

SUB-REGISTRAR'S OFFICE
EX OFFICIO STAMP VENDOR
(S.O. NO. C/GR/S)
HYDERABAD

नाम 69766 HPALA ऑफिस प्रदेश
135033 PB 0019
R.0200000 191107
INDIA STAMP DUTY ANDHRA PRADESH

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(ORDINARY ORIGINAL/CIVIL JURISDICTION)

THURSDAY, THE TWENTY FIFTH DAY OF OCTOBER
TWO THOUSAND AND SEVEN

PRESENT
THE HON'BLE SRI JUSTICE V.V.S.RAO

COMPANY PETITION NOS. 93, 94 & 95 of 2007

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)
AND

IN THE MATTER OF Scheme of arrangement between Rain
Calcining Limited, Rain Industries Limited, Rain Commodities
Limited and their respective Shareholders.

Company Petition No. 93 OF 2007
CONNECTED WITH
Company Application No. 853 of 2007

Between:

RAIN INDUSTRIES LIMITED, a company registered under the
Companies Act, 1956 having its Regd Office at "Rain Center", 34,
Srinagar Colony, HYDERABAD-73, A.P. India, rep. by its Executive
Director, Mr. N. Sujith Kumar Reddy, S/o. Mr. N. Radhakrishna Reddy,
aged about 35 years, Resident of Hyderabad.

..... PETITIONER COMPANY

Petition under Section 100, 391 and 394 of the Companies
Act, 1956 Read With Rule 79 of the Company Rules, 1959 Original side
Rules, praying that this High Court may be pleased to sanction the said
scheme of arrangement so as to be binding on all equity shareholders
and creditors of the Petitioner Company, Rain Commodities Limited and
Rain Calcining Limited

Company Petition No. 94 OF 2007
CONNECTED WITH
Company Application No. 854 of 2007

Between:

RAIN COMMODITIES LIMITED, a public limited company, registered
under the Companies Act, 1956 having its Regd Office at "Rain Center",
34, Srinagar Colony, HYDERABAD-73 A.P. India rep. by its Chairman &
Managing Director, Mr. N. Radhakrishna Reddy, S/o Mr. N. Chandra
Reddy, aged about 35 years, Resident of Hyderabad.

..... PETITIONER COMPANY

Sub-Registrar's Office
EX OFFICIO STAMP VENDOR
(S.O. NO. C/GR/S)
HYDERABAD
नाम 69767 HPALA ऑफिस प्रदेश
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INDIA STAMP DUTY ANDHRA PRADESH

Sub-Registrar's Office
EX OFFICIO STAMP VENDOR
(S.O. NO. C/GR/S)
HYDERABAD
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INDIA STAMP DUTY ANDHRA PRADESH

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HYDERABAD INDIA
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STAMP DUTY ANDHRA PRADESH

Petition under Section 100, 391 and 394 of the Companies Act, 1956 Read With Rule 79 of the Company Rules, 1959 Original side Rules, praying that this High Court may be pleased to sanction the said scheme of arrangement so as to be binding on all equity shareholders and creditors of the Petitioner Company, Rain Calcining Limited and Rain Industries Limited.

Company Petition No. 95 OF 2007
CONNECTED WITH
Company Application No.855 of 2007-

Between:

RAIN CALCINING LIMITED, a public limited company registered under the Companies Act, 1956 having its Regd Office at "Rain Center", 34, Srinagar Colony, HYDERABAD-73, A.P.India, rep. by its Vice President (Finance), Mr.T.Srinivasa Rao, S/o Mr.T.Ramalingeswara Rao aged about 35 years, Resident of Hyderabad.

--- PETITIONER COMPANY

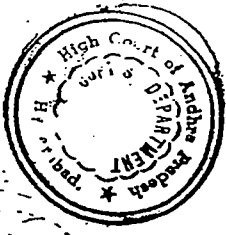
Petition under Section 100, 391 and 394 of the Companies Act, 1956 Read With Rule 79 of the Company Rules, 1959 Original side Rules, praying that this High Court may be pleased to sanction the said scheme of arrangement so as to be binding on all equity shareholders and creditors of the Petitioner Company, Rain Commodities Limited and Rain Industries Limited

These Petitions coming on for order upon reading the judge's summons and the affidavit dated 30-07-2007 and filed by Sri N.Sulith Kumar Reddy, Executive Director of Rain Industries Limited in C.P.No.93 of 2007, affidavit dated 30-07-2007 filed by Sri N.Radhakrishna Reddy, Chairman & Managing Director of Rain Commodities Limited in C.P.No.94 of 2007 and filed by Sri T.Srinivasa Rao, Vice President (Finance) of Rain Calcining Limited in C.P.No.95 of 2007 in support of their petitions and upon hearing the arguments of Sri S.Ravi, Advocate for the Petitioner in all Cases.

THE COURT MADE THE FOLLOWING: ORDER

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STAMP DUTY ANDHRA PRADESH

SUB-REGISTRAR SUPUT
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STAMP DUTY ANDHRA PRADESH



THE HON'BLE SRI JUSTICE V.V.S.RAO

COMPANY PETITION Nos.93, 94 AND 95 of 2007

COMMON ORDER:

These three petitions are filed by different companies under Sections 100, 391 and 394 of Companies Act, 1956 (the Act, for brevity) read with Rule 79 of Companies (Court) Rules, 1959 (the Rules, for brevity). Company Petition No.93 of 2007 is filed by Rain Industries Limited (RIL), hereafter referred to as first petitioner company, Company Petition No.94 of 2007 is filed by Rain Commodities Limited (RCOL), hereafter referred to as second petitioner company, and Company Petition No.95 of 2007 is filed by Rain Calcining Limited (RCL), hereafter referred to as third petitioner company. All the companies purportedly in due compliance with provisions of the Act and Rules entered into a scheme of arrangement for restructuring of RCOL and transfer of third petitioner company and transfer of calcined petroleum coke and power business of restructured RCOL to first petitioner company. In these Petitions, these companies pray for sanctioning scheme so as to be binding on all equity shareholders and creditors of the companies herein.

The above petitions are coming on for hearing on 25.10.2007. Upon reading the said petitions and the order dated 15.6.2007 in Company Petition No.853 of 2007 dispensing with convening of meeting of creditors/equity shareholders, first petitioner company, RIL, the order dated 27.4.2007 in Company Petition No.854 of 2007 and order dated 04.6.2007 in Company Petition No.855 of 2007 convening meeting of equity shareholders of second petitioner company, RCOL, and convening of meeting of equity shareholders of third petitioner company, RCL, respectively for the purpose of considering and if thought fit approving with/ without modifications, scheme of arrangement proposed to be made among three petitioner companies and consent letters of all the secured creditors/shareholders of first petitioner company, RIL, and Chairpersons' reports filed after convening meeting of equity shareholders of second and third petitioner companies, and upon hearing Sri S.Ravi, learned Counsel for applicants, and as it appearing from consents of creditors/shareholders and Chairpersons' reports that the proposed scheme of arrangement has been approved by all the secured creditors/shareholders of the companies.

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SUB-REGISTRAR'S OFFICE
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This Court having noticed that no objections of any nature have been received from the members of public and having considered the objections raised by Official Liquidator in the report dated 27.9.2007 filed in Company Petition No.95 of 2007 and the objections of the Central Government filed through Registrar of Companies, Hyderabad, and reply affidavits filed on behalf of third petitioner company, RIL, wherein and whereby the said company unconditionally agreed with the view expressed by the Registrar of Companies, agreeing for deletion of clause 4.9 of the scheme of arrangement regarding utilizing security premium amount of first petitioner company, RIL, this Court upon condition of deleting clause 4.9 as agreed to by first petitioner company, RIL, doth hereby sanction the scheme of arrangement set forth in para 14 of petitions herein and in the schedule hereto, and doth hereby declare that the same to be binding on the creditors and equity shareholders of the above names companies and also on the said companies.

This Court doth further order that the parties to the scheme of arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to working of scheme of arrangement, that the parties to the scheme of arrangement do pay a sum of Rs.2,000/- each (in each case) to learned Counsel for Official Liquidator and learned Counsel for Central Government, and that the said companies do file with Registrar of Companies, a certified copy of scheme of arrangement.

The Company Petitions stand disposed of accordingly.

