



RAIN INDUSTRIES LIMITED

CIN: L26942TG1974PLC001693

Regd. Off: "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073, Telangana State, India.

Ph.No.040-40401234; Fax:040-40401214;

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COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day	:	Tuesday
Date	:	January 19, 2016
Time	:	11.00 a.m.
Venue	:	KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State, India.

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**IN THE HIGH COURT OF JUDICATURE AT HYDERABAD FOR THE STATE OF TELANGANA AND THE STATE OF
ANDHRA PRADESH
(ORIGINAL JURISDICTION)
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 OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 1956/2013
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
COMPANY APPLICATION NO.1769 OF 2015**

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. Mr. T. Ramalingeswara Rao, aged 49 years,
resident of Villa No 70, Ramky Pearl, HMT
Sathavahana Nagar, Kukatpally,
Hyderabad- 500072, Telangana, INDIA.

...APPLICANT COMPANY/
TRANSFeree COMPANY

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF RAIN INDUSTRIES LIMITED

To,

The Equity Shareholders of Rain Industries Limited (“the Applicant Company”).

TAKE NOTICE that by an Order made on November 12, 2015, the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh has directed that a meeting of Equity shareholders of Rain Industries Limited, the Applicant Company, be convened on Tuesday, January 19, 2016 at 11.00 a.m. at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State, India.

TAKE FURTHER NOTICE that in pursuance of the said order, and as directed therein a meeting of the Equity shareholders of the company will be held on Tuesday, January 19, 2016 at 11.00 a.m. at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State, India when you are requested to attend to transact the following Special Business:

To consider and, if thought fit, approve with or without modification(s) the following Special Resolution under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and Companies Act, 2013 for approval

of the proposed arrangement embodied in the Scheme of Arrangement between Rain Industries Limited, Rain Cements Limited, Moonglow Company Business Inc. BVI, and their respective shareholders and creditors (“the scheme” or “this scheme”):

“RESOLVED THAT pursuant to provisions of Section 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and 2013 and subject to the approval of the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh or by any regulatory or other authorities, while granting such consents, approvals and permissions, the consent of the equity shareholder of the Company be and is hereby accorded to the proposed arrangement embodied in the Scheme of Arrangement between Rain Industries Limited, Rain Cements Limited, Moonglow Company Business Inc. BVI, and their respective shareholders and creditors (Scheme).

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh while sanctioning the arrangement embodied in the Scheme or by any authorities under law, as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at “Rain Center”, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India not later than 48 hours before the scheduled time of the commencement of the said meeting. Please carry proper proof of identification at the meeting venue for the purpose of verification.

The Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh has appointed Ms. N. Manga Shree, Advocate, High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh to be the Chairperson of the said meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013, the Scheme of Arrangement, the observation letters issued by National Stock Exchange of India Limited and BSE Limited, the Complaints Report, Fairness opinion, Form of Proxy and Attendance slip are enclosed.

N. Manga Shree

Advocate, in the high court of judicature at Hyderabad
for the state of Telangana and the state of Andhra Pradesh
Chairperson appointed for the meeting

Place: Hyderabad.

Date: December 8, 2015

Notes:

1. All alterations made in the Form of Proxy should be initialled.
2. Only Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Equity shareholders’ meeting. The authorized representative of a body corporate which is a registered equity shareholder, falling under the said category of the Applicant Company may attend and vote at the meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting authorising such representative to attend and vote at the Equity shareholders’ meeting.
3. A registered equity shareholder of the Applicant Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Applicant Company.
4. Registered equity shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID details for easy identification of the attendance at the meeting.

5. In case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.

6. **Voting through electronic means**

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called “the Rules” for the purpose of this section of the Notice) and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on January 12, 2016 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by M/s. Karvy Computershare Pvt. Ltd. (Karvy).

The instructions for voting are as under:

A. Procedure and instructions for e-voting

The procedure and instructions for E-voting are as follows:

1. Open your web browser during the voting period and navigate to ‘<https://evoting.karvy.com>’.
2. Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP and Client ID will be your User-ID.

User - ID for Members holding shares in Demat Form:

- For NSDL : 8 Character DP ID followed by 8 Digits Client ID.
- For CDSL: 16 digits beneficiary ID.

For Members holding shares in Physical Form:

- EVENT No. followed by Folio Number registered with the Company.
- Password : Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice.

Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

3. Please contact our toll free No. [1800 3454 001] for any further clarifications.
4. Members can cast their vote online from January 15, 2016 from 11.00 a.m. to January 18, 2016 upto 5.00 p.m.
5. After entering these details appropriately, click on “LOGIN”.
6. Members will now reach ‘Password Change’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for E-voting through Karvy Computershare Private Limited E-voting platform. System will prompt you to change your password and update any contact details like mobile no., email ID etc on 1st login. You may also enter the ‘Secret Question’ and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
7. You need to login again with the new credentials.
8. On successful login, system will prompt to select the ‘Event’ i.e. ‘Rain Industries Limited’.
9. If you are holding shares in Demat form and had logged on to “<https://evoting.karvy.com>” and casted your vote earlier for any company where the System Provider was Karvy Computershare Private Limited, then your existing login id and password given earlier are to be used.
10. On the voting page, you will see Resolution description and against the same the option FOR/AGAINST/ ABSTAIN for voting. Enter the number of shares (which represents number of votes) under ‘FOR/AGAINST/ABSTAIN’ or

alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member do not want to cast, select 'ABSTAIN' after selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

11. Once you 'CONFIRM' your vote on the Resolution, you will not be allowed to modify your vote.
12. Members are requested to carefully read the instructions printed on the Postal Ballot Forms before exercising their vote on the resolution.
13. In case a person has become the Member of the Company after the dispatch of Court Convened Meeting Notice but on or before the cut-off date i.e. January 12, 2016, may write to the Karvy on the email Id varghese1@karvy.com or to Mr P. A. Varghese, Contact No. 040-33215424, at [Unit: Rain Industries Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(1) to (12) as mentioned in (A) above, to cast the vote.

