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**MEMORANDUM OF ASSOCIATION  
AND  
ARTICLES OF ASSOCIATION  
OF  
RAIN INDUSTRIES LIMITED**

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भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, आंध्र प्रदेश

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L26942AP1974PLC001693

मैसर्स RAIN COMMODITIES LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
RAIN COMMODITIES LIMITED

जो मूल रूप में दिनांक पंद्रह मार्च उन्नीस सौ चौहत्तर को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स  
Tadapatri Cements Limited

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा  
लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य  
विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि. 507 (अ) दिनांक 24.6.1985 एस्.आर्.एन B78741501 दिनांक 08/07/2013 के द्वारा  
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स  
RAIN INDUSTRIES LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र हैदराबाद में आज दिनांक आठ जुलाई दो हजार तेरह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Andhra Pradesh

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L26942AP1974PLC001693

In the matter of M/s RAIN COMMODITIES LIMITED

I hereby certify that RAIN COMMODITIES LIMITED which was originally incorporated on Fifteenth day of March Nineteen Hundred Seventy Four under the Companies Act, 1956 (No. 1 of 1956) as Tadapatri Cements Limited having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN B78741501 dated 08/07/2013 the name of the said company is this day changed to RAIN INDUSTRIES LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Hyderabad this Eighth day of July Two Thousand Thirteen.

Validity: unknown  
Digital Signature  
Date: 2013.07.08 13:47:34  
GMT+05:30

Registrar of Companies, Andhra Pradesh

कम्पनी रजिस्ट्रार, आंध्र प्रदेश

\*Note: The corresponding form has been approved by SHRIRAM MOTIRAM SAINDANE, Deputy Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website ([www.mca.gov.in](http://www.mca.gov.in)).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

RAIN INDUSTRIES LIMITED

"RAIN CENTER" 34 SRINAGAR COLONY.



Company No : 01-1693



**FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME**

In the Office of the Registrar of Companies,  
Andhra Pradesh, Hyderabad

(Under the Companies Act, 1956 (1 of 1956))

IN THE MATTER OF PRIYADARSHINI CEMENT LIMITED

I hereby certify that PRIYADARSHINI CEMENT LIMITED

was

originally incorporated on FIFTEENTH day of MARCH 1974

under the companies Act, 1956, under the name M/s

TADAPATRI CEMENTS LIMITED

The said M/s. PRIYADARSHINI CEMENT LIMITED

having duly passed

necessary resolution under section 21/22 (1) (e) / 22 (1) (b) of the companies Act, 1956

and also having obtained the approval of the Central Government in writing vide letter

RAP/TA.VI/Sec.21/1693/2004

No.

dated

16TH DAY OF NOVEMBER 2004

of Registrar

of Companies, Andhra Pradesh, Department of Company Affairs has changed its name

to RAIN COMMODITIES LIMITED

This certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at Hyderabad this 16TH day of NOVEMBER

Two thousand and FOUR.



*(Signature)*  
(N. S. PONNUNAMBI)  
REGISTRAR OF COMPANIES  
ANDHRA PRADESH : HYDERABAD.

GRAMS: COMPANYREG  
EMAIL: rochyd.sb@sb.nic.in  
WEBSITE: <http://rochyderabad.ap.nic.in/rochyd>

PHONE: 24657937 (D)  
24656114 (O)

GOVT OF INDIA  
MINISTRY OF COMPANY AFFAIRS  
OFFICE OF THE REGISTRAR OF COMPANIES  
ANDHRA PRADESH, 3-5-398, 2ND FLOOR,  
KENDRIYA SADAN, SULTAN BAZAR, KOTI,  
HYDERABAD-500 195

REF: NO RAP/TA.VI/Sec.21/ 1693/2004

DATED : 16/11/2004

TO  
PRIYADARSHINI CEMENT LTD  
PLOT NO.34,8-3-1008,SRINAGAR,  
HYDERABAD-500 073.

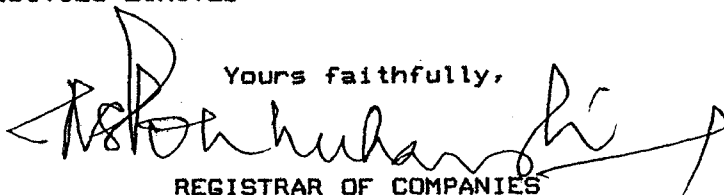
Sir/Madam,

Sub: Change of Name - Approval of the Central Government  
under Section 21 of the Companies Act, 1956.

-----  
With reference to the correspondence resting with your  
letter dated - 10/11/2004 - , I hereby approve and signify in writing under  
Section 21 of the Companies Act, 1956 (I of 1956) read with the Govt of India,  
Ministry of Industry, Department of Company Affairs, Notification No. G.S.R.  
No 507 (E) dated the 24th June, 1985, the change of name of the company  
from PRIYADARSHINI CEMENT LTD

to RAIN COMMODITIES LIMITED

Yours faithfully,

  
REGISTRAR OF COMPANIES  
ANDHRA PRADESH  
HYDERABAD

Copy to:

The Director of Research & Statistics, 2nd Floor, "B" Block,  
Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi - 110 003.

REGISTRAR OF COMPANIES  
ANDHRA PRADESH  
HYDERABAD



CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE  
OF NAME

1693

\* \* \* \*

In the Office of the Registrar of Companies, Andhra Pradesh,  
Hyderabad (Under the Companies Act, 1956 (1 of 1956) )

IN THE MATTER OF\* TADPATRI CEMENT LIMITED

\* \* \* \*

I hereby certify that TADPATRI CEMENT LIMITED

----- Limited,  
which was originally Incorporated on 15th day of  
March 1974 under the Companies Act, and  
under the name TADPATRI CEMENTS LIMITED

----- Limited  
having duly passed the necessary resolution in terms of  
Section 21/22(1)(a)/22(1)(b) of Companies Act, 1956, and the  
approval of the Central Government signified in writing  
having been accorded thereto in the DEPARTMENT OF COMPANY  
AFFAIRS.

Regional Director, Southern Region, Madras letter No. 4/21/A.6/84  
dated 23rd April 1984 the  
name of the said company is this day changed to PRIYADARSHINI  
CEMENT LIMITED Limited  
and this certificate is issued pursuant to section 23(1)  
of the said Act.

Given under my hand at HYDERABAD this 4th day of  
May 1984 (One thousand nine hundred eighty  
four ). (14th Vaisakha 1906 Saka)



*12/2/85*  
(V.S. RAJU) *4/5/1984*

REGISTRAR OF COMPANIES  
ANDHRA PRADESH

F. No. 4/21/A.6/84.  
GOVERNMENT OF INDIA  
MINISTRY OF LAW, JUSTICE & COMPANY AFFAIRS  
DEPARTMENT OF COMPANY AFFAIRS  
(COMPANY LAW BOARD)  
OFFICE OF THE REGIONAL DIRECTOR, SOUTHERN REGION, MADRAS.

Telegram : "COMPLADIR"

"Shastri Bhavan"

Block I, V Floor,

Telephone : 8 6 3 8 1. (3 lines)

26, Haddows Road, Madras-600006

Dated:.....23 APR 1984

To  
M/s. Tadpatri Cement Ltd.,  
1B/247A (1 Floor),  
Opp. S.L.N. Talkies,  
Tadpatri-515 411,  
Anantapur Dist. (A.P.)

Sir,

Sub: Change of Name - Approval of the Central Government  
under Section 21 of the Companies Act, 1956.


With reference to the correspondence resting with your letter No.....  
dated the...5-4-84\*.....I hereby approve and signify in writing, under section  
21 of the Companies Act, 1956 (I of 1956) read with the Government of India,  
Ministry of Finance, Department of Company Affairs and Insurance, notification  
G.S.R. No. 71 dated the 1st January 1956, the change of name of the company from  
Tadpatri Cement Limited  
to PRIYADARSHINI CEMENT LIMITED.

2. I may further state that in respect of the issue of certificate under section  
23 of the Companies Act 1956 pursuant to the Special Resolution passed for changing  
the name of your company, you may please contact the Registrar of Companies

Andhra Pradesh.....

received from M/s. P. Srinivasan & Co.,  
Chartered Accountant,  
Madras-1.

Yours faithfully,

  
(Saraswathi Achyuthan)  
REGIONAL DIRECTOR  
COMPANY LAW BOARD  
MADRAS.

Form I.R.

CERTIFICATE OF INCORPORATION.

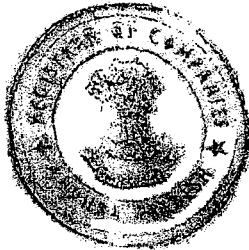
\*\*\* No.1693 of 1973-74.

I hereby certify that TADPATRI CEMENTS LIMITED

is this day incorporated under the Companies Act, 1956  
(No.1 of 1956) and that the Company is Limited.

Given under my hand at Hyderabad, on this, the  
FIFTEENTH day of MARCH

One thousand nine hundred and Seventy FOUR .  
(24th Phalgun. 1895 Saka).



*O.P. Jain*  
(O.P. JAIN)  
REGISTRAR OF COMPANIES  
Andhra Pradesh, Hyderabad.  
*alt*



सत्यमेव जयते

## Certificate For Commencement of Business

Pursuant of section 149 (3) of the Companies Act, 1956

I hereby certify that the M/s. Tadpatri Cements  
Limited

which was incorporated under the Companies Act, 1956, on  
the Fifteenth day of March 1974.

and which has this day filed a duly verified declaration in the prescribed  
form that the conditions of section 149 (1) (a) to (d)/149 (2) (a) to (c)  
of the said Act, have been complied with, is entitled to commence  
business.

Given under my hand at Hyderabad  
this TENTH day of April  
One thousand nine hundred and Seventy four.  
(20th Chaitra, 1896 Saka).

Am 10/4/74  
Registrar of Companies.



J. S. C. 10.

MFP-1021 JSC -12410-(C-1066)



**Ministry of Corporate Affairs**  
Government of India



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- Verify Digitally Signed Certificate

**Check Company or LLP Name**

LLPIN/CIN/1A Ref No      Company or LLP Name  
L26942TG1974PLC001693 RAIN INDUSTRIES LIMITED

Prev | 1-1 | Next  
Company Status  
Approved

Registration Date  
15/03/1974

State  
Telangana



Company Forms Download

UNDER THE COMPANIES ACT, 1956  
(1 of 1956)  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**RAIN INDUSTRIES LIMITED**

- I. The name of the Company is RAIN INDUSTRIES LIMITED.
- II. The Registered Office of the company will be situated in the state of Telangana.
- III. The Objects for which the company is established are:  
  
**(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
  1. To produce, manufacture, purchase, refine, prepare, process, import, sell and generally to deal in Cement, portland cement, alumina cement, white and coloured cement, lime and limestone, kankar and or by-products thereof and building materials, generally non-ferrous metals, ferroalloys; and in connection therewith to acquire, erect, construct, establish operate and maintain factories, mines and quarries, workshops and other works.
  2. To produce, manufacture, process, refine, prepare, treat, purchase, sell, export, import or otherwise deal with either as principals or as agents, either solely or in partnership with others, cement, alumina cement, white and coloured cements, lime, plaster of paris, and other building materials of all kinds and other building boards to be used in ceiling, floor or walls, made from any fibrous materials such as bagasse, bamboo, wood, paper, jute, hemp and grasses; pottery, fire clay and fire bricks, flooring tiles, roofing materials etc.
  3. To carry on all or any of the business of manufacturers and sellers of and dealers and workers in cement of all kinds, concrete, asbesters, earthen-ware, artificial stone and manufacturers, and dyers, requisites and conveniences of all kinds.

4. To carry on investigations to discover places where cement can be profitably made, of where any materials, minerals for any manufacturing work, the Company is entitled to carry on, can be obtained and to obtain prospecting or research work in that behalf.
5. To search for ores and minerals, mine and grant licences for mining in or over any lands which may be acquired or held by the Company and to lease out any such lands.
- \*6. To carry on the business of Production, sale and trading of Carbon Compounds including calcined petroleum coke, carbon pitch, coal tar distillation, production of coal tar pitch, naphthalene oil, aromatic oils and other carbon chemicals that are related, ancillary or complementary to, or are reasonable extensions of, any of the businesses contemplated by the foregoing.
- \*7. To carry on business of Shared Services, outstanding services, data services and Transaction services.
8. To carry on the business of generating, co-generating, supply, sale, transmission or in any other manner transfer electricity and in that connection own, install, operate, control, manage run any electricity generator, co-generation facility and combination thereof and such other allied or analogous to the foregoing or any of them or anything connected therewith.
- \*\*9. To design, manufacture, process, buy, sell, import, export, trade and deal in all kinds of packing materials like drums, barrels, tins, boxes, cases, bags, bottles and other containers made of steel, cotton, jute, wood, plastic, boards poly propylene, glass for packing and transporting the variety of industrial, commercial, household, educational, agricultural, commodities and consumable.

**(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS**

1. To acquire and undertake the whole or any part of the business the Company is authorised to carry on or possessed of property suitable for the purpose of this Company.
2. To enter into partnership or any other arrangement for sharing profits, union of interest co-operation, joint venture or reciprocal concession, with any person or Company carrying on or engaged in, or about to carry on or engage in, any business or transaction which this company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or, indirectly to benefit this Company and to lend money to, guarantee the contracts of, or otherwise assist any such person or Company, and to take or, otherwise acquire shares and securities of any such company and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.
3. To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this company.

\* *Amended pursuant to the Special Resolution passed by the Shareholders through postal ballot on 30<sup>th</sup> September, 2014 and Registered by the Registrar of Companies, Andhra Pradesh and Telangana on 10<sup>th</sup> October, 2014.*

\*\* *Amended pursuant to the Special Resolution passed by the Shareholders through postal ballot and E-voting on 5<sup>th</sup> May, 2017 and Registered by the Registrar of Companies, Andhra Pradesh & Telangana, Hyderabad on 18<sup>th</sup> May, 2017 .*

4. Generally to purchase, take on lease or in exchange, hire or otherwise acquire, any movable or immovable property, and rights or privileges which the company may think necessary or convenient for the purpose of its business and in particular any lands, buildings, easements, machinery plant and stock-in-trade.
5. Construct, maintain or alter any buildings, factories warehouse, godowns, shops of other structures or works necessary, convenient or expedient for the purpose of the Company.
6. To purchase, plant, engines, machinery, tools, and implements from time to time and to undertake the selling or disposing of the same.
7. To Purchase and sell in India or elsewhere any materials of any descriptions on commission or otherwise, and to undertake execute any work on commission or by contract or otherwise.
8. To employ or otherwise acquire technical experts, engineers, mechanics, foremen and skilled and unskilled labour for any of the purposes or business of the Company.
9. To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of turn to account, or otherwise deal with, all or any part of the property and rights of company.
10. To apply for purchase or otherwise acquire any patents, brewers, invention, licence, concessions and the like, conferring any exclusive or non-exclusive limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purpose of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired.
11. To enter into arrangements with any government or authorities, supreme, municipal, local, or otherwise, that may seem conducive to the company's objects, or any of them and to obtain from any such government or authority, any rights, privileges and concessions which the company may think it desirable to obtain, and carry out, exercise and comply with any such arrangements, rights, privileges and concession.
12. Generally to carry on the business as financiers and guarantors and to undertake and to carry out all such operations and transactions (except insurance business within the meaning of the insurance Act and business of banking within the meaning of the Banking Regulation Act) as an individual capitalist may lawfully undertake and carry on.
13. To apply for, tender purchase or otherwise acquire contracts, sub-contracts, licences, and concessions for all or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same and to sublet all or any contracts from time to time and upon such terms and conditions as may be thought expedient.
14. To pay for any business, property or rights acquired or agreed to be acquired by this company and generally to satisfy an obligation of this company, by the issue or transfer of shares of this company, or any other company credited as fully or partly paid up or of debentures or other securities of this or any other company.
15. To accept payment for any property or rights sold or otherwise disposed of or dealt with by this Company, either in case, by installments or otherwise, or in shares of any Company with or without preferred rights in respect of dividends or payment of capital or otherwise, or in debentures or debentures stock, or other securities of any company or corporation, or by mortgages or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, deal with or dispose of any consideration so received.



16. To pay, satisfy, or compromise any claims made against the Company, which it may expedient to pay, satisfy or compromise notwithstanding that the same may not be valid in law.
17. To receive money on deposit, with or without allowance of interest, to advance and send moneys upon such securities or without securities therefore as may be thought proper and to invest such of the Company's money not immediately required, in such manner as may from time to time be determined by the Directors of the Company.
18. To borrow and secure the payment of money in such manner and on such terms as the Directors may deem expedient, and to mortgage or charge the undertaking and all or any part of the property and rights of the Company, present or future, including uncalled capital.
19. To open any account or accounts with any person or company, or with any bank or banks or shroffs and to pay into and withdraw moneys from such account or accounts whether they be is credited or otherwise.
20. To draw, make, accept, endorse, discount, execute, and issue, negotiate, assign buy and sell or otherwise deal in cheques, drafts, promissory notes, bills of exchange, hunddies, debentures, bonds, bills of lading, railway receipts, warrants and coupons and all other netgotiable and transferable securities, instruments and documents.
21. To remunerate any person or company for services rendered, or to be rendered, in placing of assessing to place or guaranteeing the placing of any of the shares in the Company's capital, or any debentures, debenture-stock or other securities of the Company, or in about the formation or promotion of the Company, or the conduct of its business.
22. To adopt such means for making known the business and/or products of this Company or any company in which this company is interested as its agent, representative or in any other way, by advertisements in papers, periodicals, magazines through cine slides and films, by issue of circulars, posters, calendars, showcards, playing cards hoardings, by radio programmes, exhibiting, by publication of books, periodicals and by granting prizes, rewards and donations.
23. To establish and support funds and institutions calculated to benefit employees or ex-employees of the Company or its processors-in-business or the dependents or connections of such persons and to grant pensions, and allowances, and to subscribe or guarantee money for charitable objects.
24. To provide for the welfare of the directors, officers, employees and ex-directors, ex-officers and ex-employees of the Company and the wives-widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money, persons, allowances, bonus or other payments or by creating and from time subscribing of contributing to provident or other associations, institutions funds of trusts and by providing or subscribing or contributing towards places of instructions funds of trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or other institutions and objects which shall have any money or other claim to support or and by-the Company either by reason of locality or operations or of public and general utility or otherwise.
25. To train or pay for the training in india or abroad of any of the company's employees or any other candidates in the interests and for the furtherance of the company's objects and business.

26. To create any depreciation fund, reserve fund, or any other special fund whether for repairing, improving, extending or maintaining any of the property of the company or for any other purpose conducive to the interests of the company.
27. To create the registration or other recognition of the company in any country, state or place and town with regulate agencies for the purpose of the company's business.
28. To amalgamate with any other company having objects altogether or in part similar to those of this company's.
29. To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this Company.
30. To distribute any of the assets of the company amongst members on in specie in kind and in particular by the distribution of paid up shares or debentures, or debenture-stock of the company or of any other company for other company for Bonus or any other payment declared or due but so that no distribution amounting to a reduction of capital shall be made except with the sanction (if any) for time being required by law.
31. Subject to the provisions of Act, to place to reserve or to distribute as dividends or bonus among the members or otherwise to apply, as the company may from time to time may think fit, any moneys received by way of premium on shares or debentures issued at a premium and moneys received in respect of dividends accrued on forfeited shares, and moneys arising from the sales by the company of forfeited shares or from unclaimed dividends.
32. To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.
33. To do all such other things as are incidental or conducive in the opinion of the Board of Directors to the above main objects or any of them.
34. To Purchase, take on lease, purchase on hire finance or acquire in any other mode Ships, Vessels and other forms of water transportation and to establish, maintain and operate shipping and all ancillary services for carriage, storage, import and export of goods and materials either in India or Outside India for the purpose of Company's business.
35. To purchase, take on lease, or otherwise acquire any undertaking, business and property or any part thereof of any company or companies carryingon business as manufacturers of cement and Mineral Industries in India or else where.
36. To carry on any business or branch of a business which this company is authorised to carry on by means or through Subsidiary Company(s) and to enter into any arrangements with such Subsidiary Company(s) for taking the profits and bearing the losses of any business or branch so carried on or for financing any such subsidiary company(s) or guaranteeing the liabilities of the subsidiary company(s) or to make any other arrangement which may seem desirable with reference to any business of branch carried on including power at any time and enter temporarily or permanently to close and such branch of business.
37. To guarantee the performance of contracts and obligations of debts of any other company, corporation, firm and generally to give securities, guarantees and indemnities with or without consideration.
- IV. The liability of the members of the Company is Limited.

- V. The Authorised Share Capital of the Company is Rs.167,00,00,000 (Rupees One Hundred and Sixty Seven Crores only) divided into 59,00,00,000 (Fifty Nine Crores only) Equity Shares of Rs.2/- each and 49,00,000 (Forty Nine Lakhs only) Redeemable Preference Shares of Rs.100/- each with power to sub-divide, consolidate, increase and reduce the capital and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential or special rights and privileges and conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may for the time being be provided in the regulations of the Company.

We, the several persons whose names and addresses are subscribed herein below are desirous of being formed in to a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Sr. No.	Names, Addresses, Occupations And Description of Subscribers And Signatures	No. of Equity Shares taken by each Subscriber	Name, Occupation Address & Description of witnesses and Signature
1.	KONANKI MADHU MOORTHY S/o. Konanki Ramappa Puliyee Cement Factory P.O. Trichy District, Tamil Nadu, Engineer.	50 (Fifty only)	<b>DEVINENI SEETHA RAMAIAH</b> S/o. Venkataramaiah Chartered Accountant 920, Tilak Road, Hyderabad
2.	KOLLI SATYANARAYANA S/o. Kolli Venkata Krishnayya 10-4-771/10/A, Sriramnagar Hyderabad – 500 028. Industrial Consultant	50 (Fifty only)	
3.	PENDEKANTI VENKATA SUBBAIA S/o. Pendekanti Subbaiah Sanjamala Kurnool Division Agriculturist & Parliament Member.	50 (Fifty only)	
4.	B. THIMMA DEVI V. GOUD W/o. B. Virupaksha Goud Nagenakanavalli (Post) Via Adoni House Wife	50 (Fifty only)	

Sr. No.	Names, Addresses, Occupations And Description of Subscribers And Signatures	No. of Equity Shares taken by each Subscriber	Name, Occupation Address & Description of witnesses and Signature
5.	BUGGANA SANJEEVA REDDY Ram Mohan Reddy S/o. Late. B.S. Sanjeva Reddy 59, Sreenagar Colony Hyderabad. Business	50 (Fifty only)	DEVINENI SEETHA RAMAIAH S/o. Venkataramaiah Chartered Accountant 920, Tilak Road, Hyderabad
6.	KASU MURTHY KONDAYYA S/o. K. Pedda venkatappa 11-96, R.T. Street, Guntakal Chartered Accountant.	50 (Fifty only)	
7.	NIMMAGADDA JAGADESWARA BHANU PRASAD S/o. N. Sitaramanjaneyulu 8-3-319/4, Yellareddyguda, Hyderabad – 500 038. Private Service	50 (Fifty only)	

Total Number of Equity Shares Taken

350

Date at Hyderabad on this 26<sup>th</sup> Day of February 1974.