SD/- K.SATYA KUMARI
JOINT REGISTRAR

// TRUE COPY //

SECTION OFFICER

Amal 12/11/07
SUPERINTENDENT
COPYIST DEPARTMENT
HIGH COURT OF A.P.
HYDERABAD

1. Sri N.Sujith Kumar Reddy, Executive Director, RAIN INDUSTRIES LIMITED, a company registered under the Companies Act, 1956 having its Regd Office at "Rain Center", 34, Srinagar Colony, HYDERABAD-73, A.P.India.
2. Sri N.Radhakrishna Reddy, Chairman & Managing Director, RAIN COMMODITIES LIMITED, a public limited company, registered under the Companies Act, 1956 having its Regd Office at "Rain Center", 34, Srinagar Colony, HYDERABAD-73, A.P., India.
3. Sri T.Srinivasa Rao, Vice President (Finance), RAIN CALCINING LIMITED, a public limited company registered under the Companies Act, 1956 having its Regd Office at "Rain Center", 34, Srinagar Colony, HYDERABAD-73, A.P.India.
4. The Registrar of Companies, 3-5-398, C.P.W.D Building Kenddriya Sadan Sulthan Bazar. Koti, Hyderabad
5. The Official Liquidator, 3-5-398, C.P.W.D Building Kenddriya Sadan Sulthan Bazar. Koti, Hyderabad
6. One CC to the Section Officer, O.S. Section High Court of A.P. Hyderabad.

SUB-REGISTRAR'S OFFICE
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INDIA STAMP DUTY ANDHRA PRADESH

THE HIGH COURT OF ANDHRA PRADESH
HYDERABAD.

Case No. 823 of 2007

Application made 26-10- 2007

Application returned 26-10- 2007

Application represented 26-10- 2007

Stamps called for 02-11- 2007

Stamps deposited 12-11- 2007

Adl. Stamps called for 12-11- 2007

Adl. Stamps deposited 12-11- 2007

Copy ready 12-11- 2007

Copy delivered 12-11- 2007

[Signature]
Section Officer.

STAMP DUTY ANDHRA PRADESH
EX-OFFICIO STAMP VENDOR
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IN THE HIGH COURT OF APPEALS AND ORIGINAL JURISDICTION
HYDERABAD
INDIA
STAMP DUTY ANDHRA PRADESH

(ORDINARY ORIGINAL JURISDICTION)

THURSDAY, THE TWENTY FIFTH OF OCTOBER, 2007

PRESENT
THE HON'BLE SRI JUSTICE V.V.S. RAO

COMPANY PETITION NOS. 93, 94 AND 95 OF 2007
CONNECTED WITH
COMPANY APPLICATION NOS. 853, 854 AND 855 OF 2007.

C.P.NO 93 OF 2007 CONNECTED WITH C.A. NO. 853 OF 2007

IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN RAIN
CALCINING LIMITED, RAIN INDUSTRIES LIMITED, RAIN
COMMODITIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

Rain Industries Limited,
a company registered under the Companies
Act, 1956 having its registered office
at "Rain Center", 34, Srinagar Colony,
Hyderabad-500073, Andhra Pradesh,
India represented by its Executive Director,
Mr. N. Sujith Kumar Reddy, S/o. Mr. N. Radhakrishna Reddy.
Aged 35 years, resident of Hyderabad

...PETITIONER COMPANY

Petition filed under Sections 78,81,100,391 and 394 of the Companies
Act, 1956 read with Rule 79 of the Company (Court) Rules, 1959 praying
that the Hon'ble Court may be pleased to order that:

1. the said scheme of arrangement be sanctioned so as to be binding on
all the equity shareholders and creditors of the Petitioner Company

C.P. NO. 94 OF 2007 CONNECTED WITH C.A. NO. 854 OF 2007

IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN RAIN
CALCINING LIMITED, RAIN INDUSTRIES LIMITED, RAIN
COMMODITIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

Rain Commodities Limited,
a public limited company
registered under the Companies
Act, 1956 having its registered office
at "Rain Center", 34, Srinagar Colony,
Hyderabad-500073, Andhra Pradesh,
India represented by its Chairman & Managing Director,

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EX-OFFICIO STAMP VENDOR
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Mr. N. Radhakrishna Reddy, S/o Mr. T. Ramalingeswara Rao, Hyderabad
Aged 64 years, resident of Hyderabad
HYDERABAD INDIA STAMP DUTY ANDHRA PRADESH
...PETITIONER COMPANY

C.P. NO. 95 OF 2007 CONNECTED WITH C.A. NO. 855 OF 2007

Rain Calcining Limited,
a public limited company
registered under the Companies
Act, 1956 having its Registered office
at "Rain Center", 34, Srinagar Colony,
Hyderabad-500073, Andhra Pradesh, India
represented by its Vice President (Finance),
Mr. T. Srinivasa Rao,
S/o Mr. T. Ramalingeswara Rao,
Aged 40 years, resident of Hyderabad.

...PETITIONER COMPANY

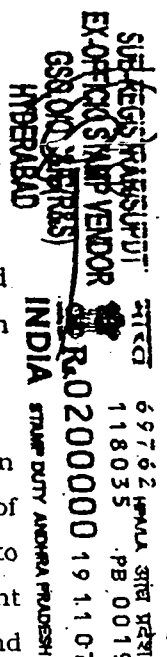
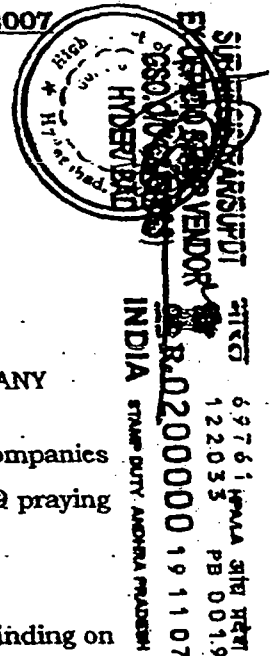
Petition filed under Sections 78, 81, 100, 391 and 394 of the Companies
Act, 1956 read with Rule 79 of the Company (Court) Rules, 1959 praying
that the Hon'ble Court may be pleased to order that:

1. the said scheme of arrangement be sanctioned so as to be binding on
all the equity shareholders and creditors of the Petitioner Company

These Petitions coming on for order upon reading the Judge's Summons
and the affidavit dated 30-7-2007 filed by Sri N. Sujith Kumar Reddy,
Executive Director of Rain Industries Limited in C.P. No. 93 of 2007,
affidavit dated 30-7-2007 filed by Sri N. Radhakrishna Reddy, the
Chairman and Managing Director of Rain Commodities Limited in C.P.
No. 94 of 2007 and Sri T. Srinivasa Rao, Vice President (Finance) of Rain
Calcining Limited in C.P. no. 95 of 2007 in support of their Petitions and
upon hearing the arguments of Mr. S. Ravi, advocate for Rain Industries
Limited, Rain Commodities Limited and Rain Calcining Limited

THE COURT DOETH ORDER AS FOLLOWS:

1. That this Court doth hereby sanction the scheme of arrangement and
declare the same as binding on Rain Industries Limited, Rain
Commodities Limited and Rain Calcining Limited.
2. That all the property, rights, powers of the Cement Division of Rain
Industries Limited as at 1st July, 2006 specified in the scheme of
arrangement annexed hereto be transferred without further act to
Rain Commodities Limited and, accordingly, the same shall, pursuant
to Section 394(2) of the Companies Act, 1956, be transferred to and



3. That all the liabilities and duties of the cement division of Rain Industries Limited as at 1st July, 2006 be transferred without further act or deed to Rain Commodities Limited and, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of Rain Commodities Limited.
4. That all the property, rights, powers of Rain Calcining Limited as at 1st April, 2007 specified in the scheme of arrangement annexed hereto be transferred without further act to Rain Commodities Limited and, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and vest in Rain Commodities Limited for all estate and interest of Rain Calcining Limited therein but subject nevertheless to all charges now affecting the same.
5. That all the liabilities and duties of Rain Calcining Limited as at 1st July, 2007 be transferred without further act or deed to Rain Commodities Limited and, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of Rain Commodities Limited.
6. That all the property, rights, powers of the Calcined Petroleum Coke and Power Division of the restructured Rain Commodities Limited as at 1st April, 2007 specified in the scheme of arrangement annexed hereto be transferred without further act to Rain Commodities Limited and, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and vest in Rain Industries Limited for all estate and interest of the Calcined Petroleum Coke and Power Division Rain Commodities Limited therein but subject nevertheless to all charges now affecting the same.
7. That all the liabilities and duties of the Calcined Petroleum Coke and Power Division of the restructured Rain Commodities Limited as at 1st April, 2007 be transferred without further act or deed to Rain Industries Limited and, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of Rain Industries Limited.

8. That Rain Commodities Limited, without further application allot to such member of Rain Calcining Limited as have been given such notice of date of sale of shares under the Scheme the shares in Rain Commodities Limited which are 19.11.07 under the said scheme of arrangement.

8A. That the parties to the scheme of arrangement do pay a sum of Rs.2000/- (in each case) to learned counsel for O.L. and learned Counsel for Central Government.

9. Rain Calcining Limited will be dissolved without winding up pursuant to the filing of the certified copy of the order passed by the Hon'ble Court with the Registrar of Companies, Andhra Pradesh.

10. That Rain Commodities Limited do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Registrar of Companies shall keep them on the file kept by him in relation to Rain Industries Limited, Rain Commodities Limited and Rain Calcining Limited.

11. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

12. That there be no order as to costs in both the company petitions.

Note: Scheme of Arrangement enclosed.

