



## RAIN COMMODITIES LIMITED

Registered Office: "Rain Center", 34, Srinagar Colony, Hyderabad – 500 073, Andhra Pradesh, India.

Tel.: 91 40 4040 1234, Fax: 91 40 4040 1214, Email: secretarial@priyacement.com

Website: www.raincommodities.com

### PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF THE COMPANY

#### OFFER FOR BUYBACK OF EQUITY SHARES FROM OPEN MARKET THROUGH STOCK EXCHANGES

This Public Announcement ("PA") is in compliance with and is made pursuant to the provisions of Regulation 15 (d) read with Regulation 15 (c) of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended thereto ("Buyback Regulations") and contains the disclosures as specified in Schedule II to the Buyback Regulations.

#### SCHEDULE II - PART A OF BUYBACK REGULATIONS

##### 1 THE BUYBACK

- 1.1 The Board of Directors of Rain Commodities Limited ("the Company") at its meeting held on August 13, 2012 and the Shareholders of the Company by a special resolution as per Postal Ballot Notice dated August 13, 2012 ("Postal Ballot Notice"), the results of which were announced on October 1, 2012, have approved the Buyback of fully paid up equity shares of ₹ 2 each of the Company ("the Buyback"), in accordance with the provisions contained in Article 28a of the Articles of Association of the Company, Section 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Buyback Regulations subject to other applicable laws, approval/s as may be necessary, from statutory authorities including Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India etc., and further subject to such conditions as may be prescribed while granting such approval/s which may be agreed to by the Board of Directors (which term shall include Committee of Directors and hereinafter referred to as "the Board").
- 1.2 The Buyback is proposed considering the availability of Company's Free Reserves, cash balances, internal accruals/operating cash flows and funding requirements of the Company to fund its future plans. The Buyback proposal is being implemented in keeping with the Company's desire to enhance overall shareholders' value. The Buyback would lead to reduction in outstanding number of equity shares and may consequently increase earnings per equity share over a period of time. This would in turn lead to improvement in return on net worth and other financial ratios and contribute to maximization of overall shareholders' value.
- 1.3 The aggregate paid-up capital and free reserves of the Company as at December 31, 2011 were ₹ 33,099.09 lakhs and under the provisions of the Act, the funds deployed for buy-back shall not exceed 25% of the paid-up capital and free reserves of the Company in a financial year. Accordingly, the maximum amount that can be utilized in the present buy-back is ₹ 8,274.77 lakhs. However, the Company has utilized ₹ 1,835.33 lakhs in the financial year 2012 for the buy-back that was approved by the Board on October 25, 2011 and therefore the maximum amount available for buy back is ₹ 6,439.44 lakhs and aggregate amount proposed to be expended for the Buy-back is ₹ 4,600 lakhs (including brokerage and other charges, if any) ("Buyback Size"), which is 13.90 % of the paid up capital and free reserves of the Company as at December 31, 2011 and within the maximum amount as aforesaid.

- 1.4 The maximum buy-back price of ₹ 46 per share ("**Maximum Buyback Price**") has been arrived at after considering various factors such as average price of the equity shares of the Company on the BSE Limited and the National Stock Exchange of India Limited, the net worth of the Company and the impact of the Buy-back on the earnings per share of the Company.
- 1.5 The maximum number of equity shares which can be bought back in accordance with the provisions of Section 77A (c) of the Act are 8,73,70,745 of which the Company has bought back 53,10,086 shares during the financial year 2012. The maximum number of equity shares to be bought back by the Company are 1,27,00,000 ("**Maximum Offer Shares**") being 3.63% of equity shares of ₹ 2 each outstanding as at December 31, 2011, and the number of shares to be bought back shall be subject to a minimum of 31,75,000 equity shares ("**Minimum Offer Shares**").
- 1.6 The equity shares of the Company are proposed to be bought back through the methodology of "**Open Market Purchases through Stock Exchanges**". The equity shares of the Company are listed on BSE Limited ("**BSE**"), The National Stock Exchange of India Limited ("**NSE**") and Delhi Stock Exchange Limited ("**DSE**"). The Buyback will be made through NSE and BSE (hereinafter collectively referred to as "**Stock Exchanges**").
- 1.7 The aggregate shareholding of the Promoters and of the Directors of Promoters, if any, Persons who are in control of the Company and Promoter Group as on the date of the Postal Ballot notice was 15,04,56,095 shares which constituted 43.72% of the Equity Share Capital existing on that date.
- 1.8 None of the promoters, directors of the promoters, if any, persons who are in control of the Company and promoter group have purchased or sold any shares or securities in the Company during the period of six months preceding August 13, 2012 (being the date of Board Meeting/Date of Postal Ballot Notice).
- 1.9 The Promoters, Persons in Promoter Group and Persons acting in concert will not participate in the Buyback.
- 1.10 The Company will not buyback shares from any persons through negotiated deals whether through the stock exchanges or through spot transactions or through any private arrangement.
- 1.11 In compliance with the provisions of the Act, the Company will not issue any fresh equity shares within a period of six months after completion of Buyback except by way of bonus shares or in discharge of subsisting obligations such as stock options etc.
- 1.12 The Company confirms that there are no defaults subsisting in the repayment of deposits; redemption of debentures or preference shares; or repayment of term loans to any financial institutions or banks.
- 1.13 The Board hereby confirms that it has made full inquiry into the affairs and prospects of the Company and that it has formed the opinion:
  - a. That, immediately following the date of Board Meeting for the Buyback, i.e., August 13, 2012 and the date on which the results of the Postal Ballot were declared, there were no grounds on which the Company could be found unable to pay its debts;
  - b. That, as regards the Company's prospects for the year immediately following date of Board Meeting for the Buyback, i.e., August 13, 2012 and the date on which the results of the Postal Ballot were declared, having regard to their intentions with respect to the management of the Company's business during the year and to the amount and character of the financial resources, which will, in their view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of Board Meeting for the Buyback, i.e., August 13, 2012 and the date on which the results of the Postal Ballot were declared;