**INCORPORATED**  
**UNDER THE COMPANIES ACT, 1956**  
**(1 OF 1956)**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**RAIN INDUSTRIES LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed through postal ballot on September 30, 2014 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

**TABLE 'F' EXCLUDED**

**Table 'F' not to apply**

1. (1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

**Company to be governed by these Articles**

- (2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

**INTERPRETATION**

2. (1) In these Articles —

- (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

- (b) “Annual General Meeting” Means a general meeting of the members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof
- (c) “articles” means the articles of association of the company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of this Act;
- (d) “Board of Directors” or “Board”, means the collective body of the directors of the Company.
- (e) “Company” means Rain Industries Limited.
- (f) “Debenture” includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;
- (g) “Director” means a director appointed to the Board of a company
- (h) “Dividend” Includes interim dividend.
- (i) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
- (j) “Seal” means the common seal of the Company.
- 2 (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
- 2 (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

### **ARTICLES TO BE CONTEMPORARY IN NATURE**

3. The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.

### **SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL**

#### *Amount of Capital*

4. The Authorised Share Capital of the Company is Rs.167,00,00,000 (Rupees One Hundred and Sixty Seven Crores only) divided into 59,00,00,000 (Fifty Nine Crores only) Equity Shares of Rs.2/- each and 49,00,000 (Forty Nine Lakhs only) Redeemable Preference Shares of Rs.100/- each with power to sub-divide, consolidate, increase and reduce the capital and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential or special rights and privileges and conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may for the time being be provided in the regulations of the Company.

***Increase of Capital by the Company and how carried into effect***

5. Subject to Applicable Law, the Board may, from time to time, increase the Capital by creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force.

***New Capital part of the existing Capital***

6. Except in so far as otherwise provided in the conditions of issue of Shares, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

***Issue of redeemable preference shares***

7. Subject to the provisions of Section 55 of the Act and other Applicable Law, preference shares may be issued from time to time, on the terms that they are redeemable within 20 years and such other terms as may be decided at the time of the issue. Further,
  - 7.1. Such preference shares shall always rank in priority with respect to payment of Dividend or repayment of Capital vis-à-vis equity shares;
  - 7.2. The Board may decide on the participation of preference shareholders in the surplus Dividend, type of preference shares issued whether cumulative or otherwise, conversion terms into equity if any;
  - 7.3. The Board may decide on any premium on the issue or redemption of preference shares.

***Provision applicable on the issue of redeemable preference shares***

8. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:
  - 8.1. No such shares shall be redeemed except out of the profits of the Company, which would otherwise be available for Dividend, or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.
  - 8.2. No such shares shall be redeemed unless they are fully paid.
  - 8.3. Such shares shall be redeemed shares only on the terms on which they were issued or as varied after due approval of preference shareholders under Section 48 of the Act.



- 8.4. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the shares are redeemed.
  - 8.5. Register of Members maintained under Section 88 shall contain the particulars in respect of such preference Share holder(s).
  - 8.6. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, excepts as provided in Section 66 of the Act, apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company.
9. ***Provisions applicable to other Securities:*** The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance: Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.

***Power to alter share capital***

10. Subject to the provisions of the Act, the Company may, by ordinary resolution –
10. (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
  10. (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:
- Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
10. (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  10. (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  10. (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

***Shares may be converted into stock***

11. Where shares are converted into stock:

11. (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

***Right of Stockholders***

11. (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

11. (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stockholder” respectively.

***Reduction of capital***

12. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital

***Modification of rights***

13. Whenever the Share Capital is divided into different types or classes of shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of Sections 48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting.

***Further issue of Capital***

14. Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, then:

- a. Such further Shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the Capital paid-up on those shares at the date.
  - b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
  - c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in hereof shall contain a statement of this right.
  - d. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company.
- 15. Notwithstanding anything contained in the Article no.14 the further shares aforesaid may be offered in any manner whatsoever, to:
  - a. employees under a scheme of employees' stock option scheme
  - b. to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to Article no.14, either for cash or for a consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.;
- 16. Nothing in Article no. 15.b hereof shall be deemed;
  - a. To extend the time within which the offer should be accepted; or
  - b. To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- 17. Nothing in this Article shall apply to the increase of the subscribed Capital of the Company:
  - a. caused by the exercise of an option attached to the Debenture issued by the Company to convert such Debentures or loans into shares in the Company;
  - b. Provided that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in general meeting.

***Shares at the disposal of the Directors***

18. Subject to the provisions above, and of Section 62 of the Act, the shares and Securities of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

***Acceptance of Shares***

19. Any application signed by or on behalf of an applicant, for Shares in the Company, followed by an allotment of any Share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a member.

***Restriction on purchase by Company or loans by company for purchase of its own Shares***

20. Except as provided in these Articles, none of the funds of the Company shall be employed in the purchase of or on the security of the shares of the Company and the Company shall not except as permitted by section 70 of the Act, give directly or indirectly any financial assistance for the purpose of or in accordance with any purchase or subscription of shares in this company or its holding company, if any.

***Private placement***

21. The Board may, from time to time, offer any Securities on private placement basis, to such persons as the Board may determine, provided that such private placement shall comply with Applicable Law.

***Deposit and call to be a debt payable immediately***

22. The money (if any) which the Board shall, on the allotment of any Share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

***Liability of Members***

23. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share(s) which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

***Shares not to be held in trust***

24. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these

regulations or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

### ***Joint Holders of Shares***

25. (a) If any Share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Shares for all incidents thereof according to the Company's regulations.
- (b) The Company shall not be bound to register more than four persons as the joint holder of any share.
- (c) On the death of any one of such joint holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such Share but the Directors may require such evidence of death as they may deem fit.
- (d) Only the person whose name stands first in register as one of the joint holders of any Share shall be entitled to delivery of the certificate relating to such Shares as well as to the receipt of dividends or bonus or services of notice and all or any other matter connected with the company except voting at Meeting and the transfer of the Shares.

### ***Register of Members and index***

26. The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.
27. A member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.
28. Such person, as referred to in Article 27 above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 10 for each page, or such higher amount as permitted under Applicable Law.

### ***Foreign Registers***

29. The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture- holders, other Security holders or Beneficial Owners residing outside India; and the Board may (subject to the

provisions of aforesaid Section) make and vary such regulations as it may think fit with respect to any such register.

## **CAPITALISATION OF PROFITS**

### **30. *Capitalisation***

30 (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

#### ***Sum how applied***

30 (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).

30 (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

30 (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

### **31. *Powers of the Board for capitalisation***

31 (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —

(a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(b) generally do all acts and things required to give effect thereto.

#### ***Board's power to issue fractional certificate/coupon etc.***

31 (2) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon

such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

***Agreement binding on members***

31 (3) Any agreement made under such authority shall be effective and binding on such members.

**SHARES CERTIFICATES**

***Share certificate to be numbered progressively and no Share to be subdivided***

32. The shares certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the Seal of the Company, and except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

Provided however that the provision relating to progressive or distinctive numbering of shares shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.

***Limitation of time for issue of certificates***

33. Every Member, other than a Beneficial Owner, shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of Shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.

***Issue of new certificate in place of one defaced, lost or destroyed***

34. If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender of such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced as the Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled

to such lost or destroyed certificate. Every certificate under the article shall be issued in case of splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out without payment of any fee(s).

Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board and only on furnishing of such supporting evidence and/or indemnity as the Board may require.

Provided further that all instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Director may decline to register shall be returned to the person depositing the same.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf; Provided further that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate shares.

35. The provision of this Article shall *mutatis mutandis* apply to issue of certificates of Debentures of the Company

#### **BUY BACK OF SECURITIES BY THE COMPANY**

36. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **UNDERWRITING AND BROKERAGE**

##### ***Commission may be paid***

37. Subject to the provisions of Section 40(6) of the Act and Applicable Law made thereunder, and subject to the applicable SEBI guidelines and subject to the terms of issue of the shares or Debentures or any securities, as defined in the Securities Contract (Regulations) Act, 1956 the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, Debentures or of the Company but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of Debentures, two and a half per cent of the price at which the Debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares, securities or Debentures or partly in one way and partly in the other.



***Brokerage***

38. The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities.

**CALL ON SHARES**

***Directors may make calls***

39. The Board of Directors may, from time to time and subject to the terms on which Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the members in respect of all moneys unpaid on the Shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by instalment.
40. The option or right to make calls on Shares shall not be given to any person except with the sanction of the issuer in general meetings.

***Uniform conditions as to Calls etc.***

41. Where any calls for further share Capital are made on Shares such calls shall be made on a uniform basis on all Shares falling under the same class. For the purpose of this Article Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

***Notice of calls***

42. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
43. A call may be revoked or postponed at the discretion of the Board.

***Calls to date from resolution***

44. A call shall be deemed to have been made at the time when the resolution authorising such call was passed as provided herein and may be required to be paid by installments. Every such installment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the Share or by his legal representative.

***Directors may extend time***

45. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour.

***Calls to carry interest***

46. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member.
47. The Board shall be at liberty to waive payment of any such interest wholly or in part.

***Sums deemed to be calls***

48. Any sum, which may by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

***Proof on trial of suit for money due on Shares***

49. At the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book, and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

***Partial payment not to preclude forfeiture***

50. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

***Payment in anticipation of call may carry interest***

51. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may

pay interest at such rate(not exceeding without the sanction of the company in General Meeting 12% percent per annum), as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

52. The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debenture or other Securities of the Company.

### **LIEN**

#### ***Company to have lien on shares***

53. The Company shall have a first and paramount lien upon all the shares/ Debentures/Securities (other than fully paid-up shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures/Securities and no equitable interest in any Shares shall be created except upon the footing, and upon the condition that this Article will have full effect and any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/Debentures/Securities.
54. The Directors may at any time declare any shares/ Debentures/Securities wholly or in part to be exempt from the provision of this Article. Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

#### ***As to enforcing lien by sale***

55. For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. The purchaser of such transferred Shares shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
56. No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
57. Upon any sale after forfeiture or for enforcing a lien in purposed exercise of the powers here in before given, the Directors may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the register in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the

application on the purchase money and after his name has been entered in the register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition nor impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively

***Application of proceeds of sale***

58. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.
59. Where any shares under the power in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up or surrendered to the Company by the former holder of the said shares the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

**FORFEITURE OF SHARE**

***If call or installment not paid notice may be given***

60. If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

***Form of notice***

61. The notice shall:
  - a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made.
  - b. shall detail the amount which is due and payable on the shares and shall state that in the event of non-payment at or before the time appointed the shares will be liable to be forfeited.

***If notice not complied with Shares may be forfeited***

62. If the requisitions of any such notice as aforesaid be not complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his Shares either by way of principal or interest, nor any indulgence

granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as herein provided.

***Notice of forfeiture to a Member***

63. When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

***Forfeited Share to become property of the Company***

64. Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit

***Power to cancel forfeiture***

65. The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

***Liability on forfeiture***

66. A person whose Share has been forfeited shall cease to be a Member in respect of the forfeited Share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such Share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.
67. The liability of such person shall cease if and when the Company shall have received payment in full of all such money in respect of the shares.

***Effect of forfeiture***

68. The forfeiture of a Share involve extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the Share and all other rights, incidental to the Share except only such of those rights as by these Articles are expressly saved.

***Evidence of forfeiture***

69. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that certain Shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares and such declaration, and the receipt by the Company for the consideration, if any, given for the Shares on the sale or disposition thereof, shall constitute, a good title to such Shares and the person to whom the Shares are sold shall be registered as the holder of such Shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale of disposition.

***Cancellation of Share certificate in respect of forfeited shares***

70. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto as per the provisions herein.
- a. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
  - b. The transferee shall thereupon be registered as the holder of the Share; and
  - c. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

***These Articles to apply in case of any non-payment***

The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**EMPLOYEES STOCK OPTIONS**

71. Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees Share purchase or both. Provided that it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer securities acquired in pursuance of such an option, to a trust or other body established for the benefit of employees.

**POWER TO ISSUE SWEAT EQUITY SHARES**

72. Subject to and in compliance with Section 54 and other Applicable Law, the Company may issue the equity shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

### **PREFERENTIAL ALLOTMENT**

73. Subject to the provisions of Section 62 the Act, read with the conditions as laid down in the Applicable Law, and if authorized by a Special Resolution passed in a general meeting, the Company may issue shares or securities in any manner whatsoever, by way of a preferential offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and/or Applicable law.

### **TRANSFER AND TRANSMISSION OF SHARES**

#### ***Register of transfers***

74. The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any Share. The Register of Transfers shall not be available for inspection or making of extracts by the Members of the Company or any other Persons. Entries in the register should be authenticated by the Secretary of the Company or by any other person authorized by the Board for the purpose, by appending his signature to each entry

#### ***Instruments of transfer***

75. The instrument of transfer shall be in common form and in writing and all provision of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

#### ***To be executed by transferor and transferee***

76. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favour of a minor (except in cases when they are fully paid up).
77. Application for the registration of the transfer of a Share may be made either by the transferee or the transferor, no registration shall, in the case of the partly paid Share, be affected unless the Company gives notice of the application to the transferee subject to the provisions of these Articles and Section 56 of the Act and/or Applicable Law, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of transferee in the same manner and subject to the same conditions as it the application for registration of the transfer was made by the transferee.

#### ***Transfer books when closed***

78. The Board shall have power to give at least seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, in accordance with Section 91 of the Act and Applicable Laws, to close the transfer books, the Register of Members, Register of Debenture holders or the Register of other Security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

***Directors may refuse to register transfer***

79. Subject to the provisions of Section 56 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse, in the interest of the Company or in pursuance of power under any Applicable Law, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
80. The Board may, subject to the right of appeal conferred by Section 58 of the Act and other Applicable Law decline to register—
- a. the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or
  - b. any transfer of shares on which the Company has a lien
81. The Board may decline to recognise any instrument of transfer unless—
- a. the instrument of transfer is in the form as prescribed under sub-section (1) of Section 56 of the Act or Applicable Law;
  - b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - c. the instrument of transfer is in respect of only one class of shares.

***Directors to recognize Beneficial Owners of securities***

82. Notwithstanding anything contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.
83. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a Depository.
84. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the



Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

### ***Nomination***

85. Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.
86. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.
87. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.
88. Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirement of the notice have been complied with.

### ***Transmission in the name of nominee***

89. Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors and subject as hereinafter provided, elect, either:
  - a. to be registered himself as holder of the shares or Debentures, as the case may be; or to make such transfer of the shares or Debentures, as the case may be, as the deceased shareholder or Debenture holder, as the case may be, could have made.

Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

Provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

90. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the Share before his death or insolvency.
91. If the nominee, so becoming entitled, elects himself to be registered as holder of the shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or Debenture holder and the certificate(s) of shares or Debentures, as the case may be, held by the deceased in the Company.
92. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.
93. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
94. Subject to the provisions of Section 56 of the Act and these Articles, the Board may register the relevant shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or Debenture holder, as the case may be.
95. A nominee on becoming entitled to shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same Dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such shares or Debentures, be entitled in respect of them to exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.
96. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or Debentures, until the requirements of the notice have been complied with.

***No transfer to minor, insolvent etc.***

97. No transfer shall be made to a minor or person of unsound mind. However in respect of fully paid up shares, shares may be transferred in favor of minor acting through legal guardian, in accordance with the provisions of law.

***Person entitled may receive Dividend without being registered as a Member***

98. A person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

***Transfer to be presented with evidence of title***

99. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

***Conditions of registration of transfer***

100. For the purpose of the registration of a transfer, the certificate or certificates of the Share or shares to be transferred must be delivered to the Company along with (same as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer.

***No fee on transfer or transmission***

101. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

***Company not liable for disregard of a notice in prohibiting registration of transfer***

102. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

## **DEMATERIALISATION OF SECURITIES**

103. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

### ***Dematerialization of Securities***

104. The Board shall be entitled to dematerialize Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialised.

### ***Options for investors***

105. Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.
106. If a person opts to hold his Securities with the Depository, the Company shall intimate such Depository the details of allotment of the Securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

### ***Securities in depositories to be in fungible form***

107. All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

### ***Rights of Depositories and Beneficial Owners***

108. Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.
109. Save as otherwise provided above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
110. Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

### ***Service of Documents***

111. Notwithstanding anything contained in these Articles to the contrary, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode.

***Transfer of securities***

112. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

***Allotment of securities dealt with in a Depository***

113. Notwithstanding anything contained in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

***Distinctive number of securities held in a Depository***

114. Nothing contained in the Act in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a Depository.

***Register and index of Beneficial Owners***

115. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

**COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

116. Copies of Memorandum and Articles of Association of the Company shall be furnished to every shareholder of the Company at his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as fixed under Applicable Law.

**BORROWING POWERS*****Power to borrow***

117. The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 73 to 76, 179 and 180 (1) (c) of the Act or Applicable Law, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by a resolution of the Board, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up Capital of the Company and its free reserves.

***Conditions on which money may be borrowed***

118. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other Security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being).

***Terms of issue of Debentures***

119. Any Debentures, Debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit. Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture- stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.

***Instrument of transfer***

120. Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures: Provided that the Company may issue non transferable Debentures and accept an assignment of such instruments.

***Delivery of certificates***

121. Deliver by the Company of certificates upon allotment or registration of transfer of any Debentures, Debenture stock or bond issued by the Company shall be governed and regulated by Section 56 of the Act.

***Register of charge, etc.***

122. The Board shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.

***Register and index of Debenture holders***

123. The Company shall, if at any time it issues Debentures, keep Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-stock, resident in that State or Country.

**GENERAL MEETINGS**

124. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. Every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate. All general meetings other than annual general meeting shall be called extraordinary general meeting.

125. In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:

125.1. the consideration of financial statements and the reports of the Board of Directors and Auditors;

125.2. the declaration of any Dividend;

125.3. the appointment of Directors in place of those retiring;

125.4. the appointment of, and the fixing of the remuneration of, the Auditors

126. In case of any other meeting, all business shall be deemed special.

127. The Board may, whenever it thinks fit, call an extraordinary general meeting.

128. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any members/ class of members/ Debentureholders, seek their assent by Postal Ballot, including e-voting. Such Postal Ballot will comply with the provisions of Applicable Law in this behalf.

129. The intent of these Articles is that in respect of seeking the sense of the members or members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of members, members of a class of members or any holders of securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through Electronic Mode shall be deemed to be sanction provided by the member, member of a class or other Security holder by way of personal presence in a meeting.

130. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

131. Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

***E-votings in case of General Meetings:***

132. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.

133. Where Member has been allowed the option of voting through Electronic Mode as per Applicable Law, such Member, or Members generally, shall be allowed to speak at a Meeting, but shall not be allowed to vote at the meeting.

Provided that voting may also be allowed to be cast by way of post or any other mode which any Applicable Law may allow.

134. Where there is voting at General Meeting in addition to E-voting, the person chairing the General Meeting may require a poll to be conducted. The Chairperson shall declare the results obtained through Electronic Modes at the meeting, and the result of the poll, at the meeting,

***Notice of General Meetings***

135. At least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through Electronic Mode, to every member or legal representative of any deceased member or the assignee of an insolvent member, every Auditor(s) and Director of the Company.
136. A General Meeting may be called at a shorter notice if consented to by either by way of writing or any Electronic Mode by not less than 95% of the Members entitled to vote at such meeting.

***Quorum at General Meeting***

137. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
138. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.
139. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

***Chairperson at General Meetings***

140. The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
141. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one among themselves to be Chairperson of the meeting.
142. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of themselves to be Chairperson of the meeting.



143. No business shall be discussed at any General Meeting except the election of a Chairperson, while the chair is vacant.

***Adjournment of Meeting***

144. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
145. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
146. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
147. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

***Voting rights***

148. No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.
149. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

149.1. On a poll, the voting rights of members shall be in proportion to his Share in the paid-up equity Share Capital of the Company.

149.2. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

150. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

151. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
152. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

153. No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.
154. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
155. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

***Proxy***

156. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorised in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.
157. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
158. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the common Seal of such corporate, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.
159. A member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.
160. The proxy so appointed shall not have any right to speak at the meeting.
161. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

***Passing of resolution by Postal Ballot***

162. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any Members/ class of Members/ Debenture holders, seek their assent by Postal Ballot, which shall include e-voting. Such Postal Ballot will comply with the provisions of Applicable Law in this behalf.
163. Where permitted/required by Applicable Law, Board may provide Members/Members of a class/Debenture holders right to vote through e-voting, complying with Applicable Law.
164. The intent of these Articles is that in respect of seeking the sense of the Members or Members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of Members, Members of a class of Members or any holders of securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution, including consent obtained through Electronic Mode, shall be deemed to be sanction provided by the Member, Member of a class or other Security holders by way of personal presence in a meeting.
165. Notwithstanding anything contained in the foregoing, the Company shall transact such business, follow such procedure and ascertain the assent or dissent of Members for a voting conducted by Postal ballot, as may be prescribed by Section 110 of the Act and Applicable Law.
166. In case of resolutions to be passed by Postal ballot or e-voting, no meeting needs to be held at a specified time and space requiring physical presence of Members to form a quorum.
167. Where a resolution will be passed by Postal ballot the Company shall, in addition to the requirements of giving requisite clear days notice, send to all the Members the following:
  - 167.1.Draft resolution and relevant explanatory statement clearly explaining the reasons therefor.
  - 167.2.Postal ballot for giving assent or dissent, in writing by Members; and
  - 167.3.Enable Member, in such manner as prescribed under Applicable Law, for communicating assents or dissents on the Postal ballot to the Company with a request to the Members to send their communications within 30 days from the date of dispatch of the notice.

***Maintenance of records and Inspection of minutes of General Meeting by Members***

168. Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term 'records' would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.

169. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
170. Any such minutes shall be evidence of the proceedings recorded therein.
171. The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time, to the inspection of any Member without charge.
172. Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs. 10/- (*rupees ten only*) for each page, or such higher amount as the Board may determine, as permissible by Applicable Law.

### **BOARD OF DIRECTORS**

173. The number of Directors of the Company which shall be not less than 3 (three) and not more than 15 (fifteen). However, the Company may appoint more than 15 Directors after passing a Special Resolution. Further, any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly and such appointment shall be in such terms and conditions as laid down by Board, as permitted by Applicable Law. The Directors are not required to hold any qualification shares. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transaction business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.

#### ***Board's power to appoint Additional Directors***

174. Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.
175. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

***Nominee Directors***

176. The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit. He shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
177. In the event of Company borrowing any money from any financial corporation or institution or Government or any Government body or a collaborator, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be a Director or Directors of the Company.
178. A nominee Director may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification shares.

***Appointment of Alternate Directors***

179. Subject to the provisions of Section 161(2) of the Act, the Board may appoint an Alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the Act and Applicable Law. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director.

For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered.

***Board’s power to fill casual vacancies***

180. Subject to the provisions of Sections 152(7), 161(4) and 169(7) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
181. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place in accordance with the provisions of Section 152(7) of the Act.

182. If at the adjourned meeting also, the vacancy caused by the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be so deemed to have been reappointed at the adjourned meeting, unless :

182.1.at that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meeting and lost;

182.2.the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed;

182.3.he is not qualified or is disqualified for appointment;

182.4.a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or

182.5.the provision of Section 162 of the Act is applicable to the case.

#### ***Independent Directors***

183. Subject to the provisions of Section 149(6) of the Act and other Applicable Laws, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director either from the data bank established under Section 150 of Act or otherwise.

184. The Board on receiving such recommendation shall consider the same and propose his appointment for approval at a General Meeting. The explanatory statement to the notice for such General Meeting shall provide all requisite details as required under the Act.

185. Any casual vacancy in the post of an Independent Director caused by way of removal, resignation, death, vacation of office under Section 167 of the Act and Applicable Law or Article 176 removal from Directorship pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down herein below and in accordance with the Applicable Law. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.

186. Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence.

187. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.

188. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.
189. An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.
190. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.
191. Term of Office of Independent Director:

Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

#### ***Retirement and rotation of Directors***

192. At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called "the Rotational Directors").
193. At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.
194. The Company may appoint a Managing or a Whole-time Director, or any other Executive Director, as Rotational Director. The terms of appointment of such Director may provide that, where the General Meeting at which such Rotational Director comes for reappointment and reappoints at the General Meeting, his position as Managing Director or a Whole-time Director, or any other Executive Director shall continue without any break.
195. A retiring Director shall be eligible for re-election.

#### ***Resignation of Directors***

196. Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such

resignation shall be mentioned in the report of Directors laid in the immediately following General Meeting by the Company.