Sd/- K.SATYA KUMARI
JOINT REGISTRAR

NOTE: The date of 1st April 2007 instead of 1st July 2007 amended is carried out as per letter filed by the Advocate Sri S. Ravi dated 05.11.2007 hence amended and corrected. This decree may be substituted in place of already dispatched order dated 05.11.2007.

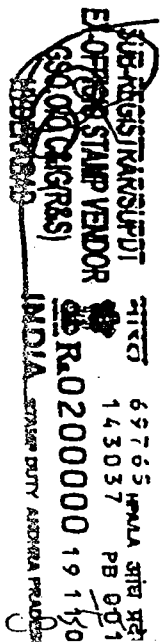
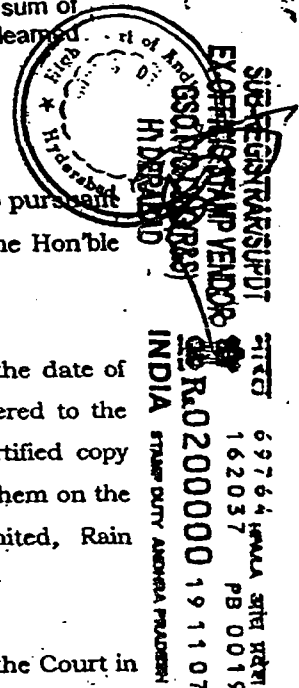
Sd/- K.SATYA KUMARI
JOINT REGISTRAR

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SUPERINTENDENT
COPYIST DEPARTMENT
HIGH COURT OF A.P.
HYDERABAD

// TRUE COPY //

SECTION OFFICER

1. Sri N.Sujith Kumar Reddy, Executive Director, RAIN INDUSTRIES LIMITED, a company registered under the Companies Act, 1956 having its Regd Office at "Rain Center", 34, Srinagar Colony, HYDERABAD-73, A.P.India.
2. Sri N.Radhakrishna Reddy, Chairman & Managing Director, RAIN COMMODITIES LIMITED, a public limited company, registered under the Companies Act, 1956 having its Regd Office at "Rain Center", 34, Srinagar Colony, HYDERABAD-73, A.P., India.
3. Sri T.Srinivasa Rao, Vice President (Finance), RAIN CALCINING LIMITED, a public limited company registered under the Companies Act, 1956 having its Regd Office at "Rain Center", 34, Srinagar Colony, HYDERABAD-73, A.P.India.
4. The Registrar of Companies, 3-5-398, C.P.V.D Building Kenddriya Sadan Sulthan Bazar. Koti, Hyderabad
5. The Official Liquidator, 3-5-398, C.P.W.D B.ilding Kenddriya Sadan Sulthan Bazar. Koti, Hyderabad
6. One CC to the Section Officer, O.S. Section High Court of A.P. Hyderabad.
7. The Regional Director, Company Law Board, Southern Region. Chennai.



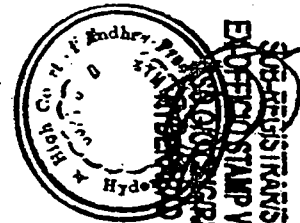
THE HIGH COURT OF ANDHRA PRADESH
HYDERABAD.

CA No. 823 of 2007
Application made 26-10- 2007
Application returned 2007
Application represented 2007
Stamps called for 02-11- 2007
Stamps deposited 12-11- 2007
Adl. Stamps called for 2007
Adl. Stamps deposited 2007
Copy ready 12-11- 2007
Copy delivered 2007

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Section Officer.

(UNDER SECTIONS 78, 81, 100, 391 AND 394 OF THE COMPANIES ACT, 1956)

OF
RAIN CALCINING LIMITED
AND
RAIN INDUSTRIES LIMITED
AND
RAIN COMMODITIES LIMITED
AND
RESPECTIVE SHAREHOLDERS



PART I - PRELIMINARY

1. DEFINITIONS:

In this Scheme, unless inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

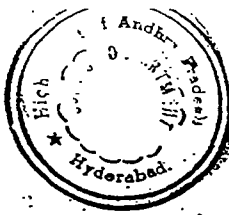
COMMON:

- i. "Act" means the Companies Act, 1956, and any statutory modification or enactment thereof for the time being in force.
- ii. "Effective Date" means the last of the dates on which the sanctions and approvals and the Orders of the High Court of Andhra Pradesh sanctioning this Scheme under the provisions of Sections 391 & 394 of the Act and other related provisions are passed and the certified copies thereof are filed with the Registrars of Companies, Andhra Pradesh.
- iii. "High Court" means the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad.
- iv. "Proceedings" has the meaning ascribed to in Clauses 4.2, 5.2 and 6.3 of Part II
- v. "RCL" means Rain Calcining Limited, a company incorporated under the Act having its registered office at "Rain Center", 34, Srinagar Colony, Hyderabad-500073, Andhra Pradesh, India.
- vi. "RCOL" means Rain Commodities Limited, a company incorporated under the Act, having its registered office at "Rain Center", 34, Srinagar Colony, Hyderabad-500073, Andhra Pradesh, India.
- vii. "RIL" means Rain Industries Limited, a company incorporated under the Act having its registered office at "Rain Center", 34, Srinagar Colony, Hyderabad-500073, Andhra Pradesh, India.
- viii. "Scheme" means this Scheme of Arrangement involving the transfer of Cement business of RIL to RCOL on a going concern basis, Amalgamation of RCL into RCOL and thereafter the transfer of Calcined Petroleum Coke (CPC) & Power business of RCOL to RIL on a going concern basis as contained herein submitted to the High Court of Andhra Pradesh for sanction, with such modification(s), any, as may be imposed or directed by the High Court

For RAIN CALCINING LIMITED

T. SRINIVASA RAO
Vice President (Finance)

SUB-REGISTRARSHIP OFFICE
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PART A: TRANSFER OF CEMENT DIVISION OF RIL (TRANSFEROR COMPANY) TO RCOL (TRANSFeree COMPANY)

- i. "First Appointed Date" means 1st July, 2006 or such other date as may be fixed by the High Court of Andhra Pradesh
- ii. "Proceedings" has the meaning ascribed to in Clause 4.2 of Part II.
- iii. "Cement Business of RIL" means
 - a) all the assets and properties of RIL pertaining to its cement division as on the First Appointed Date;
 - b) all the debts, liabilities, duties and obligations pertaining to the cement division of RIL as on the First Appointed Date;

and includes movable and immovable properties and assets relating to the Cement business of RIL, including its leasehold rights, tenancy rights, industrial and other licences, permits, authorisations, quota rights, trade marks, patents and other industrial and intellectual property rights, import quotas, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals.

PART B: AMALGAMATION OF RCL (TRANSFEROR COMPANY) WITH RCOL (TRANSFeree COMPANY)

- i. "Second Appointed Date" means 1st April, 2007 or such other date as may be fixed by the High Court of Andhra Pradesh
- ii. "Proceedings" has the meaning ascribed to in Clause 5.2 of Part II.
- iii. "Record Date" means the date to be fixed by the Board of Directors of the RCOL on which RCOL shall, without any further application, act, deed, instrument, matter or thing, issue and allot TWO equity shares of the RCOL of Rs.10/- each for every SEVEN Equity Shares in RCL to the shareholders of the RCL whose names are entered in the Register of Members, on that date as consideration for the Amalgamation of RCL with RCOL.
- iv. "Undertaking of RCL" means
 - (a) all the assets and properties of RCL as on the Second Appointed Date;
 - (b) all the debts, liabilities, duties and obligations of RCL as on the Second Appointed Date;
 - (c) Investments in Moonglow Company Business Inc, British Virgin Islands and Petroleum Coke Industries Company, Kuwait.

and includes all the reserves, movable and immovable properties and assets of RCL, including its leasehold rights, tenancy rights, industrial and other licences, permits, authorisations, quota rights, trade marks, patents and other industrial and intellectual property rights, import quotas, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals.

For RAIN CALCIUM LIMITED

[Signature]
J. Srinivas Rao
Vice President (Finance)

SHRINIVASA RAO
EX-OFFICIO STAMP VENDOR
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HYDERABAD INDIA

PART C: TRANSFER OF CALCINED PETROLEUM COKE BUSINESS AND POWER BUSINESS BY THE RESTRUCTURED RCOL TO RIL

- i. "Third Appointed Date" means 1st April, 2007 or such other date as may be fixed by the High Court of Andhra Pradesh
- ii. "Proceedings" has the meaning ascribed to in Clause 6.3 of Part II.
- iii. "Record Date" means the date to be fixed by the Board of Directors of the RIL on which RIL shall, without any further application, act, deed, instrument, matter or thing, issue and allot shares of Rs.10 each to RCOL as net consideration for the transfer of undertaking from RCOL to RIL.
- iv. "Calcined Petroleum Coke and Power Business of RCOL" means
 - (a) all the assets and properties of RCOL pertaining to its Calcined Petroleum Coke business and Power business as on the Third Appointed Date;
 - (b) all the debts, liabilities, duties and obligations of RCOL pertaining to its Calcined Petroleum Coke business and Power business as on the Third Appointed Date;

and includes all the movable and immovable properties and assets pertaining to the Calcined Petroleum Coke business and Power business of RCOL, including its leasehold rights, tenancy rights, industrial and other licences, permits, authorisations, quota rights, trade marks, patents and other industrial and intellectual property rights, import quotas, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals. Excluding Calcined Petroleum Coke (CPC) Investments Outside India and Assets of RCOL situated at Hyderabad, Andhra Pradesh.

