

HIGH COURT OF JUDICATURE AT HYDERABAD  
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA  
PRADESH

(Special Original Jurisdiction)

FRIDAY, THE TWENTY NINTH DAY OF JULY  
TWO THOUSAND AND SIXTEEN

:PRESENT:

THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM

COMPANY PETITION Nos. 44 and 45 of 2016

Company Petition No. 44 of 2016

In

Company Application no. 1768 of 2015

In the matter of the Companies Act, 1956

And

In the matter of Sections 391 to 394 of the Companies Act, 1956 read with  
Section 100 to 104 of the Companies Act, 1956 and Section 52 of the  
Companies Act, 2013

And

In the matter of the Scheme of Arrangement between Moonglow company  
Business INC.

And

Rain Industries Limited

and

Rain Cements Limited

And

Their Respective Shareholders & Creditors

And

In the matter of Rain Cements Limited.

Between:

Rain Cements Limited, a company incorporated under the Companies Act, 1956, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad - 500 073, Telangana, India Represented by its Chief Financial Officer, Mr. G.N.V.S.R.R. Kumar, s/o. Sri G.Kasi Viswanath, resident of Flat No.307, 1-10-84/1 to 1-10-84/6 Khendrys May Flower, Mayuri Marg, Secunderabad-500016, Telangana

..... PETITIONER

Petition under Sections 391 and 394 of the Companies Act, 1956

read with Rule 79 of the Companies ( Court ) Rules, 1959 praying that

a) The Scheme of Arrangement between the Rain Cements Ltd, Rain Industries Limited, Moonglow Company Business Inc., and their respective shareholders and creditors be approved

b) That the proposed minute in para 33 be approved ;



c). The Hon'ble Court may be pleased to dispense with the requirement that the Petitioner Company having to add the word "and reduced" as part of its corporate name;

This Petition coming on for orders upon reading the company petition and the affidavit dated 01-02-2016 and filed by Sri G.N.V. S.R.R. Kumar, Chief Financial Officer of the Petitioner Company in support of the Company Petition and upon hearing the arguments of Sri CH.PUSHYAM KIRAN Advocate for the Petitioner and Sri M. Anil Kumar, Counsel for the Official Liquidator and Sri .B. Narayana Reddy, Assistant Solicitor General appearing in this matter.

**Company Petition No. 45 of 2016 in Company Application No. 1769 of 2015**

**In the matter of the Companies Act, 1956**

**And**

**In the matter of Sections 391 to 394 of the Companies Act, 1956 read with Section 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013**

**And**

**In the matter of the Scheme of Arrangement between Moonglow company Business INC.**

**And**

**Rain Industries Limited**

**and**

**Rain Cements Limited**

**And**

**Their Respective Shareholders & Creditors**

**And**

**In the matter of Rain Industries Limited.**

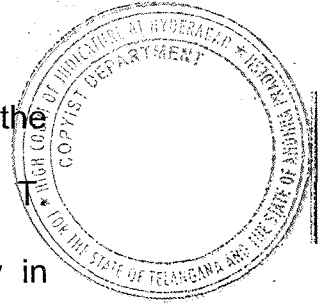
Rain Industries Limited, a company incorporated under the Companies Act, 1956, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad - 500 073, Telangana, India Represented by its Chief Financial Officer, Mr. T. Srinivasa Rao, S/o. Sri T. Ramalingeswara Rao, aged 49 years, resident of Villa No. 70, Ramky Pearl, HMT, Sathavahana Nagar, Kukatpally, Hyderabad- 500072, Telangana

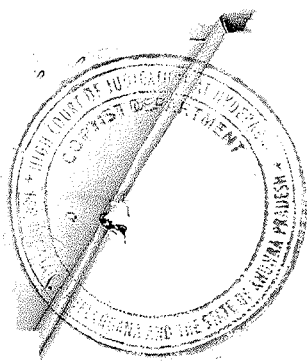
Petition under Sections 391 and 394 of the Companies Act, 1956 read with Rule 79 of the Companies ( Court ) Rules, 1959 praying that

a)The Scheme of Arrangement between the Rain Cements Ltd, Rain Industries Limited, Moonglow Company Business Inc., and their respective shareholders and creditors be approved;

This Petition coming on for orders upon reading the Company Petition and the affidavit dated 01/02/2016 and filed by Sri T Srinivasa Rao , Chief Financial Officer of the Petitioner Company in support of the Company Petition and upon hearing the arguments of Sri CH.PUSHYAM KIRAN Advocate ,for the Petitioner and Sri M. Anil Kumar , Counsel for the Official Liquidator and Sri B. Narayana Reddy , Assistant Solicitor General appearing in this matter.

The Court made the following:





**HONOURABLE SRI JUSTICE CHALLA KODANDA RAM**

**COMPANY PETITION Nos.44 & 45 OF 2016**

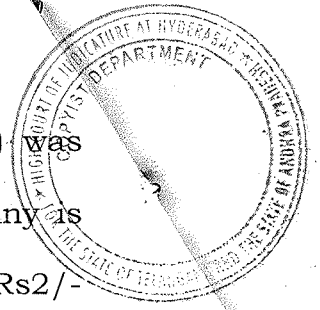
**COMMON ORDER:**

C.P. No.44 of 2016 is filed by Rain Cements Limited under Sections 391 and 394 read with Sections 100 to 104 of the Companies Act, 1956 (for short, "the Act") by Rain Cements Limited seeking approval of the scheme of arrangement between Moonglow Company Business Inc., (Transferor company), Rain Industries Limited (Transferee company) and Rain Cements Limited.

C.P. No.45 of 2016 is filed by Rain Industries Limited under Sections 391 and 394 read with Sections 100 to 104 of the Companies Act, 1956 (for short, "the Act") by Rain Cements Limited seeking the same relief as sought in C.P.No.44 of 2016.

The Scheme of Arrangement envisages the amalgamation of Moonglow Company Business Inc. with Rain Industries Limited and the adjustment of an amount of Rs. 401.53 crores in the form of investment of Rain Cements Limited in Moonglow Company Business Inc. against its securities premium account and capital reserve account of Rain Cements Limited. The capital reserve account is sought to be reduced from Rs. 260.96 crores to nil and the securities premium account is sought to be reduced from Rs. 183.01 crores to Rs. 42.43 crores.

Moonglow Company Business Inc., (Transferor Company) was incorporated on 28.12.2005. The authorised share capital of the company is Rs.100,000,000/- divided into 100,000,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up capital of the transferor company is Rs.97,805,000/- divided into 97,805,000 equity shares of Rs.10/- each and the entire share capital is held by the transferor company and its nominees.