197. A Managing Director or a Whole-time Director or any Executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the Company generally. A nominee Director shall not give any notice of resignation except through the nominating person.

198. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later:

Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

#### ***Removal of Directors***

199. Any Director of the Company, except the one appointed by the National Company Law Tribunal, may be removed by way of Ordinary Resolution before the expiry of his term of office, subject to the provisions of Section 169 of Act.

#### ***Remuneration of Directors***

200. Subject to the provisions of Section 197 of the Act, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Provided that where the Company takes a Directors' and Officers' Liability Insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.

201. The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

202. The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit as prescribed under Section 197(5) of the Act and Applicable Law. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible Electronic Mode.

203. A Director of this Company may be or become a Director of any company promoted by this Company or in which it may be interested as a vendor, shareholders or otherwise, and no such



Director shall be accountable for any benefits received as a Director or member of such Company.

204. In addition to the remuneration payable pursuant to Section 197 of the Act, the Directors may be paid all conveyance, hotel and other expenses properly incurred by them—

204.1. in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; or

204.2. in connection with the business of the Company.

204.3. The Board may pay all expenses incurred in getting up and registering the Company.

***Directors may act notwithstanding any vacancies on Board***

205. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by Article 173 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number fixed by the Article 173 hereof or for summoning a General Meeting for the purpose increasing the number of Directors to such minimum number, but for no other purpose.

***Vacation of office of Director***

206. The Office of a Director shall become vacant in the circumstances and in the manner specified in Section 167 of the Act.

***Notice of candidature for office of Directors except in certain cases***

207. No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of Rupees 1 Lac or such higher amount as the Board may determine, as permissible by Applicable Law.
208. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.
209. A person other than a Director reappointed after retirement by rotation immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has submitted consent in writing to

act as a Director of the Company and the same is filed with the Registrar within thirty days of his appointment.

***Director may contract with the Company***

210. Subject to Applicable Law, a Director or any Related Party as defined in Section 2 (76) of the Act or other Applicable Law may enter into any contract with Company for the sale, purchase or supply of any goods, materials, or services, or other contract involving creation or transfer of resources, obligations or services, subject to such sanctions as required by Applicable Law. .
211. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a related party on entered into on arm's length basis. Where a contract complies with such conditions or indicia of arms length contracts as laid down in a policy on related party transactions framed by the Board and approved by a general meeting, the contract shall be deemed to be a contract entered into on arm's length basis.

***Disclosure of interest***

212. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other body corporate where the Director of the Company either himself or in association with any other Director hold or holds less than two per cent of the shareholding in such other body corporate.

***Interested Director not to participate or vote in Board's proceeding***

213. Subject to the provisions of Section 184 of the Act, no Director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

***Register of contracts in which Directors are interested***

214. The Company shall keep a Register in accordance with Section 189 (1) of the Act and Applicable Law. The Register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.
215. Such a Register shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof may be provided to a Member of the Company on his request, within seven days from the date on which such request is made and upon the payment of Rs. 10 (ten rupees) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.

***Register of Directors and Key Managerial Personnel and their shareholding***

216. The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.

***Miscellaneous***

217. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

**PROCEEDINGS OF THE BOARD**

***Meetings of Board***

218. The Directors may meet together as a Board from time to time for the conduct and dispatch of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.
219. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.
220. The notice of the meeting shall inform the Directors regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode.  
A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director. Where the Company does not have, for the time being, any Independent Director, a Board meeting may be called at a shorter notice where such notice is approved by a majority of Directors present at such meeting.
221. The Board shall so meet at least once in every four months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
222. Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through Electronic Mode shall be entered and initialled by the Company Secretary, stating the manner in which the Director so participated

***Meetings of Board by Video/audio-visual conferencing***

223. Subject to the provisions of Section 173(2) of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, Electronic Mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors who have indicated their willingness to participate by such Electronic Mode, as the case may be.

***Regulation for meeting through Electronic Mode***

224. The Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through Electronic Mode, as the case may be, in accordance to the provisions of Section 173(2) of the Act and Applicable Law. In case of a place other than such places where Company makes arrangements as above, the Chairperson may decline the right of a Director to participate through Electronic Mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairperson so permits a Director to participate from a place other than the designated places where the Company has made the arrangements, the security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairperson, may be reimbursed by the Company.
225. Subject as aforesaid, the conduct of the Board meeting where a Director participates through Electronic Mode shall be in the manner as laid down in Applicable Law.
226. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through Electronic Mode, as the case may be.
227. Upon the discussions being held by Electronic Mode, as the case may be, the Chairperson or the Company Secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.
228. Subject to provisions of Section 173 of the Act and the Applicable Laws, a Director may participate in and vote at a meeting of the Board by means of Electronic Mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.

*When can a meeting be convened*

229. The Managing Director or a Director may, and the Manager or Company Secretary upon the requisition of Director(s) shall, at any time, summon a meeting of the Board.

*Notice of Meeting*

230. Notice of every meeting of the Board shall be given in writing including by way of electronic means, not later than seven days, to every Director at his registered address with the Company.
231. The notice of a meeting of the Board must contain information regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode.

*Chairperson for Board Meetings*

232. An Individual may be appointed or reappointed as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time. Such person shall preside at all meetings of the board as well as General meetings of the Company.
233. Otherwise the Board may elect a Chairperson, and determine the period for which he is to hold office.
234. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairperson of the meeting.
235. In case of an equality of votes, the Chairperson of the Board, shall have a second or casting vote.

*Quorum*

236. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board shall decide.
237. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company and for no other purpose.

*Exercise of powers to be valid in meetings where quorum is present*

238. A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board, or in accordance with Section 179 (1) of the Act, the powers of the Company.

***Matter to be decided on majority of votes***

239. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

***Power to appoint Committee and to delegate powers***

240. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or committee of officers as the Board may determine.
241. Any committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board.
242. The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board.

***Resolution without Board Meeting/ Resolution by Circulation***

243. Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Laws, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and has been approved by a majority of the Directors or members as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a Board Meeting.

Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void and given effect to.

***Acts of Board / Committee valid notwithstanding formal appointment***

244. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained or in

these Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

***Minutes of proceedings of meeting of Board***

245. The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act or Applicable Laws.
246. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting.
247. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise, if the minutes are kept in physical form.
248. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
249. Where the meeting of the Board takes place through Electronic Mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means. The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in Electronic Mode as may be decided by the Board and/or in accordance with Applicable Laws.
250. Every Director who attended the meeting, whether personally or through Electronic Mode, shall confirm or give his comments in writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.
251. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
252. The minutes shall also contain:
  - 252.1. The names of the Directors present at the meeting; and
  - 252.2. In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.

253. Nothing contained in Articles 245 to 250 herein above, shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairperson of the meeting :

253.1. is, or could reasonably be regarded as defamatory of any person.

253.2. is irrelevant or immaterial to the proceedings; or

253.3. is detrimental to the interest of the Company.

254. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.

255. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

256. Any Director of the Company may requisition for physical inspection of the Board Meeting minutes by giving a prior notice of seven days.

Provided that the Director can requisition to inspect Board Meeting minutes only for the period that he is on the Board of the Company.

Provided further that the physical inspection shall be done solely by the Director himself and not by his authorised representative or any power of attorney holder or agent.

### ***Powers of Board***

257. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act and Applicable Law made thereunder, or any other Act, or by the Memorandum, or by these Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made thereunder, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

258. The Directors may make such arrangements as may be thought fit for the management of the Company's affairs abroad and may for this purpose (without prejudice to the generality of their powers) appoint local boards, attorneys and agents and fix their remuneration and delegate them such powers as may be deemed requisite or expedient. The Company may have for use abroad such official seal as the Board may lay down. Such seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the Directors shall from time to time by writing under the seal appoint. The Company may also exercise the powers of keeping foreign registers as provided by the Act.



259. a. The Board may subject to Section 186 of the Act and provisions of Applicable Law made thereunder shall by means of unanimous resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.
- b. Subject to the provisions of Act the Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable hereon and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise. If the Directors or any of them or any other persons, shall become personally liable for the payment of any sum primarily due from the company, the Directors may execute or cause to be executed and mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

***Restriction on powers of Board***

260. Board of Directors should exercise the following powers subject to the approval of Company by a Special Resolution:
- 260.1. to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
- 260.2. to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- 260.3. to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up Share Capital and free-reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.
- 260.4. to remit, or give time for the repayment of, any debt due from a Director.

***Contribution to charitable and other funds***

261. The Board of Directors of a Company may contribute to bona fide charitable and other fund. Pursuant to Section 181 of the Companies Act, 2013, A prior permission of the Company in general meeting shall be required for if the aggregate of such contributions in a financial year

exceeds 5 % (five percent) of its average net profits for the three immediately preceding financial years

***Absolute powers of Board in certain cases***

262. Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws made thereunder and the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law, it is hereby declared that the Directors shall have the following powers; that is to say, power :

262.1. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

262.2. To pay any or interest lawfully payable there out under the provisions of Section 40 of the Act.

262.3. To act jointly and severally in all on any of the powers conferred on them.

262.4. To appoint and nominate any Person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association.

262.5. To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.

262.6. To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.

262.7. Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

262.8. Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds, Debentures, mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;

262.9. To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit;

- 262.10. To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;
- 262.11. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).
- 262.12. To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.
- 262.13. To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- 262.14. To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company.
- 262.15. To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.;
- 262.16. To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;
- 262.17. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- 262.18. Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
- 262.19. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

- 262.20. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- 262.21. Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, Share or Shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- 262.22. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;
- 262.23. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- 262.24. Before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to

pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

- 262.25. Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- 262.26. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with;
- 262.27. Subject to applicable provisions of the Act and Applicable Law made thereunder, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.
- 262.28. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration.
- 262.29. Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorise the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- 262.30. At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money') and for' such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any Company, or the Share holders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers

enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;

262.31. Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

262.32. Subject to the provisions of the Act, the Board may pay such remuneration to Chairperson / Vice Chairperson of the Board upon such conditions as they may think fit.

262.33. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.

262.34. To take insurance on behalf of its managing Director, whole-time Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

## **MANAGING DIRECTOR AND WHOLE TIME DIRECTOR**

### ***Board may appoint Managing Director(s) and Whole Time Director***

263. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Chairman and Managing Director(CMD), Managing Director, Whole Time Director of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Chairman and Managing Director(CMD), Managing Director, Whole Time Director such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.

264. Subject to the article above, the powers conferred on the Chairman and Managing Director(CMD), Managing Director, Whole Time Director shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Chairman and Managing Director(CMD), Managing Director, Whole Time Director shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

265. Chairman and Managing Director (CMD), Managing Director, Whole Time Director so appointed under Articles 263 shall whilst holding such office, be subject to retirement by rotation and be taken into account in determining the requirements by rotation of Directors but shall ipso facto vacate his office as Managing Director, if he ceases to be a Director. However, where the General Meeting at which such Rotational Director comes for reappointment and re-appoints at the General Meeting, his position as Chairman and Managing Director (CMD), Managing Director, Whole Time Director shall continue without any break.

***Restriction on Management***

266. The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon a Managing Director or whole time Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

***Remuneration to Managing Directors/ Whole time Directors***

267. A Managing Director or Whole Time Director may be paid such remuneration, whether by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.

**CHIEF EXECUTIVE OFFICER, WHOLE TIME DIRECTOR, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

268. Subject to the provisions of the Act and Applicable Law,—

268.1. A Chief Executive Officer, Whole Time Director, Manager, Company Secretary or Chief Financial officer may be appointed at a Board Meeting for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Whole Time Director, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution at a Board Meeting;

268.2. A Director may be appointed as Chief Executive Officer, Whole Time Director, Manager, Company Secretary subject to provisions of Section 203 of the Act. The Board may also designate the head of the financial function as the Chief Financial Officer of the Company.

268.3. The functions of a Company Secretary shall be in accordance with Section 205 of the Act and other Applicable Law.

268.4. Subject to the article above, the powers conferred on the Chief Executive Officer or Whole Time Director or Manager shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution

of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

268.5. The CEO shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

## **REGISTERS**

### **Statutory registers**

269. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, Register of Investments, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, except Sundays and Holidays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. The Registers shall be maintained in Paper and/or electronic.

### **Foreign register**

270. 1. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. The Registers shall be maintained in Paper and/or electronic.
270. 2. The foreign register shall be open for inspection and maybe closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

## **POWER TO AUTHENTICATE DOCUMENTS**

271. Any Director or Chief Executive Officer or the Company Secretary or Chief Financial Officer or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.
272. Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last



preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.

### **THE SEAL**

273. The Board shall provide a common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.
274. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of any one Director or Chief Executive Officer or Chief Financial Officer or Company Secretary or such other person as the Board may specify/appoint for the purpose; and the Director and the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Board shall provide for the safe custody of the Seal.

### **MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS**

275. Subject to the provisions of the Act the following shall have effect:
- 275.1. The Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
- 275.2. Subject to the provisions of the Act, the Board may at any time establish any local Directorate for managing any of the Delegation. affairs of the Company outside India, and may appoint any person to be member of any such local Directorate or any manager or agents and may fix their remuneration and, save as provided in the Act, the Board may at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed or vary any such delegations.
- 275.3. The Board may, at any time and from time to time by power of attorney under Seal, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those which may be delegated by the Board under the Act and for such period and subject to such conditions as the Board may, from time to time, thinks fit, and such appointments may, if the Board thinks fit, be made in favour of the members or any of members of any local Directorate established as aforesaid, or in favour of the Company or of the members, Directors, nominees or officers of the Company or firm or In favour of any fluctuating body of persons whether

nominated directly or indirectly by the Board, and any such Power of Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.

275.4. Any such delegate or Attorney as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

275.5. The Company may exercise the power conferred by the Act with regard to having an Official seat for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Member or Debenture holders residents in any such state or country and the Board may, from time to time make such regulations not being inconsistent with the provisions of the Act, and the Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of the local law and shall in any case comply with the provisions of the Act.

## **DIVIDENDS AND RESERVE**

### ***Division of profits***

276. The profits of the Company, subject to any special rights as to dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid-up on the shares held by them respectively.

### ***The Company in General Meeting may declare a Dividend***

277. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in general meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company.

### ***Dividend only to be paid out of profits***

278. The Dividend can be declared and paid only out of the following profits;

278.1. Profits of the financial year, after providing depreciation as stated in Section 123(2) read with Schedule II and Applicable Laws.

278.2. Accumulated profits of the earlier years, after providing for depreciation u/s 123(2) read with Schedule II and Applicable Laws.

278.3. Out of money provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government.

278.4. If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123(2) of the Act or Applicable Law, or against both.

***Transfer to reserve***

279. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

280. Such reserve, being free reserve, may also be used to declare dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

***Interim Dividend***

281. Subject to the provisions of Section 123 of the Act and Applicable Law, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

***Calls in advance not to carry rights to participate in profits***

282. Where Capital is paid in advance of calls such Capital may carry interest but shall not in respect thereof confer a right to Dividend or participate in profits.

***Payment of pro rata Dividend***

283. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

***Deduction of money owed to the Company***

284. The Board may deduct from any Dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

***Rights to Dividend where shares transferred***

285. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

***Dividend to be kept in abeyance***

286. The Board may retain the dividends payable in relation to such Shares in respect of which any person is entitled to become a Member by virtue of transmission or transfer of Shares and in accordance sub-Section (5) of Section 123 of the Act or Applicable Law. The Board may also retain dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.

***Notice of Dividend***

287. Notice of any Dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Act.

***Manner of paying Dividend***

288. Any Dividend, interest or other monies payable in cash in respect of shares may be paid by any Electronic Mode to the shareholder entitled to the payment of the Dividend, or by way of cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
289. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of every cheque or warrant sent under these Articles, shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the company in respect thereof. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any Dividend lost to the member of person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the Dividend by any other means.

***Receipts for Dividends***

290. Any one of two or more joint holders of a Share may give effective receipts for any dividends, bonuses or other monies payable in respect of such Share.

***Non-forfeiture of unclaimed Dividend***

291. No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid dividends.

## ACCOUNTS

### *Directors to keep true accounts*

292. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.
293. Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.
294. The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
295. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's Books of Account are kept as aforesaid.
296. The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

### *Preparation of revised financial statements or Boards' Report*

297. Subject to the provisions of Section 131 of the Act and the Applicable Law made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards' Report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of Section 129 or Section 134 of the Act.

### *Places of keeping accounts*

298. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.
299. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

## AUDIT

### *Auditors to be appointed*

300. Statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sections 139 to 148 of the Act and Applicable Laws. Where applicable, a Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Laws.

### *First Auditor / Statutory Auditors*

First Auditor of the Company shall be appointed by the Board within thirty days of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting.

301. Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the Statutory Auditors of the Company shall be appointed for a period of five consecutive years, subject to ratification by members at every Annual General Meeting. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws.

### *Remuneration of Auditors*

302. The remuneration of the Auditors shall be fixed by the Company in Annual General Meeting or in such manner as the Company in general meeting may determine.

## DOCUMENTS AND NOTICES

### *Service of documents and notice*

303. A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made thereunder.
304. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the

document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

***Notice to whom served in case of joint shareholders***

305. A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share.

***Notice to be served to representative***

306. A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

***Service of notice of General Meetings***

307. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.

***Members bound by notice***

308. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

***Documents or notice to be signed***

309. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

***Notice to be served by post or other electronic means***

310. All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by Ordinary post or by registered post, or by leaving it at the office or by such other electronic means as prescribed in Section 20 of the Act and the Applicable Law made thereunder.

***Admissibility of micro films, computer prints and documents to be treated as documents and evidence***

311. Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed

to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 are complied with.

312. All provisions of the Information Technology Act, 2000 relating to the electronic records, including the manner and format in which the electronic records shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under Section 398 of the Act.

### **WINDING UP**

313. Subject to the provisions of Chapter XX of the Act and Applicable Law made thereunder—

313.1 If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, but subject to the rights attached to any preference Share Capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

313.2 For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

313.3 The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS**

314. Every Member and other Security holder will use rights of such Member/ security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes

### **INDEMNITY**

315. For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:

315.1. "Claims" means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;



- 315.2. “Indemnified Person” shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;
- 315.3. “Losses” means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim;

### 316. *Indemnification*

- 316.1. Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person’s powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).
- 316.2. The Company shall further indemnify the Indemnified Person and hold him harmless on an ‘as incurred’ basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.
- 316.3. The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:
- 316.3.1 Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;
- 316.3.2 Any liability arising due to any benefit wrongly availed by the Indemnified Person;
- 316.3.3 Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person

316.3.4 The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.

### **SECRECY**

317. Every manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge In the discharge of his duties except when required to do so by the Directors or by any general meeting or by the law of the country and except so far as maybe necessary in order to comply with any of the provisions in these presents and the provisions of the Act.
318. Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be expedient in the interest of the Company to communicate.

Sr. No.	Names, Addresses, Occupations And Description of Subscribers And Signatures	Name, Occupation Address & Description of witnesses and Signature
1.	KONANKI MADHU MOORTHY S/o. Konanki Ramappa, Puliyeer Cement Factory P.O. Trichy District, Tamil Nadu, Engineer.	<p style="text-align: center;"><b>DEVINENI SEETHA RAMAIAH</b> S/o. Venkataramaiah Chartered Accountant 920, Tilak Road, Hyderabad</p>
2.	KOLLI SATYANARAYANA S/o. Kolli Venkata Krishnayya 10-4-771/10/A, Sriramnagar Hyderabad – 500 028. Industrial Consultant	
3.	PENDEKANTI VENKATA SUBBAIA S/o. Pendekanti Subbaiah Sanjamala Kurnool Division Agriculturist & Parliament Member.	
4.	B. THIMMA DEVI V. GOUD W/o. B. Virupaksha Goud Nagenakanavalli (Post) Via Adoni House Wife	
5.	BUGGANA SANJEEVA REDDY Ram Mohan Reddy S/o. Late. B.S. Sanjeva Reddy 59, Sreenagar Colony Hyderabad. Business	
6.	KASU MURTHY KONDAYYA S/o. K. Pedda venkatappa 11-96, R.T. Street, Guntakal Chartered Accountant.	
7.	NIMMAGADDA JAGADESWARA BHANU PRASAD S/o. N. Sitaramanjaneyulu 8-3-319/4, Yellareddyguda, Hyderabad – 500 038. Private Service	

Date at Hyderabad on this 26<sup>th</sup> Day of February 1974.

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

MONDAY THE TWENTY NINTH DAY OF NOVEMBER  
ONE THOUSAND NINE HUNDRED AND NINETY NINE

PRESENT:

THE HONOURABLE MR. JUSTICE A. GOPAL REDDY

COMPANY PETITION NOS.78 of 1999 and C.P. No.79/99

C.P. No.78/99 connected with C.A.No.198/99

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

A N D

IN THE MATTER OF M/s. NAGARJUNA CONSTRUCTION COMPANY LIMITED

BETWEEN:

Nagarjuna Construction Company Limited  
A Company in Corpoaded under the Companies Act, 1956  
and having its Regd. Office at 41, Nagarjuna Hills  
Panjagutta, Hyderabad repth.by its  
Managing Director A.A.V. Rama Raju

.. Petitioner  
(Transferor Company)

Petition under Section 394 of the Companies Act  
1956 r/w Rule 79 of the Companies (Court) Rules 1959  
praying that this High Court may be pleased to order that  
(a) the said scheme of arrangement may be sanctioned by the  
Hon'ble Court so as to be binding on all the share holders  
and creditors of the petitioner Company and on the  
Transferee Company.

This petition coming on for orders, upon reading  
the Judge's Summons and the affidavit dated 14.6.99 and filed  
by A.A.V. Ranga Raju, Managing Director Petitioner Company  
in support of this petition and the counter affidavit dated  
9-9-1999 and filed by Mr. E. Selvaraj, Registrar of Companies  
and upon hearing the arguments of Mr. S. Ravi, Advocate for the  
Petitioner and Mr. B. Adinarayana Rao, Standing Counsel for  
Central Government.

C.P. No.79 of 1999 connected with C.A.No.199/99:

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

AND

IN THE MATTER OF M/s. Priyadarsini Cement Limited

Between:

Priyadarsini Cement Limited  
A Company incorporated under the Companies  
Act, 1956 and having its Regd. Office  
at 34, Srinagar Colony, Hyderabad-73  
repth. by its Director

.. Petitioner  
(Transferee Company)

Petition under Section 394 of the Companies Act  
1956 r/w Rule 79 of the Companies (Court) Rules, 1959

contd...

praying that this High Court may be pleased to order that the said Scheme of arrangement may be sanctioned by the Hon'ble Court so as to be binding on all the share holders and creditors of the petitioner company and on the Transferor Company.

This petition coming on for orders, upon reading the Judge's Summons and the affidavit dated 14.6.99 and filed by Mr. N. Sujit Kumar Reddy, Executive Director in support of this petition of the petitioner company Counter affidavit dated 9.9.1999 and filed by E. Salvaraj, Registrar of Companies and upon hearing the arguments of Mr. S. Ravi, Advocate for the petitioner and of Mr. B. Adinarayana-Rao, Standing Counsel for Central Government.

The Court made the following ORDER:

Contd...

THE HON'BLE MR. JUSTICE A. GOPAL REDDY

C.P.Nos. 78 of 1999

And


C.P.No. 79 of 1999

:COMMON ORDER:

These company petitions under Sections under Sections 394 of the Companies Act, 1956 (for short 'the Act') read with Rule 79 of the Companies (Court) Rules, 1959 (for short 'the Rules') filed for sanction of the scheme of arrangement and binding on all the share holders and creditors of the petitioner-company and transferee companies.

C.P.No. 78 of 199 is filed by Nagarjuna Construction Company Limited (for short the 'Transferor Company'). C.P.No. 79 of 199 is filed by Priyadarshini Cement Limited (for short 'Transferee company').