- c. That, in forming their opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities); and
- d. That the debt equity ratio of the Company after the Buy-back will be within the limit of 2:1 as prescribed under the Act.

1.14 The Company shall transfer from its free reserves a sum equal to the nominal value of its equity shares purchased through the Buy-back to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements.

1.15 The Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs), and members of foreign nationality, if any, etc. shall be subject to such approvals as are required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any.

1.16 The text of the report dated August 13, 2012 received from M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company addressed to the Board of the Company is reproduced below:

**“TO THE BOARD OF DIRECTORS OF  
RAIN COMMODITIES LIMITED**

**Report under Clause (xi) of Part A of Schedule II of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998**

1. In connection with the proposed buy-back of equity shares of Rain Commodities Limited (“the Company”), as approved by the Board of Directors at its meeting held on August 13, 2012, in pursuance of the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956 (“the Act”) and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended from time to time (“the Buy-Back Regulations”) and based on the information and explanations given to us and the records examined by us, we report that:

- (a) We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended December 31, 2011, which were approved by the Board of Directors at its meeting held on February 21, 2012 and adopted by the shareholders at the meeting held on April 25, 2012 and the unaudited financial results for the quarter and half year ended June 30, 2012 which were approved by the Board of Directors at its meeting held on August 13, 2012.
- (b) The Board of Directors, at its meeting held on August 13, 2012, has proposed, subject to shareholders approval, to buy-back the Company’s equity shares for a maximum amount of ₹ 4,600 lakhs at a price not exceeding ₹ 46 per equity share. The amount of maximum permissible capital payment (including premium) towards the buy-back of equity shares, as computed by the Management and taken on record by the Board of Directors, has been properly determined in accordance with the provisions of Section 77A(2)(c) of the Companies Act, 1956 and set out in the table following :

Particulars	Amount* ₹ in lakhs
Paid up Equity Share Capital *	
349,482,981 Equity Shares of ₹ 2 each fully paid-up (A)	6,989.66
Free Reserves * :	
Securities Premium	9,690.98

General Reserve	5,598.01
Profit and Loss Account	10,820.44
<b>Total Free Reserves (B)</b>	<b>26,109.43</b>
<b>Total (A+B)</b>	<b>33,099.09</b>
25% thereof being permissible limit for buy-back of equity shares with approval of Shareholders	8,274.77
Less: Amount spent during the current financial year (year ending December 31, 2012) for buy-back pursuant to earlier buy-back offer, vide Board resolution dated October 25, 2011	1,835.33
Amount available for buy-back	6,439.44
<b>Amount approved by the Board of Directors for buy-back</b>	<b>4,600.00</b>

\* the amounts have been extracted from the standalone audited financial statements of the Company for the year ended December 31, 2011

- (c) The Board of Directors have resolved at its meeting held on August 13, 2012 and has formed its opinion as specified in Clause (x) of Part A of Schedule II of the Buy-Back Regulations that on reasonable grounds, the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board Meeting held on August 13, 2012 and the date of passing of the special resolution by the shareholders of the Company through postal ballot under Section 192A of the Companies Act, 1956.