2. SHARE CAPITAL AND OBJECTS OF THE COMPANIES

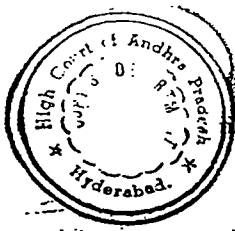
- i. The authorised, issued, subscribed and paid up share capital of RCOL as on 20th March, 2007:

<u>AUTHORISED SHARE CAPITAL:-</u>	(Rs.)
6,70,00,000 Equity Shares of Rs. 10/- each	67,00,00,000/-
1,00,00,000 Redeemable Preference shares of Rs. 100/- each	100,00,00,000/-
Total:	167,00,00,000/-
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
3,21,10,000 equity shares of Rs. 10/- each fully paid up.	32,11,00,000/-

For RAIN CALCINING LIMITED

T SRINIVASA RAO
Vice President (Finance)

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EX-OFFICIO STAMP VENDOR
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HYDERABAD INDIA



The authorised, issued, subscribed and paid up share capital of RCL as on 20th March, 2007:

AUTHORISED CAPITAL

(Rs.)

14,00,00,000 equity shares of Rs.10/- each

140,00,00,000/-

Total:

140,00,00,000/-

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

12,94,88,000 equity Shares of Rs.10/- each

129,48,80,000/-

iii. The authorised, issued, subscribed and paid up share capital of RIL as on 20th March, 2007:

AUTHORISED CAPITAL

(Rs.)

5,00,00,000 equity shares of Rs. 10/- each

50,00,00,000/-

Total:

50,00,00,000/-

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2,08,00,000 equity shares of Rs. 10 each

20,80,00,000/-

Total:


20,80,00,000/-

THE MAIN OBJECTS OF RAIN COMMODITIES LIMITED:

- i) To produce, manufacture, purchase, refine, prepare, process, import, sell and generally to deal in Cement, portland cement, alumina cement, white and coloured cement, lime and limestone, kankar and or by-products thereof and building materials, generally non-ferrous metals, ferroalloys; and in connection therewith to acquire, erect, construct, establish operate and maintain factories, mines and quarries, workshops and other works.
- ii) To produce, manufacture, process, refine, prepare, treat, purchase, sell, export, import or otherwise deal with either as principals or as agents, either solely or in partnership with others, cement, alumina cement, white and coloured cements, lime, plaster of paris, and other building materials of all kinds and other building boards to be used in ceiling, floor or walls, made from any fibrous materials such as bagasse, bamboo, wood, paper, jute, hemp and grasses; pottery, fire clay and fire bricks, flooring tiles, roofing materials, etc.
- iii) To carry on all or any of the business of manufacturers and sellers of and dealers and workers in cement of all kinds, concrete, asbesters, earthen-ware, artificial stone and manufacturers, and dyers, requisites and conveniences of all kinds.
- iv) To carry on investigations to discover places where cement can be profitably made, of where any materials, minerals for any manufacturing work, the Company is entitled to carry on, can be obtained and to obtain prospecting or research work in that behalf.
- v) To search for ores and minerals, mine and grant licences for mining in or over any lands which may be acquired or held by the Company and to lease out any such lands.

For RAIN CALCINING LIMITED

4


SRINIVASA RAO
Vice President (Finance)

SUB-REGISTRAR'S OFFICE
EX-OFFICIO STAMP VENDOR
69763 MPALA और प्रदेश
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- vi) To purchase, take on lease, or otherwise acquire any undertaking, business and property or any part thereof of any company or companies carrying on business as manufacturers of cement and Mineral Industries in India or else where.

THE MAIN OBJECTS OF RAIN INDUSTRIES LIMITED

- i) To carry on the business, of and to purchase or otherwise acquire, manufacture, refine, treat, reduce, distill, smelt, store, hold transport, use experiment with prospect for mine, bore, extract, market, distribute, exchange, supply, sell or otherwise dispose of import, export and trade or generally deal in all kinds of crude petroleum, petroleum products and petrochemicals including all varieties of plastics, oil field chemicals oil, gas & other volatile substances, asphalt, ozokerite, substances, butylenes, propylenes, ethylenes, liquefied petroleum gases, aromatic hydrocarbons, lubricating oils and waxes, butadiene, phosphates, nitrates, coal, ores, minerals and in general subsoil products and subsurface deposits of every nature.
- ii) To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator or otherwise to deal in electric power in all its branches of such place or places as may be permitted by appropriate authorities by establishments of thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.
- iii) To carry on the business in India or elsewhere to manufacture fabricate, assemble, alter, convert, extrude, design, develop, research, export, import, handle, job work, modify, machine, prepare, produce, finish, amodise, purchase, sell, resale, project, mould, remould, melt and to act as stockists, distributor, agent, broker, representative, consultant, advisor, supplier, contractor, subcontractor, or otherwise to deal in all shapes, sizes, gauges, thickness, dimensions and varieties of products of aluminum alloys, such as rods, squares, flats, hexagons, tubes, packing materials springs, plates, circles, coils, power utensils, foils, furniture's, rails, grills, doors, windows, ladders, their parts, accessories, equipments, plants, machineries, tools, tackles, components, raw materials, stores, consumables.
- iv) To render professional and technical Consultancy and advice any individual Firm, Company, Government or Statutory Undertaking or Corporation or any other body carrying on any business whatsoever in the fields of Design and Engineering, Research and Development, Business, Industrial and General Management relating to Aluminium Products Refineries and Power.
- v) To produce, manufacture, purchase, refine, prepare, process, import, sell generally to deal in Cement, portland cement, alumina cement, white and colored cement, lime and limestone, kankar and or by-products thereof and building materials, generally non-ferrous metals, ferroalloys; and in connection therewith to acquire, erect, construct, establish operate and maintain factories, mines and quarries, workshops and other works.
- vi) To produce, manufacture, process, refine, prepare, treat, purchase, sell, export, import or otherwise deal with either as principals or as agents, either solely or in partnership with other, cement, alumina cement, white and colored, cements, lime, plaster of paris, and other building materials of all kinds and other building boards to be used in ceiling, floor or walls, made from any fibrous materials such as bagasse, bamboo, wood, paper, jute, hemp and grasses, pottery, fire clay and fire bricks, flooring tiles, roofing materials etc.

For FINE CALCINING LIMITED

T. SRINIVASA RAO

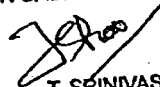


- vii) To carry on all or any of the business of manufactures and sellers of and dealers and workers in cement of all kinds, concrete, asbestos, earthen-ware, artificial stone and manufacturers, and dyers, requisites and conveniences of all kinds.
- iii) To carry on investigations to discover places where cement can be profitably made, of where any materials, minerals for any manufacturing work the Company is entitled to carry on, can be obtained and to obtain prospecting or research work in that behalf.
- ix) To search for ores and minerals, mine and grant licenses for mining in or over any lands which may be acquired or held by the Company and to lease out any such lands.
- x) To purchase, take on lease, or otherwise acquire any undertaking, business and property or any part thereof of any company or companies carrying on business as manufacturers of cement and Mineral Industries in India or else where.
- xi) To carry on the business of Calcinators of any metallic and non-metallic substances including petroleum coke and needle coke in India and elsewhere and for that purpose, carry on the business of importers, exporters, manufacturers, refiners, processors, buyers, sellers, dealers, brokers, agents of any of the raw materials pertaining to calcined products and any of its by-products and combinations thereof and such other allied or analogous to the foregoing or any of them or anything connected therewith.
- xii) To engage in rendering technical and management consultancy services of all kinds in Calcining including making drawings, plans, process charts, preparation of project reports, transfer of technical know-how and undertaking turnkey projects.
- xiii) To carry on the business of generating, co-generating, supply, sale, transmission or in any other manner transfer electricity and in that connection own, install, operate, control, manage run any electricity generator, co-generation facility and combination thereof and such other allied or analogous to the foregoing or any of them or anything connected therewith.