The petitioners pray that the scheme of arrangement whereunder the entire cement division of the transferor company with all the assets and liabilities relating thereto is being transferred to the transferee company as a going concern on as is where is basis subject to such limitations and restrictions as set out in the scheme, marked as annexure to the petition from 10-04-1999 and to sanction the arrangement of the scheme between the transferor company and the transferee company by this court.

  
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The transferor company possess ~~the~~ authorised share capital of Rs.25,00,00,000-00 divided into 1,50,00,000-00 equity shares of Rs.10-00 each and 1,00,00,000 preference shares of Rs.10-00 each. The issued, subscribed and paid up capital is Rs.7,45,02,000-00 divided into 74,50,200 equity shares of Rs.10-00 each inclusive of Rs.20,69,500 equity shares on account of conversion less calls in arrears of Rs.15.90 lakhs. The calls in arrears is with respect to 3,53,284 equity shares and the call outstanding per share is Rs.4-50. The main objects of the transferor company is to acquire, purchase, amalgamate, take on lease or otherwise take over as a going concern, the undertaking now being carried in partnership, under the name and style of Nagarjuna Constructions Corporation along with all pending works, stocks in trade, rights, assets, receivables, bank limits, interest, goodwill, licences and privileges and all contractors, registrations, import licences, plant, machinery equipment together with all the liabilities due to all banks and other amounts due to trade creditors, depositors, bills payable etc., to carry on the said business along with other businesses more particularly detailed in the Articles of Association of the company. The transferee company authorised share capital is Rs.24,00,00,000-00 divided into 2,40,00,000 equity shares of Rs.10-00 each. The issued, subscribed and paid up capital is Rs.22,11,00,000-00 divided into 2,21,10,000 equity shares of Rs.10-00 each. The main objects of the transferee company is to produce, manufacture, purchase, refine, prepare, process, import,

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export, sell and generally to deal in cement, portland cement, alumina cement, white and coloured cement, lime and limestone, Kankar and or by-products thereof and building materials, generally non-ferrous metals, ferroalloys; and in connection therewith to acquire, erect, construct, establish, operate and maintain factories, mines and quarries, workshops and other works; and to produce, manufacture, process, refine, prepare, treat, purchase, sell, export, import or otherwise deal with either as principals or as agents, either solely or in partnership with others, cement, alumina cement, white and coloured cements, lime, plaster of paris, and other building material of all kinds, and other building boards to be used in ceiling, floor or walls, made from any fibrous materials such as bagasse, bamboo, wood, paper, jute, hemp and grasses, pottery, fire clay and fire bricks, flooring tiles, roofing materials etc.; and to carry on all or any of the business of manufactures and sellers of and dealers and workers in cement of all kinds, concrete, asbestos, earthen-ware, artificial stone and manufacturers and dyers' requisites and conveniences of all kinds; and to purchase, take on lease, or otherwise acquire any undertaking, business and property or any part thereof of any company or companies carrying on business as manufacturers of cement and mineral industries in India or elsewhere etc., as detailed in the articles of the association of the company.

It is stated that the transferor company is doing very good business; whereas the transferor company has varied business such as






construction, cement manufacture, real estate, wind power generation and manufacture of LPG cylinders, that as a part of its strategic business restructuring, the Transferor company has decided to concentrate on its core competence i.e., construction business and decided to hife off its cement division consisting of cement manufacturing unit at NCC Nagar, Peapully Mandal, Kurnool district in the state of Andhra Pradesh, that the transferee company is engaged in the business of manufacture of cement and has its manufacturing plant at Ramapuram village, Mellacheruvu Mandal, Nalgonda district in the State of Andhra Pradesh and decided to augument its manufacturing capacity with a view to increase and consolidate its market share in view of the large scale manufacturers trying to elbow out the small players. In the interest of both the transferor and transferee companies, they have agreed for transfer of cement division and acquisition of cement plant helps the transferee company in consolidating its position as a major player in manufacture of cement in the State of Andhra Pradesh. The proposed arrangement to transfer the cement division to the transferee company results in synergy of operations for both the transferee company and transferor company. The transferor company also stands to gain as it would be able to concentrate all its managerial, technical skills on the construction projects where it has built up experience and reputation. The hiving off of the cement division also releases much required finances and personnel who could be deployed in other sectors where the transferor company has sizeable presence. The transferee company also benefits




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as it can avoid long gestation period involved in building a cement plant by acquired a cement manufacturing plant which is already in operation; and the acquisition of the cement plant also helps the transferee company in consolidating its position as a major player in manufacture of cement in the state of Andhra Pradesh. For the aforesaid reasons, the scheme of the arrangement has been prepared for the benefit of both the companies.

As per the proposed scheme set out in para-11 of C.P.No. 78 of 1999, the entire cement division of the transferor company stands transferred to and vested in and / or deemed to be transferred to and vested in the transferee company as a going concern free from all encumbrances but subject to the subsisting charges /hypothecation/mortgage etc., assets, debts, liabilities, contingent liabilities, duties and obligations, of the transferor company appertaining only to cement division as on the close of business on 10<sup>th</sup> day of April, 1999 shall also transferred to the transferee company, which shall undertake all the liabilities, debts, including charges claimed and the mortgage of transferor company existed on the cement division as on the date of transfer. All the agreements entered into by the transferor company with the bankers, trade unions, distributors, stockists, agents etc., if any relating to cement division shall continue to be in full force and effect and may be enforced by or against the transferee company. All the employees of the transferor company engaged in and for the business of the cement division of the



transferor company on the effective date shall become the employees of the transferee company without any break or interruption in service and on the same terms and conditions on which they are engaged as on the effective date. Services of all such employees with the transferor company upto the effective date shall be taken into account for the purposes of all retirement benefits to which they may be eligible in the transferee company on the effective date. The transferee company further agrees that for the purpose of payment of any retrenchment compensation, such past services with the transferor company shall also be taken into account. From the date of transfer, the Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for the transferee company until such time as the amalgamation becomes effective in terms of the scheme. All the profits, if any, of the business of the cement division carried out by the transferor company from and after the transfer date upto the effective date for and on account of and in trust of the transferee company shall be accounted for by the transferee company as 'pre-acquisition profits' and the losses, if any, shall be accounted for as 'pre-acquisition losses'. Such pre-acquisition profits shall be credited to the general reserve of the transferee company whereas the pre-acquisition losses shall be reduced from the general reserve of the transferee company, whether such reserve is pre-existing or is created as a result of or in pursuance of the scheme. The transferee company shall record the assets and liabilities in the books of account of the transferor company, being the



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assets and liabilities pertaining to the cement division of the transferor company and transferred to and vested in the transferee company pursuant to the scheme.

It is a matter of record that in C.A.No.198 of 1999, the High Court had directed the meeting of equity shareholders for approval of the scheme as required under Section 394 of the Act with a form of proxy. Notice of the meeting was sent to the individual creditors of the transferor company with a copy of the scheme. Notice of the meeting was also advertised on 28<sup>th</sup> day of April, 1999. On 27<sup>th</sup> day of May, 1999, the meeting of the share holders of the company was duly convened at Harihara Kala Bhavan, Secunderabad by Mr. R. Raghunandan Rao, the person appointed by this Court to act as Chairman of the meeting. The chairperson also submitted a report on the 04<sup>th</sup> day of June, 1999 stating that the members, who have voted in favour of proposed terms of arrangement is 21,64,936; and only 1,058 members voted against the proposed arrangement. Similarly in C.A.No. 199 of 1999, the High Court directed Mr. A. Sanjay Kishore, the person appointed as Chairman to convene the meeting of the equity share holders of transferee company for approval of the scheme of arrangement. Notice of the meeting was served individually upon the shareholders with a copy of the scheme and by advertisement dated 28<sup>th</sup> day of April, 1999; and the meeting was held on 27<sup>th</sup> day of May, 1999 at 4-30 P.M. at Harihara Kala Bhavan, Secunderabad. Mr. A. Snjay Kishore, the Chairperson has submitted his report dated

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07<sup>th</sup> day of June, 1999, in which, it is submitted that 98,38,420 equity share holders have voted in favour of the proposed terms of arrangement; whereas 100 equity share holders have voted against the proposed arrangement. The notice of hearing of the petitions were advertised in the daily newspapers as per the orders of this court dated 17-06-1999. No objections from any quarter have been received. Notice was given to the official liquidator and also to the registrar of companies on 06-08-1999. The Official liquidator has not filed his report. The Registrar of companies filed counter dated 09-09-1999 pursuant to the notice received by the Regional Director, Department of Company Affairs in the above company petitions under Section 394-A of the Act and have decided that "No representation need be filed on behalf of the Central Government either to support or oppose the petition." Similarly, another counter has been filed in C.P.No. 79 of 1999. Thus, it can be safely inferred that the Registrar of Companies has no objection for the scheme of the arrangement.

Considering all the relevant facts and circumstances and the reasons set out by the petitioners in support of the amalgamation, the unanimous approval given by the members and the no objection given by the creditors and particularly in the absence of objections from any party, including the Central Government and the Official Liquidator, I reach the conclusion that the scheme of arrangement between the transferor company and transferee company is beneficial and there is no impediment in sanctioning the scheme of arrangement. Therefore,



I hereby accord consent to the scheme of arrangement providing for transfer of entire cement division of the transferor company with all assets and liabilities relating thereto, to the transferee company and declare that the said scheme shall be binding on all the members of the petitioners-companies with effect from 10-4-1999. I also direct that the transferor company shall seized to have any control over the cement division, which is transferred to the transferee company. The order in Form No.41 of the Companies (Court) Rules shall be drawn up by the Registry and the petitioners shall file certified copy of the order with the Registrar of Companies within 30 (thirty) days from the date of the order. The order in Form No. 42 of the Companies (Court) Rules with such adaptations as may be necessary shall also be drawn up by the Registry. For the proper working and implementation of the scheme, it is open to any person interested to move this court for appropriate directions as may be considered necessary in future. It is made clear that by sanctioning the scheme, this Court shall not be understood as having dispensed with the need to obtain any approval or sanction enjoined by the law or absolved the companies of the obligation to discharge any statutory dues or to perform any statutory duties.

The company petitions are accordingly allowed.

Sd/- S. Subbalakshmi  
Joint Registrar

//True Copy//

To

Section Officer

1. Mr. A.V.S.Ranga Raju, Managing Director, Nagarjuna Construction Company Ltd., 41, Nagarjuna Hills, Panjagutta, Hyderabad.
2. Mr. N.Sujit Kumar Reddy, Executive Director, Priyadarsini Cement Limited, 34, Srinagar Colony, Panjagutta, Hyderabad.

3. The Registrar of Companies, 3-5-398, CPWD Building, Kendriya Sadan, Sultan Bazaar, Koti, Hyderabad.
4. The Official Liquidator, Kendriya Sadan, 3-5-398, CPWD Building, Sultan Bazar, Koti, Hyderabad.
5. One cc to S.O., O.S. Section, High Court of A.P., Hyd.
6. Two C.D. Copies
7. The Regional Director, Company Law Board, Southern Region, Chennai.
8. One cc to Mr. S. Ravi, Advocate (OPUC)

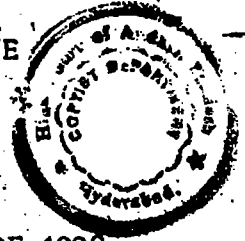
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IN THE HIGH COURT OF JUDICATURE: ANDHRA PRADESH AT HYDERABAD  
(ORDINARY ORIGINAL/CIVIL JURISDICTION)

MONDAY THE TWENTY NINTH DAY OF NOVEMBER  
ONE THOUSAND NINE HUNDRED AND NINETY NINE

PRESENT:

THE HONOURABLE MR. JUSTICE A. GOPAL REDDY



COMPANY PETITION NO. 79 OF 1999—

— CONNECTED WITH COMPANY APPLICATION NO. 199 OF 1999

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

AND

IN THE MATTER OF M/s. PRIYADARSINI CEMENT LIMITED

BETWEEN:

Priyadarsini Cement Ltd., A Company Incorporated  
under the Companies Act, 1956 and having its  
Regd. Office at 34, Srinagar Colony  
Hyderabad-073 repled. by its Director.

.. Petitioner (Transferor Company)

Petition under Section 394 of the Companies Act 1956  
r/w Rule 79 of the Companies (Court) Rules 1959 to sanction  
the scheme of arrangement praying that this High Court may be  
pleased to order that the said scheme of arrangement may  
sanctioned by the Hon'ble Court so as to be binding on all the  
share holders and creditors of the petitioner company and on  
the Transferor Company.

This petition coming on for orders, upon reading the  
Judge's Summons and the affidavit dated 14.6.99 and filed by  
Mr. N. Sujit Kumar Reddy, Executive Director of the Petr. Company  
in support of this petition and the Counter affidavit dated  
9.9.1999 filed by Mr. E. Selvaraj, Registrar of Companies  
and upon hearing the arguments of Mr. S. Ravi, Advocate for  
the petitioner and of Mr. B. Adinarayana Rao, Standing Counsel  
for Central Government.

THE COURT DOTH ORDER AS FOLLOWS:

1. That this Court doth hereby sanction the Scheme of  
arrangement of amalgamation with effect from 10.4.99 and doth  
hereby declare the same to be binding on the transferor Company  
and the Transferee Company.

2. That all the property, rights and powers of the  
transferor company specified in the scheme of amalgamation  
annexed here-to and all the ~~property~~ other property, rights  
and powers of the Transferor company be transferred without  
further act or deed to the transferee company and accordingly  
the same shall pursuant to the section 394 (2) of the  
Companies Act, 1956 be transferred to and vest in the transferee  
company for all estate and interest of the transferor company  
therein but subject nevertheless to all charges now effecting  
the same; and

3. That all the liabilities and duties of the transfer  
company be transferred without further act or deed to the  
transferee company and accordingly the same shall, pursuant  
to ~~section~~ section 394 (2) of the Companies Act, 1956 be transferred  
to and become the liabilities and duties of the transferee  
company, and

contd...





// 2 //

4. That all proceedings now pending by or against the transferor company be continued by or against the transferee company, and

5. That the transferee Company do without further application allot to such members of the transferor company as have not given such notice of dissent as required by the compromise or arrangement herein the shares in the transferee company to which they are entitled under the said compromise, or arrangement and

6. That the transferor company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the transferor company shall stand dissolved and the Registrar of Companies shall place all documents relating to the transferor company and registered with him on the file kept by him in relation to the transferee company and the files relating to the said two companies shall be consolidated accordingly;

7. That any person interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the \* scheme.

8. That there be no order as to costs in both the Company petitions.

Sd/- S.Subbalakshmi  
Joint Registrar

//True Copy//

Section Officer

**SUPERINTENDENT  
COPYIST DEPARTMENT  
HIGH COURT OF A.P.  
HYDERABAD**

1. Mr. N. Sujit Kumar Reddy, Executive Director, M/s. Priyadarshan Cement Ltd., 34, Spinagar Colony, Hyderabad - 500 073.

2. The Registrar of Companies, 3-5-398, CPWD Building, Kendriya Sadan, Sultan Bazaar, Koti, Hyderabad.

3. The Official Liquidator, Kendriya Sadan, 3-5-398, CPWD Building, Sultan Bazaar, Koti, Hyderabad.

4. One cc to S.O., O.S. Section, High Court of A.P., Hyd.

5. 2 C.D. copies

6. cc to S.O., C.O. Section (For Precedent file)

Encl:

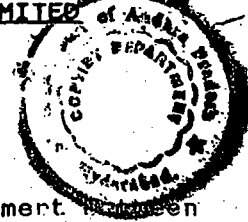
1. Scheme of Amalgamation

2. Chairman's Report

3. Schedule

chvr\*

**THE SCHEME OF ARRANGEMENT BETWEEN NAGARJUNA CONSTRUCTION COMPANY LIMITED AND PRIYADARSHINI CEMENT LIMITED**



**PART I**

**DEFINITIONS :**

1. 'The Scheme' means the Scheme of Arrangement between Nagarjuna Construction Company Limited and Priyadarshini Cement Limited.
2. 'The Transferor Company' means Nagarjuna Construction Company Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 41, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082.
3. 'The Transferee Company' means Priyadarshini Cement Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 34, Srinagar Colony, Hyderabad - 500 034.
4. 'Transfer Date' means 10.04.99.
5. 'Effective Date' for the Scheme of Arrangement means the date on which the orders of the Hon'ble High Court of Andhra Pradesh approving the Scheme of Arrangement under the provisions of Sections 391 and 394 of the Companies Act, 1956 and other related provisions are passed, and the certified copies thereof are filed with the Registrar of Companies, Andhra Pradesh.
6. 'The Cement Division' of the Transferor Company shall mean the Cement Division located at NCC Nagar, Peapully Mandal, Kurnool District, Andhra Pradesh State and shall include

(i) All the properties, assets and liabilities of the

**FOR PRIYADARSHINI CEMENT LIMITED**

*[Signature]*  
**M. SURESH KUMAR REDDY**  
**MANAGING DIRECTOR**



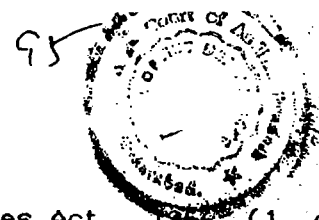
Cement Division comprising of the cement manufacturing unit at NCC Nagar, Peapully Mandal, Kurnool District as a going concern, on as is where is basis.

(ii) Without prejudice to the generality of the foregoing clause, the said Cement Division shall include all rights, powers, interests, authorities, privileges, liberties and all properties and assets movable or immovable, tangibles and intangibles of whatsoever nature and wherever situate including lease, tenancy and agency rights and all other interest and rights in or arising out of such property, all licences, benefits of all agreements and contracts, sanctions and approvals including benefits of all tax reliefs including reliefs under the Income Tax Act, Sales Tax Act, Sales Tax incentives under schemes of the Government of Andhra Pradesh, import entitlements and other quotas, if any, held, applied for or as may be obtained hereafter by the Cement Division of the Transferor Company or which the Cement Division of the Transferor Company is entitled to and all debts, liabilities and duties and obligations of the Cement Division of the Transferor Company to the creditors and the shareholders, provided that transfer of all leases and tenancies shall be subject to approval fo the respective landlords wherever required in terms of the lease or the tenancy laws.

7. 'Takeover Balance Sheet' shall mean the Balance Sheet showing the assets and the liabilities of the Cement Division of the Transferor Company as on 10.04.99.

For PRIYADARSHINI CEMENT LIMITED

  
N. SUJITH KUMAR REDDY  
EXECUTIVE DIRECTOR



8. 'The Act' means the Companies Act, 1956 (1 of 1956).

## PART II

1. The registered office of the Transferor Company is situated at 41, Nagarjuna Hills, Panjagutta, Hyderabad-500 082.

2. The registered office of the Transferee Company is situated at 34, Srinagar Colony, Hyderabad-500 034.

3. The authorised share capital of the Transferor Company is Rs.25,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10/- each and 1,00,00,000 preference shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs.7,45,02,000/- divided into 74,50,200 equity shares of Rs.10/- each inclusive of 20,69,500 equity shares on account of conversion less calls in arrears of Rs.15.90 lakhs. The calls in arrears is with respect to the 3,53,284 equity shares and the call outstanding per share is Rs. 4.50/- per share.

4. The authorised share capital of the Transferee Company is Rs.24,00,00,000/- divided into 2,40,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs.22,11,00,000/- divided into 2,21,10,000 equity shares of Rs.10/- each.

## PART III

1. With effect from the Transfer Date:-

**FOR PRAYADARSHINI CEMENT LIMITED**

*M. S. Srinivasulu Reddy*  
**M. S. SRINIVASULU REDDY**  
**EXECUTIVE / DIRECTOR**



(a) the entire Cement Division of Transferor Company shall, without any further act, instruction or deed be and the same shall stand transferred to and vested in and / or deemed to be transferred to and vested in the Transferee Company as a going concern free from all encumbrances but subject to the subsisting charges as mentioned hereinafter, pursuant to the provisions of Sections 391/394 and other relevant provisions of the Act. The transfer/vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages (if any, as may be subsisting and particulars whereof are registered or filed for registration with the Registrar of Companies as required under the Act) over or in respect of the said assets or any part thereof; provided, however, that any reference in any security documents or arrangement to which the Transferor Company is a party wherein the assets of the Transferor Company are offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Cement Division or assets of the Transferor Company as are vested in the Transferee Company to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other assets, units, or divisions of the Transferee Company, unless specifically agreed to, subject in either case to the consents and approvals of the existing Secured Creditors of the Transferee Company.

**FOR PRYDARWADI CEMENT**

*Mh*  
**N. SUTHER KUMAR**  
**EXECUTIVE DIRECTOR**

PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the merger of Cement Division and the Transferee Company shall not be obliged to create any further or additional security therefor after the merger of Cement Division has become effective or otherwise.

**FOR PRIVATIZING CONCRETE LIMITED**

**H. S. J. M. P. R. D. S.**  
**DIRECTOR**



:: 6 ::

with the provisions hereof, if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the secured Creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.

IT IS HEREBY CLARIFIED THAT the remaining businesses of the Transferor Company shall continue to remain with and continues to be vested in the Transferor Company.

2. In consideration of the Transferee Company taking over the assets and liabilities as presented in the Takeover Balance Sheet, the Transferee Company shall pay a sum of Rs.3076.84 lakhs as consideration (the "Consideration") for the takeover of the Cement Division, the payment of which shall be in full and final settlement of all the assets, rights and interest of the Transferor Company. In view of the payment of consideration as aforesaid, the Transferee Company shall not be required to issue and allot any shares to either the Transferee Company or shareholders of the Transferor Company.

FOR PRATYADARSHINI CEMENT LIMITED

M. SUDH KUMAR REDDY  
EXECUTIVE DIRECTOR



3. With effect from the Transfer Date and up to and including the Effective Date:

(a) The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities of Cement Division and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the said assets for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

(b) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company pertaining to the Cement Division from the Transfer Date shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company pertaining to the Cement Division.

(c) The Transferor Company shall carry on its business and activities of Cement Division with reasonable diligence, business prudence and shall not (without the prior written consent of the Transferee Company) alienate, charge, mortgage, encumber or otherwise deal with or dispose off its Cement Division or any part thereof.

(d) Without prejudice to the generality of the foregoing:

FOR PRIZADASHINE CEMENT LIMITED

M. SUDHAKAR REDDY





1) The Board of Directors of Transferor Company shall not pass any resolution or resolutions, which would adversely affect or in any manner jeopardise the approval of the Scheme of Arrangement by the High Court.

2) Transferor Company and Transferee Company shall not take any policy decision relating to the Cement Division which would affect the structure, or the business of the Cement Division.

3) No employee drawing a salary of over Rs. 1500 shall be either employed or be dismissed unless both Transferor Company and Transferee Company concur.

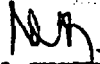
4) Transferor Company shall not take any of the following decisions in relation to the Cement Division unless Transferor Company and Transferee Company have consented to the same in writing i.e. to say

- i) Purchase of capital equipment over Rs. 10,000/-
- ii) Sale of capital equipment over Rs. 10,000/-
- iii) Incurring of any liability of over Rs. 10,000/-
- iv) Borrowing in excess of Rs. 1,000/-
- v) Giving guarantees in excess of Rs. 1,000/-
- vi) Investment in excess of Rs. 1,000/-
- vii) Commitment of the funds of the Cement Division in any manner.

and

viii) generally any policy decision as would result in the variation of the nature, character and value of the Cement Division.

**FOR PRIZADARSHINI CEMENT LIMITED**

  
**N. SURESH KUMAR REDDY**  
**EXECUTIVE DIRECTOR**



(e) The Transferor Company shall not alter the terms and conditions of employment of any of its employees engaged in and for the business of the Cement Division without the prior consent of the Transferee Company or pursuant to any preexisting obligation undertaken by the Transferor Company prior to the Transfer Date.

(f) The Transferor Company shall not utilise the profits, if any, relating to the Cement Division for any purpose including of declaring or paying any dividend in respect of the period falling on and after the Transfer Date. Similarly the Transferor Company shall not utilise, adjust or claim adjustment of the losses if any, relating to the Cement Division incurred or suffered after the Transfer Date for any business other than the Cement Division.

4. Subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature relating to Cement Division to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be eligible, and which are subsisting or operative or having effect immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be 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.

5. The Transferor Company declares that save and

**FOR PRATYAKSHINI CEMENTS LIMITED**

*[Signature]*  
**M. SUDHAKAR REDDY**  
**EXECUTIVE DIRECTOR**



except as stated hereto there are no pending claims, demands, suits, actions and / or other proceedings against the Transferor Company relating to, in connection with and / or affecting the Cement Division.

6. On this Scheme finally taking effect as hereinafter provided:

(a) all the employees of the Transferor Company engaged in and for the business of the Cement Division of the Transferor Company on the Effective Date shall become the employees of the Transferee Company without any break or interruption in service and on the same terms and conditions on which they are engaged as on the Effective Date. Services of all such employees with the Transferor Company upto the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible in the Transferee Company on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, such past services with the Transferor Company shall also be taken into account.

(b) the services of such employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments by the Transferor Company.

For PRIZADARSHI CHANDRA

N. SULTAN  
EXECUTIVE DIRECTOR

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(c) the accounts/funds of the employees whose services are transferred under Sub-Clause (a) above, relating to Superannuation, Provident Fund and Gratuity Funds shall be identified, determined and transferred to the respective Trusts/funds of and such employees shall be deemed to have become members of such Trusts / Funds of the Transferee Company.

(d) all agreements entered into by the Transferor Company with the bankers, trade unions, distributors, stockists, agents, etc., if any, relating to Cement Division shall continue to be in full force and effect and may be enforced by or against the Transferee Company.

(e) all subsisting agreements / arrangements of relating to the use of trade marks (including logos) and / or technology relating to Cement Division and business, shall accrue to and for the benefit of the Transferee Company.

7. On the Scheme becoming effective:

(a) The Transferee Company shall record the Assets and Liabilities recorded in the books of account of the Transferor Company being Assets and Liabilities pertaining to the Cement Division of the Transferor Company and transferred to and vested in the Transferee Company pursuant to this Scheme, at their estimated market value as on the Transfer Date, after making all necessary provisions for any appreciation / increase or deficiency / diminution in the value of any Assets or

FOR PRAYAGSINH CEMENT LIMITED

M. S. SUTTER KIRAR REDDY  
EXECUTIVE DIRECTOR



for the anticipated shortfall in realization of any Assets or for any contingent or other liability or obligation transferred to the Transferee Company in pursuance of the Scheme, but not provided for in full in the books of the Transferor Company.

PROVIDED that the profits, if any, of the business of the Cement Division carried out by the Transferor Company from and after the Transfer Date upto the Effective Date for and on account of and in trust of the Transferee Company shall be accounted for by the Transferee Company as "pre-acquisition profits" and the losses, if any shall be accounted for as "preacquisition losses". Such "pre-acquisition profits" shall be credited to the General Reserve of the Transferee Company whereas the "pre-acquisition losses" shall be reduced from the General Reserve of the Transferee Company, whether such Reserve is pre-existing or is created as a result of or in pursuance of this Scheme.

8. The Transferor Company, subject to Clause 5(e) hereof and the Transferee Company shall be entitled to declare and pay dividends, if any, to their respective shareholders for any Financial year or any period prior to the Effective Date.

9. The Transferor Company and the Transferee Company shall, with all reasonable despatch, make applications / petitions under Sections 391 and 394 and other applicable provisions of the Act, to the High Court of Judicature of

FOR PRIYADARSHINI CHAKRABARTY

N. SOUTIK KUMAR REDDY  
EXECUTIVE DIRECTOR



Andhra Pradesh at Hyderabad for seeking sanction of this Scheme of Arrangement.


10. The Transferor Company and the Transferee Company by their respective Board of Directors may consent to any modifications or amendments of this Scheme or to any conditions or limitations that the Court or any other authority may deem fit to impose as may be considered necessary, desirable and appropriate by them (i.e. the Board of Directors). The Transferor Company and the Transferee Company (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 Order of the High Court or of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of this Scheme and / or any matter concerned or connected therewith.

11. This Scheme is conditional on and subject to:

(a) approval of and agreement to this Scheme by the requisite majority of the respective members of and ~~persons~~ <sup>such persons</sup> of the Transferor Company and the Transferee Company as may be directed by the High Court of Judicature of Andhra Pradesh at Hyderabad.

(b) sanctions and Orders under the provisions of Section 391 read with Section 394 of the Act being obtained by the Transferor Company and the Transferee Company from the High Court of Judicature of Andhra Pradesh at Hyderabad.

**FOR PRAYAGSINGH CHENET LIMITED**

  
**N. SENTHIL KUMAR REDDY**  
**EXECUTIVE DIRECTOR**



(c) all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

12. This Scheme, although operative from the Transfer Date shall take effect finally upon and from the date on which any of the aforesaid sanctions or approvals or Orders shall be last obtained which shall be the Effective Date for the purposes of this Scheme.

13. In case this Scheme is not sanctioned by the High Courts of Judicature of Andhra Pradesh at Hyderabad, or in the event any of the approvals or conditions enumerated in Clauses above are not being obtained or complied with, or for any other reason, this Scheme cannot be implemented, this Scheme shall become null and void, the parties shall be restitute and put the other in the same position as if this Scheme of Arrangement had not been put into operation at all and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme of Arrangement.

**FOR PRIZADARSHINI CEMENT LIMITED**

**M. SUDITH KUMAR REDDY**  
**EXECUTIVE DIRECTOR**

**SUPERINTENDENT**  
**COPYIST DEPARTMENT**  
**HIGH COURT OF A. P.**  
**HYDERABAD**

12/12/99



Dt.29.11.99

JUDGMENT

CP. No.78/99  
and  
CP. No.79/99

Allowing Company petitions.

Copy Application Filed on 29/11/99  
Copy ready on 16/12/99  
Copy delivered on 16/12/99

Section Officer,  
Current Section,  
High Court of Andhra Pradesh

Subscribed

16/12



IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH  
AT HYDERABAD

(ORDINARY ORIGINAL/CIVIL JURISDICTION)

WEDNESDAY, THE FOURTH DAY OF AUGUST  
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MR JUSTICE N.V. RAMANA

COMPANY PETITION NO.35 and 36 of 2004

C.P.No: 35/2004:

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)  
AND  
IN THE MATTER OF M/S.PRIYADARSHINI CEMENT LIMITED  
(TRANSFEROR COMPANY)  
AND  
RAIN INDUSTRIES LIMITED  
AND THEIR RESPECTIVE SHAREHOLDERS

BETWEEN:

M/s Priyadarshni Cement Ltd.,  
Regd. Office at Plot No.34 Srinagar Colony, Hyderabad-73  
Rep by its Managing Director Sri N. Jaganmohan Reddy.

..... PETITIONER/TRANSFEROR COMPANY

Petition under Section 391 & 394 of the Companies Act 1956  
praying that this High Court may be pleased to

a) That the scheme embodied in the scheme of arrangement between the petitioner company and the transferee company and their respective shareholders, as approved by the shareholders of the petitioner company and the transferee company, a copy of which is filed hereto as Annexure-5 be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the petitioner company and all concerned.

b) For an order under Section 394 of the Act that the petitioner company do within 30 days after the date of this order cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh, Hyderabad shall take all necessary consequential actions in respect of the Petitioner Company.

c) That the parties of the Scheme of Arrangement or other persons interested shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary in regard to the carrying out of the

COMPANY PETITION NO. 36 of 2004

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)  
AND  
IN THE MATTER OF M/S. RAIN INDUSTRIES LIMITED  
(TRANSFEREE COMPANY)  
AND  
M/S. PRIYADARSHINI CEMENT LIMITED  
AND THEIR RESPECTIVE SHAREHOLDERS

BETWEEN:

M/s Rain Industries Ltd.,  
Regd. Office at 6-3-571/2, II Floor, Rockvasta, Rockdale Estate,  
Somajiguda, Hyderabad.  
Rep by its Director Mr. P. Madhava Rao.

..... PETITIONER/TRANSFEREE COMPANY

Petitioner under Section 391 & 394 of the Companies Act 1956  
praying that this High Court may be pleased to

a) That the scheme embodied in the scheme of arrangement between the petitioner company and the transferor company, as approved by the shareholders of the petitioner company and the transferor company, a copy of which is filed hereto as Annexure-5 be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the petitioner company and all concerned.

b. For an order under Section 394 of the Act that the petitioner company do within 30 days after the date of this order cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh, Hyderabad shall take all necessary consequential actions in respect of the Petitioner Company.

C. That the parties of the Scheme of Arrangement or other persons interested shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary in regard to the carrying out of the scheme of arrangement.

This petitions coming on for orders upon reading the Judge's Summons and the affidavits dated 4-2-2004 and filed by Mr.N.Jagan Mohan Reddy, Director of the petitioner Company in C.P.NO. 35/2004 and Mr.P.Madhava Rao, Director of the petitioner Company in C.P.NO. 36/2004 and upon hearing the arguments of Mr.V.S.Raju, Advocate for the petitioner Transferor and Transferee Companies.

THE COURT MADE THE FOLLOWING ORDER:

THE HON'BLE SRI JUSTICE N.V. RAMANA

C.P. Nos. 35 and 36 of 2004

Oral order:

These two Company Petitions under Sections 391 and 394 of the Companies Act, 1956 (hereinafter referred to as 'the Act') have been filed praying for sanction of the scheme of arrangement entered into by and between M/s. Priyadarshini Cement Limited, having its registered office at Plot No.34, Sringer Colony, Hyderabad - 500 073 (hereinafter referred to as 'the Transferor Company') with M/s. Rain Industries Limited, having its registered office at 6-3-571/2, II Floor, 'Rickvista', Rockdale Estate, Somajiguda, Hyderabad-500 082 (hereinafter referred to as 'Transferee Company').

The authorized share capital of the Transferor Company is Rs.24,00,00,000/- divided into 2,40,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up equity share capital of the Transferor Company is Rs.22,11,00,000/- divided into 2,21,10,000 equity shares of Rs.10/- each.

The authorized share capital of M/s. Rain Industries Limited (Transferee Company) is Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital of the Transferee Company is Rs.5,00,000/- divided into 50,000 equity shares of Rs.10/- each.

The Transferor Company was incorporated mainly to produce, manufacture, purchase, refine, prepare, process, import,

sell and generally to deal in cement, Portland cement, alumina cement, white and coloured cement, lime and limestone, Kankar and or by-products thereof and building materials, generally non-ferrous metals, ferroalloys; and in connection therewith to acquire, erect, construct, establish, operate and maintain factories, mines and quarries, workshops and other works. The transferor Company is in the process of commencing trading division to trade in imported coal and to sell clinker (mainly exports).

While the Transferee Company was incorporated to carry on the business of purchase, manufacture, refine or generally deal in all kinds of crude petroleum, petroleum products and petrochemicals, cement and cement products etc.

The Transferor Company submits that the cement industry has been going through a critical phase since last few years and the cement prices and margins are under pressure and it has to bear the brunt of this down fall, which has resulted in accumulation of losses during the last two years and that in order to salvage the deteriorating situation and to pull back the company on rails which is on the brink of financial crisis, the management of the Transferor Company along with the lenders/financial institutions/banks have worked out a restructuring package, which aims at – (1) Reviving the company; (2) Improving stakeholders value; (3) Giving financial support to the company and; 4) Reorganizing the manufacturing and trading business into separate entities to increase business focus and enhance growth and thereby improve shareholders.

value. The said package proposes to hive off the cement business into a wholly owned subsidiary so as to enable the company to arrest further erosion of its net worth which will ultimately result in increasing the financial position to borrow funds. The package also envisages a funding from the financial institutions/banks, which would enable the management to restart the plant, which has been closed for last couple of months, and also there is change in the management structure.

The Transferee Company is a wholly owned subsidiary of the Transferor Company and both are engaged more or less in similar activity i.e., cement and ready mix concrete manufacturing. Apart from the cement business, the Transferor Company has also initiated trading business without any significant fund infusion. As on date, it is stated that the Transferor Company is importing coal for self-consumption and plans to increase the quantum in order to supply the same to the companies in the adjoining regions. Its trading division has also entered into a contract of sale of clinker. The business reorganization also enables the Transferor Company to tide over the current situation, wherein the stakeholders have lost the entire share value. In view of the above scenario, it has been proposed to have an arrangement by and between the Transferor Company and Transferee Company, which will be beneficial and advantageous to both the companies as well as their shareholders. By the proposed scheme of arrangement the Transferor Company,

can be restructured so as to enable to restart its units for the manufacture of cement.

According to the petitioners - Transferor and Transferee Companies, a scheme of arrangement is proposed for their mutual benefit and it is submitted that the scheme will be beneficial to the shareholders as well as the employees of both the Transferor and Transferee Companies.

The Board of Directors of both the Transferor and Transferee Companies have approved the scheme of arrangement at their respective meetings held on 26.11.2003 and filed applications before this court in Company Application Nos. 2854 and 2855 of 2003 under the provisions of Section 391 of the Companies Act, 1956 praying to dispense with the meeting of the shareholders of the Transferee Company and to appoint a Chairman to conduct the meeting of the shareholders of the Transferor Company. This Court by order dated 18.12.2003 dispensed with the meeting of the shareholders of the Transferee Company, and appointed a Chairman to conduct the meeting of the shareholders of the Transferor Company. The Chairman having conducted the meeting, filed report stating that except one Mr. P. Padma Rao, who is holding 50 equity shares of Rs.10/- each in the paid-up capital of Rs.22,11,10,000/- all other shareholders voted in favour of the scheme. Thereafter, both the Transferor and Transferee Companies have filed the present Company Petitions. This Court, by order dated 26.02.2004, while admitting the Company

12

Petitions, ordered notice to Central Government, and directed the counsel for the petitioners to carry out publication of notice of admission of the Company Petitions in the newspapers namely Business Standard and Andhra Bhoomi, Hyderabad Editions, as contemplated under Rule 80 of the Companies (Court) Rules, 1959 and file proof of publication. The petitioners having taken out paper publication, filed proof thereof into Court.

On receipt of notice, the Registrar of Companies filed common affidavit on behalf of the Central Government, taking a stand that he is neither supporting nor opposing the scheme of arrangement.

The Transferee Company is a wholly owned subsidiary of the Transferor Company. Both the Transferor and Transferee Companies are engaged in businesses, which are more or less akin to each other. Having regard to the critical phase in which the cement industry is facing, and the financial loss suffered by the Transferor Company, the management of the Transferor Company to salvage the company from its deteriorating financial situation, have worked out a restructuring package, which includes reviving the company, improving stakeholders value, give financial support to the company and reorganize the manufacturing and trading business into separate entities to increase business focus, with their lenders/financial institutions/banks. Since the scheme was beneficial to both the Transferor and Transferee Companies, their Board of Directors, in their meetings held on 26-11-2003 approved



the scheme of arrangement between them. In view of the affidavits filed by the shareholders of the Transferee Company, this Court dispensed with their meeting, while in the case of the Transferor Company, a Chairman was appointed to supervise the conduct of the meeting of its shareholders. The report of the Chairman discloses that more than 99% of the shareholders voted in favour of the scheme of arrangement.

Further, when the Transferor Company as required under Clause 24 of the Listing Agreement addressed letters dated 26-11-2003 and 4-12-2003 to the Hyderabad Stock Exchange Limited, intimating them about their preferring an application for sanction of the Scheme of Arrangement, the Hyderabad Stock Exchange Limited by their letter dated 8-12-2003 addressed to the petitioners, communicated their "No objection" to preferring such an application. Likewise, even the Mumbai Stock Exchange by their letter dated 13-1-2004, expressed their "No Objection" to the Transferor Company preferring an application to the High Court for sanction of the Scheme of Arrangement. Further, the creditors of the Transferor Company, namely ICICI, The South Indian Bank, Bank of India, Canara Bank, ING Vysya, State Bank of India, IDBI and Central Bank of India, from whom the company obtained loans, have agreed to the schedule of payment indicated in the Scheme of Arrangement, and by their letters dated 26-12-2003, 19-12-2003, 9-1-2004, 23-12-2003, 5-1-2004, 14-1-2004, 20-1-2004 and 12-12-2003

respectively, have expressed their 'No Objection' to the Scheme of Arrangement.

The Registrar of Companies having examined the Scheme of Arrangement filed his affidavit stating that he is neither supporting nor opposing it.

I have perused the Scheme of Arrangement. The Scheme of Arrangement, which is approved by the Board of Directors and shareholders of the Transferor and Transferee Companies, provides a restructuring package of the Transferor Company with the Transferee Company and their creditors. The shareholders of the Transferee Company filed affidavits expressing their "No Objection" to the Scheme of Arrangement, and whereas more than 99% of the shareholders of the Transferor Company voted in favour of the Scheme of Arrangement. This apart, the Stock Exchanges of Hyderabad and Mumbai expressed their "No Objection" to the Transferor Company preferring application for sanction of Scheme of Arrangement. Further, the creditors of the Transferor Company, namely ICICI, South Indian Bank, Bank of India, Canara Bank, ING Vysya, State Bank of India, IDBI and Central Bank of India, from whom the Company obtained loans, have expressed their "No Objection" to the Scheme of Arrangement. Having regard to the fact that the persons and institutions who are having most interest in the affairs of the Transferor and Transferee Companies having expressed their "No Objection" to the Scheme of Arrangement, having regard to the fact that it appears to protect their interests

and further the employees of both the Transferor and Transferee Companies, I am of the considered opinion that this Court should not have any objection for according its sanction to the Scheme of Arrangement, and more so having regard to the judgment of the apex Court in *Mineer H. Mafatlal v. Mafatlal Industries Ltd*<sup>1</sup>, wherein it was held that this Court shall not sit in appeal over the judgment arrived at by the Board of Directors and shareholders in their meetings.

In the result, Company Petitions are allowed. The scheme of arrangement, as approved by the Board of Directors as well as the shareholders of the Transferor and Transferee Companies, stands approved.

The petitioners shall cause a certified copy of the orders to the Registrar of Companies, Andhra Pradesh, Hyderabad, within 30 days from the date of receipt of the orders.

The company petitions are accordingly allowed. No costs.

*(1996) 87 Company Cases 792*

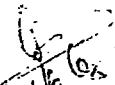
Sd/-E.UMAMAHESWARA RAO  
JOINT REGISTRAR

// TRUE COPY //

SECTION OFFICER *Aditya*  
**SUPERINTENDENT**  
**COPYIST DEPARTMENT**  
**HIGH COURT OF A.P.**  
**HYDERABAD**

To

1. Sri. N.Jagan Mohan Reddy, Managing Director, M/s. Priyadarshi Cement Limited Regd. Office at Plot No.34, Srinagar Colony, Hyderabad.
  2. Sri P.Madhava Rao, Director, M/s Rain Industries Limited, Regd. Office at 6-3-571/2, II Floor, Rockvista, Rockdale Estate, Somajiguda, Hyderabad.
  3. The Registrar of Companies, 3-5-398, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
  4. The Official Liquidator, Kendriya Sadan, 3-5-398, CPWD Building, Sultan Bazar, Koti, Hyderabad.
  5. One CC to the Section Officer, OS Section, High Court of AP., Hyderabad.
  6. The Regional Director, Company Law Board, Southern Region, Chennai.
  7. 2 CD copies.
  8. One CC to Mr. V.S.Raju, Advocate.
  9. One CC to Mr. Kanthi Narahari, Advocate.
- GPK *[Signature]*

THE HON'BLE JUDGE A.D. IN PRADESH	
C.A. HYDERABAD.	
GD No	407 of 2005
Application made	15-6-2005
Application returned	2005
Application reprinted	2005
Stamps called for	20-6-2005
Stamps deposited	21-6-2005
U. Stamp	2005
1. Stamp	2005
Copy ready	21-6-2005
Copy delivered	2005
 Section Officer	

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

WEDNESDAY, THE FOURTH DAY OF AGUSUST  
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MR JUSTICE N.V. RAMANA  
COMPANY APPLICATION NO : 35 AND 36 of 2004

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

IN THE MATTER OF M/S. PRIYADARSHINI CEMENT LIMITED  
( TRANSFEROR COMPANY)

AND

RAIN INDUSTRIES LIMITED AND THEIR RESPECTIVE  
SHAREHOLDERS.

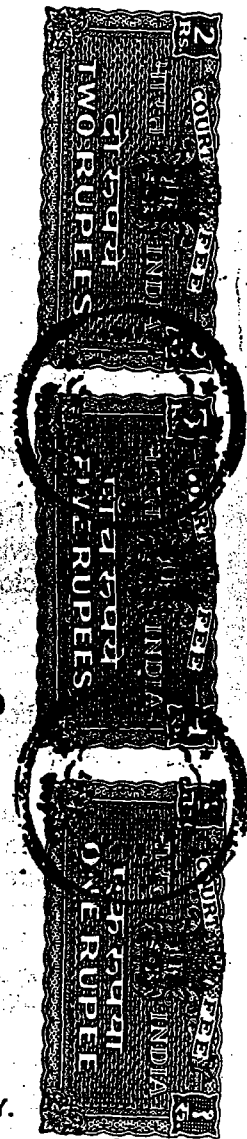
Between:

M/S. PRIYADARSHINI CEMENT LIMITED, REGD OFFICE AT PLOT NO.34,  
SRINAGAR COLONY HYDERABAD, REP. BY ITS MANAGING DIRECTOR  
SRI N. JAGANMOHAN REDDY.

..... PETITIONER/ TRANSFEROR COMPANY.

Petition under Section 391 & 394 of the companies Act, praying that  
this High Court may be pleased to

- a) That the scheme embodied in the scheme of arrangement between the petitioner company and the transferee company and their respective shareholders, as approved by the shareholders of the petitioner company and the transferee company, a copy of which is filed hereto as Annexure-5 be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the petitioner company and all concerned.
- b) For am order under section 394 of the Act that the petitioner company do within 30 days after the date of this order cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High court may deem fit, the Registrar of companies, Andhra Pradesh, Hyderabad shall take all necessary consequential actions in respect of the petitioner company.
- c) That the parties of the Scheme of Arrangement or other persons interested shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary in regard to the carrying out of the scheme of arrangement.



In the matter of the companies Act ( 1 of 1956 )

And

In the matter of M/s. Rain Industries Limited ( Transferee company)

And

M/s. Priadarshini Cement Limited and their respective shareholders.

Between:

M/s. Rain Industries Limited Regd Office at 6.3.57172, II Floor  
Rockvista, Rockdale Estate, Somajiguda, Hyderabad rep. By its  
Director Mr. P. Madhava Rao.

Petitioner/Transferee Company

Petition under Section 391 & 394 of the companies Act 1956 praying  
that this High Court may be pleased to

- a) That the scheme embodied in the scheme of arrangement between the petitioner company and the transferor company, as approved by the shareholders of the petitioner company and the transferor company, a copy of which is filed hereto as Annexure-5 be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the petitioner company and all concerned.
- b) For an order under Section 394 of the Act that the petitioner company do within 30 days after the date of this order cause a certified copy to be delivered to the Registrar of companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High court may deem fit, the Registrar of companies, Andhra Pradesh, Hyderabad shall take all necessary consequential actions in respect of the Petitioner company.

These petitions coming on for orders upon reading the Judge's Summons and the affidavits dated;4-2-2004 and filed by Mr. N. Jagan Mohan Reddy, Managing Director of the petitioner company in CP No.35/04, and Mr. P. Madhaya Rao Director of the petitioner company in CP No.36/04. in support of these petitions and upon hearing the arguments of Mr. V.S. Raju Advocate for the petitioner Transferor and Transferee Companies.

THE COURT DOTH ORDER AS FOLLOWS:

1. That this Court doth hereby sanction the scheme of arrangement and doth hereby declare the same to be binding on the transferor company and the transferee company, viz M/s. Pridarshini Cement Ltd ( Transferor

company ) with M/s. Rain Industries Ltd, ( Transferee company).