This report has been issued solely in connection with the proposed buy-back of Equity Shares of the Company in pursuance of the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended from time to time (including disclosures in the postal ballot notice and the public announcement as required under the Buy-Back Regulations) and should not be used for any other purpose.

**For DELOITTE HASKINS & SELLS**  
**Chartered Accountants**  
(Firm Registration No.008072S)

Sd/-  
**K. Rajasekhar**  
Partner  
(Membership No.23341)

HYDERABAD, August 13, 2012”

#### **SCHEDULE II - PART B OF BUYBACK REGULATIONS**

##### **1. AUTHORITY FOR THE BUY BACK**

- 1.1 The Company is authorized by Article 28a of Articles of Association of the Company and Sections 77A, 77AA, 77B and other applicable provisions, if any, of the Act. This Buyback has been duly authorized by:
- a resolution passed by the Board of Directors of the Company at its meeting held on August 13, 2012; and
  - a special resolution passed by the shareholders of the Company through Postal Ballot Notice, the results of which were announced on October 1, 2012.

##### **2. MINIMUM AND MAXIMUM NUMBER OF SHARES TO BUYBACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUYBACK**

- 2.1 The minimum and maximum number of equity shares to be bought back, as approved by shareholders are 31,75,000 and 1,27,00,000 shares respectively. However, at the maximum price of ₹46 per equity share and maximum buy back size of ₹4600 lakhs, the maximum shares that can be bought back are approximately 1,00,00,000 equity shares. The actual number of shares to be bought back would therefore vary depending on the average market price of the shares and the amount deployed in the Buyback.
- 2.2 The Buyback will be funded out of the Company's current surplus and / or cash balances and / or internal accruals. The Company does not propose to raise any debt for buying back shares, but it may borrow monies in the ordinary course of business, if necessary.
- 2.3 The Company has substantial accumulated free reserves and the funds required for the Buyback will be drawn out of such free reserves. The cost of financing the Buyback would therefore be only a notional loss of income that the funds used for Buyback would have earned had they been deployed in the ordinary course of the Company's business.

### 3. PROPOSED TIME TABLE

Board Meeting approving the Buyback	August 13, 2012
Completion of dispatch of Postal Ballot Notice	August 23, 2012
Declaration of Postal Ballot Results	October 1, 2012
Date of opening the Buyback	October 22, 2012
Acceptance of Shares	Within 15 days of the relevant payout dates of the Stock Exchanges.
Extinguishment of Shares	Within 15 days of the acceptance of equity shares as mentioned above provided the Company shall ensure that all equity shares bought back are extinguished within 7 days from the last date of completion of Buyback.
Last Date for the Buyback	March 25, 2013 or when the Company completes the Buyback to the extent of 1,27,00,000 equity shares or upon exhaustion of ₹4600 lakhs set aside for Buyback, whichever is earlier.  The Board reserves the right to close the Buyback when the Minimum Offer Shares has been bought back, even if the Buyback Size has not been reached, by giving appropriate notice of such date and completing all formalities in this regard as per relevant laws and regulations.

### 4. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

- 4.1 The Buyback is open to all Shareholders / Beneficial Owners of the fully paid-up equity shares of the Company, both registered and unregistered, holding equity shares either in physical and/or electronic form, except the promoters, persons in promoter group and persons acting in concert.
- 4.2 The Company shall not buyback the locked-in equity shares or non-transferable equity shares during the pendency of the lock-in or until they become transferable.
- 4.3 The Buyback Regulations permit the Company to effect the Buyback from the Open Market only through the Stock Exchanges having nationwide electronic trading facility. Accordingly, the Company proposes to Buyback shares through BSE and NSE only.