B. Process and manner for members opting for voting through Postal Ballot

1. A Member desirous of exercising his/her vote by Postal Ballot may complete the Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. DVM Gopal, Company Secretary in Practice, C/o M/s. Karvy Computershare Private Limited, Unit: Rain Industries Limited, Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081, in the attached self-addressed Business Reply Envelope so as to reach on or before 5.00 p.m. on January 18, 2016.
2. The postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if sent by courier or registered/speed post at the expense of the Member(s) will also be accepted.
3. The self-addressed Business Reply Envelope is addressed to the Scrutinizer appointed by the Company.
4. The Postal Ballot Form should be completed and signed by the Member (as per the specimen signature registered with the Company /Depository Participants). In case of joint holding, the Postal Ballot Form should be completed and signed by the first named Member and in his/her absence by the next named Member. In case, if the Postal Ballot Form is signed through a delegate, a copy of power of attorney attested by the Member should be annexed to the Ballot.
5. The consent must be accorded by recording the assent in the Column "FOR" and dissent in the Column "AGAINST" by placing a tick (✓) mark in the appropriate column.
6. There will be only one Postal Ballot Form for each Folio/Client ID irrespective of the number of joint Member (s).
7. In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authority Letter.
8. A Member can request for duplicate Postal Ballot Form. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form i.e., January 18, 2016.
9. Member(s) are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed Business Reply Envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
10. A Member need not use all the votes, nor needs to cast all the votes in the same way.
11. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
12. Member(s) cannot appoint a proxy to exercise their voting powers through Postal Ballot.
13. Corporate/ institutional Members (Corporate/FIs/ foreign institutional investors/trust/mutual funds/banks, etc.) are required to send scan (PDF format) of the relevant resolution of the Board of Directors to the Scrutinizer through e-mail to dvmgopal@gmail.com with a copy mark to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name _EVENT No."

14. The Scrutinizer will submit his report to the Chairperson of the Court convened Meeting after completion of the scrutiny and results of the Postal Ballot would be announced on January 20, 2016 at 5.00 p.m. at the Registered Office of the Company situated at Rain Center, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India and the Resolution will be taken as passed effectively on the date of Court Convened Meeting. The Scrutinizers decision on the validity of the Postal Ballot shall be final. As indicated earlier, the results will be published on the website of the Company, www.rain-industries.com besides being notified to BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed. The results shall also be announced through a newspaper announcement.
15. In case a person has become the Member of the Company after the dispatch of Notice but on or before the cut-off date i.e. January 12, 2016, may write to the Karvy on the email Id varghese1@karvy.com or to Mr P. A. Varghese, Contact No. 040-33215424, at [Unit: Rain Industries Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(1) to (12) as mentioned in (A) above, to cast the vote. In case the member would like to cast vote through Postal Ballot form, the same may be mentioned in the mail/letter to enable us to send the Postal Ballot form.

C. General Instructions

- (i) Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice.
- (ii) Members may alternatively opt for e-voting, for which the USER ID and initial password are provided at the bottom of the Ballot Form. Please follow steps from Sl. No.(1) to (12) under heading (A) above to vote through e-voting platform.
- (iii) In the event, a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
- (iv) The E-voting period commences from 11.00 a.m. on January 15, 2016 and ends at 5.00 p.m. on January 18, 2016. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of January 12, 2016 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (v) The Company has appointed Mr. DVM Gopal, Practising Company Secretary (Membership No. 6280 CP No.6798), having address at 6-3-154-159, Flat No. 303, 3rd Floor, Royal Majestic, Prem Nagar Colony, Near Banjara Hills Care Hospital, Khairtabad, Hyderabad - 500 004 as the Scrutiniser to the voting process (e-voting, postal ballot and poll) in a fair and transparent manner.
- (vi) The Scrutinizer shall, within a period not exceeding two (2) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairperson of the Court convened meeting of shareholders.
- (vii) In the event of a poll, please note that the members who have exercised their right to vote by electronic means/through ballot form as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).
- (viii) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the Court Convened meeting of shareholders of the Company scheduled to be held on Tuesday, January 19, 2016. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.rain-industries.com and on the website of Karvy- www.evoting.karvy.com , within two days of the passing of the resolutions.

**IN THE HIGH COURT OF JUDICATURE AT HYDERABAD FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA
PRADESH
(ORIGINAL JURISDICTION)
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 OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 1956/2013
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
COMPANY APPLICATION NO. 1769 OF 2015**

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. Mr. T. Ramalingeswara Rao, aged 49 years,
resident of Villa No 70, Ramky Pearl, HMT
Sathavahana Nagar, Kukatpally,
Hyderabad- 500072, Telangana, INDIA.

... APPLICANT COMPANY/
TRANSFeree COMPANY

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE COURT CONVENED MEETING OF EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY:

1. Pursuant to an Order dated 12th day of November, 2015 passed by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh in the Company Summons for Direction referred to hereinabove, a meeting of the equity shareholders of Rain Industries Limited, the Applicant Company is being convened on Tuesday, January 19, 2016 at 11.00 a.m. at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry, Red Hills, Hyderabad-500 004, Telangana State, India for the purpose of considering and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Rain Industries Limited, Rain Cements Limited, Moonglow Company Business Inc. BVI, and their respective shareholders and creditors ("the scheme" or "this scheme"). The other definitions contained in the Scheme of Arrangement between Rain Industries Limited (RIL), Rain Cements Limited (RCL), Moonglow Company Business Inc. (Moonglow) and their respective shareholders and creditors shall apply to this Explanatory statement also.
2. A copy of the Scheme of Arrangement setting out in detail the terms and conditions of the Arrangement which has been approved by Board of Directors of the Applicant Company at the meeting held on 11th June, 2015 is attached to, and forms part of, this Explanatory statement.

3. BACKGROUND OF TRANSFEROR & TRANSFEREE COMPANIES:

i. RAIN INDUSTRIES LIMITED (APPLICANT/TRANSFEREE COMPANY)

- (a) The Applicant Company is a public company limited by shares was originally incorporated as “Tadapatri Cements Limited” on 15th March, 1974 under the provisions of the Companies Act, 1956. Thereafter, its name was changed to “Priyadarshini Cement Limited” on 4th May 1984. On 16th November, 2004 the name was changed to “Rain Commodities Limited” and on 8th July, 2013 the name was once again changed to Rain Industries Limited.

Rain Industries Limited CIN No. is L26942TG1974PLC001693 and its Registered Office is situated at Rain Center, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India. The equity shares of Rain Industries Limited are listed at BSE Limited and National Stock Exchange of India Limited.

- (b) The share capital structure of the Applicant Company as on September 30, 2015 is as under:

Particulars	Amount in Rupees
Authorised Share Capital	
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
Total	1,670,000,000
Issued, subscribed and paid up Share Capital is	
336,345,679 equity shares of Rs. 2/- each, fully paid up	672,691,358

- (c) The Applicant Company is engaged in the business of Trading in Carbon Products.