THE MAIN OBJECTS OF RAIN CALCINING LIMITED :

- i) To carry on the business of Calcinators of any metallic and non-metallic substances including petroleum coke and needle coke in India and elsewhere and for that purpose, carry on the business of importers, exporters, manufacturers, refiners, processors, buyers, sellers, dealers, brokers, agents of any of the raw materials pertaining to calcined products and any of its by-products and combinations thereof and such other allied or analogous to the foregoing or any of them or anything connected therewith.
- ii) To engage in rendering technical and management consultancy services of all kinds in Calcining including making drawings, plans, process charts, preparation of project reports, transfer of technical know-how and undertaking turnkey projects.
- iii) To carry on the business of generating, co-generating, supply, sale, transmission or in any other manner transfer electricity and in that connection own, install, operate, control, manage run any electricity generator, co-generation facility and combination thereof and such other allied or analogous to the foregoing or any of them or anything connected therewith.

For RAIN CALCINING LIMITED


T. SRINIVASA RAO
Vice President (Finance)

PART II- THE SCHEME

3. OPERATIVE DATE OF THIS SCHEME:

This Scheme, though operative from the respective Appointed Dates, shall only become effective from the Effective Date.

4. PART A: TRANSFER OF CEMENT BUSINESS OF RIL (TRANSFEROR COMPANY) TO RCOL (TRANSFeree COMPANY)

4.1 TRANSFER OF CEMENT BUSINESS OF RIL:

i With effect from the First Appointed Date, the Cement Business of RIL shall stand transferred to RCOL, as provided in this Scheme, and, pursuant to the provisions of Sections 391 and 394 and other applicable provisions of the Act, the Cement Business of RIL shall, accordingly, without any further act, or deed, be transferred to and vested in, and be deemed to have been transferred to and vested in RCOL so as to become the property and liability of RCOL but subject to all charges affecting the same. Provided always, that this Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by RCOL and RCOL shall not be obliged to create any further additional security there for after the Effective Date or otherwise.

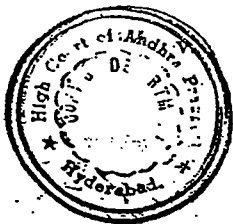
ii. All the movable assets of RIL pertaining to its Cement Business shall be physically handed over by manual delivery to RCOL to the end and intent that the ownership and property therein passes to RCOL on such handing over. The amounts lying with the banks to the credit of RIL in relation to its Cement Business as of the Appointed Date shall also be transferred to RCOL. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of RIL and RCOL prior to the filing of the certified copies of the Order of the High Court of Andhra Pradesh with the Registrars of Companies, Andhra Pradesh by RIL and RCOL.

iii. All benefits including under Income Tax, Excise (including Modvat/Cenvat), Sales Tax (including deferment of any Tax), Service Tax, exemptions, concessions, remissions and subsidies to which RIL is entitled to for carrying on its Cement Business in terms of the various statutes and/or schemes of the Union and State Governments, obligations or benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, and all permits, authorizations, licenses, Mining Leases, consents, registrations, approvals, permissions, insurance policies, bids, tenders, letters of intent, connections for water, electricity and drainage, sanctions, product registrations, entitlements, allotments, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent) without any further act, or deed, shall stand transferred to and vest in RCOL.

iv. The transfer and vesting of the Cement Business of RIL as aforesaid shall be subject to the existing charges, mortgages and encumbrances, if any, over or on respect of any of the assets or any part thereof, provided, however, that such charges, mortgages and/or encumbrances shall be confined only to the relevant assets of RIL in relation to its Cement Business or part thereof on or over which they are subsisting on transfer to and vesting of such assets in RCOL and no such charges, mortgages, and/or encumbrances shall extend over or apply to any other asset(s) of RCOL. Any reference in any security documents or arrangements to which the RIL is a party) to any assets of RIL in relation to its Cement Business

For RAIN CALCINING LIMITED

T. SRINIVASA RAO



nor be deemed to extend to any of the other asset(s) of RCOL.

With effect from the Appointed Date all the debts, liabilities, duties and obligations of RIL in relation to its Cement Business shall, pursuant to the Order of the High Court of Andhra Pradesh under Section 394 and other applicable provisions of the Act and without any further act or deed, be also transferred or deemed to be transferred to and vest in and be assumed by RCOL, so as to become as from the Third Appointed Date the debts, liabilities, duties and obligations of RCOL on the same terms and conditions as were applicable to RIL.

4.2 LEGAL PROCEEDINGS:

If any suits, appeals, actions or proceedings of whatsoever nature (hereinafter called "the Proceedings") by or against the Cement Business of RIL are pending on or after the Appointed Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the transfer of the Cement Business of RIL to RCOL or anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against RCOL as effectually and in the same manner and to the same extent as the same would or might have been continued, prosecuted and enforced by or against the Cement Business of RIL, as if this Scheme had not been made.

4.3 CONTRACTS AND DEEDS:

- i. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, indemnities, licenses, engagements and other instruments of whatsoever nature to which the Cement Business of RIL is party to or to the benefit of which RIL is eligible by virtue of its Cement Business, and which has not lapsed and is subsisting on the Effective Date, shall remain in full force and effect against or in favour of RCOL, as the case may be, and shall be binding on and be enforceable by or against RCOL as fully and effectually as if, instead of RIL, RCOL had at all material times been a party thereto.
- ii. RCOL shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this Clause and to the extent that the Cement Business of RIL is required to, prior to the Effective Date, to join in such deeds, writings or confirmations, RCOL shall be entitled to act for and on behalf in the name of RIL.

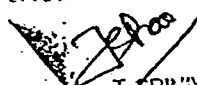
4.4 SAVING OF CONCLUDED TRANSACTIONS:

The transfer of the Cement Business of the RIL to RCOL pursuant to and in accordance with Clause 4.1 above, the continuance of the Proceedings under Clause 4.2 above and the effectiveness of contracts and deeds under Clause 4.3 above, shall not, in any manner, affect any transaction or Proceedings already concluded by RIL in relation to its Cement Business on or before the Effective Date.

4.5 EMPLOYEES:

- i. All the permanent employees of the Cement Business of RIL in service on the date immediately preceding the Effective Date shall, on and from the

For RAIN CALCINING LIMITED


T. GRINIVAGA PAO
Vice President (Finance)

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Effective Date, become permanent employees of RCOL on the same terms and conditions on which they are engaged by RIL without treating as a break, discontinuance or interruption in service by reason of the transfer of the Cement Business of RIL.

- ii. RIL shall not vary the terms and conditions of service of its permanent employees of its Cement Business after the Appointed Date except in the ordinary course of their business.
- iii. On and from the Effective Date the Provident Funds, Gratuity Funds, Superannuation Funds or any other fund or funds created or existing for the benefit of the permanent employees, as applicable, of the Cement Business of RIL shall be continued by RCOL and RCOL shall stand substituted for RIL for all purposes whatsoever, including in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof to the end and intent that all rights, duties, powers and obligations of RIL in relation to such fund shall become those of RCOL.
- iv. On and from the Effective Date, the services of the permanent employees of the Cement Business of RIL will be treated as having been continuous without any break, discontinuance or interruption, for the purpose of membership and the application of the Rules or Bye Laws of the said funds.

4.6 BUSINESS IN TRUST FOR RCOL:

With effect from the First Appointed Date and up to and including the Effective Date:

- i. RIL shall carry on and be deemed to have carried on business and activities in relation to its Cement Business and shall hold and stand possessed of and be deemed to have held and stood possessed of its assets and properties pertaining to its Cement Business for and on account of and in trust for RCOL.
- ii. RIL shall carry on business and activities in relation to the Cement Business with due diligence and business prudence and shall neither sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with the Cement Business of RIL or any part thereof nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of their business and also for the ongoing expansion cement plant at Kurnool, without the prior written consent of RCOL or pursuant to any pre-existing obligation undertaken by RIL prior to the Appointed Date.
- iii. All profits or income accruing or arising to RIL on account of its Cement Business or any costs, charges, expenditure or losses arising or incurred by RIL on account of its Cement Business shall for all purposes be treated and be deemed to have been accrued or accrue as the profits, income, costs, charges or expenditure or losses, as the case may be, of RCOL.
- iv. RIL shall not, without the prior written consent of the Transferor Company, undertake a substantial expansion of its Cement Business. This condition is not applicable to the ongoing Brownfield Expansion carried out at Unit-II of RIL situated at Kurnool.

For RAJN CALCINING LIMITED

T. SRINIVASA RAO
Vice President (Finance)

4.7 Consideration for Transfer of Cement Business of RIL to RCOL



Upon the Transfer of the Cement Business of RIL and the transfer becoming effective in terms of this Scheme, a consideration of Rs. 32.00 Crores, net-off secured and unsecured loans and current liabilities of the Cement Business of RIL, shall be payable by RCOL to

ACCOUNTING TREATMENT:

- i) The assets and liabilities of Cement Business transferred from RIL to RCOL shall be accounted at their respective book values as at the First Appointed Date.
- ii) The Goodwill remaining in RIL would be adjusted against the Securities Premium Account

4.9 Utilisation of Securities Premium Account in RIL:

The Securities Premium Account in RIL to the extent of Rs. 13.49 Crores would be utilized to write-off the unamortized portion of the Goodwill of Rs.13.49 Crores, subject to the confirmation of the Hon'ble High Court of Andhra Pradesh.