- 4.4 The Company has appointed **Karvy Stock Broking Limited ("Broker")**, Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad-500 034 as the broker through whom the purchases and settlement on account of the Buyback shall be made.
- 4.5 The Buyback of Shares will be made only through the order matching mechanism except "all or none" order matching system.
- 4.6 The Company may, from the date of opening of Buyback, place "buy" orders on BSE and / or NSE at least once in every week through the Broker, in such quantity and at such prices, not exceeding ₹46 per share, as it may deem fit, depending upon the prevailing quotations of the shares on the Stock Exchanges. When the Company has placed an order for Buyback of shares, the identity of the Company as purchaser would be displayed on the screen of the market participants of the Stock Exchanges.
- 4.7 The shareholders holding equity shares in physical form are required to submit the shares under the Buyback through their broker and execute the share transfer deed(s), attach the relevant share certificate(s) and hand over the complete set / documents to his/her broker for settlement within the timelines specified by their broker.
- 4.8 In case the share transfer deeds submitted are found to be invalid (e.g. date of transfer deed is outdated / signature on the deed does not tally with the registrars records, etc.), the rule of good/bad delivery norms of the exchange shall apply and, inter alia, the shareholders' broker may ask him/her to re-submit these documents duly corrected.
- 4.9 Beneficial owners, who desire to sell their shares under the Buyback, would have to do so through a stock broker, who is a member of either BSE or NSE, by indicating to their broker the details of shares they intend to sell and price thereof. The trade would be executed at the price at which the order matches and that price would be the price for that seller. Execution of the order, issuance of contract note, delivery of stock to the broker and receipt of payment from the broker would be carried out in accordance with the requirements of Stock Exchanges.
- 4.10 The shares of the Company are traded in the compulsory demat mode under the trading code **500339** at BSE and **RAINCOM** at NSE. The ISIN of the Company is **INE855B01025**. Shareholders holding shares in physical form can sell their shares in the odd lot trading segment on BSE / NSE.
- 4.11 The equity shares bought back by the Company may not be at a uniform price. Orders will be placed by the Company atleast once in a week in such quantity and at such prices, as it may deem fit, depending upon the prevailing quotations of equity shares on the Stock Exchanges so long as the market price is lower than the Maximum Offer Price. Such orders will be placed both in normal and physical segments. The Company shall intimate the NSE, BSE and DSE as well as the public through notice in the newspapers regarding quantity of equity shares purchased and amount utilized, as prescribed by the Buyback Regulations.
- 4.12 The Company and the Merchant Banker (Karvy Investor Services Limited) shall submit the information regarding the shares bought back to the NSE, BSE, DSE and the public through notice in the newspapers regarding quantity of equity shares purchased and amount utilized, as prescribed by the Buyback Regulations.
- 4.13 Subject to the Company purchasing the Minimum Offer Shares, nothing contained herein shall create any obligation on the part of the Company or the Board to Buyback any equity shares or confer any right on the part of shareholders / beneficial owners to offer any equity shares for Buyback, even if the Buyback Size has not been exhausted and / or impair any power of the Company or the Board to terminate any process in relation to the Buyback, if so permissible by law.

## **5. METHOD OF SETTLEMENT**

- 5.1 The Company will pay the consideration to the Broker on or before the pay-in date for each settlement, as applicable to the respective Stock Exchange(s).
- 5.2 The beneficial owners holding shares in demat form would be required to transfer the number of shares sold, by tendering the delivery instruction to their respective Depository Participant (“DP”) for debiting their beneficiary account maintained with the DP and crediting the same to the pool account of the broker through whom the trade is executed. The shareholders holding shares in physical form should present the share certificates along with valid transfer deeds to their respective brokers through whom the trade was executed.
- 5.3 The Company has opened a depository account styled “**RAIN COMMODITIES LIMITED - BUY BACK OFFER**” with Karvy Stock Broking Limited with DP ID IN300394. The shares bought back in the demat form would be transferred into the said account by the Broker on receipt of the shares from the clearing and settlement mechanism of BSE and NSE.
- 5.4 The Company shall complete the verification of acceptances within fifteen (15) days of the pay-out. The Company shall extinguish and physically destroy the security certificates so bought back in the presence of the Registrar & Share Transfer Agent or the Merchant Banker and the Statutory Auditors within fifteen (15) days of the date of acceptance of the equity shares. The shares bought back in dematerialized form will be extinguished and destroyed in the manner specified in Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and the byelaws framed there-under. The Company will extinguish all the shares bought back within seven (7) days of the last date of completion of Buyback.
- 5.5 The details of equity shares extinguished shall be notified to SEBI, BSE, NSE and DSE in accordance with the Buyback Regulations.

## **6. BRIEF INFORMATION ABOUT THE COMPANY**

- 6.1 The Company was incorporated on 15th March, 1974 under the name “Tadpatri Cements Limited.” and the Certificate of Commencement of Business was obtained on 10th April, 1974. The name of the Company was changed to Priyadarshini Cement Limited on 4th May, 1984 and subsequently the name was changed to Rain Commodities Limited on 16th November, 2004. Mr. N. Radhakrishna Reddy, Mr. N. Jagan Mohan Reddy and Mr. N. Sujith Kumar Reddy are the promoters of the Company. The Company’s shares are listed at BSE Limited, National Stock Exchange of India Limited and Delhi Stock Exchange Limited.

The Company is engaged in the business of trading in Green Petroleum Coke and its wholly owned subsidiary companies are engaged in the manufacture and sale of Cement and Calcined Petroleum Coke. The consolidated turnover of the Company for the financial year ended 31st December, 2011 is Rs.5952 Crores.