2. That all the property, rights and powers of the transferor company specified in the scheme of arrangement annexed hereto as per schedule A 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 vest in the transferee company for all estate and interest of the transferor company therein but subject nevertheless to all charges now affecting the same;
3. That all the liabilities and duties of the transferor company as per schedule B 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 and duties of the transferee company.
4. That all proceedings now pending by or against the transferor company be continued by or against the transferee company.
5. That the transferee company do without further application allot to such members of the transferor company as have not given such notice of dissent as required by the scheme the share in the transferee company to which they are entitled under the said scheme of arrangement and
6. That the transferor company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of companies for registration and on such certified copy being so delivered the properties and liabilities as specified in the scheme of arrangement shall stand demerged with the transferee company.
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.
8. That there be no order as to costs in both the company petitions.

SD/-E. UMAMAHESWARA RAO.  
JOINT REGISTRAR.

//// TRUE COPY //

SECTION OFFICER

Note: ( Scheme of Arrangement enclosed herewith)

Note:- This scheme of arrangement decree is amended as per the direction of the Joint Registrar on letter filed by the counsel for the petitioner and this amended order shall be substituted for the order despatched earlier on 19-8-2004

//// TRUE COPY //

Sd/-K. Satya Kumari,  
JOINT REGISTRAR  
SECTION OFFICER

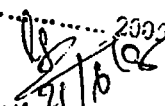
To

1. Sri N. Jagan Mohan Reddy, Managing Director M/s. Priyadarshini Cement Ltd, Regd Office at Plot No.34, Srinagar colony Hyderabad.
2. Sri P. Madhava Rao, Director, M/s. Rain Industries Ltd, Regd Office at 6-3-571/2 II floor Rockvista, Rockdale Estate, Somajiguda, Hyderabad.
3. The Registrar of companies, 3-5-398, C.P.W.D. Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
4. The Official Liquidator, Kendriya Sadan, 3-5-398, C.P.W.D. Building, sultan Bazar, Koti, Hyderabad.
5. One Cc to the Section Officer O.S. Section, High court of A.P. Hyderabad.
6. The Regional Director, Company Law Board, Southern Regional Chennai.
7. 2.CD copies.  
( Address 1 to 7 ) with a copy of Scheme of arrangement.)  
Ty MKH C.By.

*W. K. S. Rao*  
**SUPERINTENDENT**  
**COPYIST DEPARTMENT**  
**HIGH COURT OF A.**  
**HYDERABAD**



THE HIGH COURT OF ANDHRA PRADESH		
C.A. HYDERABAD.		
GD No.	407-	of 2005
Application made	15-6-	2005
Application returned		2005
Application represented		2005
Stamp called for	20-6-	2005
Stamp deposited	21-6-	2005
Stamp called for		2005
Stamp deposited		2005
Copy ready	21-6-	2005
Copy delivered		2005

  
 Section Officer

## Scheme of Arrangement

Between

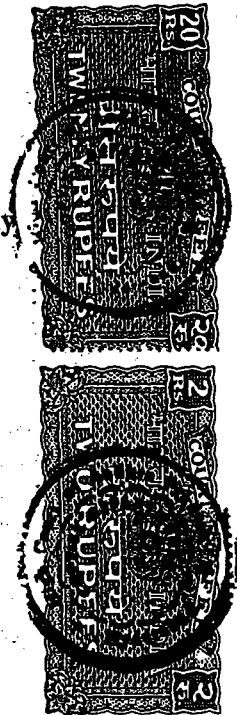
**Priyadarshni Cement Limited .....** Transferor Company

And

**Rain Industries Limited .....** Transferee Company

And

**Respective Shareholders**



### Part I

#### 1. Definitions

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

- a. "Act" means The Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- b. "Appointed Date" means the 1<sup>st</sup> day of April 2003.
- c. Court or the High Court means the High Court of Andhra Pradesh at Hyderabad
- d. "Trading Division" means the trading activity of the Transferor Company in coal and clinker.
- e. "The Effective Date" means the last of the dates on which the sanctions, approvals or orders specified in clause 16 of the Scheme are obtained, passed, filed or completed.
- f. The Transferor Company means Priyadarshini Cements Limited a company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No.34, Srinagar Colony, Hyderabad 500073.
- g. The Transferee Company means Rain Industries Limited a company incorporated under the Companies Act, 1956 and having its Registered Office at 6-3-571/2, II Floor, "Rockvista", Rockdale Estate, Somajiguda, Hyderabad 500082.
- h. "Record Date" means the date to be fixed by the Board of Directors or a committee thereof of the Transferor Company and the Transferee Company for the purpose of determining the members of the Transferor Company to whom shares of the Transferee Company will be allotted pursuant to this Scheme in terms of clause 12 hereof.

For PRIYADARSHINI CEMENT LIMITED

N. JAGAN MOHAN REDDY  
Managing Director

- i. "Scheme" or "this Scheme" or "the Scheme" means this Scheme of Arrangement in its present form submitted to the High Court of Judicature of Andhra Pradesh at Hyderabad for sanction with any modification(s) approved or imposed or directed by the said High Court.
- j. "Undertaking" shall mean all the Business of cement manufacturing carried out by the Transferor Company on a going concern basis consisting of the following:
  - i. Cement manufacturing unit located at Kurnool and Nalgonda and the related investment in the APGPCL (Andhra Pradesh Gas Power Corporation Limited) shares.
  - ii. All branch and marketing operation/offices located at various places and the corporate office of the Transferor Company.
- k. [the "Business"] shall mean and include {without being limited to} the following:
  - i. all assets of or pertaining to the business, including those specified in Schedule 'A' hereto ["the Assets"];
  - ii. all liabilities and debts pertaining to the business including those specified in Schedule 'B' hereto ["the Liabilities"] including the implications of the debt restructuring being carried out by the lenders through Corporate Debt Restructuring (CDR) Cell;
  - iii. lease rights, permits, quota rights, industrial rights and other licences, trademarks, intellectual property rights, other tangibles and all the privileges, benefits, duties and obligations of all contracts, agreements and arrangements, and all other rights, licence, powers and facilities of every kind, nature and description whatsoever pertaining to the Business;
  - iv. all permanent employees of the Transferor Company engaged in the Business at various locations other than Trading Division and RMC Division who are willing to become employees of the Transferee Company;
  - v. all earnest monies and / or security deposits paid or received by the Transferor Company pertaining to the Business; and
  - vi. all necessary records, files, papers, information, drawings, manuals, data, list of customers and suppliers and other records in connection with or relating to the Business
  - vii. Other intangible asset such as the miscellaneous expenditure to the extent not written off

PROVIDED that the immovable properties held under any lease arrangement by the Transferor Company pertaining to the Business shall be transferred to the Transferee Company only after obtaining all such approvals and consents as may be necessary.

For PRIYADARSHINI CEMENT LIMITED

N. JAGAN MOHAN REDDY  
Managing Director

2. Share Capital and Main Objects of Transferor and Transferee companies:

- a.(i) The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on the Appointed Date is as under:

(Rupees)	
Particulars	As on Appointed Date
Authorised: 2,40,00,000 equity shares of Rs.10/- each	Rs. 24,00,00,000
Issued, subscribed and paid-up: 2,21,10,000 equity shares of Rs. 10/- each fully paid-up	Rs. 22,11,00,000

- a.(ii) The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on the Appointed Date is as under:

(Rupees)	
Particulars	As on Appointed Date
Authorised: 10,00,000 equity shares of Rs. 10/- each	Rs.1,00,00,000
Issued, subscribed and paid-up: 50,000 equity shares of Rs. 10/- each fully paid-up	Rs.5,00,000

- b.(i) The Main Objects of the Transferor Company, inter alia, is "to produce, manufacture, purchase, refine, prepare, process, import, sell and generally to deal in Cement, portland cement, alumina cement, white and coloured cement, lime and limestone, kankar and or by-products thereof and building materials, generally non-ferrous metals, ferroalloys; and in connection therewith to acquire, erect, construct, establish operate and maintain factories, mines and quarries, workshops and other works". The Transferor Company is in the process of commencing trading division to trade in imported coal and to sell clinker (mainly exports), this has been already provided in the ancillary objects of the Company and will be incorporated in the main objects.

- b.(ii) The Main Objects of the Transferee Company, inter alia, is "to carry on the business of purchase, manufacture, refine or generally deal in all kinds of crude petroleum, petroleum products and petrochemicals, cement and cement products etc."

Part II

3.

- a. With effect from the Appointed Date, the Undertaking shall, pursuant to the provisions, contained in section 394 of the Act, without any further act, deed, matter or thing, be and the same shall stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the property of the Transferee Company with effect from the Appointed Date, subject to the charges existing thereon on the Appointed Date in favour of the financial institutions/banks and / or the concerned secured creditors of the Transferor Company if and only if such

For PRIYADARSHINI CEMENT LIMITED

N. JAGAN MOHAN REDDY

charges are in relation to or pertaining to the liabilities and debts of the Undertaking. The assets and liabilities pertaining to the Undertaking shall be transferred as on 1<sup>st</sup> April 2003 [the Appointed Date].

- b. All assets forming a part of the Undertaking acquired by the Transferor Company on/or after the Appointed Date and prior to the Effective Date for operations of the Business shall also stand transferred to and vested in the Transferee Company at their fair value, upon the coming into effect of the Scheme.
  - c. It is expressly provided that in respect of such of the assets forming a part of the Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall upon the coming into effect of this Scheme be so transferred by the Transferor Company without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company, in pursuance of the provision of section 394 of the said Act or other provisions of law as applicable.
  - d. In respect of the said assets pertaining to the Undertaking, other than those referred to in sub para (c) above, the same shall upon the coming into effect of this Scheme, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of section 394 of the said Act and the vesting of all such assets shall take place in such State where such assets are situated upon the coming into effect of this Scheme.
  - e. It is hereby clarified that the rest of the assets and liabilities (other than those specified in Schedule 'A' and 'B'), if any, of the Transferor Companies shall continue to be in the Transferor Company.
4. Upon the coming into effect of this Scheme, with effect from the Appointed Date a sum of Rs. (in thousands) 1500 of the total amount of Capital Reserve in the form of capital subsidy and a sum of Rs. (in thousands) 7543 of the Investment Allowance Reserve standing in the books of account of the Transferor Company shall stand transferred to the Transferee Company and form part of the Capital Reserve and Investment Allowance Reserve of the Transferee Company respectively.
- 5.
- a. Upon the coming into effect of this Scheme, all legal or other proceedings by or against the Transferor Company pending on the Effective Date or which may be instituted in future (whether before or after the Effective Date) in respect of any matter arising before the Effective Date and pertaining to the Undertaking (including property rights, powers, liabilities, obligations and duties of the Transferor Company) shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Company.

For PRIYADARSHINI CEMENT LIMITED

N. JAGAN MOHAN REDDY  
Managing Director

- b. If proceedings are taken against the Transferor Company in respect of the matters referred to in sub-clause (a) above, it shall defend the same at the cost of the Transferee Company and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- c. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) and (b) above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
6. The Authorised Share Capital of the Transferee Company shall stand increased suitably.
7. With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company –
  - a. Shall be deemed to have been carrying on and shall carry on all business and activities relating to the Business and the Undertaking and stand possessed of the properties so to be transferred, for an on account of and in trust for the Transferee Company, including, but without limitation, manufacturing and marketing activities, advance tax instalments of income tax, sales tax, excise and other statutory levies, etc.
  - b. All profits or income accruing to the Transferor Company or losses or expenditure (including payment of penalty, damages or such litigations) arising or incurred by it relating to the Undertaking shall, for all purposes, be treated as the profits or income or losses or expenditure, as the case may be, of the Transferee Company, except gains arising from transfer of the Undertaking itself to the Transferee Company..
8.
  - a. The Transferor Company hereby undertakes, from the Appointed Date up to and including the Effective Date –
    - i. To carry on the business of the Undertaking with reasonable diligence, proper prudence and not to alienate, charge, encumber or otherwise deal with or dispose of the Undertaking (except to the extent of commitments to be made in getting the reschedulement of loan cleared as per CDR cell) or any part thereof, nor conclude settlement with union or employees nor to undertake any new business or a substantial expansion of its existing business which are part of the Undertaking being transferred and other than expansions which have already been commenced without the prior written consent of the Transferee Company except in ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date;
    - ii. Not to utilise the profits or income, if any, relating to the Undertaking for the purposes of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date without the prior written consent of the Transferee Company.

For PRIYADARSHINI CEMENT LIMITED

  
N. JAGAN MOHAN REDDY  
Managing Director

- b. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law, for such consents, approvals and sanctions which the Transferee Company may require to own and operate the Undertaking.
- 9.
- a. The Transferee Company undertakes to engage, on and from the Effective Date, all permanent employees of the Transferor Company, who are engaged in the Undertaking (other than those engaged in the Trading Division and RMC Division) and desirous of joining the Transferee Company on the terms and conditions which are substantially equivalent to the terms and conditions on which they are engaged as on the Effective Date by the Transferor Company without any interruption of service as a result of the transfer and in the terms and conditions not less favourable than those subsisting with reference to the Transferor Company as on the Effective Date, as if they were in a continuous service. The Transferee Company agrees that the services of all such employees with the Transferor Company up to the Effective Date shall be taken into account for purposes of payment of any compensation, gratuity and retirement and any other benefits to which they may be eligible in the Transferor Company on the Effective Date. The position, rank and designation of the employees would be decided by the Transferee Company.
  - b. The accounts of the employees, who are employed by the Transferor Company under the sub-clause (a) above, in the Transferor Company relating to the Superannuation Fund, Provident Fund, Gratuity Fund and other funds including any surplus in such funds shall be identified, determined and transferred to the Trustees of the respective Funds of the Transferee Company as and when these are created.
  - c. Until such time, the Transferee Company creates its own funds, the Transferee Company may, subject to necessary approval and permissions, if any, continue to contribute in respect of the Transferred Employees to the relevant funds of the Transferor Company. On the creation of the funds, the contributions pertaining to the Transferred Employees shall be transferred to the funds created by the Transferee Company.
10. Except as provided in the clauses above, the Transferee Company shall accept all acts, deeds and things relating to the Undertaking of the Transferor Company done and executed by and / or on behalf of the Transferor Company on or after the Appointed Date as acts, deeds and things done and executed by and / or behalf of the Transferee Company
- 11.
- a. Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature relating to the Undertaking, to which the Transferor Company is a party or beneficiary or executed for the benefit of the undertaking subsisting or having effect on or before the Effective Date shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had at all material times been a party thereto.

For PRIYADARSHINI CEMENT LIMITED

  
N. JAGAN MOHAN REDDY  
Managing Director

- b. The Transferee Company may, 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, confirmations or other writings or multipartite agreements, arrangements, confirmations or novations with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the Scheme, the Transferor Company if necessary will also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

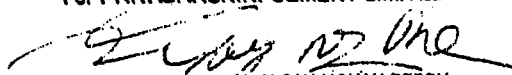
12.

- a. Upon the coming into effect of this Scheme and in consideration of the arrangement and transfer of the Undertaking in favour of the Transferee Company, the Transferee Company shall, without any further act or deed and without any further payment, issue and allot to the transferor company, equity shares of the resulting company of face value of Rs.10/- each credited, as fully paid-up in cash. The total number of equity shares of the Transferee Company to be issued and allotted to the Transferor Company shall be 1,47,50,000 equity shares of face value Rs. 10/- each at a premium of Rs.42 per share aggregating Rs.76,70,00,000 credited, as fully paid-up.
- b. The issue and allotment of 1,47,50,000 equity shares in the Transferee Company to the Transferor Company as provided in the Scheme shall be subject to the provisions of section 81(1A) of the Companies Act, 1956.
- c. Such equity shares to be issued and allotted by the Transferee Company in terms of clause 12(a) above shall rank pari passu in all respects with the existing shares of the Transferee Company, save and except in relation to dividends, if any, to which they may be entitled to, from the Appointed Date.

### Part III

13. The Transferor Company and the Transferee Company shall with all reasonable despatch, make applications/petitions under Sections 391 and 394 apply to the High Court of Judicature of Andhra Pradesh at Hyderabad, for convening/dispensation and holding of meetings of the Equity Shareholders and creditors of the Transferor Company and the Transferee Company, for sanctioning this Scheme of Arrangement under section 391 of the Act and for an order or orders under section 394 of the Act for carrying this Scheme into effect.
14. The Transferor Company and the Transferee Company, through their Directors or authorised officers, are hereby empowered and authorised in their full and absolute discretion, to assent from time to time to any alterations or modifications in this Scheme including but not limited to those which the Court and/or the stock exchange and/or any other authority may give such directions as they may consider necessary to settle any questions or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective companies). In the event that any conditions are imposed by the High Court which the Transferor Company or the Transferee Company find unacceptable for any reason whatsoever then the Transferor

For PRIYADARSHINI CEMENT LIMITED





Company and/or the Transferee Company shall be entitled to withdraw from the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.

15. This Scheme is conditional upon and subject to:

- a. All requisite consents, approvals or permissions of the Central Government or any other agency, department or authorities concerned in respect of any of the matters in respect of which such sanction or approval is required.
- b. The approvals of financial institutions and banks if any to the extent required for the implementation of this Scheme by law or by contract.
- c. The approval to the Scheme by the requisite majorities of shareholders of the Transferor Company and the Transferee Company as may be directed by the Court on the applications made for direction under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the said Act for the purpose.
- d. All court sanctions and orders as are legally necessary or required under the said Act.
- e. Requisite approval, if any required, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and requisite sanction or approval under any law or from the authority concerned being obtained and granted in respect of any matter for giving effect to the said Scheme, for the issuance of shares in the Transferee Company to the Transferor Company.

16. This Scheme, though effective from the Appointed date, shall be operative from the last of the following dates or such other date as the Court may direct, namely:

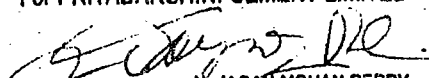
- a. the date on which the last of all the consents, approvals, permissions, resolutions, sanctions and orders as are hereinabove referred to have been obtained or passed; and
- b. the date on which certified copies of the Orders of the Court under Section 391, 392 and 394 of the said Act are duly filed with the appropriate Registrar of Companies,

and such date shall be hereinafter referred to as "the Effective Date" Reference in this Scheme to the date of "coming into Effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.

17. In the event of any of the said sanctions and approvals referred to in the preceding clause 15 above not being obtained and / or the Scheme not being sanctioned, this Scheme shall stand revoked, cancelled and be of no effect and null and void, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law and in such event each company shall bear their respective costs, charges and expenses in connection with this Scheme.

18. All costs, charges and expenses in relation to or in connection with the preparation, execution or implementation of the Scheme shall be borne and paid by the Transferee Company. In case the Scheme is not approved all such expenses will be born by the Transferor company.

For PRIYADARSHINI CEMENT LIMITED

  
N. JAGAN MOHAN REDDY  
Managing Director

## SCHEDULE 'A'

LIST OF ASSETS PERTAINING TO THE UNDERTAKING TO BE TRANSFERRED BY THE TRANSFEROR COMPANY TO THE TRANSFEREE COMPANY AS ON APPOINTED DATE:

## 1. Immovable properties

## Unit I:

S. no.	Description	Area in acre
<b>A)</b>	<b>Plant land, colony land, etc.</b>	
a)	Village Ramapuram	278.1
b)	Village Ramapuram	136.7
c)	Village Jaggu Thanda	8.6
	<b>Total</b>	<b>423.4</b>
d)	Village Nallabanda Gudem	7.0
e)	Village Budavada	7.1
	<b>Total plant land, colony land, etc. area</b>	<b>437.5</b>
<b>B)</b>	<b>Mining land</b>	
a)	Owned by the Unit	
	i) Village Ramapuram, Revoor, Mellacheruvu	177.9
	ii) Village Revoor (Shiva Balaji Nayak Thanda)	48.8
	iii) Village Dondapadu	145.0
	<b>Total owned mining land</b>	<b>371.7</b>
b)	Villages Ramapuram and Revoor- on lavani patta rights	139.4
c)	Villages Ramapuram and Revoor- owned by the government and allotted to the Unit	402.4
d)	Owned by others	
	i) Villages Ramapuram, Revoor and Mellacheruvu	312.7
	ii) Village Revoor	89.5
	<b>Total others owned mining land</b>	<b>402.2</b>
	<b>Total mining land area</b>	<b>1,315.7</b>
	<b>Area of the entire land</b>	<b>1,753.2</b>

For PRIYADARSHINI CEMENT LIMITED

  
 N. JAGAN MOHAN REDDY  
 Managing Director

## Unit II:

S. no.	Description	Area in acre
<b>A)</b>	<b>Plant land, colony land, etc.</b>	
a)	Racherla village and Boincheruvupalli village	
	Colony land	56.7
	Plant land	121.7
	<b>Total</b>	<b>178.4</b>
b)	Village Dhone- not in use	3.0
	<b>Total plant land, colony land, etc. area</b>	<b>181.4</b>
<b>B)</b>	<b>Mining land- Racherla village and Boincheruvupalli village</b>	
a)	Owned by the Unit	
	Safety zone land	57.8
	For gravel	4.0
	<b>Total owned mining land</b>	<b>61.8</b>
b)	Owned by the government and allotted to the Unit	618.9
	<b>Total mining land area</b>	<b>680.7</b>
	<b>Area of the entire land</b>	<b>862.1</b>

In addition to the above, the Company has immovable properties in the form of factory and non- factory buildings constructed on the above land. Besides, the following additional immovable properties to be transferred are as under:

- Corporate office: - It is a seven storied (ground floor plus six floors) building on a freehold plot of an area of about 6,805 sq. ft. It is located at house no. 8-3-1008, plot no. 34, Srinagar Colony, Hyderabad. It is popularly called Green Tower and is about 1.5 kms from Punjagutta abutting Srinagar colony main road. The building was constructed in 1997 and is being used as corporate office of the Company.
- The Company has a flat in Amrutha Estate Pentagon Extension Block, road No. 12, Banjara Hills, Hyderabad. The number of the flat is G-I-202. The area of the flat is about 1,350 sq. ft. including super area

## 2. Movable properties

All the moveable properties or assets relating to the Business whether owned, leased, hire purchased, or licensed or otherwise, including but without limitation.

- Plant and Machinery, Furniture and Fixtures, etc., and those separately identified, whether fixed or attached to all immovable or movable properties specified above.
- Equipment, information, technology, photo-copying machines and other office equipment currently used exclusively by the Undertaking and all appurtenants thereto.
- All vehicles belonging to the Undertaking and all appurtenants thereto.

For PRIYADARSHINI CEMENT LIMITED

N. JAGAN MOHAN REDDY

- d. Inventory of raw and packing materials, work in progress, finished goods, and including other operating assets pertaining to the Undertaking, wherever situated.
- e. Sundry debtors, Loans and Advances and other Current Assets pertaining to the Undertaking.
- f. All necessary records, files, papers, engineering and process information, drawings, data, catalogues, quotations, list of present and former customers and suppliers, customer credit information, customer pricing information, and other records in connection with or relating to the Undertaking.
- g. Investment of 134000 equity shares of Rs.10/- each fully paid and investment of 536000 equity shares of Rs.10/- partly paid in APGPCL, which enables the cement business to draw power from APGPCL. *The Transferor Company has partly sold and is in the process of selling off its balance stake in APGPCL during the year. Any such sell off after the Appointed Date by the Transferor Company shall be deemed to be on behalf of the Transferee Company and subject to their approval (for sell-off already undertaken approval will be deemed to have been granted). Any sale proceeds towards the same will be transferred to Transferee Company.*
- h. Expenditure incurred by the Transferor Company towards the capital work in progress.