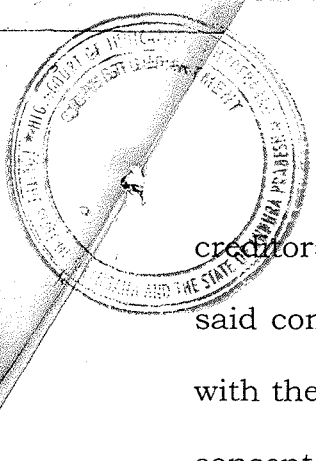
Rain Industries Limited (Petitioner in C.P. No. 45 of 2016) was incorporated on 15.03.1974. The authorised capital of the company is Rs.1,180,000,000/- divided into 590,000,000 equity shares of Rs2/- each and 4,900,000 preference shares of Rs.100/- each. The issued, subscribed and paid-up capital of the transferee company is Rs.672,691,358/- divided into 336,345,679 equity shares of Rs.2/- each. Rain Cements Limited (Petitioner in C.P.No. 44 of 2016) was incorporated on 04.05.1999. The authorised share capital of the company is Rs.500,000,000/- divided into 50,000,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up capital of the transferee company is Rs.298,050,000/- divided into 29,805,000 equity shares of Rs.10/- each and the entire share capital is held by the transferee company and its nominees.

The objects of Moonglow Company Business Inc., are to carry on the business of calcining of any metallic and non-metallic substances including petroleum coke and needle coke and for that purpose, carry on the business of importers, exporters, manufacturers, refiners, processors, buyers, sellers, dealers, brokers, agents of any of the raw materials pertaining to calcined products etc.

The objects of Rain Industries Limited are to produce, manufacture, purchase, refine, prepare, process, import, sell and generally to deal in Cement, portland cement, alumina cement, white and coloured cement, lime and limestone, kankar and etc.

The objects of Rain Cements Limited are to carry out the business of purchase or otherwise acquire, manufacture, refine, treat, sell or otherwise dispose of import, export trade or generally deal in all kinds of crude-petroleum, petroleum products etc.

C.A. No. 1768 of 2016 was filed by Rain Cements Limited seeking an order dispensing with the meetings of the shareholders and secured



creditors and for convening the meeting of the unsecured creditors of the said company. This Court by an order dated 12-11-2015 had dispensed with the meeting of the shareholders and secured creditors in view of the consents filed by them and had directed that a meeting of the unsecured creditors of Rain Cements Limited be convened on 30-12-2015 at 1pm. The meeting of the unsecured creditors was duly convened and the unsecured creditors present and voting had approved the Scheme of Arrangement unanimously.

C.A. No. 1769 of 2016 was filed by Rain Industries Limited seeking an order convening the meeting of the shareholders and dispensing with the meeting of the secured creditors of the said company in view of the consents filed by them. Rain Industries Limited does not have any unsecured creditors. This Court, by an order dated 12-11-2015 had dispensed with the meeting of the secured creditors of Rain Industries Limited and directed that a meeting of the shareholders of Rain Industries Limited be convened on 30-12-2015 at 11am. The meeting of the shareholders was duly convened and the Scheme of Arrangement by a majority of 99.99% in value and 92.75% in number.

On 10.02.2016, this Court, in the instant company petitions, ordered notice to the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad. Notices were published about the scheme of arrangement in 'Business Standard' (English) and 'Andhra Bhoomi' (Telugu) daily newspapers of Hyderabad editions on 17.02.2016. Notices were also served on the statutory authorities. Necessary proofs as required were filed before this Court evidencing the above aspects.

When the matter was taken up for hearing, the learned counsel for the petitioner has reiterated the contents in the petition. No objections were received from any quarter. There was compliance of the convening of the shareholders and unsecured creditors meetings respectively and

there being no objections received from any quarter, the Petitioner has satisfied the required parameters as noticed by the Supreme Court in

**MIHIR H.MAFATLAL V. MAFATLAL INDUSTRIES LIMITED<sup>1</sup>.**

Learned counsel appearing for the statutory authorities have reported no objections for the proposed scheme of arrangement.

Except that Transferor Company (Moonglow Company Business Inc.) is an entity registered and having its business operations in Pasea Estate, Road Town, Tortola, British Virgin Islands, placed at foreign land in all respects and for all the practical purposes, the same is required to be treated as a body corporate registered and functioning within India. Subject to the Laws, Rules and Regulations governing a body corporate which is registered outside India and such rules and regulations permitting and not prohibiting the corporate action of the nature of amalgamation with another corporate entity either within the said country or outside the country, the same is required to be allowed especially in the present context of the globalisation. In the case on hand, the rules and regulations permit and do not prohibit the corporate action of the nature of amalgamation with another corporate entity either within the country or outside the country. The law governing this issue is no longer *res integra*. A reference may be made to the following case law:

**1) In Re: Mospip Semiconductor Technology Limited<sup>2</sup>**

**2) In Re: Zenta P. Ltd<sup>3</sup>**

**3) Unreported judgment of High Court of Delhi in In Re: Ginni Energy Pvt. Ltd., in Co.Appl.(M) 36/2001 dated 22.02.2011.**

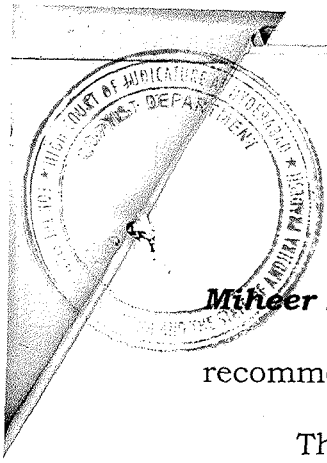
I have considered the material available on record, the principles of law enunciated by the Apex Court in

<sup>1</sup> 1996(87) Company Cases 792

<sup>2</sup> 2003(5) ALD 827

<sup>3</sup> (2009) 149 CompCas 413 (Bombay)

Vel



**Mihir H. Mafatlal's** and judgments referred supra and the conclusions/ recommendations of the statutory authorities through their reports.

The Scheme of Arrangement further envisages the adjustment of an amount of Rs. 401.53 crores in the form of investment of Rain Cements Limited in Moonglow Company Business Inc. against its securities premium account and capital reserve account wherein the capital reserve account is proposed to be reduced from Rs. 260.96 crores to nil and the securities premium account is proposed to be reduced from Rs. 183.01 crores to Rs. 42.43 crores. Moonglow Company Business Inc. is a wholly owned subsidiary of Rain Cements Limited. Rain Cements Limited is, in turn, a wholly owned subsidiary of Rain Industries Limited. The shareholders, secured and unsecured creditors of Rain Cements Limited have approved the Scheme of Arrangement. No objection has been raised by any other party. The reduction is not going to adversely affect the liability or obligation of Rain Cements Limited in any manner.

Having regard to the above material/reports, this Court is of the opinion that the proposed scheme of arrangement is in conformity with the provisions of the Act. The scheme does not affect the interest of stakeholders and the public or public interest and is intended to further develop the business interests of transferee and transferor companies for more profit and maximum utilization of the available resources. Therefore, the scheme of arrangement which was approved by Board of Directors of Rain Cements Limited and Rain Industries Limited held on 05.06.2015 and 11.06.2015 respectively is sanctioned with effect from the date appointed i.e., 01.04.2015. The Petitioner companies are directed to communicate the certified copy of this order to the Registrar of Companies for the State of Telangana and the State of Andhra Pradesh, Hyderabad within 30 days from the date of receipt of a copy of



this order. The form of minute under Section 103 of the Act as set out in para 33 of the petition in C.P. No. 44 of 2016 be approved and registered. The Petitioners in both the Company Petitions are further directed to take all consequential and statutory steps as required in pursuance of the approved scheme of arrangement under the provisions of the Act.

