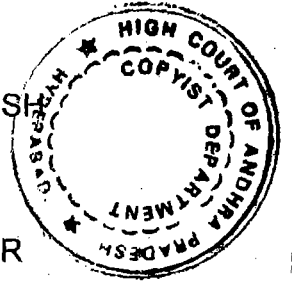


IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(ORDINARY ORIGINAL/CIVIL JURISDICTION)



WEDNESDAY, THE TWENTY NINTH DAY OF DECEMBER
TWO THOUSAND AND TEN

PRESENT
THE HON'BLE MS JUSTICE G.ROHINI

COMPANY PETITION NOS.154, 155 AND 156 of 2010
Connected With

COMPANY APPLICATION NOS.481, 482 and 483 of 2010

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

IN THE MATTER OF Scheme of Arrangement

Between Rain Commodities Limited,

Rain CII Carbon (India) Limited

Rain CII Carbon (Vizag) Limited
AND

Their Respective Shareholders and Creditors and Moonglow
Company Business Inc.

C.P.No.154 of 2010
Connected With
C.A.Nos.481, 482 and 483 of 2010

Between:

M/s. Rain Commodities Limited, a company incorporated under the
companies Act, 1956, Regd. Office at Rain Center, 34, Srinagar Colony,
Hyderabad, rep. by its Authorised Signatory, Sri G.N.V.S.R.R.Kumar.

..... PETITIONER

Petition to sanction scheme of arrangement under sections
391 to 394 of the Companies Act, 1956, of the r/w Section 78, 100 to 103
of the Companies Act, 1956 r/w Rule 67 Company Court Rules 1959,
praying that this Hon'ble Court may be pleased to order that sanctioning
the scheme of arrangement between Rain Commodities Limited, Rain
CII Carbon (India) Limited Rain CII Carbon (Vizag) Limited and
Moonglow company Business Inc. so as to be binding on all the equity
shareholders and creditors of the petitioner company.



— 2 —

C.P.No.155 of 2010
Connected With
C.A.Nos.484 and 485 of 2010

IN THE MATTER OF Scheme of Arrangement

Between Rain CII Carbon (Vizag) Limited,

Rain Commodities Limited

Rain CII Carbon (India) Limited

AND

Moonglow Company Business Inc.,

Their Respective Shareholders and Creditors

Between

M/s.Rain CII Carbon (Vizag) Limited, a company incorporation under the companies Act, 1956, Regd Office at Rain Center, 34, Srinagar Colony, Hyderabad, rep by its Authorised Signatory Sri.P.Madhava Rao.

.....PETITIONER COMPANY/TRANSFeree COMPANY

Petition to sanction scheme of arrangement under sections 391 to 394 of the Companies Act, 1956, r/w Section 78, 100 to 103 of the Companies Act, 1956 r/w Rule 67 at the Company Court Rules 1959, praying that this Hon'ble Court may be pleased to order that sanctioning the scheme of arrangement between Rain Commodities Limited, Rain CII Carbon (India) Limited Rain CII Carbon (Vizag) Limited and Moonglow company Business Inc. so as to be binding on all the equity shareholders and creditors of the petitioner company.

C.P.No.156 of 2010
Connected With
C.A.Nos.490, 491 and 492 of 2010

IN THE MATTER OF Scheme of Arrangement

Rain CII Carbon (India) Limited

Rain Commodities Limited

Rain CII Carbon (Vizag) Limited

Moonglow Company Business Inc.,

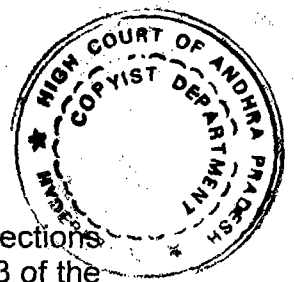
AND

IN THE MATTER OF Rain CII Carbon (India) Limited.

Between

M/s.Rain CII Carbon (India) Limited, a company incorporated under the companies Act, 1956, Regd Office at Rain Center, 34, Srinagar Colony, Hyderabad, rep by its Authorised Signatory Sri.T.Srinivasa Rao.

.....PETITIONER COMPANY



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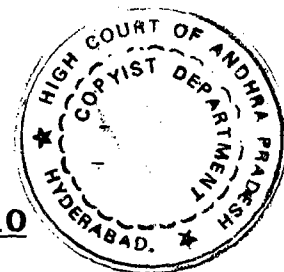
Petition to sanction scheme of arrangement under sections 391 to 394 of the Companies Act, 1956, r/w Section 78, 100 to 103 of the Companies Act, 1956 r/w Rule 67 Company Court Rules 1959, praying that this Hon'ble Court may be pleased to order that sanctioning the scheme of arrangement between Rain Commodities Limited, Rain CII Carbon (India) Limited Rain CII Carbon (Vizag) Limited and Moonglow company Business Inc. so as to be binding on all the equity shareholders and creditors of the petitioner company.

These petitions coming on for orders upon reading the Judge's Summons and the affidavit(s) dated 7-8-2010 and filed by Sri.G.N.V.S.R.R.Kumar, Authorized Signatory of the petitioner company in company petition No.154 of 2010, and affidavit filed by Sri.P.Madhava Rao, Authorized Signatory of the petitioner company in company petition No.155 of 2010, and affidavit filed by Sri.T.Srinivasa Rao, Authorized Signatory of the petitioner company in Company Petition No.156 of 2010, in support of these petitions, and upon hearing the arguments of Sri.Ravi S., Advocate for the petitioner companies and the Assistant Solicitor General of India appearing for the Central Government in all above company petitions.

The Court made the following Common Order : -

THE HON'BLE Ms. JUSTICE G.ROHINI

Company Petition Nos. 154, 155 and 156 of 2010



COMMON ORDER:

These petitions are filed by M/s. Rain Commodities Limited, M/s. Rain CII Carbon (Vizag) Limited and M/s. Rain CII Carbon (India) Limited respectively under Section 391 to 394 of the Companies (Court) Rules, 1959 for sanction of the Scheme of Arrangement between the applicant companies.

The petitioner in C.P.No.154 of 2010 is M/s Rain Commodities Limited (for short "RCOL"). The said company was incorporated on 15.03.1974 under the provisions of the Companies Act, 1956. The registered office of RCOL is situated at "Rain Center" 34, Srinagar Colony, Hyderabad-500083, Andhra Pradesh. The authorized share capital of RCOL as on 07.08.2010 is Rs.167,00,00,000 divided into 11,80,00,000 equity shares of Rs.10 each and 49,00,000 redeemable preference shares of Rs.100 each. The issued, subscribed and paid up share capital of RCOL is Rs.70,83,45,790 divided into 7,08,34,579 equity shares of Rs.10 each. The main objects of the said company as set out in the memorandum of association are mentioned in para 5 of C.P.No.154 of 2010.

The petitioner in C.P.No.155 of 2010 is M/s. Rain CII Carbon (Vizag) Limited (for short "RCCVL"). The said company was incorporated under the provisions of the Companies Act, 1956 on the 23rd day of April, 2008 under the provisions of the Companies Act, 1956. The registered office of RCCVL is situated at "Rain Center", 34, Srinagar Colony, Hyderabad-500073, Andhra Pradesh. The Authorised share capital of RCCVL as on 07.08.2010 is

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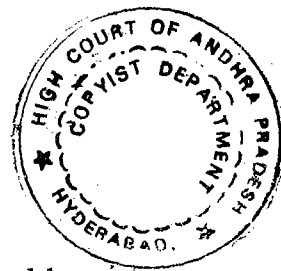


Rs.10,00,00,000 divided into 1,00,00,000 equity shares of Rs.10 each. The issued, subscribed and paid up share capital of RCCVL is Rs.7,18,00,000 divided into 71,80,000 equity shares of Rs.10 each. The main objects of the said company as set out in the memorandum of association are mentioned in para 5 of C.P.No.155 of 2010.

The petitioner in C.P.No.156 of 2010 is M/s. Rain CII Carbon (India) Limited (for short "RCCIL"). The said company was incorporated under the provisions of the Companies Act, 1956 on the 4th day of May, 1999 under the provisions of the Companies Act, 1956. The Registered Office of RCCIL is situated at "Rain Center", 34, Srinagar Colony, Hyderabad-500 073, Andhra Pradesh. The authorised share capital of RCCIL as on 07.08.2010 is Rs.50,00,00,000 divided into 5,00,00,000 equity shares of Rs.10 each. The issued, subscribed and paid up capital is Rs.29,80,50,000 divided into 2,98,05,000 equity shares of Rs.10 each. The main objects of the said company as set out in the memorandum of association are mentioned in para 5 of C.P.No.156 of 2010.

It is stated that a Scheme of Arrangement has been proposed by the applicant companies for the demerger of Cement Business Undertaking of RCOL to RCCIL and the demerger of Calcined Petroleum Coke and Power Business Undertaking of RCCIL into RCCVL on going concern basis. There was also a proposal for demerger of Moonglow Company Business Inc., with RCOL and a consequent reduction of share capital and/or securities premium of RCCIL. Accordingly, the Board of Directors of all the three companies in the respective meetings held on 18.05.2010, 17.05.2010 and 13.05.2010 respectively approved the said Scheme

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of Arrangement subject to the approval of the shareholders, creditors and confirmation by this Court.

