	**18,143.58**	**17,190.13**	**16,728.02**	**16,296.46**	**15,847.50**	**15,379.40**
ASSETS :								
Gross Fixed Assets	19,539.98	20,035.14	20,135.14	20,235.14	20,435.14	20,635.14	20,835.14	21,035.14
Less : Depreciation	7,982.51	8,973.74	9,970.25	10,972.04	11,984.39	13,007.30	14,040.77	15,084.80
Add : Capital Work in Progress	45.16							
Net Fixed Assets	**11,602.63**	**11,061.40**	**10,164.89**	**9,263.10**	**8,450.75**	**7,627.84**	**6,794.37**	**5,950.34**
Investments	5.31	5.31	5.31	5.31	5.31	5.31	5.31	5.31
Current Assets	6,252.70	5,895.37	6,705.91	6,796.40	6,802.48	6,808.75	6,815.24	6,821.93
Cash and Bank Balance	279.86	902.84	1,142.12	999.97	1,344.13	1,729.21	2,107.23	2,476.47
Non-Current Assets	125.35	125.35	125.35	125.35	125.35	125.35	125.35	125.35
Miscellaneous Expenditure Not Written Off	1.01	-	-	-	-	-	-	-
Total Assets	**18,266.86**	**17,990.27**	**18,143.58**	**17,190.13**	**16,728.02**	**16,296.46**	**15,847.50**	**15,379.40**

Board for Industrial and Financial Reconstruction * New Delhi *

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ANNEXURE-IV

Annexure
PROJECTED CASH FLOW

Rs in Lacs

PARTICULARS/PERIOD ENDING MONTHS OPERATION	Mar/12 12	Mar/13 12	Mar/14 12	Mar/15 12	Mar/16 12	Mar/17 12	Mar/18 12
INFLOWS :							
Profit before Interest, Fin Cost and before Dep	1,675.86	2,162.07	2,330.61	2,264.17	2,196.32	2,123.85	2,049.67
Increase in Equity Shares Capital	-	-	600.00		-	-	-
Increase in Unsecured Loans/Equity Shares - Promoters	20.00	400.00	-	-	-	-	-
Increase in Deferred Payment Liability	390.00	-	-	-	-	-	-
Increase in Current Liabilities	789.57	458.68	4.89	-	-	-	-
Decrease in Capital Work in Progress	45.16	-	-	-	-	-	-
Decrease in Current Assets	357.33	-	-	-	-	-	-
Decrease Miscellaneous Expenditure Not Written Off	1.01	-	-	-	-	-	-
Total Inflows	3,278.93	3,010.75	2,935.40	2,264.17	2,196.32	2,123.85	2,049.67
OUTFLOWS :							
Increase Capital Expenditure (inc Margin)	450.00	-	-	-	-	-	-
Normal Capital Expenditure	45.16	100.00	100.00	200.00	200.00	200.00	200.00
Repayments of Term Loans to FIs/Bank	877.51	1,017.28	1,025.78	947.33	921.25	947.35	989.94
- IDBI	246.84	279.09	288.26	331.83	425.65	577.41	540.60
- ACRE (Assigned by IIBI)	60.00	170.00	170.00	-	-	-	-
- EXIM	44.45	48.82	49.50	55.22	53.48	64.72	60.65
- BOI	408.67	428.29	421.52	445.00	216.97	43.78	107.28
- DENA	117.00	90.62	95.85	114.36	210.15	261.44	281.41
- ABB	0.55	0.46	0.65	0.92	15.00	-	-
Interest and Financial Cost (Net of TUF Subsidy)	951.83	843.65	704.14	568.77	483.77	390.86	276.80
Repayments of Other Loans	-	-	61.17	61.17	61.17	61.17	61.17
Repayments of Unsecured Loans (Converted into Equity Shares)	-	-	581.00	-	-	-	-
Repayments/Decrease of Deferred Payment Liabilities		-	390.00		-	-	-
Repayments/Decrease of Interest Accrued & Due	260.32						
Decrease in Bank Borrowings	71.13	-	-	-	-	-	-
Decrease in Current Liabilities	-	-	-	-	-	-	-
Increase in Current Assets	-	810.54	90.49	6.08	6.27	6.49	6.69
Payment of Taxes	-	-	124.97	136.66	137.76	139.96	145.83
Total Outflows	2,655.95	2,771.47	3,077.55	1,920.01	1,810.24	1,745.83	1,680.43
Opening Cash and Cash Equivalent Balance	279.86	902.84	1,142.12	999.97	1,344.13	1,729.21	2,107.23
Surplus / (Deficit)	622.98	239.28	(142.15)	344.16	385.08	378.02	369.24
Closing Cash and Cash Equivalent Balance	902.84	1,142.12	999.97	1,344.13	1,729.21	2,107.23	2,476.47