The Main objects of the Applicant Company as set out in the Memorandum of Association are as follows:

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.

ii. **MOONGLOW COMPANY BUSINESS INV. BVI (TRANSFEROR COMPANY)**

- (a) 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 28th December, 2005, bearing Company No. 690081.
- (b) The share capital structure of Moonglow as on September 30, 2015 is as under:

Particulars	Amount in USD
Authorised Share Capital 100,000,000 equity shares of USD 1 each	100,000,000
Issued, subscribed and paid-up Share Capital is 97,805,000 equity shares of USD 1 each, fully paid up	97,805,000

- (c) The Transferor Company was setup as a Special Purpose Vehicle for the purpose of acquisition of Calcined Petroleum Coke business in United States of America.

The Main objects of the Transferor Company as set out in the Memorandum of Association are as follows :

- i) 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 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 connect herewith;
- ii) To invest in and/or acquire persons and/or entities engaged in the business of calcining of any metallic and non-metallic substances including petroleum coke and needle coke.

iii) **RAIN CEMENTS LIMITED**

- (a) Rain Cements Limited was originally incorporated on 4th May, 1999 as Rain Industries Limited under the provisions of the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh. Subsequently the name was changed to Rain CII Carbon (India) Limited on 30th November, 2007. Thereafter, its name was changed Rain Cements Limited on 18th February, 2011

Rain Cements Limited CIN No. is U23209TG1999PLC031631 and its Registered Office is situated at Rain Center, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India

- (b) The share capital structure of Rain Cements Limited as on September 30, 2015 is as under:

Particulars	Amount in Rupees
Authorised Share Capital 50,000,000 Equity Shares of Rs.10 each	500,000,000
Issued, Subscribed & Paid up Share Capital is 29,805,000 Equity Shares of Rs.10 each fully paid up	298,050,000

- (c) Rain Cements Limited is engaged in the business of manufacture and sale of Cement.

The Main objects of Rain Cements Limited are set out in the Memorandum of Association are as follows :

1. 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.

2. To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator or otherwise to deal in electric power in all its branches of such place or places as may be permitted by appropriate authorities by establishments of thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.
3. 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, anodise, 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, falts, 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.
4. 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.
5. To produce, manufacture, purchase, refine, prepare, process, import, sell and 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.

4. SALIENT FEATURES OF THE SCHEME:

The Scheme provides for Amalgamation of Moonglow Company Business Inc. (Transferor Company) with Rain Industries Limited (Transferee Company) and reduction of Share Capital of Rain Cements Limited as contemplated in the Scheme of Arrangement under Sections 391-394 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. A copy of the same is enclosed as **Annexure I** to this Notice ("Scheme").

- a. With effect from April 1, 2015, and upon the Scheme becoming effective, the Undertaking (as defined in the Scheme) of the Transferor Company shall, pursuant to Sections 391-394 and Section 100 to 103 of Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013, and upon sanction of the Scheme by Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh be transferred to and vested in and/or deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, instrument, matter so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme, more particularly provided in Clause 3 of the Same;
- b. upon the scheme becoming effective, Moonglow Company Business Inc. shall stand dissolved without winding-up;
- c. The scheme is conditional upon and subject to the approvals and/or sanctions laid down in Clause 12 of the Scheme.
- d. The Pre and Post Arrangement Shareholding Pattern of Rain Industries Limited, Rain Cements Limited and Moonglow Company Business Inc. are provided in **Annexure II** to this Notice. There is no change in the shareholding pattern of Rain Industries Limited and Rain Cements Limited post amalgamation, as there is no fresh issue of equity shares.

Please note that the features set out above are only the salient features of the Scheme. The members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

5. RATIONALE FOR THE SCHEME

The rationale for the proposed Scheme of Arrangement is given below:

- (i) Rain Cements Limited is the Wholly Owned Subsidiary of Rain Industries Limited (Transferee Company) and Moonglow Company Business Inc. (Transferor Company) is the Wholly Owned Subsidiary of Rain Cements Limited.
- (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) Inc. ("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.
- (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.
- (viii) Due to merger of transferor company with transferee company, no shares can be issued to Rain Cements Limited, shareholder of transferor company. Rain Cements Limited is a wholly owned subsidiary of transferee company. Therefore, Rain Cements Limited is required to adjust its investment of Rs.401.53 Crores in the Transferor Company in its books, which is proposed to be undertaken through adjustment of the said investment against the capital reserve account, securities premium account, general reserve and profit and loss account.

6. APPROVALS FOR THE SCHEME:

- (i) The Audit Committee and the Board of Directors of the applicant Company at their meeting held on June 11, 2015 have approved the Scheme of Arrangement.
- (ii) In terms of Clause 24(f) of the Listing Agreement, BSE Limited vide their letter dated 14th September, 2015 and National Stock Exchange of India Limited vide their letter dated 15th September, 2015 has issued observation letters conveying their No Objection for filing the Scheme with the High Court. Copies of the observation letters are enclosed as **Annexure III** and **Annexure IV** to this Notice.
- (iii) The Fairness opinion was given by Karvy Investor Services Limited, Independent Merchant Banker. **(Annexure V)**
- (iv) As required by the SEBI Circular, the Company has filed the Complaints Report (indicating NIL complaints) with the Stock Exchanges i.e., BSE Limited on July 31, 2015 and National Stock Exchange of India Limited on July 31, 2015 and August 13, 2015 and a copy of the same is enclosed as **Annexure VI** and **Annexure VII** to this Notice. After filing of the Complaints Report, the Company has received “NIL” complaints.
- (v) Rain Industries Limited has two secured creditors namely IDBI Bank Limited and Citibank. The IDBI Bank Limited vide its letter dated November 3, 2015 and Citibank vide its letter dated November 3, 2015 have given their consent for the Scheme of Arrangement. Rain Cements Limited has one secured creditor namely ICICI Bank Limited. The ICICI Bank Limited vide its letter dated October 20, 2015 has given their consent for the Scheme of Arrangement.
- (vi) As the Company has not acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the parent listed Company, the Condition of the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it is not applicable to the Company.

7. Issue and Allotment of shares by the Transferee Company

The entire share capital of the Moonglow Company Business Inc., Transferor Company is held by Rain Cements Limited (RCL), a wholly owned subsidiary of Rain industries Limited, 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 Rain Cements Limited shall stand cancelled.