The petitioner in C.P.No.154 of 2010 filed C.A.No.481 seeking to convene the meeting of the shareholders and the same was ordered by this Court on 22.06.2010. Pursuant to the directions of this Court, notices were issued to the shareholders and the meeting was attended by 146 shareholders and all of them participated in the poll and voted in favour of the resolution approving the Scheme of Arrangement. By order dated 22.06.2010 made in C.A.No.482 of 2010, this Court had dispensed with the meeting of the secured creditors upon an undertaking given by the petitioner that the consent letters would be sent to the secured creditors along with the company petitions. So far as unsecured creditors of the petitioner in C.P.No.154 of 2010 are concerned, the petitioner filed C.A.No.483 of 2010 and the same was ordered by this Court dispensing with the meeting of the unsecured creditors of the company making it clear that in the event of any objection from the unsecured creditors requiring a meeting of the unsecured creditors, the order passed dispensing with the unsecured creditors would stand cancelled.

So far as C.P.No.155 of 2010 is concerned, this Court by order dated 22.06.2010 in C.A.Nos.484 and 485 of 2010 dispensed with the meeting of the equity shareholders as well as the secured creditors and unsecured creditors. Similarly, by order dated 22.06.2010 passed by this Court in C.A.Nos.490, 491 and 492 of 2010 meeting of the equity shareholders, unsecured creditors and the secured creditors of the petitioner company in C.P.No.156 of 2010 was also dispensed with.

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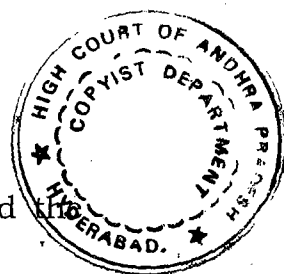


Accordingly, these three petitions have been filed seeking sanction of the above said Scheme of Arrangement between the RCOL, RCCVL, RCCIL and Moonglow Company Business Inc. In response to the notice ordered by this Court, the Registrar of Companies, A.P., Hyderabad filed a common affidavit in all the company petitions raising the following objections:

- (a) As M/s. Moonglow Company Business Inc., is a company incorporated under the BVI Business Companies Act, 2004 having register office in British Virgin Islands, the scheme may be sanctioned subject to the sanction of the scheme by the appropriate authorities under the prevailing laws in respect of the aforesaid company in that country.
- (b) The transferee company should pay the Stamp Duty wherever applicable as per the Regulations of Andhra Pradesh Stamp Act.
- (c) As M/s. Moonglow Company Business Inc., is a foreign entity and wholly owned subsidiary of M/s. Rain Commodities Limited, necessary approvals of RBI and FEMA, if any required, have to be obtained.

The permission sought by the petitioner companies for amalgamation was declined by the Reserve Bank of India also on the ground that Moonglow Company Business Inc., was a company incorporated in the British Virgin Islands. In the circumstances, as per the resolutions passed by the Board of Directors of the petitioner companies in the meetings held on 03.11.2010, 02.11.2010 and 01.11.2010 respectively, part iv of the Scheme and the other portions relating to amalgamation of Moonglow Company Business Inc., were deleted.

The petitioners also filed C.A.Nos. 1547, 1548 and 1549 of 2010 in C.P.Nos. 154, 155 and 156 of 2010 respectively seeking



permission to delete the said portions from the Scheme and said applications were allowed by this Court.

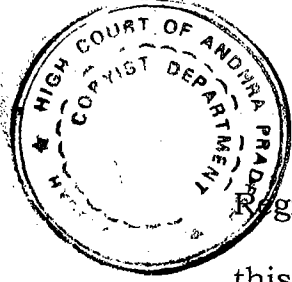
I have heard Sri S.Ravi, learned senior counsel appearing for the applicant companies, and perused the material placed before this Court including the modified Scheme of Arrangement and the resolutions passed by the Board of Directors of the petitioner companies according consent to the modified scheme and to undertake the same with effect from 01.04.2010. I have also heard the learned Assistant Solicitor General of India, who submitted that there is no objection for sanction of the modified Scheme of Arrangement.

Having regard to the facts and circumstances noticed above, particularly in view of the fact that despite notice of admission of these company petitions by paper publication, no objections whatsoever have been received from any quarter, and that the Scheme of Arrangement, apart from being in the best interest of the petitioner companies and their respective shareholders and creditors is not opposed to any provision of law or public interest, I do not find any impediment for granting the sanction for the proposed Scheme of Arrangement.

Accordingly, the Scheme of Arrangement as modified is hereby sanctioned and it is declared that the same is binding on all the shareholders, creditors and employees of the petitioner companies.

The parties to the Scheme of Arrangement or other persons interested shall be at liberty to apply to this court for any direction that may be necessary in regard to the working of the Scheme of Arrangement. A certified copy of this order shall be filed before the

Ud.



Registrar of Companies within 30 days from the date of receipt of this order.

All the company petitions are accordingly allowed. No costs.

Sd/-P.V.RADHA KRISHNA RAO
JOINT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To

1. Sri.G.N.V.S.R.R.Kumar, Authorized Signatory, M/s.Rain Commodities Limited, Regd Office at Rain Center, 34, Srinagar Colony, Hyderabad.
2. Sri.P.Madhava Rao, Authorized Signatory, M/s.Rain CII Carbon (Vizag) Limited, Regd Office at Rain Center, 34, Srinagar Colony, Hyderabad.
3. Sri.T.Srinivasa Rao, Authorized Signatory, M/s.Rain CII Carbon (India) Limited, Regd Office at Rain Center, 34, Srinagar Colony, Hyderabad.
4. The Registrar of Companies, 3-5-398, C.P.W.D. Buildings, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
5. The Official Liquidator, II Floor, Gagan Vihar, Opp : Gandhi Bhavan, Nampally, Hyderabad.
6. The Regional Director, Company Law Board, Southern Region, Chennai.
7. One CC to Sri.Ch.Pushyam Kiran, Advocate (OPUC)
8. One CC to Sri.Ponnam Ashok Goud, Advocate (OPUC)
9. One CC to Sri.Ravi S., Advocate (OPUC)
10. Two C.D. Copies

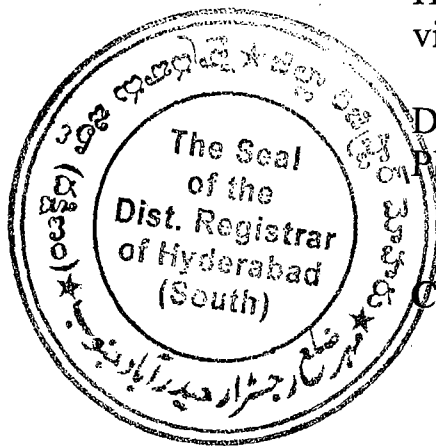
SA

Free
18/1/201
SUPERINTENDENT
COPYIST DEPARTMENT
High Court of A. P.
HYDERABAD

**Endorsement under section
42 of Act II of 1899 of
I.S.Act.**

**File No. 356/ MV//2010
Dt: 31/01/2011.**

I hereby certify that the proper Stamp Duty of Rs.1, 72, 60, 000/- (Rupees One Crore Seventy Two Lakhs Sixty Thousand Only) on the value of the instrument of Rs.86, 30, 00, 000/- in SBH, S.R.Nagar vide challan No. 373637 on 27-01-2011 paid by M/s. Rain CII Carbon (India) Limited Hyderabad towards Scheme of Arrangement as per the Order in C.P.No. 154 of 2010, C.P.No.155 of 2010 and C.P.No.156 of 2010 by the Hon'ble High Court of Andhra Pradesh vide dated 29 -12-2010.



Date: 31-01-2011
Place: Hyderabad

M. Srinivasulu Reddy
Collector under Section 42 of I.S.Act
And District Registrar
Hyderabad (South)

THE HON'BLE COURT OF ANDHRA PRADESH HYDERABAD.	
No. 719	of 2010
Application made	29-12-2010
Application returned	2010
Application represented	2010
Stamps called for	13-1-2011
Stamps deposited	17-1-2011
Stamps called for	2010
Stamps deposited	2010
Ready	18-1-2011
Section Officer.	

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

WEDNESDAY, THE TWENTY NINTH DAY OF DECEMBER
TWO THOUSAND AND TEN

PRESENT
THE HON'BLE MS JUSTICE G.ROHINI

COMPANY PETITION NOS.154, 155 AND 156 of 2010
Connected With

COMPANY APPLICATION NOS.481, 482 and 483 of 2010

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

IN THE MATTER OF Scheme of Arrangement

Between Rain Commodities Limited,

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Rain CII Carbon (Vizag) Limited
AND

Their Respective Shareholders and Creditors and Moonglow
Company Business Inc.

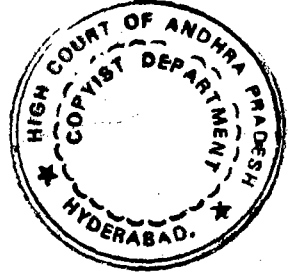
C.P.No.154 of 2010
Connected With
C.A.Nos.481, 482 and 483 of 2010

Between:

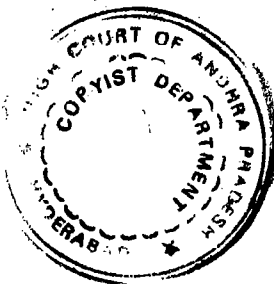
M/s. Rain Commodities Limited, a company incorporated under the
companies Act, 1956, Regd. Office at Rain Center, 34, Srinagar Colony,
Hyderabad, rep. by its Authorised Signatory, Sri G.N.V.S.R.R.Kumar.