- 4.10 Upon the Scheme becoming effective, the Transferee Company, if required, is expressly permitted to revise its returns and filings under the Income Tax Act, Service Tax laws, Sales Tax laws, Value Added Tax laws and other tax laws, and to claim refunds and / or credits for the taxes paid, etc. and for matters incidental thereto to give effect to the provisions of the Scheme, pertaining to the Transferor Company.

5. PART B: AMALGAMATION OF RCL (TRANSFEROR COMPANY) WITH RCOL (TRANSFeree COMPANY)

5.1 TRANSFER OF UNDERTAKING OF RCL:

- i. With effect from the Second Appointed Date, RCL shall stand amalgamated with the RCOL, as provided in this Scheme, and, pursuant to the provisions of Sections 391 and 394 and other applicable provisions of the Act, the undertaking of RCL shall, accordingly, without any further act, or deed, be transferred to and vested in, and be deemed to have been transferred to and vested in, the RCOL so as to become the property and liabilities of the RCOL but subject to all charges affecting the same. Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by RCOL and RCOL shall not be obliged to create any further additional security therefor after the Effective Date or otherwise.
- ii. All the movable assets of RCL shall be physically handed over by manual delivery to RCOL to the end and intent that the ownership and property therein passes to RCOL on such handing over. The amounts lying with the banks to the credit of RCL as of the Second Appointed Date shall also be transferred to the RCOL. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of RCL and RCOL prior to the filing of the certified copies of the Orders of the High Court of Andhra Pradesh with the Registrar of Companies, Andhra Pradesh, by RCL and RCOL.
- iii. All benefits including under Income Tax, (including Exemptions under Section 10B and 80IA of the Income Tax Act, 1961) Excise (including Modvat/Cenvat), Sales Tax (including deferment of any Tax), Service Tax, exemptions,

For RAIN CALCINING LIMITED

T. BRINIVASA RAO
Vice President (Finance)

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INDIA

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concessions, remissions and subsidies to which RCL is entitled to in terms of the various statutes and/or schemes of the Union and State Governments, obligations or benefits arising out of bank guarantees and Corporate Guarantees given for any Loans taken by Subsidiaries or such guarantees given with respect to any appeals with the relevant authorities, and all permits, authorizations, licenses, consents, registrations, approvals, permissions, insurance policies, bids, tenders, letters of intent, connections for water, electricity and drainage, sanctions, property registrations, entitlements, allotments, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent) without any further act, or deed, shall stand transferred to and vest in RCOL.

- iv. The transfer and vesting of the undertaking of RCL as aforesaid shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided, however, that such charges, mortgages and/or encumbrances shall be confined only to the related assets of RCL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in RCOL and no such charges, mortgages, and/or encumbrances shall extend over or apply to any other asset(s) of RCOL. Any reference in any security documents or arrangements (to which RCL is a party) to any assets of RCOL shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of RCOL.
- v. With effect from the Second Appointed Date all the debts, liabilities, duties and obligations of RCL shall, pursuant to the Orders of the High Court under Section 394 and other applicable provisions of the Act and without any further act or deed, be also transferred or deemed to be transferred to and vest in and be assumed by RCOL, so as to become as from the Second Appointed Date the debts, liabilities, duties and obligations of RCOL on the same terms and conditions as were applicable to RCL.

5.2 LEGAL PROCEEDINGS:

If any suits, appeals, actions or proceedings of whatsoever nature (hereinafter called "the Proceedings") by or against RCL are pending on or after the Second Appointed Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of RCL with RCOL or anything contained in this Scheme, but the proceedings may be continued, prosecuted and enforced by or against RCOL as effectually and in the same manner and to the same extent as the same would or might have been continued, prosecuted and enforced by or against RCL, as if this Scheme had not been made.

5.3 CONTRACTS AND DEEDS:

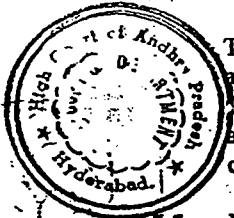
- i. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, indemnities, licenses, engagements and other instruments of whatsoever nature to which RCL is a party or to the benefit of which RCL is eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of RCOL, as the case may be, and shall be binding on and be enforceable by or against RCOL as fully and effectually as if, instead of RCL, RCOL had at all material times been a party thereto.
- ii. RCOL shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this Clause and to the extent that RCL is required to, prior to the Effective Date, to join in such deeds, writings or confirmations, RCOL shall be entitled to act and on behalf in the name of RCL.

For RAIN CALCINING LIMITED

[Signature]

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5.4 SAVING OF CONCLUDED TRANSACTIONS:



The transfer of the Undertaking of the RCL to RCOL pursuant to and in accordance with Clause 5.1 above, the continuance of the Proceedings under Clause 5.2 above and the effectiveness of contracts and deeds under Clause 5.3 above, shall not, in any manner, affect any transaction or the Proceedings already concluded by RCL in relation to its undertaking on or before the Effective Date.

5.5 EMPLOYEES:

- i. All the permanent employees of RCL in service on the date immediately preceding the Effective Date shall, on and from the Effective Date, become the permanent employees of RCOL on the same terms and conditions on which they are engaged by RCL without treating it as a break, discontinuance or interruption in service by reason of the transfer of the Undertaking of RCOL.
- ii. RCL shall not vary the terms and conditions of service of its permanent employees after the Second Appointed Date except in the ordinary course of their business.
- iii. On and from the Effective Date the Provident Funds, Gratuity Funds, Superannuation Funds or any other fund or funds created or existing for the benefit of the permanent employees, as applicable, of RCL shall be continued by RCOL and RCOL shall stand substituted for RCL for all purposes whatsoever, including in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof to the end and intent that all rights, duties, powers and obligations of RCL in relation to such fund shall become those of RCOL.
- iv. On and from the Effective Date, the services of the permanent employees of RCL will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the Rules or Bye Laws of the said funds.

5.6 DISSOLUTION OF RCL:

RCL shall be dissolved without winding up pursuant to and in accordance with the provisions of Section 394 of the Act after filing of Certified true copy of Hon'ble High Court of Andhra Pradesh with the Registrar of Companies, Andhra Pradesh, India.

5.7 BUSINESS IN TRUST FOR RCOL:

With effect from the Second Appointed Date and up to and including the Effective Date:

- i. RCL shall carry on and be deemed to have carried on all its business and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets and properties for and on account of and in trust for RCOL.
- ii. RCL shall carry on its business and activities with due diligence and business prudence and shall neither sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with the Undertaking of RCOL or any part thereof nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of their business,

FOR RAIN CALCINING LIMITED

T. SRINIVASA RAO
Vice President (Finance)

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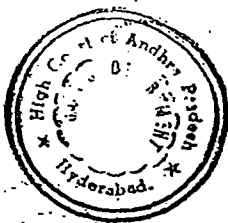
without the prior written consent of RCOL or pursuant to any pre-existing obligation undertaken by RCL prior to the Second Appointed Date.

- iii. All profits or income accruing or arising to RCL or any costs, charges, expenditure or losses arising or incurred by RCL shall for all purposes be treated and be deemed to have been accrued or accrue as the profits, income, costs, charges or expenditure or losses, as the case may be of RCOL.
- iv. RCL shall not, without the prior written consent of RCOL, undertake any new business or a substantial expansion of its existing business.

5.8 ISSUE AND ALLOTMENT OF SHARES BY THE TRANSFEREE COMPANY:

Upon the transfer of the Undertaking of RCL and the amalgamation becoming effective in terms of this Scheme, the consideration in respect of such transfer to and vesting of the Undertaking of RCL in RCOL shall, subject to the provisions of this Scheme, be settled by RCOL as follows:

- i) RCOL shall without any further application, act or deed, issue and allot equity shares of Rs. 10/- each credited as fully paid up in the capital of RCOL to every equity shareholder of RCL whose name appears in the Register of Members on the Record Date in the proportion of TWO fully paid equity shares of Rs. 10/- each of RCOL for every SEVEN equity shares of Rs. 10/- each held in RCL. The Equity Shares held by RCOL or its Subsidiaries in RCL, if any on the Record Date gets cancelled and no Equity shares would be issued by RCOL for such Equity Shares.
- ii) Equity Shares issued and allotted by RCOL to the equity shareholders of RCL shall, in all respects, rank pari passu with the existing equity shares of RCOL for dividend, voting and other rights.
- iii) No fractional Certificates shall be issued by RCOL in respect of the fractional entitlements, if any, to which the equity shareholders of RCL may be entitled on issue and allotment of the equity shares of RCOL as aforesaid. The Board of Directors of RCOL shall instead consolidate all such fractional entitlements to which the shareholders of RCL may be entitled on issue and allotment of the equity shares of RCOL aforesaid and shall, without any further application, act, instrument or deed, issue and allot equity shares in lieu thereof to a trustee (hereinafter referred to as the "Trustee") who shall hold the same, with all additions or accretions thereon in trust for those entitled to the fractions and sell the same in the market at such price(s) and at such time(s) as the Trustee may in its sole discretion decide and pay to RCOL the net sale proceeds thereof and any additions and accretions thereto, whereupon RCOL shall, subject to withholding tax, if any, distribute such net sale proceeds to the equity shareholders of RCL in proportion to their fractional entitlements.
- iv) Every shareholder of RCL shall surrender to RCOL the relevant share certificates held by him in RCL for cancellation, extinguishment or annulment, and shall have the option exercisable by notice in writing to RCOL on or before such date as may be determined by the Board of Directors of RCOL to receive either in certificate form (Physical form) or in dematerialised form, the shares of RCL in lieu thereof in terms of this Scheme or have the same extinguished or annulled, as the case may be. If such notice is not received by RCOL from any shareholders of RCL as aforesaid, the Equity shares of RCOL shall be issued to such shareholders.



in certificate form for the shareholders holding shares in Physical form and in Demat mode(Electronic form) to those shareholders who are holding Shares in Demat mode(Electronic Form). Those equity shareholders of RCL who hold shares in Physical form and willing to receive the Equity shares of RCOL in dematerialised form, shall provide details of their account with a Depository Participant and such other confirmations as may be required to enable RCOL to issue and directly credit Equity Shares to their respective Demat account.