The Company has three subsidiaries namely Rain Cements Limited, Rain Coke Limited and Rain Commodities (USA) Inc.

Rain Cements Limited (RCL) is engaged in the business of manufacture and sale of Cement under the brand name “PRIYA CEMENT” which is well established in the southern states of India. RCL has huge marketing network of more than 50 Branches and 2500 stockists in the states of Andhra Pradesh, Tamilnadu and Karnataka. The Cement plants are located at Ramapuram Village, Kodad Taluk, Nalgonda District (Unit-I), Sreepuram Village, Kurnool District (Unit-II) in Andhra Pradesh and Packing plant at Bellary, Karnataka, (Unit-III). The total

production capacity of Unit-I and Unit-II is more than 30,00,000 metric tonnes per annum. RCL has two subsidiaries namely Renuka Cement Limited and Moonglow Company Business Inc, BVI.

Rain Coke Limited was incorporated on 19th March, 2012 and is yet to commence its operations.

Rain Commodities (USA) Inc. a corporation organised and established under the laws of the State of Delaware, U.S.A is a Special Purpose Vehicle (SPV) to make investment in Companies engaged in the manufacture and sale of Calcined Petroleum Coke

Rain Commodities (USA) Inc. has two subsidiaries namely Rain Global Services LLC (RGS), and Rain Carbon USA LLC (RCUSA1). RGS and RCUSA1 further have subsidiaries which are engaged in manufacture and sale of Calcined Petroleum Coke, generation of power and to make investment in companies engaged in the manufacture and sale of Calcined Petroleum Coke.

## 7. BRIEF FINANCIAL INFORMATION OF THE COMPANY (ON STANDALONE BASIS)

7.1 Brief audited financial information of the Company for the last three financial years ended December 31 2009, 2010 and 2011 and unaudited financials for the six months period ended June 30, 2012 (subjected to limited review by statutory auditors) are detailed below:

₹ in Lakhs except key ratios

Particulars	Six months ended 30.06.2012	Year Ending		
	Un-Audited	Audited		
		31.12.2011	31.12.2010	31.12.2009
Net Sales	3,464.00	23,954.45	33,248.26	84,159.83
Other Income	5,227.00	6,497.69	3,035.74	672.42
<b>Total Income</b>	<b>8,691.00</b>	<b>30,452.14</b>	<b>36,284.00</b>	<b>84,832.25</b>
Expenditure	4,214.00	25,872.98	31,724.14	63,963.73
<b>Profit before Interest, Depreciation and Tax</b>	<b>4,477.00</b>	<b>4,579.16</b>	<b>4,559.86</b>	<b>20,868.52</b>
Depreciation	25.00	51.42	832.43	3,103.44
Interest and Finance Charges	735.00	1,184.64	1,815.73	2,920.20
<b>Profit before Tax and Exceptional Items</b>	<b>3,717.00</b>	<b>3,343.10</b>	<b>1,911.70</b>	<b>14,844.88</b>
Exceptional items	-	-	(19,949.89)	5,079.54
<b>Profit / (Loss) after Exceptional items before tax</b>	<b>3,717.00</b>	<b>3,343.10</b>	<b>(18,038.19)</b>	<b>19,924.42</b>
Provision for Tax	355.00	395.74	565.36	4,457.89



<b>Profit / (Loss) after Tax</b>	<b>3,362.00</b>	<b>2,947.36</b>	<b>(18,603.55)</b>	<b>15,466.53</b>
Equity Share Capital	6,883.00	6,989.67	7,083.46	7,083.46
Reserves and Surplus	28,296.59	26,109.43	28,573.16	50,644.44
<b>Net Worth</b>	<b>35,179.59</b>	<b>33,099.10</b>	<b>35,656.62</b>	<b>57,727.90</b>
Total Debt	33,785.40	42,924.78	34,241.92	28,994.78
Equity Dividend (%)	-	55.00	46.00	37.00
Earnings per share before exceptional items	0.99	0.83	1.90	14.66
Earnings per share after exceptional items	0.99	0.83	(26.26)	21.83
Book Value per share	10.22	9.47*	50.34	81.50
Return on Net Worth (%)	9.56	8.90	(52.17)	26.79
Debt Equity Ratio	0.96	1.30	0.96	0.50
<b>Key Ratios have been calculated as follows:</b>				
Earnings per share before exceptional items	Profit after tax before exceptional items / Weighted average number of equity shares			
Earnings per share after exceptional items	Profit after tax after exceptional items / Weighted average number of equity shares			
Book Value per share	Net Worth / number of equity shares issued and outstanding			
Return on Net Worth	Profit after Tax / Net Worth			
Debt Equity Ratio	Total Debt / (Equity Share Capital + Reserves)			

**Notes:**

\*One equity share of ₹ 10 each fully paid was sub-divided into five equity shares of ₹ 2 each fully paid up on June 15, 2011.