..... PETITIONER

Petition to sanction scheme of arrangement under sections
391 to 394 of the Companies Act, 1956, of the r/w Section 78, 100 to 103
of the Companies Act, 1956 r/w Rule 67 Company Court Rules 1959,
praying that this Hon'ble Court may be pleased to order that sanctioning
the scheme of arrangement between Rain Commodities Limited, Rain
CII Carbon (India) Limited Rain CII Carbon (Vizag) Limited and
Moonglow company Business Inc. so as to be binding on all the equity
shareholders and creditors of the petitioner company.



- 2 -



C.P.No.155 of 2010
Connected With
C.A.Nos.484 and 485 of 2010

IN THE MATTER OF Scheme of Arrangement

Between Rain CII Carbon (Vizag) Limited,

Rain Commodities Limited

**Rain CII Carbon (India) Limited
AND**

Moonglow Company Business Inc.,

Their Respective Shareholders and Creditors

Between

M/s.Rain CII Carbon (Vizag) Limited, a company incorporation under the companies Act, 1956, Regd Office at Rain Center, 34, Srinagar Colony, Hyderabad, rep by its Authorised Signatory Sri.P.Madhava Rao.

.....PETITIONER COMPANY/TRANSFEREE COMPANY

Petition to sanction scheme of arrangement under sections 391 to 394 of the Companies Act, 1956, of the r/w Section 78, 100 to 103 of the Companies Act, 1956 r/w Rule 67 Company Court Rules 1959, praying that this Hon'ble Court may be pleased to order that sanctioning the scheme of arrangement between Rain Commodities Limited, Rain CII Carbon (India) Limited Rain CII Carbon (Vizag) Limited and Moonglow company Business Inc. so as to be binding on all the equity shareholders and creditors of the petitioner company.

C.P.No.156 of 2010
Connected With
C.A.Nos.490, 491 and 492 of 2010

IN THE MATTER OF Scheme of Arrangement

Rain CII Carbon (India) Limited

Rain Commodities Limited

Rain CII Carbon (Vizag) Limited

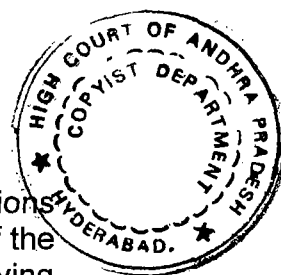
**Moonglow Company Business Inc.,
AND**

IN THE MATTER OF Rain CII Carbon (India) Limited.

Between

M/s.Rain CII Carbon (India) Limited, a company incorporation under the companies Act, 1956, Regd Office at Rain Center, 34, Srinagar Colony, Hyderabad, rep by its Authorised Signatory Sri.T.Srinivasa Rao.

.....PETITIONER COMPANY



3

Petition to sanction scheme of arrangement under sections 391 to 394 of the Companies Act, 1956, r/w Section 78, 100 to 103 of the Companies Act, 1956 r/w Rule 67 Company (Court) Rules 1959, praying that this Hon'ble Court may be pleased to order that sanctioning the scheme of arrangement between Rain Commodities Limited, Rain CII Carbon (India) Limited Rain CII Carbon (Vizag) Limited and Moonglow company Business Inc. so as to be binding on all the equity shareholders and creditors of the petitioner company.

These petitions coming on for orders upon reading the Judge's Summons and the affidavit(s) dated 7-8-2010 and filed by Sri.G.N.V.S.R.R.Kumar, Authorized Signatory of the petitioner company in company petition No.154 of 2010, and affidavit filed by Sri.P.Madhava Rao, Authorized Signatory of the petitioner company in company petition No.155 of 2010, and affidavit filed by Sri.T.Srinivasa Rao, Authorized Signatory of the petitioner company in Company Petition No.156 of 2010, in support of these petitions, and upon hearing the arguments of Sri.Ravi S., Advocate for the petitioner companies and the Assistant Solicitor General of India appearing for the Central Government in all above company petitions.

Upon the above petitions coming of for further hearing on 29-12-2010, upon reading e.t.c., and upon hearing e.t.c.

This Court doth order.

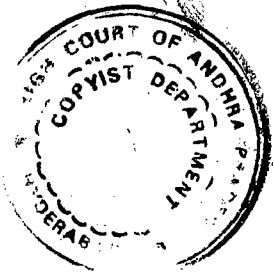
1. That this Court doth hereby sanction the scheme of arrangement as modified is hereby sanctioned and it is declared that the same is binding on all the shareholders, creditors and employees of the petitioner companies.
2. That the composite scheme of arrangement is presented pursuant to the provisions of sections 391 to 394 and other applicable provisions of the companies Act, 1956.
3. That the composite scheme of arrangement between

Rain Commodities Limited (RCOL)

Rain CII Carbon (India) Limited (RCCVL)

and their Respective shareholders and creditors.

4. That the composite scheme of arrangement has been proposed by the petitioner companies for the Demerger of
1. Cement Business undertaking of Rain Commodities Limited (RCOL) to Rain CII Carbon (India) Limited (RCCIL) (with effect from 1st April 2010) (First appointed date).
 2. Calcined petroleum cake and power Business undertaking of RCCIL into Rain CII Carbon (Vizag) Limited (RCCVL) an a going concern basis, (with effect from 1st April 2010) (Second appointed date).

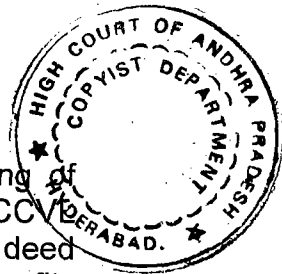


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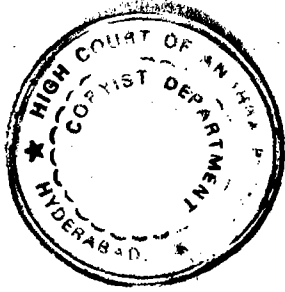
5. That the Demerger of Cement Business undertaking of RCOL into RCCIL.

1. The Cement Business undertaking of RCOL as defined in clause 2.1.7 shall be transferred to and vested in RCCIL as a going concern without any further act or deed be transferred to and vested in RCCIL.
2. That all the properties, assets, rights, benefits and interest therein, subject to existing charges or lis pendens, if any thereon, in favour of Banks and Financial Institutions and also the additions and accretions to the properties of the Cement Business undertaking of RCOL shall be transferred, without any further act or deed to and vested in RCCIL.
3. That all the debts, borrowings and liabilities, including contingent liabilities and duties of the cement Business undertaking of RCOL (excluding External Commercial Borrowings (ECB) availed for investment in overseas subsidiaries) be transferred without further act or deed to the RCCIL.
4. That all taxes, duties, cess payable by RCOL relating to the Cement Business undertaking including all or any refunds / credit / claims relating thereto shall be treated as the liability or refunds / credit / claims, as the case may be, of RCCIL.
5. That all permanent employees and labour and the services of all staff, workmen and employees of the Cement Business undertaking of RCOL be transferred to RCCIL as per the clause 4 of part II of the scheme.
6. That the RCCIL shall at any time pursuant to the orders on this scheme be entitled to secure the record of change in the legal right(s) upon the vesting of such assets of the Cement Business undertaking in accordance with the Act.
7. That the RCOL and RCCIL shall jointly and severally be authorized to execute any writing as are required to remove any difficulties and carryout any formalities or compliance for the implementation of this scheme.
8. That the RCOL and RCCIL shall file the relevant intimations for the record of statutory authorities signifying the transfer of the permissions, approvals, consents, sanctions, remissions special reservations sales tax remissions, tax holdings, incentives, concessions and other authorizations.
9. That the scheme shall not prevent RCOL/RCCIL from raising funds by issue of new equity shares and / or preference shares and / or any convertible / Non – convertible instruments.
10. That the transfer and vesting was aforesaid shall be subject to subsisting charges, if any, in respect of any assets forming part of the Cement Business undertaking.
11. Remaining Business of RCOL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by RCOL.

Demerger of Calcined Petroleum Cake (CPC) and Power Business undertaking of RCCIL into RCCVL.