5.9 ACCOUNTING TREATMENT IN THE BOOKS OF RCOL:

- i. The assets and the liabilities of RCL being transferred to RCOL shall be at values appearing in the books of accounts of RCL on the close of business on March 31, 2007;
- ii. RCOL shall credit the Share Capital Account in its books of account with the aggregate face value of the new equity shares issued to the shareholders of RCL pursuant to Clause 5.8 of this Scheme.
- iii. The excess or deficit of value of the net assets (determined as per sub-clause (i) over);
 - a) the paid-up value of the shares to be issued and allotted to the shareholders of RCL pursuant to this Scheme;
 - b) costs, charges and expenses in connection with the Scheme shall be credited by RCOL to its Capital Reserves Account or shall be debited to the "Goodwill Account" in its books, as the case may be.

5.10 If any terms or provisions of this part of the Scheme are found or interpreted to be inconsistent with the provisions of the section 2(1B) of the Income Tax Act, 1961, at a later date, including resulting from an amendment of law or for any other reasons whatsoever, the provisions of the section 2(1B) of Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

5.11 Upon the Scheme becoming effective, the Transferee Company, if required, is expressly permitted to revise its returns and filings under the Income Tax Act, Service Tax laws, Sales Tax laws, Value Added Tax laws and other tax laws, and to claim refunds and / or credits for the taxes paid, etc. and for matters incidental thereto to give effect to the provisions of the Scheme, pertaining to the Transferor Company.

6. PART C: TRANSFER OF CALCINED PETROLEUM COKE BUSINESS AND POWER BUSINESS BY THE RESTRUCTURED RCOL TO RIL

6.1 The Transfer of Calcined Petroleum Coke(CPC) and Power business from Rain Commodities Limited to Rain Industries Limited shall take place consequent to Amalgamation of Rain Calcining Limited with Rain Commodities Limited.

6.2 TRANSFER OF CALCINED PETROLEUM COKE AND POWER BUSINESS OF RESTRUCTURED RCOL:

- i With effect from the Third Appointed Date, the Calcined Petroleum Coke and Power Business of RCOL shall stand transferred to RIL, as provided in this

Scheme, and, pursuant to the provisions of Sections 10B and 80IA of the Income Tax Act, 1961, and other applicable provisions of the Act, the Calcined Petroleum Coke and Power Business of RCOL shall, accordingly, without any further act, or deed, be transferred to and vested in, and be deemed to have been transferred to and vested in RIL so as to become the property and liability of RIL but subject to all charges affecting the same. Provided always, that this Scheme shall not operate to endanger the security for any loan, deposit or facility availed of by the RIL and RIL shall not be obliged to create any further additional security therefor after the Effective Date or otherwise.

- ii. All the movable assets of Calcined Petroleum Business and Power Business of RCOL shall be physically handed over by manual delivery to RIL to the end and intent that the ownership and property therein passes to RIL on such handing over. The amounts lying with the banks to the credit of RCOL in relation to its Calcined Petroleum Coke and Power Business as on the Third Appointed Date shall also be transferred to RIL. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of RCOL and RIL prior to the filing of the certified copies of the Orders of the High Court of Andhra Pradesh with the Registrar of Companies, Andhra Pradesh by RCOL and RIL.
- iii. All benefits including under Income Tax, (including Exemptions under Section 10B and 80IA of the Income Tax Act, 1961), Excise (including Modvat/Cenvat), Sales Tax (including deferment of any Tax), Service tax, exemptions, concessions, remissions and subsidies to which RCOL is entitled to in relation to the Calcined Petroleum Coke and Power Business in terms of the various statutes and/or schemes of the Union and State Governments, obligations or benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, and all permits, authorizations, licenses, consents, registrations, approvals, permissions, insurance policies, bids, tenders, letters of intent, connections for water, electricity and drainage, sanctions, product registrations, entitlements, allotments, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent) without any further act, or deed, shall stand transferred to and vest in RIL.
- iv. The transfer and vesting of the Calcined Petroleum Coke and Power Business of RCOL as aforesaid shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided, however, that such charges, mortgages and/or encumbrances shall be confined only to the relevant assets of RCOL in relation to its Calcined Petroleum Coke and Power Business or part thereof on or over which they are subsisting on transfer to and vesting of such assets in RIL and no such charges, mortgages, and/or encumbrances shall extend over or apply to any other assets of RIL. Any reference in any security documents or arrangements (to which RCOL is a party) to any assets of the RCOL in relation to its Calcined Petroleum Coke and Power Business shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other assets of RIL.
- v. With effect from the Third Appointed Date all the debts, liabilities, duties and obligations of RCOL in relation to its Calcined Petroleum Coke and Power Business, shall, pursuant to the Orders of the High Court of Andhra Pradesh under Section 394 and other applicable provisions of the Act and without any further act or deed, be also transferred or deemed to be transferred to and vest in and assumed by RIL, so as to become as from the Third Appointed Date the debts, liabilities, duties and obligations of the RIL on the same terms and conditions as were applicable to RCOL.

FERROVAIN CALCINING LIMITED

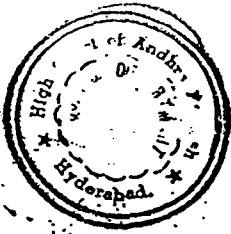
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If any suits, appeals, actions or proceedings of whatsoever nature (hereinafter called "the Proceedings") by or against Restructured RCOL in relation to its CPC and Co-generation Power business is pending on or after the Appointed Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of transfer of the Calcined Petroleum Coke and Power Business of RCOL to RIL or anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against RIL as effectually and in the same manner and to the same extent as the same would or might have been continued, prosecuted and enforced by or against the undertaking of RCOL, as if this Scheme had not been made.

6.4 CONTRACTS AND DEEDS:

- i. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, indemnities, licenses, engagements and other instruments of whatsoever nature in relation to the undertaking to which RCOL is party to or to the benefit of which RCOL is eligible, and which has not lapsed and is subsisting on the Effective Date, shall remain in full force and effect against or in favour of RIL, as the case may be, and shall be binding on and be enforceable by or against RIL as fully and effectually as if, instead of RCOL, RIL had at all material times been a party thereto.
- ii. RIL shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this Clause and to the extent that RCOL is required, prior to the Effective Date, to join in such deeds, writings or confirmations, RIL shall be entitled to act for and on behalf in the name of RCOL.

6.5 SAVING OF CONCLUDED TRANSACTIONS:

The transfer of the Calcined Petroleum Coke and Power Business of the RCOL to RIL pursuant to and in accordance with Clause 6.2 above, the continuance of the Proceedings under Clause 6.3 above and the effectiveness of contracts and deeds under Clause 6.4 above, shall not, in any manner, affect any transaction or the Proceedings in relation to its Calcined Petroleum Coke and Power Business already concluded by RCOL on or before the Effective Date.

6.6 EMPLOYEES:

- i. All the permanent employees of the Calcined Petroleum Coke and Power Business of RCOL in service on the date immediately preceding the Effective Date shall, on and from the Effective Date, become the permanent employees of RIL on the same terms and conditions on which they are engaged by RCOL without treating it as a break, discontinuance or interruption in service by reason of the transfer of the Calcined Petroleum Coke and Power Business of RCOL.
- ii. RCOL shall not vary the terms and conditions of service of its permanent employees after the Third Appointed Date except in the ordinary course of their business.
- iii. On and from the Effective Date the Provident Funds, Gratuity Funds, Superannuation Funds or any other fund or funds created or existing for the benefit of the permanent employees, as applicable, of the Calcined Petroleum

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Coke and Power Business of RCOL shall be continued by RIL and RIL shall stand substituted for RCOL for all purposes whatsoever including in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof to the end and intent that all rights, duties, powers and obligations of RCOL in relation to such fund shall become those of RIL.