Both the Company Petitions are allowed accordingly.

**Sd/-T.VENKATESWARA RAO**  
**JOINT REGISTRAR**

//TRUE COPY//

SECTION OFFICER

To

1. Mr.G.N.V.S.R.R. Kumar,s/o. Sri G.Kasi Viswanath, Chief Financial Officer , Rain Cements Limited, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad - 500 073, Telangana, India Represented by its Chief Financial Officer, resident of Flat No.307, 1-10-84/1 to 1-10-84/6 Khendrys May Flower, Mayuri Marg, Secunderabad-500016, Telangana.
2. Mr. T. Srinivasa Rao, S/o. Sri T. Ramalingeswara Rao, Chief Financial Officer, Rain Industries Limited, registered office at Rain Center, 34, Srinagar Colony, Hyderabad - 500 073, Telangana, India, resident of Villa No. 70, Ramky Pearl, HMT, Sathavahana Nagar, Kukatpally, Hyderabad-500072, Telangana.
3. The Official Liquidator, High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh , 1<sup>st</sup> Floor, Corporate Bhawan, Nagole , Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District , Telangana State. Pin: Code 500 680
4. The Registrar of Companies , Ministry of Corporate Affairs, Government of India, 2<sup>nd</sup> Floor, Corporate Bhawan, Nagole , Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District , Telangana State. Pin: Code 500 680
5. The Regional Director, South East Region, Ministry of Corporate Affairs, 3<sup>rd</sup> Floor, Corporate Bhawan, Nagole, Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District , Telangana State. Pin: Code 500 680
6. The Section Officer, O.S. Section, High Court of Judicature at Hyderabad, for the State of Telangana and the State of Andhra Pradesh.
7. Two C.D.Copies
8. Two CC to Sri CH. Pushyam Kiran, Advocate (OPUC)
9. One CC to Sri B. Narayana Reddy, Asst. Solicitor General , High Court at Hyderabad.
10. One CC to Sri M. Anil Kumar, Advocate (OUT)

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SUPERINTENDENT  
Copyist Department  
High Court of Judicature at Hyderabad  
for the State of Telangana and the  
State of Andhra Pradesh

CA. 572/16

CP. 44/16

Ch. Pushyam Kiran  
264-0022  
(3 sets)

High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	
CA No. ....	572 ..... 2016
Application made ....	5-8 ..... 2016
Application returned .....	..... 2016
Application represented .....	..... 2016
Stamps called for .....	28-9 ..... 2016
Stamps deposited .....	28-9 ..... 2016
Addl. Stamps called for .....	..... 2016
Addl. Stamps deposited .....	..... 2016
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Section Officer	

HIGH COURT OF JUDICATURE AT HYDERABAD  
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PRADESH  
(ORDINARY ORIGINAL /CIVIL JURISDICTION)

FRIDAY , THE TWENTY NINTH DAY OF JULY  
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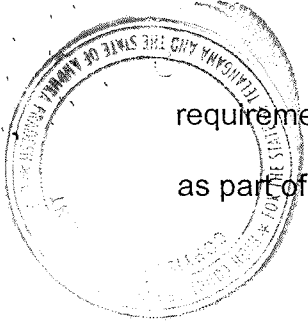
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**Their Respective Shareholders & Creditors**

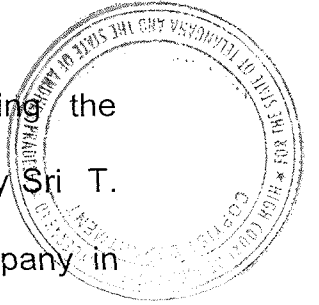
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**Composite Scheme of arrangement**

Under Sections 391 to 394 and sections 100 to 103 of companies Act 1956 read with section 52 of companies Act 2013 and other applicable provisions of the companies Act 1956/2013.

Composite scheme of arrangement

Between:

Moonglow Company Business INC

Transferor Company

And

Rain Industries Limited "RIL"

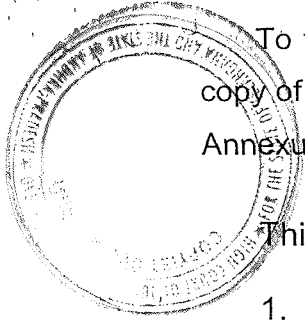
Transferee Company

And

Rain Cements Limited And their respective shareholders and creditors

Composite Scheme of arrangement envisages the following

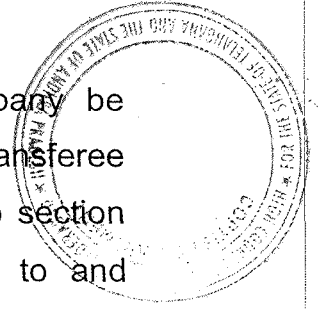
- 1) Amalgamation of: Moonglow Company Business, Inc., BVI  
Transferor Company  
  
Into  
  
Rain Industries Limited  
(Transferee Company)  
  
And
- 2) The adjustment of the Investment of an amount of Rs.401.53 crores in the form of Investment of Rain Cements Limited in the Transferor Company against the
  - i) Capital Reserve Account
  - ii) Securities Premium Account
  - iii) General Reserve
  - iv) Profit and Loss Account



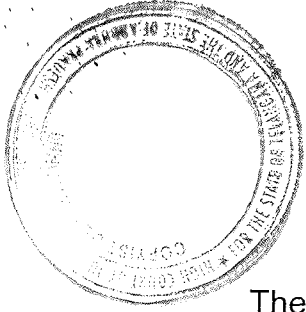
To the extent required. A certified copy of the extent required. A certified copy of the composite scheme of arrangement is filed along with the petition as Annexure P1.

This Court doth order

1. That the company petitions be and hereby are allowed.
2. That this court doth hereby sanction the scheme of
  - a) Amalgamation of Moonglow Company Business Inc., with Rain Industries Limited
  - b) The adjustment of an amount of Rs.401.53 crores in the form of Investment of Rain Cements Limited in Moonglow Company Business Inc against its securities premium account and capital reserve account of Rain Cements Limited. The capital reserve account is sought to be reduced from Rs.260.96 crores to nil and the securities premium account is sought to be reduced from Rs.183.01 crores to Rs.42.43 crores
3. That the scheme of arrangement as approved by Board of Directors of Rain Cements Limited and Rain Industries Limited held on 5.6.2015 and 11.6.2015 respectively is sanctioned with effect from the date appointed i.e.,1.4.2015.
4. That on Merger of Moonglow Company Business (Transferor Company) with Rain Industries Limited Transferee Company.
  - a) All the property, rights and powers of the transferor company specified in part. II of the scheme, and all other property, rights and powers of the transferor company be transferred to and vested in the Transferee Company and according the same shall pursuant to section 394(2) of the Companies Act 1956, be transferred to and vest in the transferee company for all the estate and interest of the transferor company therein but subject nevertheless to all charges now affecting the same.