1. That the CPC and power Business undertaking of RCCIL shall be transferred to and vested in RCCVL as a going concern, without any further act or deed together with all its properties, assets, rights, benefits and interest therein, subject to existing charges or liens, if any thereon, in favour of Banks and Financial Institutions.
2. That the whole of the division and properties, accretions to the properties of the CPC and power Business undertaking; be transferred without any further act or deed, be transferred without any further act or deed, be transferred to and vested in RCCVL.
3. That all the rights, title and interest of RCCIL therein, the CPC and the rights, title and interest of RCCIL will be transferred into the RCCVL and shall become the property of RCCVL in provisions of section 391 to 394 and all other applicable provisions if any, of the Act.
4. That all debts, liabilities contingent liabilities, disputed tax liabilities other than disputed liabilities in respect of Income Tax matters, duties and obligations of every kind, nature and description of RCCIL pertaining to the CPC and power Business undertaking including secured and unsecured loans and the current liabilities shall also under the provisions of the Act, without any further act or deed be transferred to and vested with RCCVL so as to become from the second appointed date the debts, liabilities contingent liabilities, duties and obligations of RCCVL and RCCVL undertakes to meet, discharge and satisfy the same.
5. That with effect from the second appointed date and upon the scheme becoming effective, the CPC and Power Business undertaking of RCCIL shall vest with and be available to RCCVL on the same terms and conditions as applicable to RCCIL, as if the same had been allotted and / or granted and / or sanctioned and / or allowed to RCCVL.
6. That in relation to the CPC and power Business undertaking shall stand transferred to or vested in RCCVL without any further act or deed done by RCCIL and / or RCCVL and shall be appropriately mutated by the statutory authorities concerned therewith in favour of RCCVL upon the vesting and transfer of the C.P.C and power Business undertaking pursuant to this scheme.
7. That in respect of this scheme, RCCVL shall at any time pursuant to the orders on this scheme be entitled to secure the record of change in the legal right(s) upon the vesting of such assets of the CPC and power Business undertaking in accordance with the Act, RCCIL and RCCVL shall jointly and severally be authorized to execute any writings as are required to remove any difficulties and carry out any formalities or compliance for the implementation of this scheme.
8. That all taxes, duties cess payable by RCCIL relating to the CPC and Power Business undertaking including all or any refunds / credit / claims relating thereto shall be treated as the liability or refunds / credit / claims, as the case may be of RCCVL.
9. That all permanent employees of RCCIL engaged in the CPC and Power Business undertaking be



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transferred to RCCVL, that all the services of all such employee with RCCIL upto the effective date, the RCCVL agrees and undertakes to pay the retrenchment compensation, gratuity and other terminal benefits, as and when payable and the past services of such staff, workmen, and employees with RCCIL shall also be taken into account by RCCVL.

10. That all proceedings now pending by or against RCCIL and relating to the CPC and power Business undertaking of RCCIL be continued and enforced by or against RCCVL.
11. That the RCCVL shall continue any legal proceedings in relation to the CPC and Power Business undertaking of RCCIL.
12. That the issue and allotment of equity shares by RCCVL to RCCIL shall be deemed to have complied with the provisions of section 81(1A) of the Act and any other applicable provisions of the Act.
13. That the RCCVL undertakes to increase its authorized share capital to accommodate the fresh issue of shares to RCCIL under this scheme.
14. That the scheme shall not prevent RCCIL / RCCVL from raising funds by issue of new equity shares and / or preference shares and / or any convertible / Non convertible instruments.
15. That the remaining business of RCCIL and all the liabilities and obligations pertaining thereto shall continue to belong to and be vested in and managed by RCCIL.

That all in above, each of the companies involved in the scheme shall be at liberty to withdraw from this scheme, in case of any condition or alteration imposed by the Hon'ble High Court or any other authority or any Bank or Financial Institution is unacceptable to them or otherwise if so mutually agreed.

That as per the resolutions passed by the Board of Directors of the petitioner companies in the meetings held on 3-11-10, 2-11-10 and 1-11-10 respectively part IV of the scheme and the other portions relating to amalgamation of Moonglow Company Business Inc., were deleted.

That the scheme of arrangement be and hereby is modified and is hereby sanctioned and it is declared that the same is binding on all the shareholders, creditors and employees of the petitioner companies.

That a certified copy of this order shall be filed before the Registrar of companies within 30 days from the date of receipt of this order.

Sd/-P.V.RADHA KRISHNA RAO
JOINT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To

1. Sri.G.N.V.S.R.R.Kumar, Authorized Signatory, M/s.Rain Commodities Limited, Regd Office at Rain Center, 34, Srinagar Colony, Hyderabad.
2. Sri.P.Madhava Rao, Authorized Signatory, M/s.Rain CII Carbon (Vizag) Limited, Regd Office at Rain Center, 34, Srinagar Colony, Hyderabad.
3. Sri.T.Srinivasa Rao, Authorized Signatory, M/s.Rain CII Carbon (India) Limited, Regd Office at Rain Center, 34, Srinagar Colony, Hyderabad.
4. The Registrar of Companies, 3-5-398, C.P.W.D. Buildings, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
5. The Official Liquidator, II Floor, Gagan Vihar, Opp : Gandhi Bhavan, Nampally, Hyderabad.

[Signature]
18/11/2011
SUPERINTENDENT
COPYIST DEPARTMENT
High Court of A. P.
HYDERABAD

THE HIGH COURT OF ANDHRA PRADESH
HYDERABAD.

CD No. 719 of 2010
Application made 29-12- 2010
Application returned 2010
Application represented 2010
Stamps called for 13-1- 2010
Stamps deposited 17-1- 2010
Adl. Stamps called for 2010
Adl. Stamps deposited 2010
Copy ready 18-1- 2010


Section Officer.

ANNEXURE 'D'
46



COMPOSITE SCHEME OF ARRANGEMENT

**(UNDER SECTIONS 391 TO 394 READ WITH SECTION 78, 100 TO 103 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956)**

BETWEEN

RAIN COMMODITIES LIMITED

AND

RAIN CII CARBON (INDIA) LIMITED

AND

RAIN CII CARBON (VIZAG) LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Composite Scheme of Arrangement is presented pursuant to the provision of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for the demerger of Cement Business Undertaking of Rain Commodities Limited ("RCOL") to Rain CII Carbon (India) Limited ("RCCIL") and the demerger of Calcined Petroleum Coke ("CPC") and Power Business Undertaking of RCCIL into Rain CII Carbon (Vizag) Limited ("RCCVL"), on a going concern basis.

For RAIN COMMODITIES LIMITED

A handwritten signature in black ink, appearing to read "G.N.V.S.R.R. KUMAR".

G.N.V.S.R.R. KUMAR
Vice President (Finance & Accounts)



1. INTRODUCTION AND OBJECTIVE OF THE SCHEME

1.1 INTRODUCTION

1.1.1 Rain Commodities Limited

- (i) Rain Commodities Limited ("RCOL") (formerly known as 'Priyadarshini Cement Limited') is a company incorporated under the Companies Act, 1956, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad – 500 073, Andhra Pradesh, India. RCOL was incorporated on 15th March, 1974, vide CIN No. L26942AP1974PLC001693.
- (ii) RCOL is engaged, *inter alia*, in the business of manufacture and sale of cement, trading of pet coke and also holds investments in CPC business.

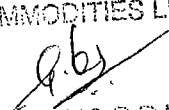
1.1.2 Rain CII Carbon (India) Limited

- (i) Rain CII Carbon (India) Limited ("RCCIL") (formerly known as 'Rain Industries Limited') is a company incorporated under the Companies Act, 1956, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad – 500 073, Andhra Pradesh, India. RCCIL was incorporated on 4th May, 1999, vide CIN No. U23209AP1999PLC031361.
- (ii) RCCIL is engaged, *inter alia*, in the business of manufacture and sale of Calcined Petroleum Coke and generation of power. RCCIL is also engaged in trade of Green Petroleum Coke. It also owns strategic investments in overseas entities which are engaged in manufacture and trade of Calcined Petroleum Coke and Green Petroleum Coke.

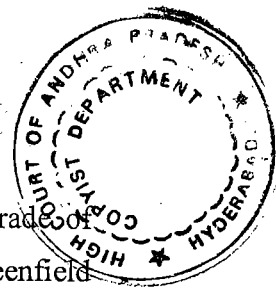
1.1.3 Rain CII Carbon (Vizag) Limited

- (i) Rain CII Carbon (Vizag) Limited ("RCCVL") (formerly known as 'Rain Calciner Limited') is a company incorporated under the Companies Act, 1956, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad – 500 073, Andhra Pradesh, India. RCCVL was incorporated on 23rd April, 2008, vide CIN No. - U11100AP2008PLC058785.

For RAIN COMMODITIES LIMITED


G.N.V.S.R.R.KUMAR
Vice President (Finance & Accounts)

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- (ii) RCCVL is engaged, *inter alia*, in the business of marketing and trade of Calcined Petroleum Coke. RCCVL is also proposing to set up a Greenfield CPC plant in the State of Andhra Pradesh.

1.2 RATIONALE FOR THE SCHEME

1.2.1 The circumstances that have necessitated or justified the proposed Scheme and its main benefits are, *inter alia*, summarised as under:

- (i) RCCIL is the Wholly Owned Subsidiary of RCOL and RCCVL is the Wholly Owned Subsidiary of Rain Commodities USA Inc. which is a Wholly Owned Subsidiary of RCOL, and RCOL along with its subsidiaries is engaged *inter alia*, in the business of manufacture and sale of Cement and CPC and also generation of Power.
- (ii) The nature of risk and returns associated with the Cement and CPC businesses carried on by RCOL, by itself or through its subsidiaries, is distinct from each other and consequently each business or undertaking is capable of attracting different set of investors, strategic partners, lenders and other stakeholders. In order to delineate and create a holding company for the two distinct business verticals, RCOL has decided to undertake the Composite Scheme of Arrangement.
- (iii) Delineation of business vertical would assist in greater visibility of performance of individual businesses and attribution of appropriate value based on their respective risk-return profile and cash flows.
- (iv) The demerger of Cement Business Undertaking would assist in induction of joint venture partner and pursue inorganic and organic growth opportunities in Cement Business.
- (v) The Composite Scheme of Arrangement would assist in the creation of a global holding company in USA for the CPC business which would enable fund raising, through either equity and/ or debt, to pursue inorganic and organic growth opportunities.