#### SCHEDULE 'B'

##### LIST OF LIABILITIES AND DEBTS OF THE UNDERTAKING

Particulars (As on 31 <sup>st</sup> March 2003)	Amount (Rs.)
Secured Loans	1,63,86,00,945
Unsecured Loan (Sales tax deferment)	20,21,57,938
Current Liabilities	55,32,50,343

For PRIYADARSHINI CEMENT LIMITED

*[Signature]*  
N. JAGAN MOHAN REDDY  
Managing Director

*[Signature]*  
SUPERINTENDENT  
COPYIST DEPARTMENT  
HIGH COURT OF A.P.  
HYDERABAD

THE HIGH COURT OF ANDHRA PRADESH  
HYDERABAD.

C.A. 407  
ED No ..... of 2005  
Application made..... 15-6- 2005  
Application returned .. ..... 2005  
Application represented..... 2005  
Stamps called for..... 20-6- 2005  
Stamps deposited..... 21-6- 2005  
Adl. Stamps called for ..... 2005  
Adl. Stamps deposited..... 2005  
Copy ready ..... 21-6- 2005  
Copy delivered ..... 2005

18/6/05  
Section Officer

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

नाम 69766 HPALA ऑफ प्रदेस  
135033 PB 0019  
R.0200000 191107  
INDIA STAMP DUTY ANDHRA PRADESH

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

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

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

COMPANY PETITION NOS. 93, 94 & 95 of 2007

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

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

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

Between:

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

..... PETITIONER COMPANY

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

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

Between:

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

..... PETITIONER COMPANY

Sub-Registrar's Office  
EX OFFICIO STAMP VENDOR  
(S.O. NO. C/GR/S)  
HYDERABAD  
नाम 69767 HPALA ऑफ प्रदेस  
135039 PB 0019  
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INDIA STAMP DUTY ANDHRA PRADESH

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

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GSO.08.200000  
HYDERABAD  
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INDIA STAMP DUTY ANDHRA PRADESH

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

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

Between:

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

..... PETITIONER COMPANY

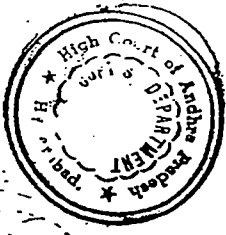
Petition under Section 100, 391 and 394 of the Companies Act, 1956 Read With Rule 79 of the Company Rules, 1959 Original side Rules, praying that this High Court may be pleased to sanction the said scheme of arrangement so as to be binding on all equity shareholders and creditors of the Petitioner Company,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

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

THE COURT MADE THE FOLLOWING: ORDER

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INDIA STAMP DUTY ANDHRA PRADESH

SUB-REGISTRARSUPUT  
EX-OFFICIO STAMP VENDOR  
GSO.08.200000  
HYDERABAD  
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INDIA STAMP DUTY ANDHRA PRADESH



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

**COMPANY PETITION Nos.93, 94 AND 95 of 2007**

**COMMON ORDER:**

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

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



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 SUB-REGISTRAR'S OFFICE  
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 (RS.000 CUGRAS)  
 HYDERABAD  
 INDIA  
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 INDIA STAMP DUTY ANDHRA PRADESH

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

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

The Company Petitions stand disposed of accordingly.

SD/- K.SATYA KUMARI  
 JOINT REGISTRAR

// TRUE COPY //

SECTION OFFICER

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

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

SUB-REGISTRAR'S OFFICE  
 EXCHARGE STAMP VENDOR  
 (RS.000 CUGRAS)  
 HYDERABAD  
 INDIA  
 69774 HPALA और प्रदेश  
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 R-0200000 19 11 07  
 INDIA STAMP DUTY ANDHRA PRADESH

THE HIGH COURT OF ANDHRA PRADESH  
HYDERABAD.

Case No. 823 of 2007

Application made 26-10- 2007

Application returned 26-10- 2007

Application represented 26-10- 2007

Stamps called for 02-11- 2007

Stamps deposited 12-11- 2007

Adl. Stamps called for 12-11- 2007

Adl. Stamps deposited 12-11- 2007

Copy ready 12-11- 2007

Copy delivered 12-11- 2007

*[Signature]*  
Section Officer.

STAMP DUTY ANDHRA PRADESH  
EX-OFFICIO STAMP VENDOR  
IN THE HIGH COURT OF APPEALS AND ORIGINAL JURISDICTION  
HYDERABAD INDIA  
69757 HPALA अंध्र प्रदेश  
113030 PB 0019  
R.0200000  
191107

(ORDINARY ORIGINAL JURISDICTION)

THURSDAY, THE TWENTY FIFTH OF OCTOBER, 2007

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

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

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

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

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

...PETITIONER COMPANY

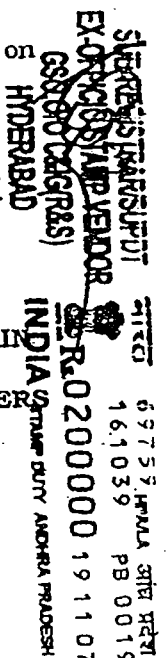
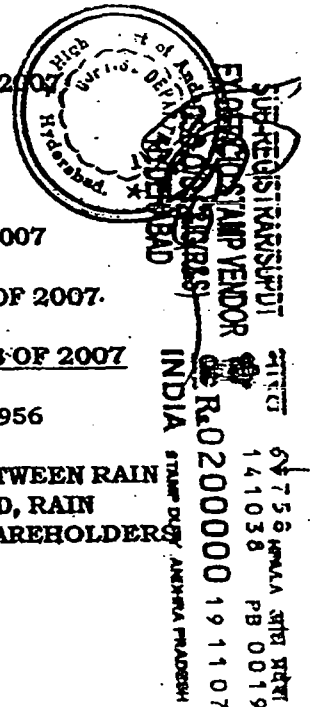
Petition filed under Sections 78,81,100,391 and 394 of the Companies  
Act, 1956 read with Rule 79 of the Company (Court) Rules, 1959 praying  
that the Hon'ble Court may be pleased to order that:

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

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

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

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



Mr. N. Radhakrishna Reddy, S/o Mr. N. Srinivasa Rao, Hyderabad  
Aged 64 years, resident of Hyderabad  
HYDERABAD INDIA  
STAMP DUTY ANDHRA PRADESH  
...PETITIONER COMPANY

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

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

...PETITIONER COMPANY

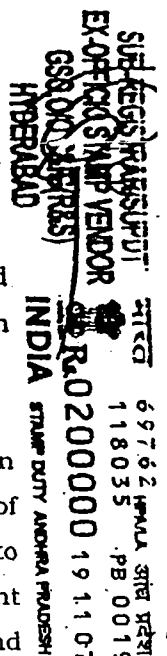
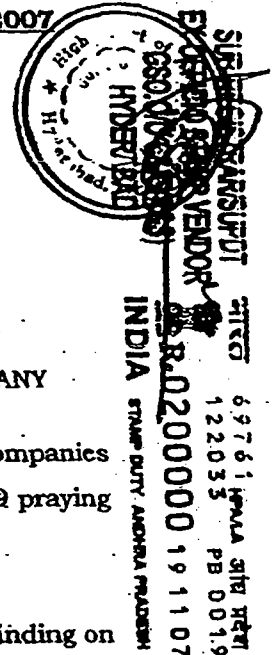
Petition filed under Sections 78, 81, 100, 391 and 394 of the Companies  
Act, 1956 read with Rule 79 of the Company (Court) Rules, 1959 praying  
that the Hon'ble Court may be pleased to order that:

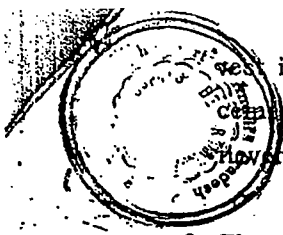
1. the said scheme of arrangement be sanctioned so as to be binding on  
all the equity shareholders and creditors of the Petitioner Company

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

THE COURT DOETH ORDER AS FOLLOWS:

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





in Rain Commodities Limited for all estate and interest of the  
Cement division of Rain Industries Limited therein but subject  
nevertheless to all charges now affecting the same.

3. That all the liabilities and duties of the cement division of Rain Industries Limited as at 1<sup>st</sup> July, 2006 be transferred without further act or deed to Rain Commodities Limited and, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of Rain Commodities Limited.

4. That all the property, rights, powers of Rain Calcining Limited as at 1<sup>st</sup> April, 2007 specified in the scheme of arrangement annexed hereto be transferred without further act to Rain Commodities Limited and, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and vest in Rain Commodities Limited for all estate and interest of Rain Calcining Limited therein but subject nevertheless to all charges now affecting the same.

5. That all the liabilities and duties of Rain Calcining Limited as at 1<sup>st</sup> *April* July, 2007 be transferred without further act or deed to Rain Commodities Limited and, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of Rain Commodities Limited.

6. That all the property, rights, powers of the Calcined Petroleum Coke and Power Division of the restructured Rain Commodities Limited as at 1<sup>st</sup> April, 2007 specified in the scheme of arrangement annexed hereto be transferred without further act to Rain Commodities Limited and, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and vest in Rain Industries Limited for all estate and interest of the Calcined Petroleum Coke and Power Division Rain Commodities Limited therein but subject nevertheless to all charges now affecting the same.

7. That all the liabilities and duties of the Calcined Petroleum Coke and Power Division of the restructured Rain Commodities Limited as at 1<sup>st</sup> April, 2007 be transferred without further act or deed to Rain Industries Limited and, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of Rain Industries Limited.

8. That Rain Commodities Limited, which further application allot to such members as have been allotted as have been given, such notice of allotment, shall be required by the Scheme the shares in Rain Commodities Limited, which shall be under the said scheme of arrangement.

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

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

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

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

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

Note: Scheme of Arrangement enclosed.

Sd/- K.SATYA KUMARI  
JOINT REGISTRAR

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

Sd/- K.SATYA KUMARI  
JOINT REGISTRAR

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

// TRUE COPY //

SECTION OFFICER

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

SUB-REGISTRAR SUPD  
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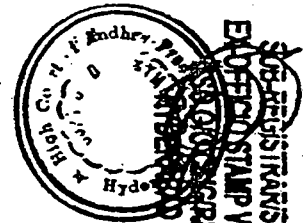
THE HIGH COURT OF ANDHRA PRADESH  
HYDERABAD.

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

*[Signature]*  
Section Officer.

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

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



PART I - PRELIMINARY

1. DEFINITIONS:

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

COMMON:

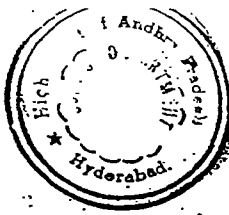
- i. "Act" means the Companies Act, 1956, and any statutory modification or enactment thereof for the time being in force.
- ii. "Effective Date" means the last of the dates on which the sanctions and approvals and the Orders of the High Court of Andhra Pradesh sanctioning this Scheme under the provisions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

For RAIN CALCINING LIMITED

T. SRINIVASA RAO  
Vice President (Finance)

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69777 MPALA अंध्र प्रदेश  
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**PART A: TRANSFER OF CEMENT DIVISION OF RIL (TRANSFEROR COMPANY) TO RCOL (TRANSFeree COMPANY)**

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

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

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

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

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

For RAIN CALCIUM LIMITED

*[Signature]*  
J. Srinivas Rao  
Managing Director

STAMP DUTY ANDHRA PRADESH  
EX-OFFICIO STAMP VENDOR  
697779 HPALA और प्रदेश  
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HYDERABAD INDIA

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

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

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

**2. SHARE CAPITAL AND OBJECTS OF THE COMPANIES**

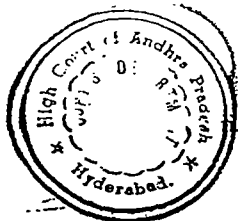
- i. The authorised, issued, subscribed and paid up share capital of RCOL as on 20<sup>th</sup> March, 2007:

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

For RAIN CALCINING LIMITED

T SRINIVASA RAO  
Vice President (Finance)

STAMP DUTY ANDHRA PRADESH  
EX-OFFICIO STAMP VENDOR  
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HYDERABAD INDIA



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

**AUTHORISED CAPITAL**

(Rs.)

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

140,00,00,000/-

**Total:**

140,00,00,000/-

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

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

129,48,80,000/-

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

**AUTHORISED CAPITAL**

(Rs.)

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

50,00,00,000/-

**Total:**

50,00,00,000/-

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

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

20,80,00,000/-

**Total:**

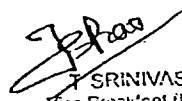
20,80,00,000/-

**THE MAIN OBJECTS OF RAIN COMMODITIES LIMITED:**

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

For RAIN CALCINING LIMITED

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SRINIVASA RAO  
Vice President (Finance)

- vi) To purchase, take on lease, or otherwise acquire any undertaking, business and property or any part thereof of any company or companies carrying on business as manufacturers of cement and Mineral Industries in India or else where.

#### THE MAIN OBJECTS OF RAIN INDUSTRIES LIMITED

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

FOR FURTHER CALCINING LIMITED

T. SRINIVASA RAO

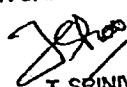


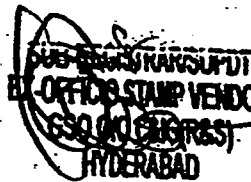
- vii) To carry on all or any of the business of manufactures and sellers of and dealers and workers in cement of all kinds, concrete, asbestos, earthen-ware, artificial stone and manufacturers, and dyers, requisites and conveniences of all kinds.
- iii) To carry on investigations to discover places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

#### THE MAIN OBJECTS OF RAIN CALCINING LIMITED :

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

For RAIN CALCINING LIMITED

  
T SRINIVASA RAO  
Vice President (Finance)



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## PART II- THE SCHEME

### 3. OPERATIVE DATE OF THIS SCHEME:

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

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

#### 4.1 TRANSFER OF CEMENT BUSINESS OF RIL:

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

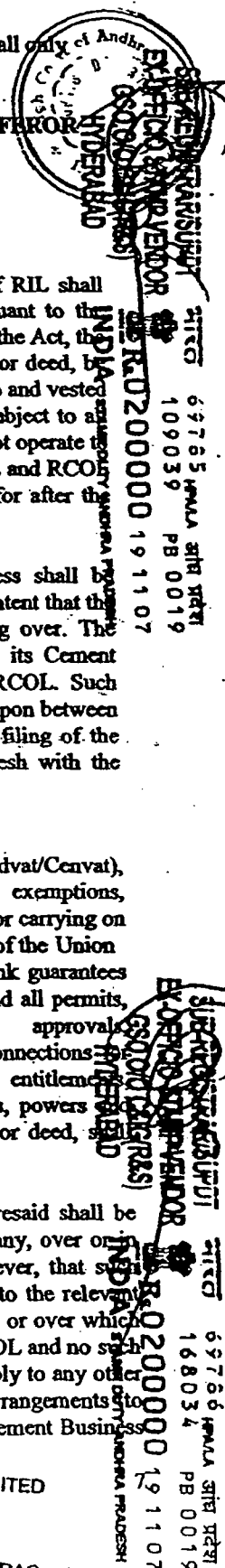
ii. All the movable assets of RIL pertaining to its Cement Business shall be physically handed over by manual delivery to RCOL to the end and intent that the ownership and property therein passes to RCOL on such handing over. The amounts lying with the banks to the credit of RIL in relation to its Cement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

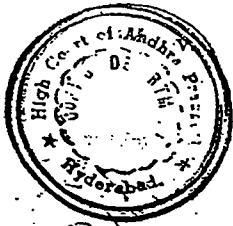
iii. All benefits including under Income Tax, Excise (including Modvat/Cenvat), Sales Tax (including deferment of any Tax), Service Tax, exemptions, concessions, remissions and subsidies to which RIL is entitled to for carrying on its Cement Business in terms of the various statutes and/or schemes of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

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

For RAIN CALCINING LIMITED

T. SRINIVASA RAO





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

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

#### 4.2 LEGAL PROCEEDINGS:

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

#### 4.3 CONTRACTS AND DEEDS:

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

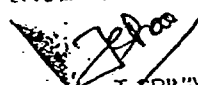
#### 4.4 SAVING OF CONCLUDED TRANSACTIONS:

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

#### 4.5 EMPLOYEES:

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

For RAIN CALCINING LIMITED

  
T. GRINIVAGA PAO  
Vice President (Finance)

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

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

#### 4.6 BUSINESS IN TRUST FOR RCOL:

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

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

For RAIL CALCINING LIMITED

T. SRINIVASA RAO  
Vice President (Finance)



#### 4.7 Consideration for Transfer of Cement Business of RIL to RCOL

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

#### ACCOUNTING TREATMENT:

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

#### 4.9 Utilisation of Securities Premium Account in RIL:

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

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

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

##### 5.1 TRANSFER OF UNDERTAKING OF RCL:

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

For RAIN CALCINING LIMITED

T. SRINIVASA RAO  
Vice President (Finance)

SUB-REGISTRARSHIP  
EX-OFFICIO STAMP VENDOR  
(3000 CAGRES)  
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concessions, remissions and subsidies to which RCL is entitled in terms of the various statutes and/or schemes of the Union and State Governments, obligations or benefits arising out of bank guarantees and Corporate Guarantees given for any Loans taken by Subsidiaries or such guarantees given with respect to any appeals with the relevant authorities, and all permits, authorizations, licenses, consents, registrations, approvals, permissions, insurance policies, bids, tenders, letters of intent, connections for water, electricity and drainage, sanctions, permissions, registrations, entitlements, allotments, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent) without any further act, or deed, shall stand transferred to and vest in RCOL.

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

## 5.2 LEGAL PROCEEDINGS:

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

## 5.3 CONTRACTS AND DEEDS:

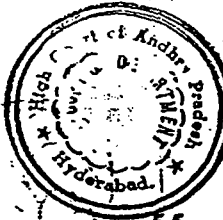
- i. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, indemnities, licenses, engagements and other instruments whatsoever nature to which RCL is a party or to the benefit of which RCL is eligible, and which have not lapsed and are subsisting on the Effective Date,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

For RAIN CALCINING LIMITED

*[Signature]*

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#### 5.4 SAVING OF CONCLUDED TRANSACTIONS:



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

#### 5.5 EMPLOYEES:

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

#### 5.6 DISSOLUTION OF RCL:

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

#### 5.7 BUSINESS IN TRUST FOR RCOL:

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

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

FOR RAIN CALCINING LIMITED

T. SRINIVASA RAO  
Vice President (Finance)

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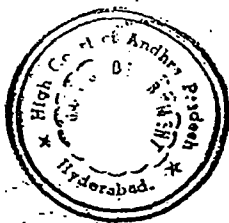
without the prior written consent of RCOL or pursuant to any pre-existing obligation undertaken by RCL prior to the Second Appointed Date.

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

**5.8 ISSUE AND ALLOTMENT OF SHARES BY THE TRANSFEREE COMPANY:**

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

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



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

#### 5.9 ACCOUNTING TREATMENT IN THE BOOKS OF RCOL:

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

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

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

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

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

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

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

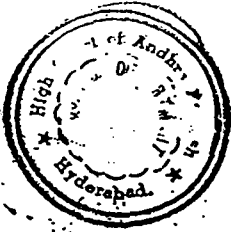
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Scheme, and, pursuant to the provisions of Sections 10B and 80IA and other applicable provisions of the Act, the Calcined Petroleum Coke and Power Business of RCOL shall, accordingly, without any further act, or deed, be transferred to and vested in,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

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

FERRAIN CALCINING LIMITED

*J. Rao*  
S. S. RAO



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

## 6.4 CONTRACTS AND DEEDS:

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

## 6.5 SAVING OF CONCLUDED TRANSACTIONS:

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

## 6.6 EMPLOYEES:

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

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EX-OFFICIO STAMP VENDOR  
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R-0200000 191107

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

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

#### 6.7 BUSINESS IN TRUST FOR RIL:

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

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

#### 6.8 Issue and Allotment of Shares by the Transferor Company:

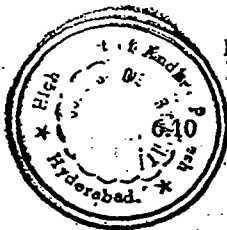
Upon the Transfer of the Calcined Petroleum Coke and Power Business of Restructured RCOL and the transfer becoming effective in terms of this Scheme, a consideration of Rs. 140.06 Crores, net-off secured and unsecured loans and current liabilities of the Undertaking of RCOL, shall be payable by RIL to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

#### 6.9 ACCOUNTING TREATMENT:

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

*J. Shao*  
CHINMASA RAO





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

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

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

**7.1 APPLICATIONS TO THE HIGH COURT OF ANDHRA PRADESH**

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

**7.2 MODIFICATIONS OR AMENDMENTS TO THE SCHEME:**

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

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

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

**PART III - GENERAL**

**8. SCHEME CONDITIONAL UPON:**

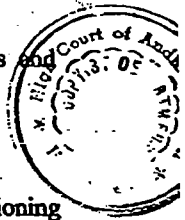
This Scheme is conditional upon and subject to:

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

For RAIN CALCINING LIMITED

T. SRINIVASA RAO  
Vice President (Finance)

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



**9. WHEN THE SCHEME TO BECOME NULL AND VOID :**

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

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

**11. COSTS, CHARGES AND EXPENSES:**

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

**12. PART IMPLEMENTATION OF THE SCHEME**

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

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

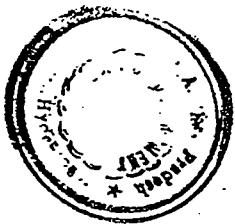
- a) An arrangement between the Rain Industries Limited and its shareholders on one hand and Rain Commodities Limited and its shareholders on the other hand in terms of the Part-A hereunder.

For RAIN CALCINING LIMITED

SUPERINTENDENT  
COPYIST DEPARTMENT

T. SRINIVASA RAO  
(Signature)

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



For RAIN CALCINING LIMITED

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

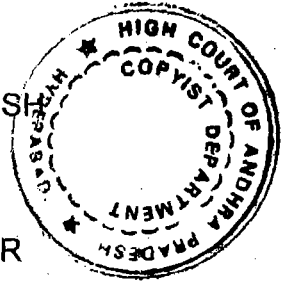
*Amal Kumar*  
SUPERINTENDENT  
COPYIST DEPARTMENT  
HIGH COURT OF A.P.  
HYDERABAD

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

*T. Srinivasa Rao*  
Section Officer.

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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.



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**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**

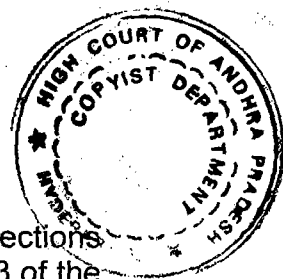
**Moonglow Company Business Inc.,**  
**AND**

**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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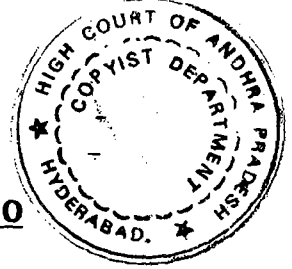
Petition to sanction scheme of arrangement under sections 391 to 394 of the Companies Act, 1956, r/w Section 78, 100 to 103 of the Companies Act, 1956 r/w Rule 67 Company Court Rules 1959, praying that this Hon'ble Court may be pleased to order that sanctioning the scheme of arrangement between Rain 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 23<sup>rd</sup> 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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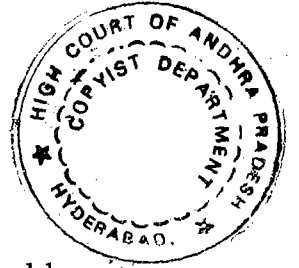
Rs.10,00,00,000 divided into 1,00,00,000 equity shares of Rs.10 each. The issued, subscribed and paid up share capital of RCCVL is Rs.7,18,00,000 divided into 71,80,000 equity shares of Rs.10 each. The main objects of the said company as set out in the memorandum of association are mentioned in para 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 4<sup>th</sup> 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.