Reserves and Surplus include balances in Securities Premium, General reserve and Profit and Loss Account.

Total Debt includes Secured and Unsecured Loans availed by the Company including working capital loans.

Earnings Per Share, Return on Net Worth not annualised for Six Months ended June 30, 2012.

**8. ESCROW ACCOUNT:** Not applicable

**9. LISTING DETAILS AND STOCK MARKET DATA**

9.1 The equity shares of the Company are listed on BSE, NSE and DSE.

9.2 The Company has made an application to DSE on July 15, 2009 to get its shares delisted. The shares are yet to be delisted from the DSE.

9.3 The high, low and average market prices of the Company's equity shares for the last three years and the monthly high, low and average market prices of the Company's equity shares for the six months preceding the date of this PA and the corresponding volumes on BSE, NSE and DSE are as follows:

**BSE (Scrip Code: 500339)**

Period	High (₹)	Date of High and No of shares traded on that date	Low (₹)	Date of Low and No. of shares traded on that date	Average Price# (₹)	Total Volume of Shares Traded in the period	Total Turnover (₹ in Lakhs)
2009	241.10	18.12.2009 (587191)	52.25	05.03.2009 (34904)	170.81	22682561	38744.42
2010	255.70	13.01.2010 (112859)	131.80	09.06.2010 (21536)	179.98	18580057	33439.47
2011 (Before Split)	201.10	16.05.2011 (613579)	138.70	(23.03.2011) (64273)	174.04	7320347	12740.27
2011 (After Split)*	39.25	15.07.2011 (444171)	25.00	12.10.2011 (1212802)	30.84	25726138	7934.48
Apr '12	41.50	09.04.2012 (81454)	36.10	26.04.2012 (198257)	38.85	1136581	441.55
May '12	39.95	02.05.2012 (18810)	35.00	18.05.2012 (17203)	37.44	665953	249.31
Jun '12	38.50	07.06.2012 (17974)	33.10	28.06.2012 (17492) 29.06.2012 (39693)	36.55	544917	199.17
Jul '12	35.90	06.07.2012 (34450)	31.30	27.07.2012 (15744)	34.04	321910	109.57
Aug'12	40.50	22.08.2012 (237808)	33.15	01.08.2012 (157478)	37.78	973419	367.73
Sep'12	41.50	28.09.2012 (100226)	36.20	06.09.2012 (8679)	38.96	562726	219.22

# Weighted average price (total turnover / total volume of shares traded) for all trading days during the said period.

\* One equity share of ₹10 each fully paid up were sub-divided into Five equity shares of ₹ 2 each fully paid up on 15<sup>th</sup> June, 2011.

*(Source: BSE Official website [www.bseindia.com](http://www.bseindia.com))*

**NSE (Scrip Code: RAINCOM)**

Period	High (₹)	Date of High and No of shares traded on that date	Low (₹)	Date of Low and No. of shares traded on that date	Average Prices# (₹)	Total Volume of Shares Traded in the period	Total Turnover (₹ in Lakhs)
2009	241.30	18.12.2009 (966656)	52.50	06.03.2009 (16890)	171.44	24427722	41879.21
2010	257.00	13.01.2010 (259725)	131.00	09.06.2010 (30620)	181.96	38355324	69792.65
2011 (Before Split)	200.90	16.05.2011 (1153956)	138.00	(22.03.2011) (25363)	175.85	13065552	22975.92
2011 (After Split)*	42.40	11.07.2011 (124020)	25.20	10.10.2011 (67327)	31.59	35609973	11249.16
Apr '12	41.95	09.04.2012 (186598)	36.10	19.04.2012 (47984)	38.92	2437388	948.53
May '12	40.25	02.05.2012 (67242)	32.30	21.05.2012 (32190)	37.29	1469614	548.09
Jun '12	38.25	08.06.2012 (75307)	33.00	22.06.2012 (91128) 28.06.2012 (67919)	36.31	1786421	648.68
Jul '12	35.85	06.07.2012 (64876)	31.00	27.07.2012 (170865)	34.00	1515067	515.07
Aug'12	40.50	22.08.2012 (554269)	33.45	01.08.2012 (290308)	37.64	2386883	898.46
Sep'12	41.50	28.09.2012 (277587)	35.50	03.09.2012 (68976)	38.86	1719184	668.00

# Weighted average price (total turnover / total volume of shares traded) for all trading days during the said period.

\* One equity share of ₹10 each fully paid up were sub-divided into Five equity shares of ₹ 2 each fully paid up on 15<sup>th</sup> June, 2011.