For RAIN COMMODITIES LIMITED

G.N.V.S.R.R. KUMAR
Vice President (Finance & Accounts)



1.3 PARTS OF THE SCHEME


The scheme is divided into the following parts:

Part I – deals with Definitions, Interpretations and Share Capital

Part II – deals with the demerger of Cement Business Undertaking of RCOL into RCCIL

Part III – deals with the demerger of CPC and Power Business Undertaking of RCCIL into RCCVL

Part IV – deals with General Terms and Conditions

For RAIN COMMODITIES LIMITED

G.N.V.S.R.R.KUMAR
Vice President (Finance & Accounts)

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PART I

2. DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

2.1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

COMMON

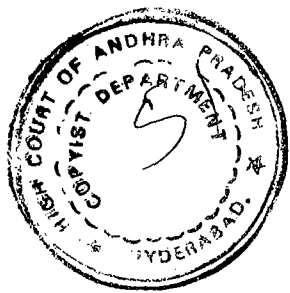
- 2.1.1 **"Act" or "the Act"** means the Companies Act, 1956, and rules made there under and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 2.1.2 **"Board of Directors" or "Board"** shall mean the Board of Directors of RCOL, RCCIL and RCCVL as the case may be or any committee thereof duly constituted or any other person duly authorised by the Board for the purpose of this Scheme;
- 2.1.3 **"Effective Date"** means the date on which the authenticated copy or the certified copy of the order, whichever is earlier, issued by the Honourable High Court of Andhra Pradesh, sanctioning this Scheme is filed by RCOL, RCCIL and RCCVL with the Registrar of Companies, Andhra Pradesh at Hyderabad.
- 2.1.4 **"High Court"** means the Hon'ble High Court of Andhra Pradesh at Hyderabad or the National Company Law Tribunal, as applicable;
- 2.1.5 **"Scheme" or "this Scheme" or "the Scheme"** means this Composite Scheme of Arrangement in its present form as submitted to the Hon'ble High Court of Andhra Pradesh and Registrar, with such modification(s), if any, as may be imposed or directed by the High Court.

PART II: DEMERGER OF CEMENT BUSINESS UNDERTAKING OF RCOL INTO RCCIL

- 2.1.6 **"First Appointed Date"** means April 1, 2010, or such other date as may be fixed by the High Court;
- 2.1.7 **"Cement Business Undertaking"** shall mean all the Cement Business of RCOL carried on anywhere in India and shall include all the assets, liabilities and

For RAIN COMMODITIES LIMITED

G.V.S.R.R.KUMAR
G.V.S.R.R.KUMAR
Vice President (Finance & Accounts)



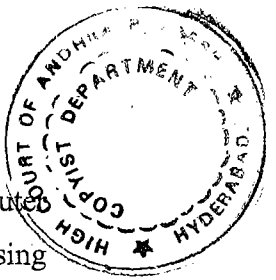
employees of RCOL related to such Cement Business Undertaking and in particular includes the following:

- (a) all assets and properties, whether movable or immovable, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, other fixed assets, trademarks, brands, investments in shares of Andhra Pradesh Gas Power Corporation Limited ('APGPCL') (specifically relating to Cement Business Undertaking), advances paid to certain parties for acquisition of mining rights, mining lease rights in respect of limestone allotted by Government in Nalgonda and Kurnool District, loans, advances, inventory and work in progress relating to the Cement Business Undertaking of RCOL but excluding investments in Companies engaged in CPC Business in India and outside India;
- (b) all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the Cement Business Undertaking of RCOL excluding External Commercial Borrowings ('ECB') availed for investment in overseas subsidiaries;
- (c) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Cement Business Undertaking of RCOL as on the First Appointed Date.
- (d) all permanent employees and labour engaged in the Cement Business Undertaking of RCOL;
- (e) all earnest monies and/or security deposits in connection with or relating to the Cement business of RCOL;

For RAIN COMMODITIES LIMITED

G.N.V.S.R.R. KUMAR
Vice President (Finance & Accounts)

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- (f) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to Cement Business Undertaking of RCOL.

Explanation: Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Cement Business Undertaking or otherwise shall be decided mutually by the Directors or any committee thereof of RCOL and RCCIL.

- 2.1.8 **"Remaining Business of RCOL"** means all the undertakings, businesses, activities and operations of RCOL other than the Cement Business Undertaking.

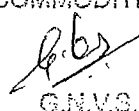
PART III: DEMERGER OF CPC AND POWER BUSINESS UNDERTAKING OF RCCIL INTO RCCVL

- 2.1.9 **"Second Appointed Date"** means April 1, 2010, or such other date as may be fixed by the High Court;

- 2.1.10 **"CPC and Power Business Undertaking"** shall mean all the CPC and Power Business of RCCIL carried on anywhere in India and shall include all the assets, liabilities and employees of RCCIL related to such CPC and Power Business Undertaking and in particular includes the following:

- (a) all assets and properties, whether movable or immovable, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, other fixed assets (including lease hold land granted on lease by Vishakhapatnam Port Trust) trademarks, brands, loans, advances and work in progress, and deferred revenue expenses, all of which relate to the CPC and Power division of RCCIL, but excluding investments held by RCCIL in overseas subsidiaries;
- (b) all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the CPC and Power Business Undertaking of RCCIL excluding ECBs used for investment in overseas subsidiaries;

For RAIN COMMODITIES LIMITED


G.N.V.S.R.R. KUMAR
Vice President (Finance & Accounts)

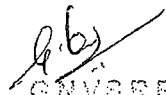


- (c) All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities) and including the letter of approval granted by the Development Commissioner, Vishakhapatnam, relating to the CPC and Power Business Undertaking of RCCIL as on the Second Appointed Date and also Certified Emission Reduction granted under Clean Development Mechanism ('CDM') project of United Nations Framework Convention on Climate Change ('UNFCCC').
- (d) all permanent employees and labour engaged in the CPC and Power Business Undertaking of RCCIL;
- (e) all earnest monies and/or security deposits in connection with or relating to the CPC and Power business of RCCIL;
- (f) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to CPC and Power business of RCCIL.

Explanation: Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the CPC and Power Business Undertaking or otherwise shall be decided mutually by the Directors or any committee thereof of RCCIL and RCCVL.

2.1.11 **"Remaining Business of RCCIL"** means all the undertakings, businesses, activities and operations of RCCIL other than the CPC and Power Business Undertaking.

For RAIN COMMODITIES LIMITED


G.N.V.S.R.R. KUMAR
Vice President (Finance & Accounts)

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PART II

PART II – DEMERGER OF CEMENT BUSINESS UNDERTAKING OF RCOL INTO RCCIL

3. TRANSFER AND VESTING OF CEMENT BUSINESS UNDERTAKING OF RCOL

The Cement Business Undertaking of RCOL as defined in Clause 2.1.7 shall be transferred to and vested in RCCIL, as a going concern, without any further deed or act, together with all its properties, assets, rights, benefits and interest therein, subject to existing charges or lis pendens, if any thereon, in favour of banks and financial institutions.

- 3.1 Without prejudice to the generality of the foregoing, with effect from the First Appointed Date:
- 3.2 The whole of the division and properties, as aforesaid and also the additions and accretions to the properties of the Cement Business Undertaking, shall, under the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/ or deemed to be transferred to and vested in RCCIL.
- 3.3 Without prejudice to the generality of the foregoing, with effect from the First Appointed Date, it is expressly provided that in respect of such of the said assets of the Cement Business Undertaking as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and/ or endorsement and delivery, the same shall be deemed to have been so transferred by RCOL and shall become the property of RCCIL in pursuance of the provisions of section 391 to 394 of the Act, such transfer being deemed to have taken place at the location of the registered office of RCCIL, i.e., in the State of Andhra Pradesh.
- 3.4 In respect of movables of the Cement Business Undertaking other than those dealt with in Clause 3.3 above including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments in Andhra Pradesh Gar Power Corporation Limited ('APGPCL') shares, earnest money and deposits with any Government,

For RAIN COMMODITIES LIMITED

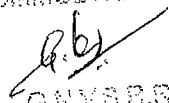
G.V.S.R.R.KUMAR
G.V.S.R.R.KUMAR
Vice President (Finance & Accounts)



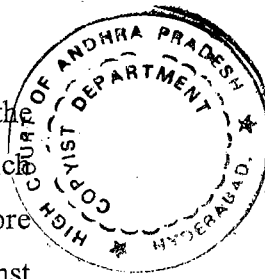
quasi government, local or other authority or body or with any company or other person, the same shall on and from the First Appointed Date stand transferred to and vested in RCCIL without any notice or other intimation to the debtors (although RCCIL may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in RCCIL).