- b) All the liabilities and duties of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall, pursuant to section 394(2) of the Companies Act 1956 be transferred to and become the liabilities of the transferee Company.
  - c) The transferee company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor company in accordance with the provisions of section 391 to 394 of the act. The transferor company and the transferee company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.
  - d) All proceedings now pending by or against the transferor company be continued by or against the transferee company.
  - e) The entire share capital of the transferor company is held by RCL Transferee company, a wholly owned subsidiary of the transferee company. Accordingly there would be no issue of equity shares of the transferee company to the shareholders of the transferor company. Pursuant to the vesting of undertaking of the Transferor company in the Transferee company, the investment in the shares of the transferor company, appearing in the books of accounts of RCL shall stand cancelled, as is required under clause 10 of the scheme herein the shares in the transferee company to which they are entitled under the said scheme.
5. Order confirming Reduction of Capital and Approving Minute.
- a) That upon the scheme becoming effective. Investment in the share capital of the Transferor Company appearing in the books of Rain Cements Limited (RCL) shall be adjusted by RCL against the following in the order specified to the extent required:



- 6-
- i) Capital reserve Account
  - ii) Securities Premium Account
  - iii) General Reserve
  - iv) Profit and Loss Account

The reduction of capital as mentioned above in this scheme shall be effected as an integral part of this scheme itself, and not under a separate process, in terms of section 52 of the companies Act 2013 and 100 to 103 of the companies Act 1956 and the order of the High Court sanctioning the scheme shall be deemed to be also the order under section shall be deemed to be also the order under section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either diminution of liability in respect of unpaid share capital or payment of paid up share capital and the provisions at section 101 of the Act will not be applicable.

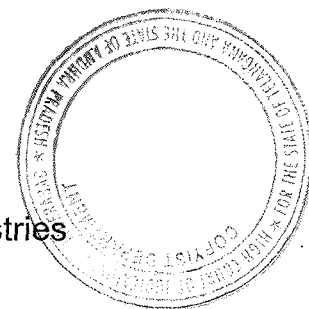
- b) That the form of minute under section 103 of the Act as set out in the schedule appended hereto be approved and registered.
  - c) The share capital of Rain cements Ltd., by way of reduction of Capital reserve account and Securities Premium Account from Rs. 260.96 crores to NIL and 183.01 crores to 42.43 crores respectively. Be and hereby is confirmed.
  - d) That the minute set forth in the schedule appended hereto is approved.
  - e) That a certified copy of this order including the minute as approved be delivered to the Registrar of Companies within 30 days from the date of receipt of a copy of the order.
6. That the petitioners in both company petitions are further directed to take all consequential and statutory steps as required in pursuance of the approved scheme of arrangement under the provisions of the Act.
7. That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary.



-7-

**SCHEME**

- Part I of the scheme : Definitions Interpretations and share capital
- Part II of the scheme : Merger of Moonglow Company Business Inc. with Rain Industries Limited.
- Part III of the scheme : General Terms and Clauses.



Dated this 29<sup>th</sup> Day of July 2016.

‘By the Court’

Note:- (Composite scheme of arrangement enclosed herewith)

**Sd/-T.VENKATESWARA RAO**  
**JOINT REGISTRAR**

//TRUE COPY//

SECTION OFFICER

To

1. Mr.G.N.V.S.R.R. Kumar,s/o. Sri G.Kasi Viswanath, Chief Financial Officer , Rain Cements Limited, is a company incorporated under the Companies Act, 1956, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad - 500 073, Telangana, India Represented by its Chief Financial Officer, resident of Flat No.307, 1-10-84/1 to 1-10-84/6 Khendrys May Flower, Mayuri Marg, Secunderabad-500016, Telangana.

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3. The Official Liquidator, High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh , 1<sup>st</sup> Floor, Corporate Bhawan, Nagole , Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District , Telangana State. Pin: Code 500 680

4. The Registrar of Companies , Ministry of Corporate Affairs, Government of India, 2<sup>nd</sup> Floor, Corporate Bhawan, Nagole , Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District , Telangana State. Pin: Code 500 680


5. The Regional Director, South East Region, Ministry of Corporate Affairs, 3<sup>rd</sup> Floor, Corporate Bhawan, Nagole, Bandlaguda, Thattiannaram Village, Hayatnagar Mandal, Ranga Reddy District , Telangana State. Pin: Code 500 680

6. The Section Officer, O.S. Section, High Court of Judicature at Hyderabad, for the State of Telangana and the State of Andhra Pradesh.

7. Two C.D.Copies

8. One CC to Sri CH. Pushyam Kiran, Advocate (OPUC)

9. One CC to Sri B. Narayana Reddy, Asst. Solicitor General , High Court at Hyderabad.

  
**SUPERINTENDENT**  
Joint Department  
High Court of Judicature at Hyderabad  
for the State of Telangana and the  
State of Andhra Pradesh

High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh

Cd No. 572 2010  
Application made 5-8- 2010  
Application returned 2010  
Application represented 2010  
Stamps called for 28-9- 2010  
Stamps deposited 28-9- 2010  
Addl. Stamps called for 2010  
Addl. Stamps deposited 2010  
Copy ready 28-9- 2010

Mes 28/9

Section Officer

**HIGH COURT OF JUDICATURE AT HYDERABAD  
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA  
PRADESH  
(ORDINARY ORIGINAL /CIVIL JURISDICTION)**

**FRIDAY, THE TWENTY NINTH DAY OF JULY  
TWO THOUSAND AND SIXTEEN**

**:PRESENT:**

**THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM**

**COMPANY PETITION NO. 44 OF 2016**

**IN**

**IN THE MATTER OF THE COMPANIES ACT ( 1 OF 1956)**

**And**

**In the matter of scheme of arrangement between Moonglow  
Company Business INC**

**And**

**Rain Industries Limited**

**And**

**Rain Cements Limited and their respective shareholders and  
creditors**

**And**

**In the matter of Rain Cements Limited**


Rain Cements Limited, a company incorporated under the companies Act, 1956, having its Registered Office at Rain Center, 34, Srinagar Colony, Hyderabad – 500 073, Telangana, India, rep. by its Chief financial officer Mr.G.N.V.S.R.R. Kumar, S/o. G.Kasi Viswanath, R/o. Flat No.307, 1-10-84/1, to 1-10-84/6, Khendrys May Flower, Mayuri Marg, Secunderabad – 500 016.

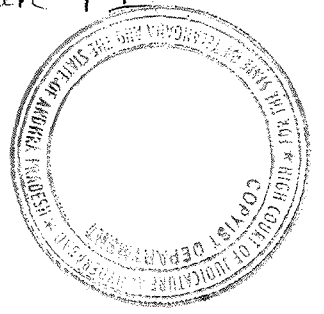
**FORM OF MINUTE**

The Capital Reserve Account and Securities Premium Account are reduced from Rs.260.96 crores to NIL and Rs.183.01 crores to Rs.42.43 Crores respectively"

**Sd/-T.VENKATESWARA RAO  
JOINT REGISTRAR**

//TRUE COPY//

  
SECTION OFFICER



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## COMPOSITE SCHEME OF ARRANGEMENT

(UNDER SECTIONS 391 TO 394 AND SECTION 100 TO 103 OF COMPANIES ACT, 1956 READ WITH SECTION 52 OF COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956/2013)

BETWEEN

MOONGLOW COMPANY BUSINESS INC.