The Transferor Company shall not make any changes in its capital structures either by any increase (by issue of equity shares, issuance of bonus shares, convertible debentures, etc) or otherwise by decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner except by mutual consent of the respective Board of Directors of the Transferor Company and the Transferee Company.

8. Share Capital of the Applicant, Transferee Company and Transferor Company Pre and Post Scheme of Arrangement:

- i) Pre and Post Scheme of Arrangement, the capital structure of Rain Industries Limited (Transferee Company) is as follows:

	Pre-Scheme of Arrangement as on September 30, 2015		Post-Scheme of Arrangement *	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
A Authorised Share Capital				
Equity Shares of Rs.2 each	59,00,00,000	118,00,00,000	59,00,00,000	118,00,00,000
Redeemable preference shares of Rs. 100/- each	49,00,000	49,00,00,000	49,00,000	49,00,00,000
Total Authorised Share Capital:	59,49,00,000	167,00,00,000	59,49,00,000	167,00,00,000
B Issued, Subscribed & Paid Up Share Capital:				
Equity Shares of Rs.2 each	33,63,45,679	67,26,91,358	33,63,45,679	67,26,91,358
Redeemable preference shares of Rs. 100/- each	-NIL-	NIL-	-NIL-	NIL-
Total Issued, Subscribed & Paid Up Share Capital	33,63,45,679	67,26,91,358	33,63,45,679	67,26,91,358

Note* : There is no change in the shareholding pattern of Rain Industries Limited (Transferee Company) post scheme of arrangement as there is no fresh issue of equity shares.

- ii) Pre and Post Scheme of Arrangement, the capital structure of Moonglow Company Business Inc. (Transferor Company) is as follows:

	Pre-Scheme of Arrangement as on September 30, 2015		Post-Scheme of Arrangement *	
	No. of Shares	Amount (USD)	No. of Shares	Amount (USD)
A Authorised Share Capital				
equity shares of USD 1 each	100,000,000	100,000,000		NIL
Total Authorised Share Capital:	100,000,000	100,000,000		NIL
B Issued, Subscribed & Paid Up Share Capital:				
Equity Shares of USD1 each	97,805,000	97,805,000		NIL
Total Issued, Subscribed & Paid Up Share Capital	97,805,000	97,805,000		NIL

Note: * Upon Scheme of Arrangement becoming effective, Moonglow Company Business Inc. stands dissolved without winding up and the issued and paid up capital of Moonglow Company Business Inc. will stands cancelled.

- iii) Pre and Post Scheme of Arrangement, the capital structure of Rain Cements Limited is as follows:

	Pre-Scheme of Arrangement as on September 30, 2015		Post-Scheme of Arrangement *	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
A Authorised Share Capital				
Equity Shares of Rs.10 each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Total Authorised Share Capital:	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
B Issued, Subscribed & Paid Up Share Capital:				
Equity Shares of Rs.10 each	2,98,05,000	29,80,50,000	2,98,05,000	29,80,50,000
Total Issued, Subscribed & Paid Up Share Capital	2,98,05,000	29,80,50,000	2,98,05,000	29,80,50,000

Note* : There is no change in the shareholding pattern of Rain Cements Limited post scheme of arrangement as there is no fresh issue of equity shares.

9. The Scheme is not prejudicial to the interests of the members or secured/ unsecured creditors of the Applicant Company.
10. There are no winding up proceedings pending against the Transferee Company as of date.
11. **Disclosure of interest**

None of the Directors and the Key Managerial Personnel of Rain Industries Limited and their Relatives have any interest in the Scheme of Arrangement between Moonglow Company Business Inc., Rain Industries Limited, Rain Cements Limited and their respective Shareholders and Creditors, except as Shareholders in general of the respective companies, the extent of which is as stated below:

- a) Shares held in Rain Industries Limited (Transferee Company) (as on September 30, 2015) :

S.No.	Directors & Key Managerial Personnel	Designation	Shares	As a%
1	Mr. N. Radhakrishna Reddy	Chairman	1,03,83,730	3.09
2	Mr. N. Jagan Mohan Reddy	Managing Director	100	0.00
3	Mr. N. Sujith Kumar Reddy	Director	1,00,28,770	2.98
4	Mr. V. Narayanamurthy	IDBI Bank Limited Nominee Director	0	0.00
5	Mr. S L Rao	Independent Director	0	0.00
6	Mr. DipankarBasu	Independent Director	140	0.00
7	Mr. H.L. Zutshi	Independent Director	0	0.00
8	Mr. G. Krishna Prasad	Independent Director	0	0.00
9	Ms. Radhika Vijay Haribakthi	Independent Director	0	0.00
10	Mr. T. Srinivasa Rao	Chief Financial Officer	90,000	0.00
11	Mr. S. Venkat Ramana Reddy	Company Secretary	0	0.00
12	Mrs. N. Indira Reddy	Wife of Mr. N. Radhakrishna Reddy, Chairman	75,13,100	2.23
13	Mrs. N. Anupama Reddy	Wife of Mr. N. Jagan Mohan Reddy, Managing Director	2,71,52,351	8.07
14	Mrs. N. Akhila Reddy	Wife of Mr. N. Sujith Kumar Reddy, Director	18,69,315	0.56

b) Shares held in Moonglow Company Business Inc (Transferor Company) as on September 30, 2015 as under :

S.No.	Name of the Company	Designation	Shares	As a%
1	M/s. Rain Cements Limited	Public Limited Company (Holding Company)	9,78,05,000	100%

c) Shares held in Rain Cements Limited as on September 30, 2015 :

S.No.	Directors & Key Managerial Personnel and their relatives	Designation	Shares	As a%
1	Mr. N. Radhakrishna Reddy*	Chairman	100	0.0003
2	Mr. N. Sujith Kumar Reddy*	Managing Director	100	0.0003
3	Mr. N. Jagan Mohan Reddy*	Director	100	0.0003
4	Mr. G. Krishna Prasad	Independent Director	0	0.00
5	Ms. Nirmala Reddy	Independent Director	0	0.00
6	Mr. G.N.V.S.R.R.Kumar	Chief Financial Officer	0	0.00
7	Mr. K. Saipavan	Company Secretary	0	0.00
8	Ms. N. Indira Reddy*	Wife of Mr. N. Radhakrishna Reddy	100	0.0003
9	Ms. N. Anupama Reddy*	Wife of Mr.N. Jagan Mohan Reddy	100	0.0003
10	Ms. N. Akhila Reddy*	Wife of Mr. N. Sujith Kumar Reddy	100	0.0003
11	Mr. Y. Santosh Kumar Reddy*	Shareholder	100	0.0003
12	M/s. Rain Industries Limited	Holding Company	29,804,300	99.99

Note: *Shares are held on behalf of Rain Industries Limited (Holding Company)

12. Inspection of documents:

In addition to the documents annexed to this explanatory statement, copies of the following documents are open for inspection at the Registered Office of the Company between 10.00 a.m. and 6.00 p.m. on any working day.