- 3.5 With effect from the First Appointed Date, all debts, liabilities, contingent liabilities, disputed tax liabilities other than disputed tax liabilities in respect of income tax matters, duties and obligations of every kind, nature and description of RCOL pertaining to the Cement Business Undertaking including secured and unsecured loans and the current liabilities shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to and/ or deemed to be transferred and vested with RCCIL so as to become from the First Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of RCCIL and RCCIL undertakes to meet, discharge and satisfy the same.
- 3.6 The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets forming part of the Cement Business Undertaking;
- 3.7 PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by RCOL, and RCCIL shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise. Any and all contracts and agreements, memoranda of undertakings, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements and other instruments of whatsoever nature in relation to the Cement Business Undertaking, to which RCOL is a party or to the benefit of which, the Cement Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favour of RCCIL and may be enforced as fully and effectually as if, instead of RCOL, RCCIL had been a party or beneficiary or obligee thereto;
- 3.8 All permits, quotas, rights, entitlements including contractual rights, licenses including those relating to trademarks, tenancies, copyrights, privileges, powers,

For RAIN COMMODITIES LIMITED


G.N.V.S.R.R.KUMAR
Vice President (Finance & Accounts)

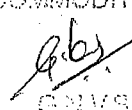
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facilities of every kind and description of whatsoever nature in relation to the Cement Business Undertaking to which RCOL is a party or to the benefit of which RCOL may be eligible and which are subsisting or having effect immediately before the Effective Date shall be and remain in full force and effect in favour of or against RCCIL as the case may be, and may be enforced as fully and effectually as if, instead of RCOL, RCCIL had been a party or beneficiary or obligee thereto;

- 3.9 With effect from the First Appointed Date and upon the Scheme becoming effective, any incentive, tax benefit including the sales tax deferment benefit, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed by RCOL relating to the Cement Business Undertaking, shall vest with and be available to RCCIL on the same terms and conditions as applicable to RCOL, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to RCCIL.
- 3.10 Any and all statutory licenses, no-objection certificates, permissions, consents, quotas, rights, entitlements, approvals including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, and other approval, those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the Cement Business Undertaking shall stand transferred to or vested in RCCIL, without any further act or deed done by RCOL and/ or RCCIL and shall be appropriately mutated by the statutory authorities concerned therewith in favour of RCCIL upon the vesting and transfer of the Cement Business Undertaking pursuant to this Scheme.
- 3.11 RCOL and RCCIL, as the case may be, shall at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Cement Business Undertaking to which RCOL is a party in order to give formal effect to the above provisions. RCCIL, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of RCOL and to carry out or perform all such formalities or compliances referred to above on part of RCOL.

For RAIN COMMODITIES LIMITED


G.N.V.S.R.R. KUMAR
Vice President (Finance & Accounts)



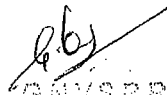
For the purpose of giving effect to the vesting Orders passed under Sections 391 and 394 of the Act in respect of this Scheme, RCCIL shall at any time pursuant to the orders on this Scheme be entitled to secure the record of change in the legal right(s) upon the vesting of such assets of the Cement Business Undertaking in accordance with the provisions of Sections 391 and 394 of the Act. RCOL and RCCIL shall jointly and severally be authorised to execute any writings as are required to remove any difficulties and carry out any formalities or compliance for the implementation of this Scheme.

- 3.13 All taxes, duties, cess payable by RCOL relating to the Cement Business Undertaking including all or any refunds/credit/claims relating thereto shall be treated as the liability or refunds/credit/claims, as the case may be, of RCCIL.
- 3.14 RCOL and RCCIL shall file the relevant intimations, for the record of the statutory authorities signifying the transfer of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, tax holidays, incentives, concessions and other authorizations.

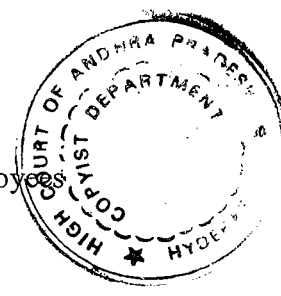
4. STAFF, WORKMEN & EMPLOYEES

- 4.1 RCCIL undertakes to engage, on and from the Effective date, all permanent employees of RCOL engaged in the Cement Business Undertaking at their respective factories, branch and other offices and also elsewhere and who are in the employment of RCOL, on the same terms and conditions on which they are engaged as on the Effective Date by RCOL without any interruption of services as a result of the transfer. RCCIL undertakes to continue to abide by any of the Agreement /settlement, etc., entered into by RCOL in respect of Cement Business Undertaking with any union/ employee of Cement Business Undertaking of RCOL. RCCIL agrees that all the services of all such employee with RCOL upto the Effective Date shall be taken into account for the purpose of payment of any retrenchment compensation, gratuity, and other terminal benefits, and agrees and undertakes to pay the same as and when payable.
- 4.2 As of the date of filing of this Scheme, RCOL shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees of the Cement Business Undertaking. RCCIL shall subsequent to the Effective Date make appropriate contributions towards such

For RAIN COMMODITIES LIMITED


G. V. S. R. KUMAR
Vice President (Finance & Accounts)

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provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.

It is clarified that the services of all transferred staff, workmen and employees of the Cement Business Undertaking of RCOL, to RCCIL will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with RCOL shall also be taken into account by RCCIL, who shall pay the same if and when payable.

5. LEGAL PROCEEDINGS

5.1 If any suit, appeal or other proceedings of whatever nature by or against RCOL is pending as on the First Appointed Date, and relating to the Cement Business Undertaking of RCOL, as and from the Effective Date, shall be continued and enforced by or against RCCIL in the same manner and to the same extent as would or might have been continued and enforced by or against RCOL.

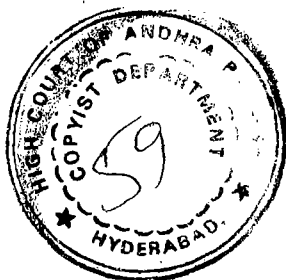
5.2 On and from the Effective Date, RCCIL shall, and may, if required, initiate, continue any legal proceedings in relation to the Cement Business Undertaking of RCOL.

6. CONSIDERATION

6.1 The Consideration, for the sale of Cement Business Undertaking referred to in Clause 2.1.7 above, would be equal to Rs. Eighty Five Crores. The consideration would be discharged by RCCIL by cash on or before March 31, 2011. In case of non-payment of such consideration by March 31, 2011, RCCIL shall pay interest on the delayed payment at a mutually agreed rate of interest.

For RAIN COMMODITIES LIMITED

G.N.V.S.R.R.KUMAR
Vice President (Finance & Accounts)



7. ACCOUNTING TREATMENT

In the books of RCCIL

Upon coming into effect of this Scheme, RCCIL shall, as per the applicable Accounting Standards, record the assets and liabilities of the Cement Business Undertaking at their respective fair values, determined by a Professional Valuer.

The difference, if any, between the consideration discharged by RCCIL and the value of assets and liabilities recorded would be treated as goodwill or capital reserve, as the case may be.

In the books of RCOL

The difference between the book value of Cement Business Undertaking and consideration received as per Clause 6.1 above, shall be credited/ debited by RCOL to Profit and Loss Account as "Profit/ Loss on sale of Cement Business Undertaking", as the case may be.

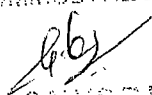
8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

8.1 With effect from the First Appointed Date up to the Effective Date:

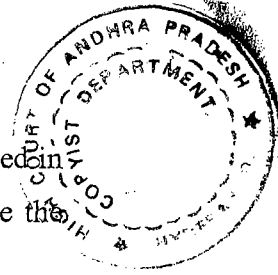
8.1.1. RCOL shall carry on, and be deemed to have carried on the Cement Business Undertaking, and shall be deemed to have held and stood possessed of the Cement Business Undertaking and shall hold and stand possessed of the assets, properties and liabilities of the Cement Business Undertaking on behalf of and / or in trust for RCCIL.

8.1.2. All profits or income accruing or arising to the Cement Business Undertaking of RCOL, or losses arising or expenditure incurred by RCOL on account of the Cement Business Undertaking, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of RCCIL.

For RAIN COMMODITIES LIMITED


G.N.V.S.R. KUMAR
Joint President (Finance & Accounts)

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8.1.3. It is clarified that any advance tax paid / TDS credits / TDS certificates received in respect of the Cement Business Undertaking of RCOL shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of RCCIL.

8.1.4. All assets howsoever acquired by RCOL for carrying on its business, operations or activities and the liabilities relating to the Cement Business Undertaking shall be deemed to have been acquired and are also contracted for and on behalf of RCCIL.

8.2 RCCIL shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which RCCIL may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on Cement Business Undertaking of RCOL.

8.3 RCOL shall carry on their business, operations or activities relating to the Cement Business Undertaking with reasonable diligence and business prudence and shall not venture into / expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of RCCIL.

9. FUND RAISING BY ISSUE OF SHARES / OTHER INSTRUMENTS BY RCOL/ RCCIL

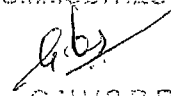
9.1. For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent RCOL/ RCCIL from raising funds by issue of new equity shares and / or preference shares and / or any convertible / non-convertible instruments.

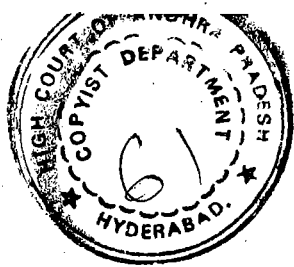
10. REMAINING BUSINESS OF RCOL

10.1. The Remaining Business of RCOL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by RCOL.

10.2. All legal and other proceedings by or against RCOL under any statute, whether pending on the First Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of RCOL (including those relating to any property, right,

For RAIN COMMODITIES LIMITED


C.M.V.S.R.R.KUMAR
Vice President (Finance & Accounts)



power, liability, obligation or duty, of RCOL in respect of the Remaining Business of RCOL) shall be continued and enforced by or against RCOL.