AND

RAIN INDUSTRIES LIMITED

AND

RAIN CEMENTS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

### PREAMBLE

This 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 merger of Moonglow Company Business Inc. ("Moonglow" or "Transferor Company") with Rain Industries Limited ("RIL" or "Transferee Company").

#### 1. INTRODUCTION AND OBJECTIVE OF THE SCHEME

##### 1.1 INTRODUCTION

For Rain Industries Limited

T. Srinivasa Rao  
Chief Financial Officer  
M. No. FCA 29080



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#### 1.1.1 Rain Industries Limited

- (i) Rain Industries Limited (“**RIL**” or “**Transferee Company**”) (formerly known as ‘Rain Commodities Limited’) is a company incorporated under the Companies Act, 1956, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad – 500 073, Telangana, India. The Transferee Company was incorporated on 15<sup>th</sup> March, 1974, vide CIN No. L26942TG1974PLC001693.
- (ii) The Transferee Company is listed on National Stock Exchange of India Limited (“**NSE**”) and BSE Limited (“**BSE**”). The Transferee Company is engaged, *inter alia*, in the business of trading in Carbon products.

#### 1.1.2 Moonglow Company Business Inc.

- (i) Moonglow Company Business Inc. (“**Moonglow**” or “**Transferor Company**”) is a company incorporated under the International Business Companies Act, Cap, 291 and which was automatically re-registered as a BVI Business Company pursuant to the BVI Business Companies Act, 2004 (the “**BVI Act**”), , having its registered office at Pasea Estate, Road Town, Tortola, British Virgin Islands. The Transferor Company was incorporated on 28<sup>th</sup> December, 2005, bearing Company No. 690081.
- (ii) The Transferor Company holds investments in Companies engaged in manufacture and Sale of Calcined Petroleum Coke.

#### 1.1.3 Rain Cements Limited

- (i) Rain Cements Limited (“**RCL**”) is a company incorporated under the Companies Act, 1956, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad – 500 073, Telangana, India. RCL was incorporated on 4<sup>th</sup> May, 1999, vide CIN No. U23209TG1999PLC031361.

For Rain Industries Limited

T. Srinivasa Rao  
Chief Financial Officer  
M. No. FCA 29080

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- (ii) RCL is engaged, *inter alia*, in the business of manufacture and sale of Ordinary Portland and Pozzolona Portland Cement.

## 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) RCL is the Wholly Owned Subsidiary of the Transferee Company and the Transferor Company is the Wholly Owned Subsidiary of RCL.
- (ii) The Transferee Company, along with its subsidiaries ("**Group**") in India and overseas, is engaged in the business of manufacture of Cement, Calcined Petroleum Coke ("**CPC**"), Coal Tar Pitch ("**CTP**"), Other Carbon and Chemical products and co-generation of power.
- (iii) The Transferor Company holds 100% of the non-voting stock of Rain Commodities, USA ("**RCUSA**"), which is Holding Company for the USA operations of the Group, whereas the entire voting stock of RCUSA is held by the Transferee Company.
- (iv) The Transferor Company was set up as a Special Purpose Vehicle for the purpose of acquisition of CPC business in United States of America ("**USA**"). The main objective of forming the Transferor Company was to carry-out "Leveraged Buy-out" of companies engaged in the business of CPC in United States of America and to facilitate pledging of stock of such companies to the Overseas Lenders that provide the funds required for such Leveraged Buy-outs.
- (v) Further, the intention of forming the Transferor Company was to limit the exposure of the Transferee Company and its subsidiaries to any unknown liabilities that may arise from the acquisition and/or operation of CPC business assets in USA.

For Rain Industries Limited

T. Srinivasa Rao  
Chief Financial Officer  
M. No. FCA 29080



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- (vi) As the acquisition process is fully settled and with an intention to hold US Carbon and Chemical businesses directly from India, the Group is proposing merger of the Transferor Company with Transferee Company.
- (vii) The merger of Transferor Company with Transferee Company will result in reduction in the multiplicity of legal and regulatory compliances required at present to be carried out and further help in enabling consolidation of shareholding in US Carbon and Chemical businesses. (i.e. entire control over RCUSA, which is holding company of the US businesses will be under the Transferee Company, the holding company of the Group)

### 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 merger of Moonglow Company Business Inc. with Rain Industries Limited
- Part III** – deals with General Terms and Conditions

### PART I

## 2. DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

### 2.1 DEFINITIONS

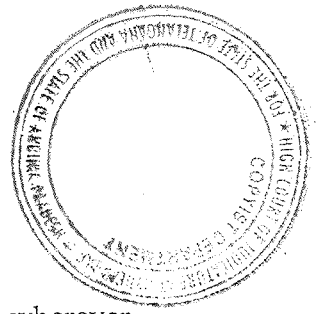
In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

For Rain Industries Limited



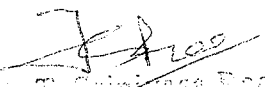
T. Srinivasa Rao  
Chief Financial Officer  
M. No. FCA 29080

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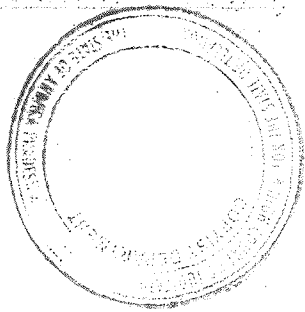


- 2.1.1 **“Act” or “the Act”** means the Companies Act, 1956/ 2013, wherever applicable, and rules made there under and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 2.1.2 **“Appointed Date”** means April 1, 2015 or such other date as may be fixed by the High Court;
- 2.1.3 **“Board of Directors” or “Board”** shall mean the Board of Directors of the **Transferor Company, Transferee Company and RCL** 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;
- 2.1.4 **“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 Judicature at Hyderabad for the States of Telangana and Andhra Pradesh, sanctioning this Scheme is filed with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad and similarly the date on which the Transferor Company undertakes compliance with all the necessary and applicable provisions of the laws of the British Virgin Islands, whichever is later.
- 2.1.5 **“High Court”** means the Hon’ble High Court of Judicature at Hyderabad for the States of Telangana and Andhra Pradesh or the National Company Law Tribunal, as applicable;
- 2.1.6 **“Scheme” or “this Scheme” or “the Scheme”** means this Scheme of Arrangement in its present form as submitted to the Hon’ble High Court of judicature for the States of Telangana and Andhra Pradesh and Registrar, with such modification(s), if any, as may be imposed or directed by the High Court.
- 2.1.7 **“Transferee Company” or “Amalgamated Company”** means Rain Industries Limited as defined in Clause 1.1.1 above.

For Rain Industries Limited

  
T. Subhash Rao  
Chief Financial Officer  
CIN: U74900TG20080





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2.1.8 “Transferor Company” or “Amalgamating Company” means Moonglow Company Business Inc. as defined in Clause 1.1.2 above.