*Me*



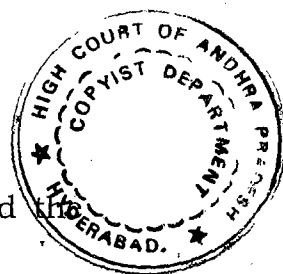
Accordingly, these three petitions have been filed seeking sanction of the above said Scheme of Arrangement between the RCOL, RCCVL, RCCIL and Moonglow Company Business Inc. In response to the notice ordered by this Court, the Registrar of Companies, A.P., Hyderabad filed a common affidavit in all the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

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

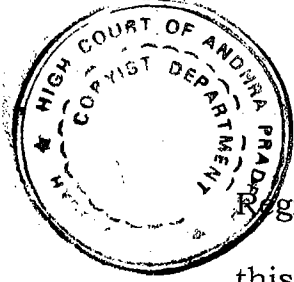
I have heard Sri S.Ravi, learned senior counsel appearing for the applicant companies, and perused the material placed before this Court including the modified Scheme of Arrangement and the resolutions passed by the Board of Directors of the petitioner companies according consent to the modified scheme 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

A handwritten signature in black ink, appearing to be "M. S. Ravi".



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

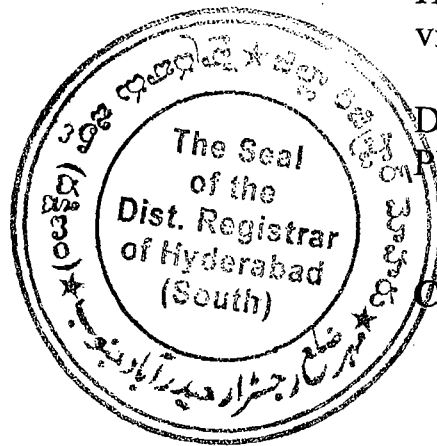
**SA**

*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. COURT OF APPEALS, ANDHRA PRADESH HYDERABAD.	
Case No. 719	of 2010
Application made 29-12-	2010
Application returned	2010
Application represented	2010
Process called for 13-1-	2011
Stamps deposited 17-1-	2011
Stamps called for	2010
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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,

Rain CII Carbon (India) Limited

Rain CII Carbon (Vizag) Limited  
AND

Their Respective Shareholders and Creditors and Moonglow  
Company Business Inc.

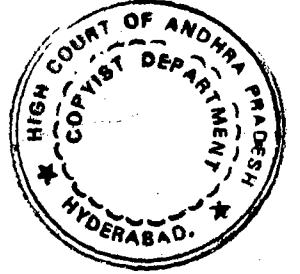
C.P.No.154 of 2010  
Connected With  
C.A.Nos.481, 482 and 483 of 2010

Between:

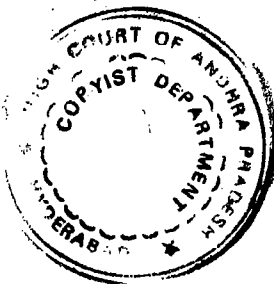
M/s. Rain Commodities Limited, a company incorporated under the  
companies Act, 1956, Regd. Office at Rain Center, 34, Srinagar Colony,  
Hyderabad, rep. by its Authorised Signatory, Sri G.N.V.S.R.R.Kumar.

..... 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, 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**

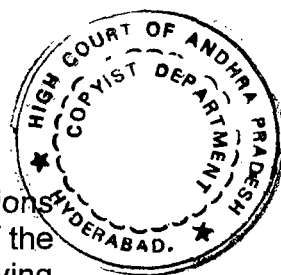
**Moonglow Company Business Inc.,  
AND**

**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



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

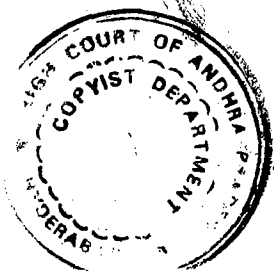
Rain Commodities Limited (RCOL)

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 1<sup>st</sup> 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 1<sup>st</sup> April 2010) (Second appointed date).



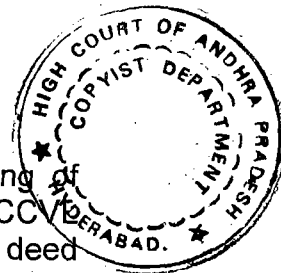


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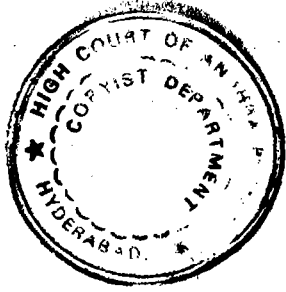
5. That the Demerger of Cement Business undertaking of RCOL into RCCIL.

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

8/1/2011  
Section Officer.

ANNEXURE 'D'  
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## **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)



## I. 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 15<sup>th</sup> 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

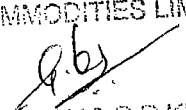
(i) Rain CII Carbon (India) Limited ("RCCIL") (formerly known as 'Rain Industries Limited') is a company incorporated under the Companies Act, 1956, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad – 500 073, Andhra Pradesh, India. RCCIL was incorporated on 4<sup>th</sup> May, 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 23<sup>rd</sup> April, 2008, vide CIN No. - U11100AP2008PLC058785.

For RAIN COMMODITIES LIMITED

  
G.M.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) 7



- (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

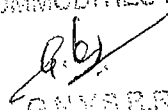
*G.V.S.R.R.KUMAR*  
G.V.S.R.R.KUMAR  
Vice President (Finance & Accounts)



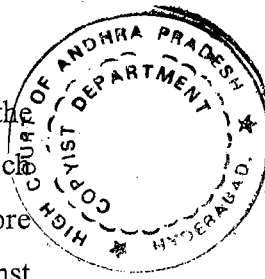
quasi government, local or other authority or body or with any company or other person, the same shall on and from the First Appointed Date stand transferred to and vested in RCCIL without any notice or other intimation to the debtors (although RCCIL may without being obliged and if it so deems appropriate 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)

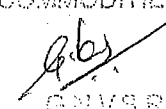
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facilities of every kind and description of whatsoever nature in relation to the Cement Business Undertaking to which RCOL is a party or to the benefit of which RCOL may be eligible and which are subsisting or having effect immediately before the Effective 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)



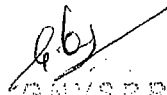
For the purpose of giving effect to the vesting Orders passed under Sections 391 and 394 of the Act in respect of this Scheme, RCCIL shall at any time pursuant to the orders on this Scheme be entitled to secure the record of change in the legal right(s) upon the vesting of such assets of the Cement Business 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

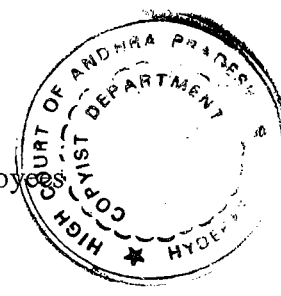
- 4.1 RCCIL undertakes to engage, on and from the Effective date, all permanent employees of RCOL engaged in the Cement Business Undertaking at their respective factories, branch and other offices and also elsewhere and who are in the employment of RCOL, on the same terms and conditions on which they 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.

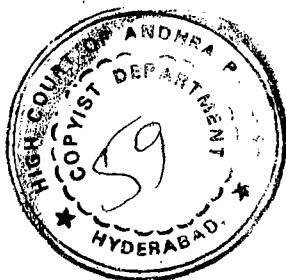
5.2 On and from the Effective Date, RCCIL shall, and may, if required, initiate, continue any legal proceedings in relation to the Cement Business Undertaking of RCOL.

## 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.

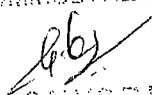
## 8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

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

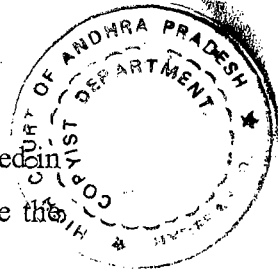
8.1.1. RCOL shall carry on, and be deemed to have carried on the Cement Business Undertaking, and shall be deemed to have held and stood possessed of the Cement Business Undertaking and shall hold and stand possessed of the assets, properties and liabilities of the Cement Business Undertaking on behalf 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**

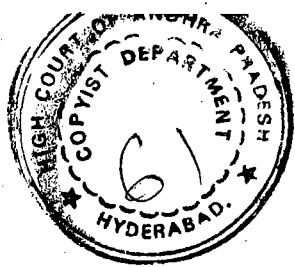
- 9.1. For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent RCOL/ RCCIL from raising funds by issue of new equity shares and / or preference shares and / or any convertible / non-convertible instruments.

**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. 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)

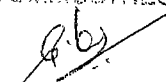
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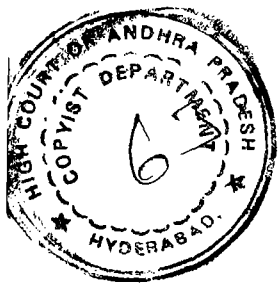


interest of RCCIL therein, the CPC and Power Business Undertaking, will be transferred in the manner provided below.

- 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

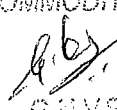
  
G. V. S. R. KUMAR  
Joint Managing Director (Finance & Accounts)



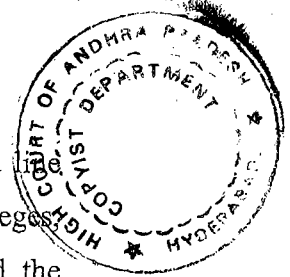
PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by RCCIL, and RCCVL shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

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

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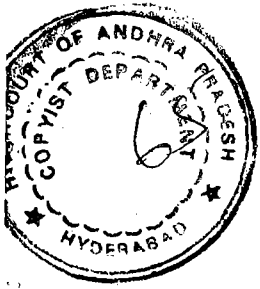


telephone connections, facsimile connections, telexes, e-mail, internet, leased lines, connections and installations, and other approval, those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the CPC and Power Business 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.V.S.R.R.KUMAR*  
G.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

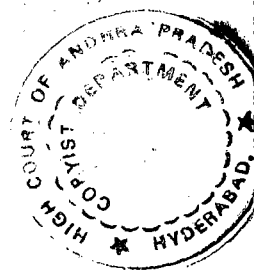
- 12.1. RCCVL undertakes to engage, on and from the Effective date, all permanent employees of RCCIL engaged in the CPC and Power Business Undertaking at their respective factories, branch and other offices and also elsewhere and who are in the employment of RCCIL, on the same terms and conditions on 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)





### 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.

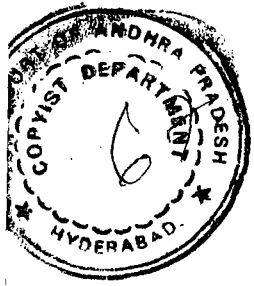
### 14. CONSIDERATION

- 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.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.

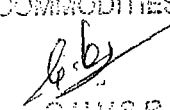
##### **In the books of RCCIL**

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.

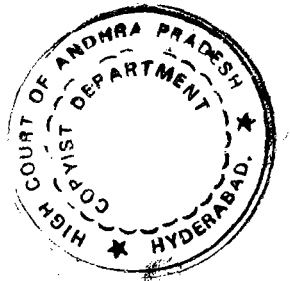
#### 16. INCREASE IN THE AUTHORISED SHARE CAPITAL OF RCCVL

- 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.

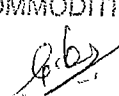
17.1.3. It is clarified that any advance tax paid / TDS credits / TDS certificates received in respect of the CPC and Power Business Undertaking of RCCIL shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of RCCVL.

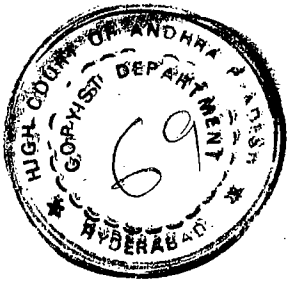
17.1.4. All assets howsoever acquired by RCCIL for carrying on its business, operations or activities and the liabilities relating to the CPC and Power Business Undertaking shall be deemed to have been acquired and are also contracted for and on behalf of RCCVL.

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.

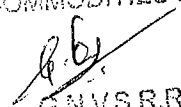
- 19.2. All legal and other proceedings by or against RCCIL under any statute, whether pending on the Second Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of RCCIL (including those 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:

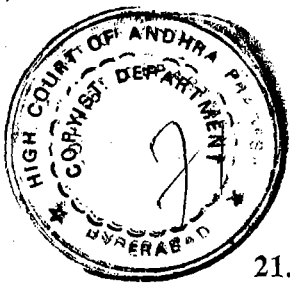
- (a) Approval by requisite majority of the members, and creditors of RCOL, RCCIL and RCCVL as may be directed by the High Court of Andhra Pradesh at Hyderabad;
- (b) Approval of the Scheme by the High Court of Andhra Pradesh, at Hyderabad;
- (c) Certified copies of the orders of the High Court, sanctioning 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.N.V.S.R.R.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).

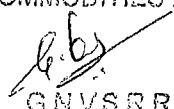
## 22. APPLICATION TO THE HIGH COURT

- 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.

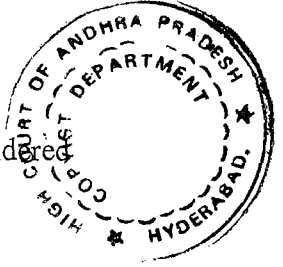
## 23. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 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.V.S.R.R. KUMAR*

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

*[Signature]* 27  
18/1/2011  
SUPERINTENDENT  
COPYIST DEPARTMENT  
High Court of A. P.  
HYDERABAD

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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.



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:

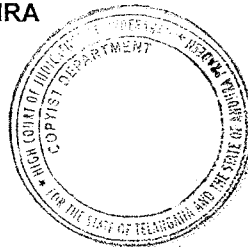
Rain Cements Limited, a company incorporated under the Companies Act, 1956, having its registered office at Rain Center, 34, Srinagar Colony, Hyderabad - 500 073, Telangana, India Represented by its Chief Financial Officer, Mr. G.N.V.S.R.R. Kumar, s/o. Sri G.Kasi Viswanath, resident of Flat No.307, 1-10-84/1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

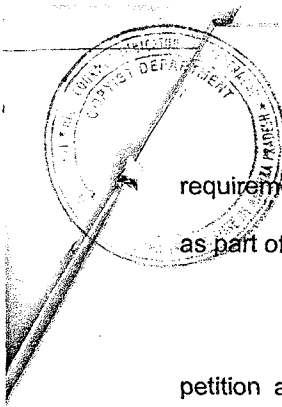
..... PETITIONER

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 ;





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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**

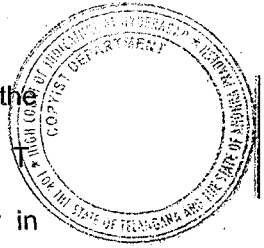
**In the matter of Rain Industries Limited.**

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

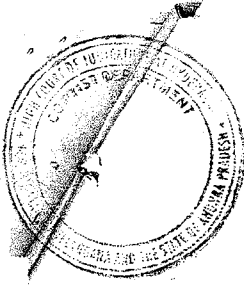
Petition under Sections 391 and 394 of the Companies Act, 1956 read with Rule 79 of the Companies ( Court ) Rules, 1959 praying that

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 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**

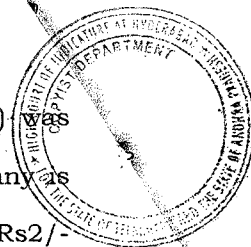
**COMMON ORDER:**

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.



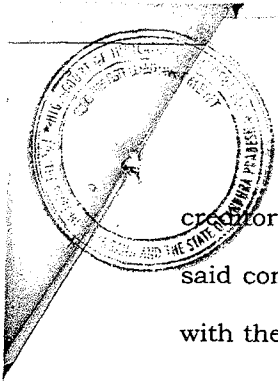
Rain Industries Limited (Petitioner in C.P. No. 45 of 2016) was incorporated on 15.03.1974. The authorised capital of the company is Rs.1,180,000,000/- divided into 590,000,000 equity shares of Rs2/- each and 4,900,000 preference shares of Rs.100/- each. The issued, subscribed and paid-up capital of 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



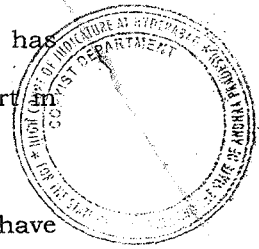
creditors and for convening the meeting of the unsecured creditors of the said company. This Court by an order dated 12-11-2015 had dispensed with the meeting of the shareholders and secured creditors in view of the consents filed by them and had directed that a meeting of the unsecured creditors of 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: Moscip 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.**

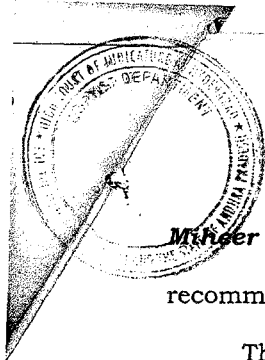
I have considered the material available on record, the principles of law enunciated by the Apex Court in

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

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

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

Wd



**Mineer 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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*Ums 28/5*  
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. Pushyain 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
Copy ready ....	28-9 ..... 2016

*WUS 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 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**

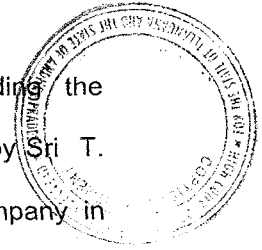
**In the matter of Rain Industries Limited.**

Rain Industries Limited, 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, 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.



**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

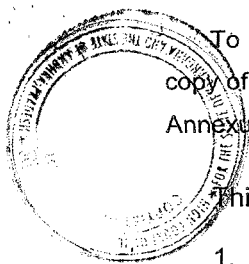
Into

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



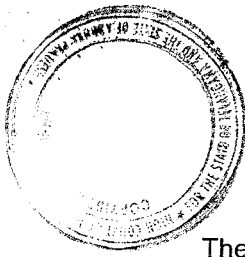
To the extent required. A certified copy of the extent required. A certified copy of the composite scheme of arrangement is filed along with the petition as Annexure P1.

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:



- 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.

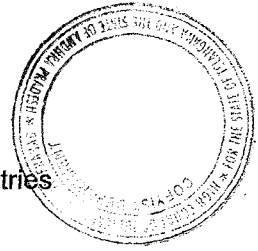
- b) That the form of minute under section 103 of the Act as set out in the schedule appended hereto be approved and registered.
  - c) The share capital of Rain cements Ltd., by way of reduction of Capital reserve account and Securities Premium Account from Rs. 260.96 crores to NIL and 183.01 crores 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.

2. Mr. T. Srinivasa Rao, S/o. Sri T. Ramalingeswara Rao, Chief Financial Officer, 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, 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, Thattianaram 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, Thattianaram 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, Thattianaram 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.

*MUS 28/8*

**SUPERINTENDENT**

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

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

C.A. No.	572	2011
Application made	5-8-	2011
Application returned		2011
Application represented		2011
Stamps called for	28-9-	2011
Stamps deposited	28-9-	2011
Addl. Stamps called for		2011
Addl. Stamps deposited		2011
Copy to file	28-9-	2011

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**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.

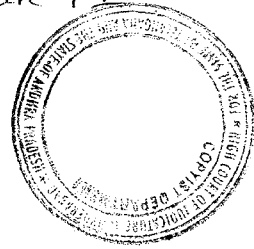
**FORM OF MINUTE**

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**

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**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

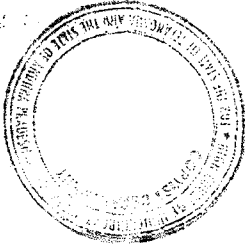
This Scheme of Arrangement is presented pursuant to the provision of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for the merger of Moonglow Company Business Inc. ("Moonglow" or "Transferor Company") with Rain Industries Limited ("RIL" or "Transferee Company").

#### 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.

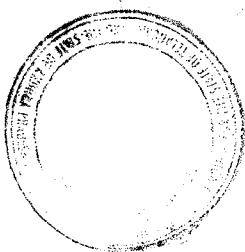
## 1.2 RATIONALE FOR THE SCHEME

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 29020

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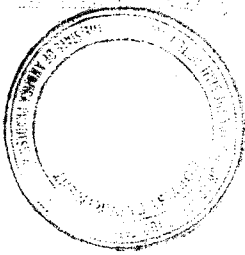


- 2.1.1 “Act” or “the Act” means the Companies Act, 1956/ 2013, wherever applicable, and rules made there under and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 2.1.2 “Appointed Date” means April 1, 2015 or such other date as may be fixed 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. Srinivasa Rao  
Chief Financial Officer  
CIN: U74900TG20080





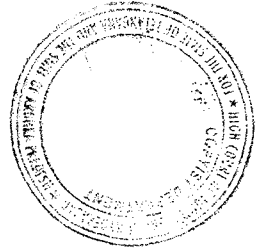
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2.1.8 "Transferor Company" or "Amalgamating Company" means Moonglow Company Business Inc. as defined in Clause 1.1.2 above.

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


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former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form of the Transferor Company.

- 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.

For Rain Industries Limited

  
Director  
01/03/2020  
10/03/2020



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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

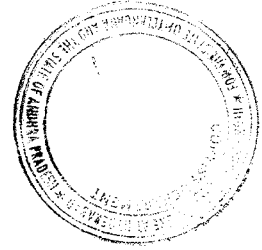
- 2.5.1 The share capital of the Transferee Company as on March 31, 2015, is as under:

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]*



SC

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



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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.

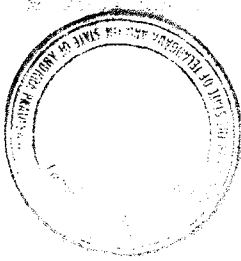
(2) The following apply in respect of a merger or consolidation under this section:

(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.

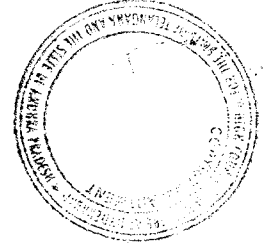
(4) If the surviving company or the consolidated company is a company incorporated under this Act, the merger or consolidation is effective on the date the articles of merger or consolidation are registered by the Registrar or on such date subsequent thereto, not exceeding thirty days, as is stated in 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

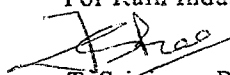
(i) the proceedings may be enforced, prosecuted, settled or compromised by or against the surviving company or the consolidated company or against the member, director, officer or agent thereof, as the case may be, or

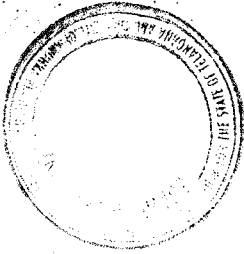
(ii) the surviving company or the consolidated company may be substituted in the proceedings for a constituent company.

(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 29030



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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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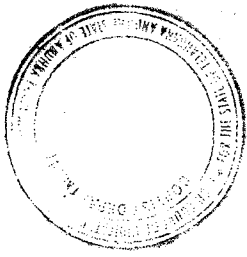
Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. Further, the Transferee Company shall be deemed to be authorised 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



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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 25000

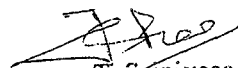
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- 7.1.5 The Transferor Company shall carry in their business, operations or activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with 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.

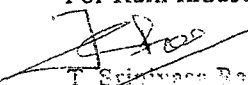
### PART III

#### GENERAL TERMS AND CLAUSES

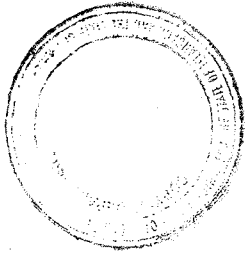
#### 12. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

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.

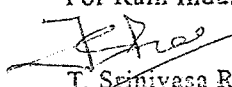
**15. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS**

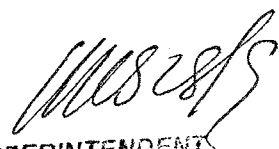
In the event of any of the said sanctions approvals not being obtained and / or the Scheme not being sanctioned by the Hon'ble High Court, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as 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  
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

Copy ready 28-9- ..... 2016

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Section Officer