- Papers and proceedings in Company Application no.1769 of 2015 including certified copy of the Order of the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh in the said Company Application directing the convening and holding of the meeting of the equity shareholders of the Applicant Company.
- Scheme of Arrangement between Rain Industries Limited, Rain Cements Limited, Moonglow Company Business Inc., BVI and their respective shareholders and Creditors.
- Memorandum and Articles of Association of Rain Industries Limited, Rain Cements Limited and Moonglow Company Business Inc. BVI.
- Annual reports of Rain Industries Limited, Rain Cements Limited and Moonglow Company Business Inc. for the year ended 31st December, 2014.
- Copy of the Fairness opinion dated June 11, 2015 issued by Karvy Investor Services Limited.
- Complaints Report dated July 31, 2015 and August 13, 2015.
- Observation letters dated September 15, 2015 and September 14, 2015 issued each by the National Stock Exchange of India Limited and BSE Limited, respectively.
- Rain Industries Limited has two secured creditors namely IDBI Bank Limited and Citibank. The IDBI Bank Limited vide its letter dated November 3, 2015 and Citibank vide its letter dated November 3, 2015 have given their consent for the Scheme of Arrangement. Rain Cements Limited has one secured creditor namely ICICI Bank Limited. The ICICI Bank Limited vide its letter dated October 20, 2015 has given their consent for the Scheme of Arrangement.

This statement may be treated as the statement under Section 393 of the Companies Act 1956. A copy of the Scheme, the Fairness opinion by Karvy Investor Services Limited, the observation letters issued by the National Stock Exchange of India Limited and BSE Limited, the complaints report and this statement may also be obtained free of cost from the registered office of the Applicant Company i.e., Rain Industries Limited, Rain Center, 34, Srinagar Colony, Hyderabad-500073, Telangana State, India or at the office of its advocate Mr. Pushyam Kiran, Advocate, Flat No.D, 1st Floor, 8-2-584, Uma Enclave, Road No.9, Banjara Hills, Hyderabad – 500 034, Telangana State, India between 10.00 a.m. to 6.00 p.m. on any working day upto 1 (one) day prior to the date of the meeting.

N. Manga Shree

Advocate, in the high court of judicature at Hyderabad
for the state of Telangana and the state of Andhra Pradesh
Chairperson appointed for the meeting

Place: Hyderabad.
Date: December 8, 2015

Annexure-I

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

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 15th 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 28th 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 4th May, 1999, vide CIN No. U23209TG1999PLC031361.
- (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.
- (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:

- 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.
- 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 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.
- 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 11th June, 2015) sanctioning the Scheme.

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 5th 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

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 5th 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 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 depositee, 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 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 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 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.
- (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.”

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 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 Arrangement 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 Arrangement 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 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.
- 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.

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 ARRANGEMENT 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 Arrangement pursuant to the Scheme under the "Pooling of Interest method" in accordance with the applicable Accounting Standard 14 notified by the Companies (Accounting Standards) Rules, 2006, as amended from time to time.

11.2. ACCOUNTING OF ARRANGEMENT 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 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.

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 High Court or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.
15. 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.

16. 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.

17. 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.

Annexure-II

1. (A) Pre Scheme of Arrangement Shareholding pattern of Rain Industries Limited (Transferee Company) as on 30th September, 2015

Category Code	Category of shareholder	Number of Shareholders	Total Number of Shares	Number of Shares held in Dematerialized Form	Total shareholding as a percentage of Total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	Promoter and Promoter Group					
(1)	Indian					
(a)	Individuals / Hindu Undivided Family	7	5,69,61,651	5,69,61,651	16.94	16.94
(b)	Central Government/ State Government(s)	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(c)	Bodies Corporate	6	8,12,68,885	8,12,68,885	24.16	24.16
(d)	Financial Institutions / Banks	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(e)	Any Other (Specify)	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
	Sub - Total (A) (1)	13	13,82,30,536	13,82,30,536	41.10	41.10
(2)	Foreign					
(a)	Individuals (Non- Resident Individuals / Foreign Individuals)	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(b)	Bodies Corporate	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(c)	Institutions	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(d)	Qualified Foreign Investor	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(e)	Any other (Specify)	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
	Sub - Total (A) (2)	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+(A)(2)	13	13,82,30,536	13,82,30,536	41.10	41.10
(B)	Public Shareholding					
(1)	Institutions					
(a)	Mutual Funds / UTI	10	4,45,67,054	4,45,64,629	13.25	13.25
(b)	Financial Institutions / Banks	9	1,27,915	90,915	0.04	0.04
(c)	Central Government/State Government(s)	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(d)	Venture Capital Funds	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(e)	Insurance Companies	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(f)	Foreign Institutional Investors	44	6,41,30,752	6,41,29,252	19.07	19.07
(g)	Foreign Venture Capital Investors	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(h)	Qualified Foreign Investor	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(i)	Any Other (Specify)					
	Sub - Total (B) (1)	63	10,88,25,721	10,87,84,796	32.36	32.36
(2)	Non-Institutions					
(a)	Bodies Corporate	762	2,80,51,807	2,78,72,207	8.34	8.34
(b)	Individuals					
i.	Individual Shareholders holding nominal share capital up to Rs.1 lakh.	37,253	3,33,28,293	2,78,79,308	9.91	9.91
ii.	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh.	80	1,31,72,407	1,28,65,277	3.92	3.92
(c)	Qualified Foreign Investor	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(d)	Any Other (Specify)					
i.	HUF	769	27,72,242	27,72,242	0.82	0.82
ii.	Non Resident Individuals	1,059	1,17,93,765	79,03,360	3.51	3.51
iii.	Overseas Corporate Bodies	1	66,425	-	0.02	0.02
iv.	Trusts	3	6,750	6,750	0.00	0.00
v.	Clearing Members	56	97,733	97,733	0.03	0.03
	Sub - Total (B) (2)	39,983	8,92,89,422	7,93,96,877	26.55	26.55

(Contd.)