2.1.9 “Undertaking of Transferor Company” shall mean and include the whole of assets, properties, liabilities and the undertaking(s) and entire business(s) of the Transferor Company and specifically include the following (without limitation):

- (i) All the assets / properties of the Transferor Company , whether movable or immovable, whether tangible or intangible including all rights, title, interest, covenant, including continuing rights, title and interest in connection with the land and the buildings thereon whether, corporeal or incorporeal, leasehold or freehold, and includes all rights, titles, interest and covenant, undertakings, liability relating thereto, capital work in progress, other fixed assets, investments, more specifically investments in CPC business in USA, inventory and work in progress, all the loans and includes all rights, titles, interest and advances of the Transferor Company as on the Appointed Date.
- (ii) All the debts and liabilities, present or future, whether secured or unsecured of the Transferor Company as on the Appointed Date.
- (iii) 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), of the Transferor Company as on the Appointed Date.
- (iv) All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and

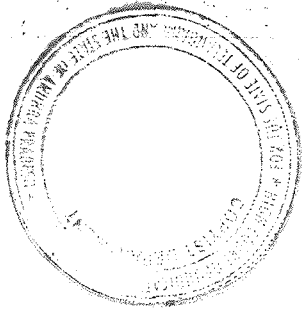
THE HIGH COURT OF THE STATE OF TENNESSEE  
JANUARY 1891

2.2 Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall mean the Effective Date.

2.3 The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and / or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Hon’ble High Court(s) in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of a High Court under the Act and would also include the appropriate authority vested with similar powers under the BVI Act.

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Terrace Poo  
Clyde L. & G. Clear  
S. W. 100-1000



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## 2.4 DATE OF TAKING EFFECT AND OPERATIVE DATE

2.4.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court, shall be effective from the aforementioned Appointed Date, but shall be operative from the Effective Date.

## 2.5 SHARE CAPITAL OF THE COMPANIES

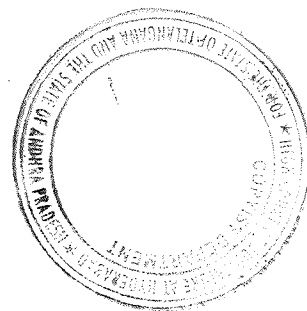
2.5.1 The share capital of the Transferee Company as on March 31, 2015, is as under:

Particulars	Amount in Rs.
<u>Authorised</u>	
590,000,000 equity shares of Rs. 2/- each	1,180,000,000
4,900,000 redeemable preference shares of Rs. 100/- each	490,000,000
<u>Issued, subscribed and paid up</u>	
336,345,679 equity shares of Rs. 2/- each, fully paid up	672,691,358

The authorised, issued, subscribed and paid-up capital of the Transferee Company is same as above as on the date of Board meeting (i.e. as on 11<sup>th</sup> June, 2015) sanctioning the Scheme.

For Rain Industries Limited

*[Signature]*  
T. S. Srinivasan  
Chairman



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2.5.2 The share capital of RCL as on March 31, 2015, is as under:

Particulars	Amount in Rs.
<u>Authorised</u>	
50,000,000 equity shares of Rs. 10 each	500,000,000
<u>Issued, subscribed and paid up</u>	
29,805,000 equity shares of Rs. 10 each, fully paid up	298,050,000

The authorised, issued, subscribed and paid-up capital of RCL is same as above as on the date of Board meeting (i.e. as on 5<sup>th</sup> June, 2015) sanctioning the Scheme.

2.5.3 The share capital of the Transferor Company as on March 31, 2015, is as under:

Particulars	Amount in USD
<u>Authorised</u>	
100,000,000 equity shares of USD 1 each	100,000,000
<u>Issued, subscribed and paid-up</u>	
97,805,000 equity shares of USD 1 each, fully paid up	97,805,000

For Rain Industries Limited

T. Brinivasa Rao  
Chief Financial Officer  
M. No. 1 CA 2006



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The authorised, issued, subscribed and paid-up capital of the Transferor Company is same as above as on the date of Board meeting i.e., as on 5<sup>th</sup> June, 2015 sanctioning the Scheme.

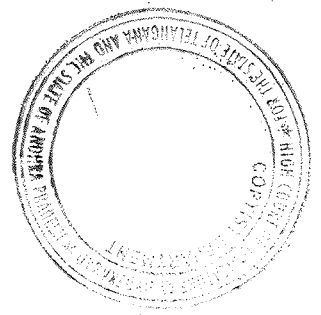
## PART II

### PART II – MERGER OF MOONGLOW COMPANY BUSINESS INC WITH RAIN INDUSTRIES LIMITED

#### 3. TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY

- 3.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all properties, assets, liabilities and Undertaking(s) of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Act and also in accordance with section 2(1B) of the Income-tax Act, 1961, without any further deed or act, subject to existing charges or lis pendens, if any thereon, in favour of banks financial institutions.
- 3.2. Without prejudice to the generality of the foregoing with effect from the Appointed Date, it is expressly provided that in respect of any and all the assets relating to the undertaking of the Transferor Company, that are movable in nature and / or are otherwise capable of transfer by manual or constructive delivery and / or endorsement and delivery, or by delivery instructions in relation to dematerialised shares or transfer by vesting and recordal or novation, pursuant to this Scheme shall be deemed to have been so transferred by the Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of section 391 to 394 of the Act, without any further act, instrument, deed, matter or thing.
- 3.3. In respect of movables other than those dealt with in Clause 3.2 above including sundry debtors, receivables, bills, credits, loans and advances, if any, whether

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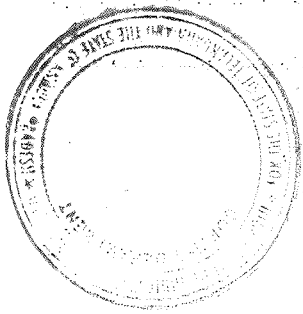
recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company 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 the Transferee Company).

- 3.4. Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Undertaking of the Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.

- 3.5. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of the Transferor Company concerned.

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

- 3.6. Pursuant to the Scheme becoming effective, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other

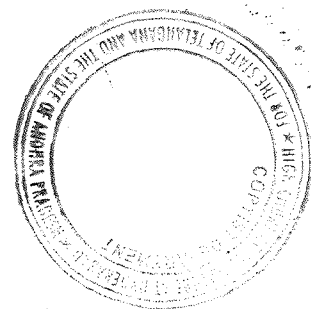


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writings or arrangement with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

- 3.7. Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company in accordance with the provisions of Sections 391 to 394 of the Act. The Transferor Company and the Transferee Company shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance in this regard.
- 3.8. All the staff, workmen and employees of the Undertaking of the Transferor Company as defined in clause 2.1.9 above, shall stand transferred to the Transferee Company without any further act or deed to be done by the Transferor Company or the Transferee Company.
- 3.9. All taxes, duties, cess payable by the Transferor Company including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company.
- 3.10. All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested

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in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

- 3.11. The Transferee Company shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, incentives, concessions and other authorisations of the Transferor Company.
- 3.12. As a matter of British Virgin Islands law, the Scheme is taking effect as a statutory merger pursuant to section 174 of the BVI Act, which provides as follows:

**“174. (Merger or consolidation with foreign company)**

(1) One or more companies may merge or consolidate with one or more companies incorporated under the laws of jurisdictions outside the Virgin Islands in accordance with this section, including where one of the constituent companies is a parent company and the other constituent companies are subsidiary companies, if the merger or consolidation is permitted by the laws of the jurisdictions in which the companies incorporated outside the Virgin Islands are incorporated.