*(Source: www.nseindia.com)*

**Delhi Stock Exchange Limited (DSE)**

The equity shares of the Company were under suspension on DSE from July, 1997 and the suspension was revoked vide letter no. DSE/LIST/5019/NR/596 dated April 21, 2009. The securities of the Company were re-admitted to dealings with effect from April 25, 2009. DSE vide letter No. DSE/LIST/5019/24772/7910 dated 12.09.2012 has informed that there was no trading in the securities of the Company since July 1997.

9.4 There has been no change in the equity capital of the Company including by way of bonus issue, rights issue or consolidation of equity shares other than by way of sub-division of equity shares and Buyback of equity shares of the Company, for the period disclosed under clause 9.3 above.

- 9.5 The Buyback Price represents a premium of 21.05% and 21.37% over the closing price of BSE and NSE i.e. ₹38.00 and ₹37.90 respectively, on the trading day, as on the date of the Board Meeting i.e., August 13, 2012, and it represents a premium of 5.26% and 5.26% over the closing price of BSE and NSE i.e. ₹43.70 and ₹43.70 respectively, on trading day, as on the date of the declaration of Postal Ballot results, October 1, 2012. (Source: www.bseindia.com and www.nseindia.com)

There has been no trading in the shares of the Company on the date of board meeting i.e., August 13, 2012 and on the trading day as on the date of the declaration of Postal Ballot results, i.e., October 1, 2012 on DSE as confirmed by DSE vide their letter No. DSE/LIST/5019/24772/7910 dated 12.09.2012 and DSE/LIST/5019/24806/8009 dated 01/10/2012.

## 10. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 10.1 The share capital of the Company as on September 27, 2012 is as follows:

(₹ in lakhs)	
Authorised Capital:	
• 59,00,00,000 Equity Shares of ₹2 each	11800.00
• 49,00,000 Redeemable Preference Shares of ₹100 each	4900.00
<b>Total</b>	<b>16700.00</b>
Issued, Subscribed and Paid-up Capital: (34,41,72,895 Equity Shares of ₹ 2 each fully paid-up)	6883.45

- 10.2 As on December 31, 2011, the Company had 34,94,82,981 Issued, Subscribed and Paid up equity shares of ₹2 each. Pursuant to extinguishment of 53,10,086 equity shares of ₹2 each bought back by the Company (from January 2012 to March 2012), the Issued, Subscribed and Paid up equity shares of the Company as on September 27, 2012 are 34,41,72,895 equity shares of ₹2 each.
- 10.3 As on the date of this PA, there are no partly paid up equity shares of the Company. The Company does not have any convertible debentures or preference shares or any other convertible instruments outstanding.
- 10.4 The shareholding pattern of the Company as on September 27, 2012 is as follows:

Particulars	No. of shares held	% of existing equity capital	No. of shares post Buyback *	% holding post Buyback
Promoters and/or persons who are in control and/or acting in concert (Promoter Group)	15,04,56,095	43.72	15,04,56,095	45.39
Foreign Investors (including Non Resident Indians / FIIs)	6,38,24,605	18.54	18,10,16,800	54.61
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions / Central Government & State Government	5,36,75,360	15.60		
Others (Public, Bodies Corporate, Employees, etc.,)	7,62,16,835	22.14		
<b>TOTAL</b>	<b>34,41,72,895</b>	<b>100.00</b>	<b>33,14,72,895</b>	<b>100.00</b>

\* On the assumption of Buyback of 1,27,00,000 equity shares. The shareholding, post Buyback, may differ depending upon the actual number of shares bought back.

- 10.5 The aggregate shareholding of the promoters, members of the promoter group, directors of the Promoters, if any, persons acting in concert and of the persons who are in control of the Company as on September 27, 2012 is 15,04,56,095 equity shares constituting 43.72% of the Paid-up Share Capital of the Company.
- 10.6 None of the promoters, members of the promoter group, directors of the promoters, if any and persons acting in concert, have purchased or sold any shares during the period of twelve months preceding the date of this PA.
- 10.7 In terms of Regulation 19 (1) (b) of the Buyback Regulations, the Company shall not issue any equity shares or other specified securities including by way of bonus or convert any outstanding warrants or outstanding instruments or stock options into equity shares or other specified securities, from the commencement of Buyback till the date of closure of the Buyback.
- 10.8 As per the provisions of Section 77A (8) of the Act, the Company will not issue fresh equity shares within a period of six months after the completion of the Buyback, except that it may issue equity shares by way of bonus shares or shares issued in discharge of any subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures.
- 10.9 The Company shall not withdraw the Buyback after this PA is made.
- 10.10 There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act involving the Company as on the date of this PA.
- 10.11 The Buyback of equity shares will be completed within a period of 12 months from the date of shareholders approval through Postal Ballot and the Company shall not withdraw the Offer of Buyback after the Public Announcement is made.
- 10.12 The promoters, members of the promoter group, directors of the promoters, if any and persons acting in concert shall not deal in the shares of the Company on the NSE, BSE and DSE during the period for which the Buyback offer is open.