Category Code	Category of shareholder	Number of Shareholders	Total Number of Shares	Number of Shares held in Dematerialized Form	Total shareholding as a percentage of Total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
	Total Public Shareholding (B)=(B)(1)+(B)(2)	40,046	19,81,15,143	18,81,81,673	58.90	58.90
	Total (A) + (B)	40,059	33,63,45,679	32,64,12,209	100.00	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued.	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(1)	Promoter and Promoter Group	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
(2)	Public	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-
	Grand Total (A)+(B)+C)	40,059	33,63,45,679	32,64,12,209	100.00	100.00

(B) Post Scheme of Arrangement Shareholding pattern of Rain Industries Limited (Transferee Company)

There is no change in the shareholding pattern of Rain Industries Limited (Transferee Company) post scheme of arrangement as there is no fresh issue of equity shares.

2. (A) Pre Scheme of Arrangement Shareholding pattern of Rain Cements Limited as on 30th September, 2015

S.No.	Name and Address of the Shareholder	No of Equity Shares	Percentage
1	Mr. N. Radhakrishna Reddy* Plot No.38, Srinagar Colony, Hyderabad – 500 073	100	0.0003
2	Mrs. N. Indira Reddy* Plot No.38, Srinagar Colony, Hyderabad – 500 073	100	0.0003
3	Mr. N. Jagan Mohan Reddy* Plot No.38, Srinagar Colony, Hyderabad – 500 073	100	0.0003
4	Mrs. N. Anupama Reddy* Plot No.38, Srinagar Colony, Hyderabad – 500 073	100	0.0003
5	Mr. N. Sujith Kumar Reddy* Plot No.38, Srinagar Colony, Hyderabad – 500 073	100	0.0003
6	Mrs. N. Akhila Reddy* Plot No.38, Srinagar Colony, Hyderabad – 500 073	100	0.0003
7	Mr.Y Santosh Kumar Reddy* 275, MLA-MPs Colony, Road No.10C, Jubilee Hills, Hyderabad-500 033	100	0.0003
8	Rain Industries Limited (Holding Company) Regd.Off: Rain Center, 34,Srinagar Colony Hyderabad – 500073	29804300	99.9979
	Total	29805000	100.00

*Shares are held on behalf of Rain Industries Limited (Holding Company)

(B) Post Scheme of Arrangement Shareholding pattern of Rain Cements Limited

There is no change in the shareholding pattern of Rain Cements Limited post scheme of arrangement as there is no fresh issue of equity shares.

3. (A) Pre Scheme of Arrangement Shareholding pattern of Moonglow Company Business Inc (Transferor Company) as on 30th September, 2015

S.No.	Name of the Company	Designation	Shares	As a%
1	M/s. Rain Cements Limited	Public Limited Company (Holding Company)	9,78,05,000	100%

(B) Post Scheme of Arrangement Shareholding pattern of Moonglow Company Business Inc (Transferor Company)

Upon Scheme of Arrangement becoming effective, Moonglow Company Business Inc. stands dissolved without winding up and the issued and paid up capital of Moonglow Company Business Inc. will stands cancelled.

The Company Secretary
Rain Industries Limited
Rain Center, 34,
Srinagar Colony,
Hyderabad- 500 073,
Telangana.

ANNEXURE – III

Sub: Observation letter regarding the Draft Scheme of Arrangement between Moonglow Company Business INC. and Rain Industries Limited and Rain Cements Limited.

We are in receipt of Draft Scheme of Arrangement between Moonglow Company Business INC. and Rain Industries Limited and Rain Cements Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated September 14, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

- > ***"Company shall duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- > To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the Information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager


Lalit Phatak
Asst. Manager

Ref: NSE/LIST/42751

September 15, 2015

The Company Secretary
Rain Industries Limited
Rain Center,
34, Srinagar Colony,
Hyderabad,
Andhra Pradesh – 500 073

ANNEXURE – IV

Kind Attn.: Mr. S. Venkat Ramana Reddy

Dear Sir,

Sub: Observation letter for draft Composite Scheme of Arrangement between Moonglow Company Business INC. and Rain Industries Limited and Rain Cements Limited and their respective shareholders and creditors

This has reference to draft composite Scheme of Arrangement between Moonglow Company Business INC. and Rain Industries Limited and Rain Cements Limited and their respective shareholders and creditors submitted to NSE vide your letter dated July 08, 2015.

Based on our letter reference no Ref: NSE/LIST/38415 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated September 14, 2015, has given following comments on the draft Scheme of Arrangement:

“a) The Company shall duly comply with various provisions of the Circulars.”

We hereby convey our ‘No-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon’ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from September 15, 2015, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed



Signer : Patel Kamlesh
Date: Tue, Sep 15, 2015 16:51:35 GMT+05:30
Location: NSE

June 11, 2015

ANNEXURE – V

The Board of Directors
 Rain Industries Limited
 Rain Center
 34, Srinagar Colony
 Hyderabad 500 073

Sub: Fairness opinion on the proposed amalgamation of Moonglow Company Business Inc ('Moonglow') with Rain Industries Limited ('RIL' and / or 'Parent Company') pursuant to the composite scheme of arrangement under Sections 391 – 394 of the Companies Act, 1956

Dear Sirs,

We refer to the engagement letter with reference no. KISL/IB/RIL/2015-16/010 dated June 10, 2015 with Karvy Investor Services Limited (hereinafter referred to as 'KISL'), wherein RIL has requested us to provide fairness opinion on the composite scheme of arrangement in relation to the amalgamation of Moonglow with RIL.

1. BACKGROUND OF THE COMPANIES**1.1 Rain Industries Limited (RIL / Parent Company)**

Rain Industries Limited ('RIL' and / or 'Parent Company') (formerly known as 'Rain Commodities Limited') is a company incorporated on March 15, 1974 under the Companies Act, 1956 vide CIN No. L26942TG1974PLC001693. RIL has its registered office at Rain Center, 34, Srinagar Colony, Hyderabad-500073, Telangana, India. RIL is the flagship company and has investments into various companies. RIL along with its subsidiaries is engaged in the businesses of manufacturing of Cement, Calcined Petroleum Coke (CPC), Coal Tar Pitch (CTP), other Carbon & Chemical products and co-generation of power.