10.3. With effect from the First Appointed Date and including the Effective Date –

RCOL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of RCOL for and on its own behalf;

All profits accruing to RCOL thereon or losses arising or incurred by it relating to the Remaining Business of RCOL shall, for all purposes, be treated as the profit, or loss, as the case may be, of RCOL.

PART III

PART III – DEMERGER OF CPC AND POWER BUSINESS UNDERTAKING OF RCCIL INTO RCCVL

11. TRANSFER AND VESTING OF CPC AND POWER BUSINESS UNDERTAKINGS OF RCCIL

The CPC and Power Business Undertaking of RCCIL as defined in Clause 2.1.10 along with a debt obligation to repay US\$ 85.360 Million (equivalent to Rs 3,853,150,400) (in the manner specified in Clause 11.15) (as on the Second Appointed Date), shall be transferred to and vested in RCCVL, as a going concern, without any further deed or act, together with all its properties, assets, rights, benefits and interest therein, subject to existing charges or lis pendens, if any thereon, in favour of banks and financial institutions.

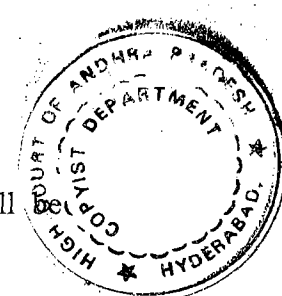
11.1. Without prejudice to the generality of the foregoing, with effect from the Second Appointed Date:

11.2. The whole of the division and properties, as aforesaid and also the additions and accretions to the properties of the CPC and Power Business Undertaking, shall, under the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in RCCVL. All the rights, title and

For RAIN COMMODITIES LIMITED


G.N.V.S.R.R.KUMAR
Vice President (Finance & Accounts)

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interest of RCCIL therein, the CPC and Power Business Undertaking, will be transferred in the manner provided below.

- 11.3. Without prejudice to the generality of the foregoing, with effect from the Second Appointed Date, it is expressly provided that in respect of such of the said assets of the CPC and Power Business Undertaking as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and/ or endorsement and delivery, the same shall be deemed to have been so transferred by RCCIL and shall become the property of RCCVL in pursuance of the provisions of section 391 to 394 of the Act, such transfer being deemed to have taken place at the location of the registered office of RCCVL, i.e., in the State of Andhra Pradesh.
- 11.4. In respect of movables of the CPC and Power Business Undertaking other than those dealt with in Clause 11.3 above including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Second Appointed Date stand transferred to and vested in RCCVL without any notice or other intimation to the debtors (although RCCVL may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or deposittee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in RCCVL).
- 11.5. With effect from the Second Appointed Date, all debts, liabilities, contingent liabilities, disputed tax liabilities other than disputed liabilities in respect of income tax matters, duties and obligations of every kind, nature and description of RCCIL pertaining to the CPC and Power Business Undertaking including secured and unsecured loans and the current liabilities shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to and/ or deemed to be transferred and vested with RCCVL so as to become from the Second Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of RCCVL and RCCVL undertakes to meet, discharge and satisfy the same.
- 11.6. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets forming part of the CPC and Power Business Undertaking;

For RAIN COMMODITIES LIMITED

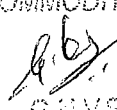
(Signature)
G. V. S. R. KUMAR
Joint Managing Director (Finance & Accounts)



PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by RCCIL, and RCCVL shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

- 11.7. Any and all contracts and agreements, memoranda of undertakings, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements and other instruments of whatsoever nature in relation to the CPC and Power Business Undertaking, to which RCCIL is a party or to the benefit of which, the CPC and Power Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favour of RCCVL and may be enforced as fully and effectually as if, instead of RCCIL, RCCVL had been a party or beneficiary or obligee thereto;
- 11.8. All permits, quotas, rights, entitlements including contractual rights, licenses including those relating to trademarks, tenancies, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the CPC and Power Business Undertaking to which RCCIL is a party or to the benefit of which RCCIL may be eligible and which are subsisting or having effect immediately before the Effective Date shall be and remain in full force and effect in favour of or against RCCVL as the case may be, and may be enforced as fully and effectually as if, instead of RCCIL, RCCVL had been a party or beneficiary or obligee thereto;
- 11.9. With effect from the Second Appointed Date and upon the Scheme becoming effective, any incentive, tax benefit including benefit u/s 10A/ 10B of the Income-tax Act, 1961, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed by RCCIL relating to the CPC and Power Business Undertaking, shall vest with and be available to RCCVL on the same terms and conditions as applicable to RCCIL, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to RCCVL.
- 11.10. Any and all statutory licenses, no-objection certificates, permissions, consents, quotas, rights, entitlements, approvals including but not limited to right to use and avail electricity connections, water connections, environmental clearances,

For RAIN COMMODITIES LIMITED


G.V.S.R.R. KUMAR
Vice President (Finance & Accounts)

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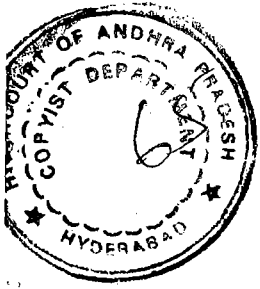


telephone connections, facsimile connections, telexes, e-mail, internet, leased connections and installations, and other approval, those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the CPC and Power Business Undertaking shall stand transferred to or vested in RCCVL, without any further act or deed done by RCCIL and/ or RCCVL and shall be appropriately mutated by the statutory authorities concerned therewith in favour of RCCVL upon the vesting and transfer of the CPC and Power Business Undertaking pursuant to this Scheme.

- 11.11. RCCIL and RCCVL, as the case may be, shall at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the CPC and Power Business Undertaking to which RCCIL is a party in order to give formal effect to the above provisions. RCCVL, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of RCCIL and to carry out or perform all such formalities or compliances referred to above on part of RCCIL.
- 11.12. For the purpose of giving effect to the vesting Orders passed under Sections 391 and 394 of the Act in respect of this Scheme, RCCVL shall at any time pursuant to the orders on this Scheme be entitled to secure the record of change in the legal right(s) upon the vesting of such assets of the CPC and Power Business Undertaking in accordance with the provisions of Sections 391 and 394 of the Act. RCCIL and RCCVL shall jointly and severally be authorised to execute any writings as are required to remove any difficulties and carry out any formalities or compliance for the implementation of this Scheme.
- 11.13. All taxes, duties, cess payable by RCCIL relating to the CPC and Power Business Undertaking including all or any refunds/credit/claims relating thereto shall be treated as the liability or refunds/credit/claims, as the case may be, of RCCVL.
- 11.14. RCCIL and RCCVL shall file the relevant intimations, for the record of the statutory authorities signifying the transfer of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, tax holidays, incentives, concessions and other authorizations.

For RAIN COMMODITIES LIMITED

g.b.
G.N.V.S.R.R.KUMAR
Vice President (Finance & Accounts)



- 11.15. RCCVL would assume ECB of US\$ 85.360 Million (equivalent to Rs 3,853,150,400) and would undertake the necessary compliances as required under Foreign Exchange Management Act, 1999 and the rules issued by the Reserve Bank of India in connection therewith.

12. STAFF, WORKMEN & EMPLOYEES

- 12.1. RCCVL undertakes to engage, on and from the Effective date, all permanent employees of RCCIL engaged in the CPC and Power Business Undertaking at their respective factories, branch and other offices and also elsewhere and who are in the employment of RCCIL, on the same terms and conditions on which they are engaged as on the Effective Date by RCCIL without any interruption of services as a result of the transfer. RCCVL undertakes to continue to abide by any of the Agreement /settlement, etc., entered into by RCCIL in respect of CPC and Power Business Undertaking with any union/ employee of CPC and Power Business Undertaking of RCCIL. RCCVL agrees that all the services of all such employee with RCCIL upto the Effective Date shall be taken into account for the purpose of payment of any retrenchment compensation, gratuity, and other terminal benefits, and agrees and undertakes to pay the same as and when payable.
- 12.2. As of the date of filing of this Scheme, RCCIL shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees of the CPC and Power Business Undertaking. RCCVL shall subsequent to the Effective Date make appropriate contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.

It is clarified that the services of all transferred staff, workmen and employees of the CPC and Power Business Undertaking of RCCIL, to RCCVL will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with RCCIL shall also be taken into account by RCCVL, who shall pay the same if and when payable.

For RAIN COMMODITIES LIMITED


G.N.V.S.R.R.KUMAR
Vice President (Finance & Accounts)

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13. LEGAL PROCEEDINGS

- 13.1. If any suit, appeal or other proceedings of whatever nature by or against RCCIL is pending as on the Second Appointed Date, and relating to the CPC and Power Business Undertaking of RCCIL, as and from the Effective Date, shall be continued and enforced by or against RCCVL in the same manner and to the same extent as would or might have been continued and enforced by or against RCCIL.
- 13.2. On and from the Effective Date, RCCVL shall, and may, if required, initiate, continue any legal proceedings in relation to the CPC and Power Business Undertaking of RCCIL.