**11. MANAGEMENT DISCUSSIONS AND ANALYSIS ON THE LIKELY IMPACT OF BUYBACK ON THE COMPANY**

- 11.1 The Buyback is not likely to cause any material impact on the earnings of the Company and shall be only a notional loss of income that the funds used for Buyback would have earned had they been deployed in the ordinary course of the Company's business.
- 11.2 The Buyback is being implemented in keeping with the Company's desire to enhance overall shareholders' value. The Buyback would lead to reduction in outstanding number of equity shares and may consequently increase earnings per equity share over a period of time. This would in turn lead to improvement in return on net worth and other financial ratios and contribute to maximization of overall shareholders value.
- 11.3 The promoters, persons in promoter group and persons acting in concert cannot offer shares held by them in the Buyback. Consequent to the Buyback and depending upon the response to the Buyback, the holding of the promoters would increase from the pre Buyback holding of 43.72% to 45.39%

(assuming that 1,27,00,000 Shares are bought back in the Buyback). The existing promoters are already in control over the Company and an increase in shareholding/voting rights pursuant to the Buyback will not result in any change in control or management structure of the Company.

11.4 Consequent to the Buyback and based on the number of shares bought back, the Company's shareholding pattern would undergo a change.

11.5 As required under the Act, the ratio of the debt owed by the Company would not be more than twice the share capital and free reserves, post Buyback.

## 12. STATUTORY APPROVALS

12.1 Pursuant to Sections 77A, 77AA and 77B and other applicable provisions of the Act and the Buyback Regulations, the present Buyback of equity shares of the Company from Open Market through the Stock Exchange Mechanism has been duly authorized by a resolution passed by the Board at its meeting held on August 13, 2012 and by a special resolution passed by the shareholders of the Company through Postal Ballot Notice, the results of which were announced on October 1, 2012.

12.2 No other statutory approvals are required to be obtained for the Buyback. If required, the Company shall obtain such approvals.

## 13. COLLECTION AND BIDDING CENTRES – Not Applicable

## 14. COMPLIANCE OFFICER

Mr. S. Venkat Ramana Reddy, Company Secretary, **Rain Commodities Limited, Registered Office:** "Rain Center", 34, Srinagar Colony, Hyderabad – 500 073. **Tel.:** 91 40 4040 1234; **Fax:** 91 40 4040 1214; **Email:** venkat.s@priyacement.com; **website:** www.raincommodities.com

## 15. INVESTOR SERVICE CENTRE

In case of any queries, the shareholders / beneficial owners of equity shares of the Company may contact the Registrar & Share Transfer Agent of the Company, on all working days (except Saturdays, Sundays and Public Holidays) between 10 AM and 5 PM, at the following address:

**Karvy Computershare Private Ltd., (Unit: Rain Commodities Limited),** 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, **Tel.:** 91 40 4465 5000; **Fax:** 91 40 2342 0814 **Contact Person:** Mr. K Sridhar Murthy **Email:** einward.ris@karvy.com

## 16. MANAGER TO THE BUYBACK

	<b>KARVY INVESTOR SERVICES LIMITED</b> "Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh. <b>Tel.:</b> 91 40 2342 8774/ 2331 2454 <b>Fax :</b> 91 40 2337 4714/ 2331 1968 <b>Contact Person:</b> Mr. M.P. Naidu/Mr. Ankit J Bhatia <b>Email:</b> cmg@karvy.com
---	--

**17. DIRECTORS' RESPONSIBILITY**

As per Regulation 19(1)(a) of the Buyback Regulations, the Directors of the Company accept the responsibility for the information contained in this Public Announcement or any other advertisement, circular, brochure, publicity material which may be issued and confirm that the information in such documents contain true, factual and material information and does not contain any misleading information.

**For and on behalf of Board of Directors of  
Rain Commodities Limited**

**N. Jagan Mohan Reddy  
Managing Director**

**N. Sujith Kumar Reddy  
Director**

Date: October 1, 2012  
Place: Hyderabad

**S. Venkat Ramana Reddy  
Company Secretary**