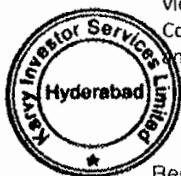
RIL is listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

1.2 Moonglow Company Business Inc.

Moonglow Company Business Inc. ('Moonglow') is a company incorporated on December 28, 2005 under The International Business Companies Act (CAP. 291) bearing Company No. 690081. Moonglow has its registered office at Pasea Estate, Road Town, Tortola, British Virgin Islands. Moonglow is a wholly owned subsidiary of Rain Cements Ltd. ('RCL') and RCL is a wholly owned subsidiary of RIL. Thus, Moonglow is a step-down subsidiary of RIL. Moonglow was set-up as a special purpose vehicle for the purpose of acquisition of calcined petroleum coke (CPC) businesses in United States of America. Currently it holds 100% non-voting stock of Rain CommoditiesUSA Inc. ('RCUSA'), which holds the entire CPC business of the parent company in USA.

1.3 Rain Cements Limited

Rain Cements Limited ('RCL') is a company incorporated on May 4, 1999 under the Companies Act, 1956 vide CIN No. U23209TG1999PLC031631. RCL has its registered office at Rain Center, 34, Srinagar Colony, Hyderabad-500073, Telangana, India. RCL is engaged, inter alia, in the business of manufacture and sale of cement. RCL also holds 100% in Moonglow.

**Karvy Investor Services Limited**

Registered Office: 'Karvy House', 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034.

T: +91 40 2342 8774 / 2331 2454 | F: +91 40 2337 4714 / 2331 1968

E-mail: cmg@karvy.com/igmbd@karvy.com | www.karvy.com

CIN No. : U67120TG1997PLC026253 | SEBI Registration No. MB/INM000008365



2. SCOPE AND PURPOSE OF THIS REPORT

- 2.1 We understand that the Board of Directors, Shareholders and Creditors of RIL, RCL & Moonglow are proposing to amalgamate Moonglow into RIL under a composite scheme of arrangement under the provisions of Sections 391-394 of the Companies Act, 1956 (hereinafter referred to as the 'Scheme of Arrangement') with April 1, 2015 as the Appointed Date for the scheme
- 2.2 RCL is a wholly owned subsidiary of RIL, while Moonglow is a wholly owned subsidiary of RCL.
- 2.3 On the amalgamation of Moonglow with RIL, no shares of RIL shall be issued or allotted in respect of the holding of RCL in Moonglow.
- 2.4 In consideration of the transfer and vesting of the Assets and Liabilities pursuant to the Scheme of Arrangement, the entire share capital of Moonglow held by RCL shall stand cancelled.
- 2.5 In this connection, the management of RIL has engaged KISI to submit a report on the fairness of the Scheme of Arrangement as per the requirements of Securities and Exchange Board of India Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21 2013 and listing agreement entered by RIL with NSE and BSE. Our scope of work includes commenting only on the fairness of the Scheme of Arrangement.
- 2.6 This report is subject to the scope, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the purpose of facilitating the amalgamation of Moonglow with RIL and should not be used for any other purpose.

3. SOURCES OF INFORMATION

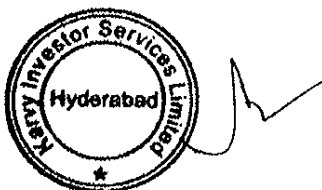
We have relied on the following information for framing our opinion on the fairness of the Scheme of Arrangement:

- a) Draft Composite Scheme of Arrangement between Moonglow, RIL, RCL and their respective shareholders and creditors.
- b) Audited financials of RIL, RCL and Moonglow for financial years 2013 and 2014 as well as provisional financials (as certified by the management of respective companies) for the 3 months ended March 31, 2015 ..
- c)
- d) RBI letter with reference no. FE.CO.OID/9601/19.18.310/2014-15 dated December 11, 2014
- e) Other relevant information regarding RIL, RCL and Moonglow.

4. RATIONALE AND KEY FEATURES OF SCHEME OF AMALGAMATION

- 4.1 The rationale for the amalgamation as provided in the Scheme of Arrangement is as follows:

RIL along with its subsidiaries 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





and co-generation of power. RIL holds 100% in RCL. Further, Moonglow is a wholly owned subsidiary of RCL. Thus, Moonglow is a step-down subsidiary of RIL.

Moonglow was set-up as a special purpose vehicle for the purpose of acquisition of CPC businesses in United States of America. The main objective of setting up Moonglow was to carry-out leveraged buyouts of companies engaged in the business of CPC in USA and to facilitate pledging of stock of such companies to overseas lenders for raising the requisite funding.

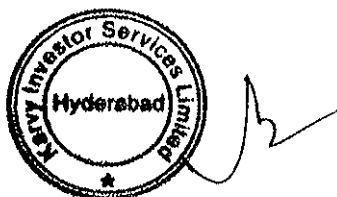
The entire USA operations of RIL are under RCUSA. Moonglow holds 100% non-voting stock of RCUSA and RIL holds 100% of the voting rights of RCUSA.

The intention of incorporating Moonglow was to limit the exposure of RIL and its subsidiaries to any unknown liabilities that may arise from the acquisition and/or operation of CPC business assets in USA. As the acquisition process is fully settled and with an intention to hold USA carbon and chemical businesses directly from India, the management of RIL is proposing amalgamation of Moonglow with itself. The amalgamation of Moonglow with RIL 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 USA Carbon and Chemical businesses.

In order to have entire control over RCUSA and consolidate holdings, Moonglow is sought to be amalgamated with RIL.

4.2 The key features of Scheme of Amalgamation are as follows:

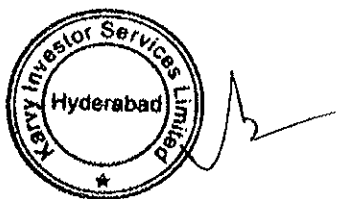
- 4.2.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all properties, assets, liabilities and undertaking(s) of Moonglow shall stand transferred to and vested in or deemed to be transferred to and vested in RIL under the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Companies 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.
- 4.2.2 On the Scheme of Arrangement becoming effective, RIL shall account for the amalgamation in accordance with the 'pooling of interest' method referred to in Accounting Standard-14, issued by the Institute of Chartered Accountants of India.
- 4.2.3 The entire share capital of Moonglow is held by RCL, a wholly owned subsidiary of RIL. Accordingly, there would be no issue of equity shares of RIL to the shareholders of Moonglow. Pursuant to the amalgamation of Moonglow into RIL, the investment in the shares of Moonglow appearing in the books of accounts of RCL shall stand cancelled. The investment in the books of RCL shall be adjusted against capital reserve account, securities premium account, general reserve and profit & loss account in the order specified.
- 4.2.4 Upon the Scheme of Arrangement becoming effective, all procedures required to be followed under the laws of British Virgin Islands for the winding up or dissolution or cancellation of Moonglow will be carried out and implemented in its entirety in order to give full effect to the provisions of the Scheme of Arrangement.