(2) The following apply in respect of a merger or consolidation under this section:

(a) a company shall comply with the provisions of this Act with respect to merger or consolidation, as the case may be, and a company incorporated under the laws of a jurisdiction outside the Virgin Islands shall comply with the laws of that jurisdiction; and

b) if the surviving company or the consolidated company is to be incorporated under the laws of a jurisdiction outside the Virgin Islands, it shall file:

(i) an agreement that a service of process may be effected on it in the Virgin Islands in respect of proceedings for the enforcement of any claim, debt, liability or obligation of a constituent company that is a company registered under this Act or in respect of proceedings for the enforcement of the rights of a dissenting member of a





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constituent company that is a company registered under this Act against the surviving company or the consolidated company;

(ii) an irrevocable appointment of its registered agent as its agent to accept service of process in proceedings referred to in subparagraph (i);

(iii) an agreement that it will promptly pay to the dissenting members of a constituent company that is a company registered under this Act the amount, if any, to which they are entitled under this Act with respect to the rights of dissenting members, and

(iv) a certificate of merger or consolidation issued by the appropriate authority of the foreign jurisdiction where it is incorporated; or, if no certificate of merger or consolidation is issued by the appropriate authority of the foreign jurisdiction, then, such evidence of the merger or consolidation as the Registrar of Corporate Affairs in the BVI ("**Registrar**") considers acceptable.

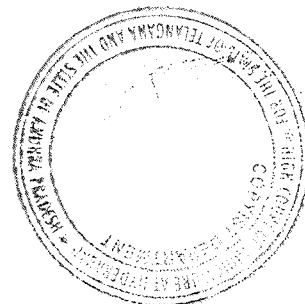
(3) The effect under this section of a merger or consolidation is the same as in the case of a merger or consolidation under section 170 if the surviving company or the consolidated company is incorporated under this Act, but if the surviving company or the consolidated company is incorporated under the laws of a jurisdiction outside the Virgin Islands, the effect of the merger or consolidation is the same as in the case of a merger or consolidation under section 170 except in so far as the laws of the other jurisdiction otherwise provide.

(4) If the surviving company or the consolidated company is a company incorporated under this Act, the merger or consolidation is effective on the date the articles of merger or consolidation are registered by the Registrar or on such date subsequent thereto, not exceeding thirty days, as is stated in the articles of merger or consolidation; but if the surviving company or the consolidated company is a company incorporated under the laws of a jurisdiction outside the Virgin Islands, the merger or consolidation is effective as provided by the laws of that other jurisdiction."

3.13. As a matter of BVI law, the effect of the Scheme (being a merger with a foreign company) is as set out in section 173 of the BVI Act (set out in full below) subject, pursuant to section 174 (3) of the BVI Act above, to any provisions of Indian law which provide otherwise.

**"173. (Effect of Merger or Consolidation)**

(1) A merger or consolidation is effective on the date the articles of merger or consolidation are registered by the Registrar or on such date subsequent thereto, not exceeding thirty days, as is stated in the articles of merger or consolidation.



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(2) As soon as a merger or consolidation becomes effective,

(a) the surviving company or the consolidated company in so far as is consistent with its memorandum and articles, as amended or established by the articles of merger or consolidation, has all rights, privileges, immunities, powers, objects and purposes of each of the constituent companies;

(b) in the case of a merger, the memorandum and articles of the surviving company are automatically amended to the extent, if any, that changes in its memorandum and articles are contained in the articles of merger;

(c) in the case of a consolidation, the memorandum and articles filed with the articles of consolidation are the memorandum and articles of the consolidated company;

(d) assets of every description, including choses in action and the business of each of the constituent companies, immediately vests in the surviving company or the consolidated company; and

(e) the surviving company or the consolidated company is liable for all claims, debts, liabilities and obligations of each of the constituent companies.

(3) Where a merger or consolidation occurs,

(a) no conviction, judgement, ruling, order, claim, debt, liability or obligation due or to become due, and no cause existing, against a constituent company or against any member, director, officer or agent thereof, is released or impaired by the merger or consolidation; and

(b) no proceedings, whether civil or criminal, pending at the time of a merger or consolidation by or against a constituent company, or against any member, director, officer or agent thereof, are abated or discontinued by the merger or consolidation, but

(i) the proceedings may be enforced, prosecuted, settled or compromised by or against the surviving company or the consolidated company or against the member, director, officer or agent thereof; as the case may be, or

(ii) the surviving company or the consolidated company may be substituted in the proceedings for a constituent company.

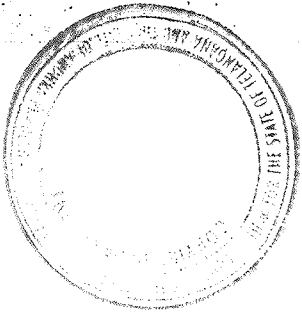
(4) The Registrar shall strike off the Register of Companies

(a) a constituent company that is not the surviving company in a merger; or

(b) a constituent company that participates in a consolidation.”

For Rain Industries Limited

T. Srinivasa Rao  
Chief Financial Officer  
M. No. FCA 20030



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#### 4. STAFF, WORKMEN AND EMPLOYEES

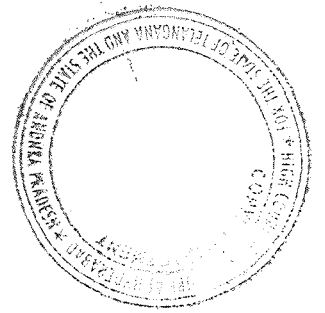
- 4.1 Upon the Scheme becoming effective, all staff, workmen and employees on the payrolls of the Transferor Company, in service on the Effective Date shall be deemed to have become staff, workmen, and employees of the Transferee Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to the Transferor Company as on the said date.
- 4.2 As of the date of filing of this Scheme, the Transferor Company shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees. The Transferee Company 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.
- 4.3 It is clarified that the services of all transferred staff, workmen and employees of the Transferor Company, to the Transferee Company 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 the Transferor Company shall also be taken into account by the Transferee Company, who shall pay the same if and when payable.

#### 5. CONTRACTS, DEEDS OTHER INSTRUMENTS

- 5.1. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which any of the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective



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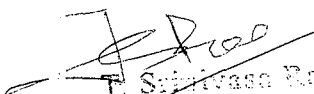
Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of such Transferor Company and to implement or carry out all formalities required on the part of such Transferor Company, to give effect to the provisions of this Scheme.

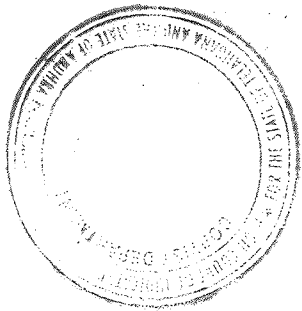
- 5.2. As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Transferee Company, whether pertaining to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

For removal of doubts, it is expressly made clear that the dissolution or winding up or cancellation of the Transferor Company as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any other instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

## 6. LEGAL PROCEEDINGS

- 6.1 If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the

  
T. Srinivasa Rao  
Chief Executive Officer  
Rain Industries Limited



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Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

- 6.2 On and from the Effective Date, the Transferee Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Transferor Company.