ANNEXURE V

DEBT SERVICE COVERAGE RATIO :

Rs in Lacs

Year	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	Total
Months	12	12	12	12	12	12	12	
TOTAL INFLOW	**1889.69**	**2354.89**	**1640.12**	**1938.59**	**1874.13**	**1805.98**	**1731.44**	**13234.84**
Numerator :								
Net Profit after Tax	-267.20	311.91	499.61	546.39	550.86	559.56	583.01	2784.14
Add :Miscellaneous Expenses W/off	1.01	0.00	0.00	0.00	0.00	0.00	0.00	1.01
Add :Depreciation	991.23	996.51	1001.79	1012.35	1022.91	1033.47	1044.03	7102.29
Actual Cash Accruals (a)	**725.04**	**1308.42**	**1501.40**	**1558.74**	**1573.77**	**1593.03**	**1627.04**	**9887.44**
Infusion by Promoters/Associates	20.00	400.00	19.00	0.00	0.00	0.00	0.00	439.00
Increase in Deferred Payment Liability	390.00	0.00	-390.00	0.00	0.00	0.00	0.00	0.00
Net Cash Inflow (b)	**410.00**	**400.00**	**-371.00**	**0.00**	**0.00**	**0.00**	**0.00**	**439.00**
Interest on Term Loans only (c)	**754.65**	**646.47**	**509.72**	**379.85**	**300.36**	**212.95**	**104.40**	2908.40
TOTAL INFLOW (a)+(b)+ (c) = (d)	**1889.69**	**2354.89**	**1640.12**	**1938.59**	**1874.13**	**1805.98**	**1731.44**	**13234.84**
TOTAL OUTFLOW	**1632.16**	**1663.75**	**1596.67**	**1388.35**	**1282.78**	**1221.47**	**1155.51**	**9940.69**
Denominator :								
Repayment of term Loans	877.51	1017.28	1025.78	947.33	921.25	947.35	989.94	6726.44
Add :Interest on Term Loans	754.65	646.47	509.72	379.85	300.36	212.95	104.40	2908.40
Add :Repayment of Other Term Loans	0.00	0.00	61.17	61.17	61.17	61.17	61.17	305.85
TOTAL OUTFLOW (e)	**1632.16**	**1663.75**	**1596.67**	**1388.35**	**1282.78**	**1221.47**	**1155.51**	**9940.69**
DSCR = (d) / (e)	1.16	1.42	1.03	1.40	1.46	1.48	1.50	1.33
Average DSCR				1.33				

Case No. 41/2010 & 31/2009 M/s. Rainbow Denim Ltd.

1.	The CMD M/s. Rainbow Denim Ltd. Village Chaundheri Post Dappar, Near Lalru Tehsil Derabassi Dist. Mohali Punjab-140506	2.	The CMD IDBI, IDBI Tower WTC Complex, Cuffe Parade Mumbai – 400 005 Fax No. 022-22181294
3.	The CMD Bank of India Express Tower Nariman Point Mumbai-400 021	4.	The CMD EXIM Bank Ltd. 21st Floor Centre-1 World Trade Centre Cuffee Parade Mumbai-400 05
5.	The Director of Income Tax (A) 501, 5th Floor Mayur Bhawan Connaght Circus New Delhi – 110 001	6.	The RPFC SCO No. 4-7 Sector – 17-D Chandigarh – 160 017 Fax No. 0172 – 2710453
7.	The Director General ESIC ESIC Regional Office Rajendra Bhawan Rajendra Place New Delhi – 110 008	8.	The CMD Industrial Investment Bank of India Ltd. 19, Netaji Subhash Road Kolkata-700 001 Fax : 033-2207182
9.	The CMD Dena Bank Dena Corporate Centre C-10 G Block Bandra Kurla Complex Bandra East Mumbai-400 051 Fax : 022-26545542	10.	The CMD AB Bank Ltd. Mumbai Branch Liberty Building 41-42 SirVithaldasThackersey Marg New Marine Lines Mumbai-400 020
11.	The Deputy Commissioner Central Excise & Customs Chandigarh-160017	12.	

Copy to:-

1.	The GM IDBI (BIFR Cell) Videocon Tower, 1st Floor E-1 Jhandewalan Extension New Delhi-110055	2.	The DGM IIBI 10th Floor Jeevn Prakash Building 25 K.G. Marg New Delhi-110001
3.	The GM Dena Bank Regional Office Bank of Baroda Building 4th Floor Parliament Street New Delhi-110001 Fax : 23719681	4.	The DGM Bank of India Zonal Office Tower-1 Level –5 Jeevan Bharti Building 124 Connaught Circus New Delhi-110001