- iv. On and from the Effective Date, the services of the permanent employees of Calcined Petroleum Coke and Power Business of RCOL will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the Rules or Bye Laws of the said funds.

6.7 BUSINESS IN TRUST FOR RIL:

With effect from the Third Appointed Date and up to and including the Effective Date:

- i. RCOL shall carry on and be deemed to have carried on business and activities in relation to its Calcined Petroleum Coke and Power Business and shall hold and stand possessed of and be deemed to have held and stood possessed of its assets and properties pertaining its Calcined Petroleum Coke and Power Business for and on account of and in trust for RIL.
- ii. RCOL shall carry on business and activities in relation to the Calcined Petroleum Coke and Power Business with due diligence and business prudence and shall neither sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with the Calcined Petroleum Coke and Power Business of RCOL or any part thereof nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of their business, without the prior written consent of RIL or pursuant to any pre-existing obligation undertaken by RCOL prior to the Appointed Date.
- iii. All profits or income accruing or arising to RCOL on account of its Calcined Petroleum Coke and Power Business or any costs, charges, expenditure or losses arising or incurred by RCOL on account of such businesses shall, for all purposes, be treated and be deemed to have been accrued or accrue as the profits, income, costs, charges or expenditure or losses, as the case may be, of RIL.
- iv. RCOL shall not, without the prior written consent of RIL, undertake a substantial expansion of its Calcined Petroleum Coke and Power Business, except for the Greenfield Expansion initiated in Visakhapatnam.

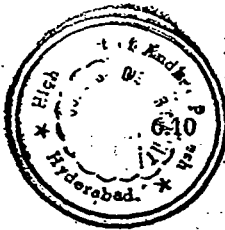
6.8 Issue and Allotment of Shares by the Transferor Company:

Upon the Transfer of the Calcined Petroleum Coke and Power Business of Restructured RCOL and the transfer becoming effective in terms of this Scheme, a consideration of Rs. 140.06 Crores, net-off secured and unsecured loans and current liabilities of the Undertaking of RCOL, shall be payable by RIL to RCOL. Such consideration shall be partly adjusted against the consideration payable by RCOL for transfer of the Undertaking of RIL. The balance amount of consideration of Rs. 95.06 Crores, shall be settled by RIL by issue and allotment of 90,05,000 Equity Shares of Rs. 10 each at a premium of Rs. 110 each.

6.9 ACCOUNTING TREATMENT:

The assets and liabilities of the Calcined Petroleum Coke and Power Business of RCOL transferred to RIL shall be accounted at their respective book values in RCOL as at the Third Appointed Date. The difference between the consideration

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paid by RIL and the net assets of the Calcined Petroleum Coke and Power Business shall be transferred to Capital Reserve.

Upon the Scheme becoming effective, the Transferee Company, if required, is expressly permitted to revise its returns and filings under the Income Tax Act, Service Tax laws, Sales Tax laws, Value Added Tax laws and other tax laws, and to claim refunds and / or credits for the taxes paid, etc. and for matters incidental thereto to give effect to the provisions of the Scheme, pertaining to the Transferor Company.

7. TERMS COMMON TO PARTS A, B AND C OF PART II:

7.1 APPLICATIONS TO THE HIGH COURT OF ANDHRA PRADESH

On this Scheme being approved by the requisite majority of shareholders and creditors of RIL, RCL and RCOL respectively representing the required value, RIL, RCL and RCOL, shall with all reasonable dispatch, make necessary applications/petitions under Sections 391 and 394 of the Act and other applicable provisions of the Act to the High Court of Judicature of Andhra Pradesh at Hyderabad for sanction and carrying out of this Scheme and for consequent dissolution of RCL without winding up and apply for and obtain such other approvals, as required by law.

7.2 MODIFICATIONS OR AMENDMENTS TO THE SCHEME:

RIL, RCL and RCOL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize) are empowered and authorized:

- i. to assent from time to time to any modifications or amendments of this Scheme or of any conditions or limitations which the High Court and/or any other competent authorities under law, the shareholders and/or creditors of RIL, RCL and RCOL may deem fit to approve or direct or as may be deemed expedient or necessary; and
- ii. give such directions as they may consider necessary or desirable to settle all questions, doubts or difficulties that may arise in carrying out this Scheme or any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholders of RIL, RCL and RCOL) and to do and execute all acts, deeds, matters and things necessary, desirable or proper for carrying this Scheme into effect.

In the event that any modification or amendment to this Scheme is unacceptable to the respective Board of Directors of either of RIL, RCL or RCOL for any reason whatsoever, either of the above Companies, as the case may be, shall be entitled to withdraw from this Scheme.

PART III - GENERAL

8. SCHEME CONDITIONAL UPON:

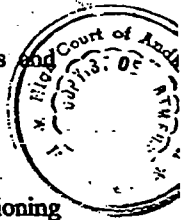
This Scheme is conditional upon and subject to:

- i. Sanction or approval of all persons or authorities concerned being obtained and granted in respect of any of the matters provided for or relating to this Scheme for which such sanction or approval is required;

For RAIN CALCINING LIMITED

T. SRINIVASA RAO
Vice President (Finance)

- ii. Approval of this Scheme by the requisite majorities of the shareholders and creditors of RIL, RCL and RCOL.
- iii. Sanction of this Scheme by the High Court of Andhra Pradesh.
- iv. Certified copies of the Order of the High Court of Andhra Pradesh sanctioning this Scheme being filed by RIL, RCL and RCOL with the Registrar of Companies, Andhra Pradesh.



9. WHEN THE SCHEME TO BECOME NULL AND VOID :

In the event of any of the sanctions and approvals referred to in Clauses 8(i), 8(ii) and 8(iii) above, not being obtained and/or this Scheme not being sanctioned by the High Court of Andhra Pradesh and/or the certified copies of the Order of the High Court of Andhra Pradesh sanctioning this Scheme not being filed as aforesaid or within such further period or periods as may be mutually agreed upon by RIL, RCL and RCOL through their respective Board of Directors, this Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by RIL, RCL and RCOL. RIL, RCL and RCOL, in such event, bear their respective costs, charges and expenses in connection with this Scheme.

10. The Scheme also clarifies that the Rain Industries Limited, Rain Commodities Limited and Rain Calcining Limited shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior or after the Appointed Date and prior to the Effective Date, provided that the shareholders of the Rain Commodities Limited shall not be entitled to dividend, if any, declared and paid by the Rain Calcining Limited.

11. COSTS, CHARGES AND EXPENSES:

Subject to clause 9 above, all costs, charges and expenses, including stamp duty and registration charges, if any, or for in respect of any deed, document, instrument or Orders of the High Court of Andhra Pradesh or either of them in relation to or in connection with negotiations leading up to and arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by respective parties.

12. PART IMPLEMENTATION OF THE SCHEME

The Board of Directors of Rain Commodities Limited and Rain Calcining Limited in their absolute discretion may withdraw the applications / petitions before the Hon'ble High Court of Andhra Pradesh for giving effect to the Parts B and C of the Scheme hereunder, whereupon this Scheme shall be construed as Scheme of Arrangement between Rain Industries Limited and its shareholders on one hand and Rain Commodities Limited and its shareholders on the other hand pertaining only to Part A of the Scheme.

The Board of Directors of Rain Commodities Limited and Rain Calcining Limited in their absolute discretion may withdraw the applications / petitions before the Hon'ble High Court of Andhra Pradesh for giving effect to the Part C of the scheme alone, whereupon the Scheme shall be construed as ;

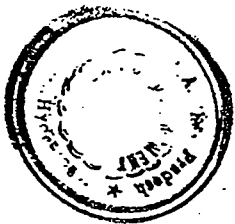
- a) An arrangement between the Rain Industries Limited and its shareholders on one hand and Rain Commodities Limited and its shareholders on the other hand in terms of the Part-A hereunder.

For RAIN CALCINING LIMITED

SUPERINTENDENT
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T. SRINIVASA RAO
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- b) An arrangement between Rain Commodities Limited and its shareholders on one hand and Rain Calcining Limited and its shareholders on other hand for Amalgamation of Rain Calcining Limited with Rain Commodities Limited in terms of Part B hereunder.



For RAIN CALCINING LIMITED

T. Srinivasa Rao
T. SRINIVASA RAO
Vice President (Finance)

Amal Kumar
SUPERINTENDENT
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HIGH COURT OF A.P.
HYDERABAD

THE HIGH COURT OF ANDHRA PRADESH HYDERABAD.	
C. No.	883 of 2007
Application made	26-10-2007
Application returned	2007
Application represented	2007
Stamps called for	02-11-2007
Stamps deposited	12-11-2007
Adl. Stamps called for	2007
Adl. Stamps deposited	2007
Copy ready	12-11-2007
Copy delivered	2007

T. Srinivasa Rao
Section Officer.

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