## 7. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 7.1. With effect from the Appointed Date up to the Effective Date:

7.1.1 The Transferor Company shall carry on, and be deemed to have carried on their business, operations or activities, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, properties, liabilities or Undertaking(s) on behalf of and / or in trust for the Transferee Company.

7.1.2 All profits or income accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, 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 the Transferee Company.

7.1.3 It is clarified that any foreign tax/ advance tax paid / tax credits / withholding certificates received by the Transferor Company shall be deemed to be the advance tax paid by / tax credit / withholding certificate of the Transferee Company.

7.1.4 All assets howsoever acquired by the Transferor Company for carrying on its business, operations or activities and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Transferee Company.

For Rain Industries Limited

T. Srinivasa Rao  
Chief Financial Officer  
M. No. PCA 29680

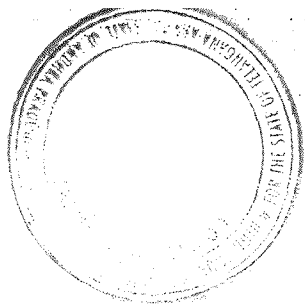
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- 7.1.5 The Transferor Company shall carry in their business, operations or activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof, except in the ordinary course of business, without prior consent of the Transferee Company.
- 7.1.6 The transfer of assets, properties, liabilities or Undertaking(s) of the Transferor Company and the continuance of proceedings by or against the Transferor Company shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds things done and executed by the Transferor Company, in regard thereto as done executed by the Transferee Company on behalf of itself.

## 8. PROCEDURE RELATING TO WINDING UP OF TRANSFEROR COMPANY

- 8.1 As more particularly set out in paragraphs 3.12 and 3.13 above, upon registration of the merger by the Registrar, the Registrar will strike the Transferor Company from the Register of Corporate Affairs in the British Virgin Islands and no further procedures will, from the date of registration of the merger by the Registrar, be required to be followed under the laws of British Virgin Islands for the winding up or dissolution or cancellation of the Transferor Company and, for the avoidance of doubt, registration of the merger by the Registrar will, from a BVI law perspective, give full effect to the provisions of the Scheme.
- 8.2 Anything contained in this Scheme which is contrary to the provisions of the laws of the British Virgin Islands, such laws shall have an overriding effect over the provisions contained in the Scheme, and in order to give effect to such laws, the relevant provisions of the Scheme shall be modified as provided in Clause 14 of the Scheme.



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## 9. VALIDITY OF EXISTING RESOLUTIONS, ETC

- 9.1 Upon the coming into effect of the Scheme, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company.
- 9.2 If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

## 10. CONSIDERATION

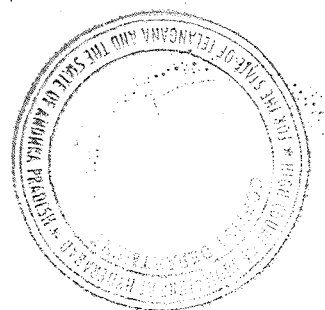
The entire share capital of the Transferor Company is held by RCL, a wholly owned subsidiary of the Transferee Company. Accordingly, there would be no issue of equity shares of the Transferee Company to the shareholders of the Transferor Company. Pursuant to the vesting of Undertaking of the Transferor Company in the Transferee Company, the investment in the shares of the Transferor Company, appearing in the books of accounts of RCL shall stand cancelled.

## 11. ACCOUNTING

### 11.1. ACCOUNTING OF AMALGAMATION IN THE BOOKS OF THE TRANSFEE COMPANY:

Upon the Scheme becoming effective, the Transferee Company shall record the assets and liabilities including Reserves of the Transferor Company transferred to the Transferee Company pursuant to this Scheme at their respective historical book values and account for the amalgamation pursuant to the Scheme under the "Pooling of Interest method" in accordance with the applicable Accounting

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Standard 14 notified by the Companies (Accounting Standards) Rules, 2006, as amended from time to time.

#### 11.2. ACCOUNTING OF AMALGAMATION IN THE BOOKS OF RCL:

Upon the Scheme becoming effective, investment in the share capital of the Transferor Company appearing in the books of RCL shall be adjusted by RCL against the following, in the order specified, to the extent required:

- i. Capital Reserve Account
- ii. Securities Premium Account
- iii. General Reserve
- iv. Profit and Loss Account

The reduction of capital as mentioned above in this Scheme shall be effected as an integral part of this Scheme itself, and not under a separate process, in terms of Section 52 of the Companies Act, 2013 and 100 to 103 of the Companies Act, 1956 and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of section 101 of the Act will not be applicable.

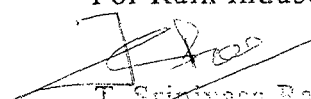
### PART III

#### GENERAL TERMS AND CLAUSES

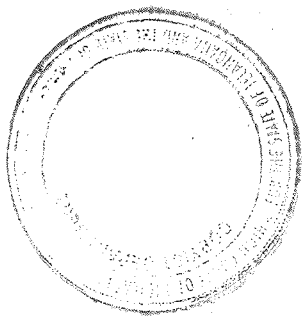
#### 12. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

12.1. The Scheme is conditional upon subject to:

- (a) Approval by requisite majority of the members and creditors of the Transferor Company, the Transferee Company and RCL as may be

  
T. Srinivas Rao  
Chairman





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directed by the High Court of Judicature at Hyderabad for the States of Telangana and Andhra Pradesh.

- (b) Requisite approval/(s) of the authority authorised under the BVI Act or any relevant act during the time in force and upon satisfaction of necessary conditions/ completion of entire process as per respective laws laid down in the British Virgin Islands.
- (c) Approval of the Scheme by the High Court of Judicature at Hyderabad for the States of Telangana and Andhra Pradesh.
- (d) Certified copies of the orders of the High Court, sanctioning the Scheme being filed with the Registrar of Companies, Telangana.
- (e) 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.
- (f) Subject to receipt of necessary regulatory approvals.

12.2. 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.

12.3. 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.

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### 13. APPLICATION TO THE HIGH COURT

- 13.1. The Transferee Company 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.
- 13.2. Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Transferee Company, the Transferor Company and RCL (as may be directed by the Hon'ble High Court), each entity 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.
- 13.3. 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.

### 14. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 14.1. 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 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).
- 14.2. 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



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High Court or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

- 14.3. 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.

#### 15. 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 Hon'ble High Court, 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.

#### 16. 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 the Transferee Company.

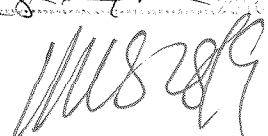
For Rain Industries Limited

T. Srinivasa Rao  
Chief Financial Officer  
M. No. FCA 29080

SUPERINTENDENT  
Copyist Department  
High Court of Judicature at Hyderabad  
for the State of Telangana and the  
State of Andhra Pradesh

High Court of Judicature at Hyderabad  
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CA No. 572 ..... 2016  
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Application returned ..... 2016  
Application represented ..... 2016  
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Stamps deposited 28-9- ..... 2016  
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Addl. Stamps deposited ..... 2016  
Copy ready 28-9- ..... 2016



Section Officer