14. CONSIDERATION

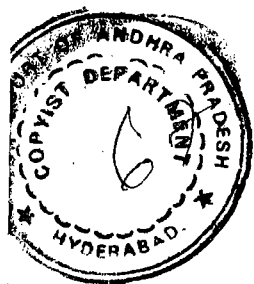
- 14.1. The Consideration, for the demerger/ transfer of CPC and Power Business Undertaking referred to in Clause 2.1.10 above, would be equal to Rs 1.30 Crores Only. The Consideration would be discharged by RCCVL by fresh issue of 10.00 Lakh Equity shares of Rs 10 each at a premium of Rs. 3 per equity share.
- 14.2. In the event that RCCVL restructures its equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the number of shares to be issued shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 14.3. The issue and allotment of equity shares by RCCVL to RCCIL shall be deemed to have complied with the provisions of Section 81(1A) of the Act and any other applicable provisions of the Act.
- 14.4. The equity shares issued and allotted by RCCVL in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of RCCVL and shall inter-se rank pari passu in all respects with the then existing equity shares of RCCVL, including in respect of dividend, if any, that may be declared by RCCVL on or after the Effective Date;

For RAIN COMMODITIES LIMITED

G.N.V.S.R.

G.N.V.S.R. KUMAR

Joint President (Finance & Accounts)



14.5. APPROVALS

For the purpose of issue of equity shares to RCCIL, RCCVL shall, if and to the extent required, apply for and obtain the required statutory approvals and approvals of the other concerned regulatory authorities for the issue and allotment by RCCVL of such equity shares.

15. ACCOUNTING TREATMENT

In the books of RCCVL

Upon coming into effect of this Scheme, RCCVL shall, as per the applicable Accounting Standards, record the assets and liabilities of the CPC and Power Business Undertaking at their respective fair values, determined by a Professional Valuer.

The difference, if any, between the aggregate of consideration discharged by RCCVL and debt assumed by RCCVL, and the value of assets and liabilities recorded would be treated as goodwill or capital reserve, as the case may be.

In the books of RCCIL

The difference between the book value of CPC and Power Business Undertaking and the aggregate of value of consideration received as per Clause 14.1 above and debt assumed, shall be credited/ debited by RCCIL to Profit and Loss Account as "Profit/ Loss on sale of CPC and Power Business Undertaking", as the case may be.

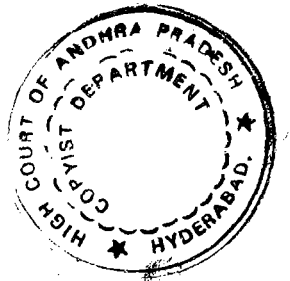
16. INCREASE IN THE AUTHORISED SHARE CAPITAL OF RCCVL

- 16.1. RCCVL undertakes to increase its authorised share capital to accommodate the fresh issue of shares to RCCIL under this Scheme.

For RAIN COMMODITIES LIMITED

G.N.V.S.R.R.KUMAR
Vice President (Finance & Accounts)

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17. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

17.1. With effect from the Second Appointed Date up to the Effective Date:

17.1.1. RCCIL shall carry on, and be deemed to have carried on the CPC and Power Business Undertaking, and shall be deemed to have held and stood possessed of the CPC and Power Business Undertaking and shall hold and stand possessed of the assets, properties and liabilities of the CPC and Power Business Undertaking on behalf of and / or in trust for RCCVL.

17.1.2. All profits or income accruing or arising to the CPC and Power Business Undertaking of RCCIL, or losses arising or expenditure incurred by RCCIL on account of the CPC and Power Business Undertaking, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of RCCVL.

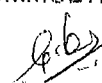
17.1.3. It is clarified that any advance tax paid / TDS credits / TDS certificates received in respect of the CPC and Power Business Undertaking of RCCIL shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of RCCVL.

17.1.4. All assets howsoever acquired by RCCIL for carrying on its business, operations or activities and the liabilities relating to the CPC and Power Business Undertaking shall be deemed to have been acquired and are also contracted for and on behalf of RCCVL.

17.2. RCCVL shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which RCCVL may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on CPC and Power Business Undertaking of RCCIL.

17.3. RCCIL shall carry on their business, operations or activities relating to the CPC and Power Business Undertaking with reasonable diligence and business prudence and shall not venture into / expand any new businesses, alienate, charge, mortgage,

For RAIN COMMODITIES LIMITED


G.N.V.S.R.R. KUMAR
Vice President (Finance & Accounts)



encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of RCCVL.

18. FUND RAISING BY ISSUE OF SHARES / OTHER INSTRUMENTS BY RCCIL/ RCCVL

- 18.1. For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent RCCIL/ RCCVL from raising funds by issue of new equity shares and / or preference shares and / or any convertible / non-convertible instruments.

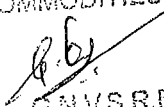
19. REMAINING BUSINESS OF RCCIL

- 19.1. The Remaining Business of RCCIL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by RCCIL.
- 19.2. All legal and other proceedings by or against RCCIL under any statute, whether pending on the Second Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of RCCIL (including those relating to any property, right, power, liability, obligation or duty, of RCCIL in respect of the Remaining Business of RCCIL) shall be continued and enforced by or against RCCIL.
- 19.3. With effect from the Second Appointed Date and including the Effective Date –

RCCIL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of RCCIL for and on its own behalf;

All profits accruing to RCCIL thereon or losses arising or incurred by it relating to the Remaining Business of RCCIL shall, for all purposes, be treated as the profit, or loss, as the case may be, of RCCIL.

For RAIN COMMODITIES LIMITED


G.N.V.S.R.R.KUMAR
Vice President (Finance & Accounts)

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PART IV

GENERAL TERMS AND CLAUSES

20. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

20.1. The Scheme is conditional upon subject to:

- (a) Approval by requisite majority of the members, and creditors of RCOL, RCCIL and RCCVL as may be directed by the High Court of Andhra Pradesh at Hyderabad;
- (b) Approval of the Scheme by the High Court of Andhra Pradesh, at Hyderabad;
- (c) Certified copies of the orders of the High Court, sanctioning the Scheme being filed with the Registrar of Companies, Andhra Pradesh.
- (d) The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of the Scheme;
- (e) Subject to receipt of necessary regulatory approvals.

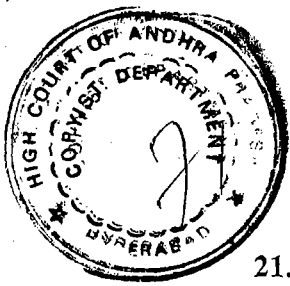
20.2. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

20.3. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including but not limited to such part.

For RAIN COMMODITIES LIMITED

G.V.R.R.K.

G.V.R.R.K. KUMAR
Vice President (Finance & Accounts)



21. ACCOUNTING TREATMENT

The accounting treatment specified under the Scheme would be in accordance with the accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 and where the Scheme prescribes a different treatment, the same shall be ignored in order to be compliant with the applicable accounting standard(s).

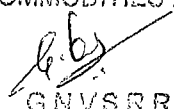
22. APPLICATION TO THE HIGH COURT

- 22.1. RCOL, RCCIL and RCCVL shall, with all reasonable dispatch, make applications to the Hon'ble High Court, under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and /- or creditors and for sanctioning this Scheme, with such modifications as may be approved by the Hon'ble High Court.
- 22.2. Upon this Scheme being approved by the requisite majority of the respective members, and creditors of RCOL, RCCIL and RCCVL (as may be directed by the Hon'ble High Court), each company shall, with all reasonable dispatch, apply to the Hon'ble High Court, for sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the Act, and for such other order or orders, as the said Hon'ble High Court may deem fit for carrying this Scheme into effect.
- 22.3. Upon this Scheme becoming, effective, the respective shareholders of each of the companies involved in the Scheme shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

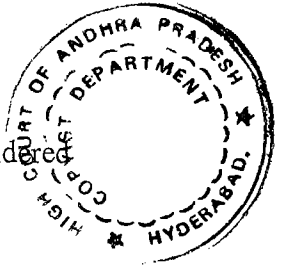
23. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 23.1. Each of the companies involved in the Scheme represented by their respective Board of Directors, may make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the High Court or any other

For RAIN COMMODITIES LIMITED


G.N.V.S.R.R. KUMAR
Vice President (Finance & Accounts)

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authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors).

- 23.2. Each of the companies involved in the Scheme shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Hon'ble High Court or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.
- 23.3. Each of the companies involved in the Scheme by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

24. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

In the event of any of the said sanctions approvals not being obtained and / or the Scheme not being sanctioned by the High Court of Andhra Pradesh at Hyderabad, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

25. COST, CHARGES, AND EXPENSES

All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne and paid by RCCIL.

For RAIN COMMODITIES LIMITED

G.B.

G.N.V.S.R.R.KUMAR
Vice President (Finance & Accounts)

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18/1/2011
SUPERINTENDENT
COPYIST DEPARTMENT
High Court of A. P.
HYDERABAD

(3)
MMA
12/01/11

THE HIGH COURT OF ANDHRA PRADESH HYDERABAD.	
CD No.	719 of 2010
Application made	29-12-2010
Application returned	2010
Application represented	2010
Stamps called for	13-1-2010
Stamps deposited	17-1-2010
Adl. Stamps called for	2010
Adl. Stamps deposited	2010
Copy ready	18-1-2010

18/1/2011
Section Officer.