5. LIMITATIONS OF SCOPE AND REVIEW

- 5.1 Our Opinion and analysis is limited to the extent of review of documents as provided to us by RIL and the Scheme of Amalgamation approved by the Board of Directors of Moonglow, RCL and RIL.
- 5.2 We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial forecasts relating to Moonglow, RCL and RIL. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of Moonglow, RCL and RIL. In particular, we do not express any opinion as to the value of any asset of Moonglow, RCL or RIL, its subsidiaries, whether at current prices or in the future.
- 5.3 We do not express any opinion as to the price at which shares of RIL may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the Scheme of Arrangement will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme of Arrangement, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Moonglow, RCL and RIL and its subsidiaries and respective shareholders.
- 5.4 We do not express any opinion as to any tax or other consequences that might arise from the Scheme of Arrangement on Moonglow or RCL or RIL or their subsidiaries and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.
- 5.5 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the amalgamation of Moonglow with RIL as contemplated in the Scheme of Arrangement provided to us and is not valid for any other purpose.
- 5.6 We have in the past provided, and may currently or in the future provide, investment banking services to RIL and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme of Arrangement, for which services we have received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of KISL may actively trade in the securities of RIL or its subsidiaries or group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the opinion expressed herein are for the use of the Board of Directors of RIL in connection with the consideration of the Scheme of Arrangement. Neither KISL, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.
- 5.7 Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of Arrangement or any matter related thereto.





6. VALUATION REPORT

In the proposed Scheme of Arrangement, the entire share capital of Moonglow held by RCI shall stand cancelled and Moonglow will be amalgamated with RIL. There would be no issue of equity shares of RIL to the shareholders of Moonglow and there shall not be any change in the shareholding pattern of RIL.

As per point 4.2 of SEBI Circular dated CIR/CFD/DIL/8/2013 dated May 21, 2013 to be read with SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013, 'Valuation Report from an Independent Chartered Accountant' need not be required in cases where there is no change in the shareholding pattern of the listed company.

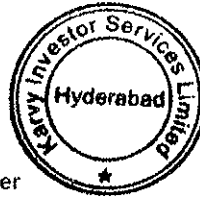
Based on the above stated points, the Company has not obtained any Valuation Report from an Independent Chartered Accountant for the Scheme of Amalgamation.

7. OPINION

On the basis of our Scope and Limitations mentioned in this report and considering the Rationale of the Scheme of Amalgamation, the Scheme of Amalgamation of Moonglow with RIL, in our opinion is fair.

For Karvy Investor Services Limited


R Prashanth Kumar
Whole Time Director & Chief Executive Officer





RAIN INDUSTRIES LIMITED
(formerly Rain Commodities Limited)
Complaints Report : Rain Industries Limited

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	- NIL -
2.	Number of complaints forwarded by Stock Exchange	- NIL -
3.	Total Number of complaints/comments received (1+2)	- NIL -
4.	Number of complaints resolved	- NIL -
5.	Number of complaints pending	- NIL -

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Rain Industries Limited

S. Venkat Ramana Reddy
S. Venkat Ramana Reddy
Company Secretary



Date: July 31, 2015

Regd. Office: Rain Center
34, Srinagar Colony
Hyderabad 500073
India

Phone: +91 (40) 40401234
Fax: +91 (40) 40401214
Email: secretarial@rain-industries.com
Website: www.rain-industries.com
CIN: L26942TG1974PLC001693



RAIN INDUSTRIES LIMITED
(formerly Rain Commodities Limited)

Complaints Report : Rain Industries Limited

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	- NIL -
2.	Number of complaints forwarded by Stock Exchange	- NIL -
3.	Total Number of complaints/comments received (1+2)	- NIL -
4.	Number of complaints resolved	- NIL -
5.	Number of complaints pending	- NIL -

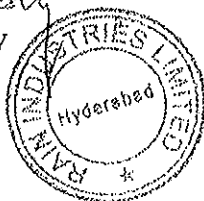
Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Rain Industries Limited

S. Venkat Ramana Reddy
S. Venkat Ramana Reddy
Company Secretary

Date: August 13 , 2015



Regd. Office: Rain Center
34, Srinagar Colony
Hyderabad 500073
India

Phone: +91 (40) 40401234
Fax: +91 (40) 40401214
Email: secretarial@rain-industries.com
Website: www.rain-industries.com
CIN: L26942TG1974PLC001693



RAIN INDUSTRIES LIMITED

CIN: L26942TG1974PLC001693

Regd. Off: "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073, Telangana State, India.

Ph.No.040-40401234; Fax:040-40401214;

Email: secretarial@rain-industries.com / www.rain-industries.com

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

(ORIGINAL JURISDICTION)

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 OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956/2013

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

COMPANY APPLICATION NO. 1769 OF 2015

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. Mr. T. Ramalingeswara Rao,
aged 49 years, resident of Villa No 70, Ramky Pearl, HMT
Sathavahana Nagar, Kukatpally,
Hyderabad- 500072, Telangana, INDIA

FORM OF PROXY

**...APPLICANT COMPANY/
TRANSFeree COMPANY**

I/We, the undersigned Equity Shareholder(s) of Rain Industries Limited, hereby appoint Mr./ Ms. _____

_____ of _____

and failing him/her _____ of _____

as my/our proxy, to act for me/us at the meeting of the Equity Shareholders to be held on Tuesday, January 19, 2016 at 11:00 A.M. at K L N Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State, India for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed arrangement embodied in the Scheme of Arrangement between Rain Industries Limited, Moonglow Company Business Inc., Rain Cements Limited and their respective shareholders and creditors and at such meeting, and any adjournment/adjournments thereof, to vote, for me/us and in my/our name(s) _____ (herein, if 'for' insert '**FOR**', if 'against' insert '**AGAINST**' and in the latter case strike out the words below after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement, *either with or without modifications**, as my/our proxy may approve.

**Strike out what is not necessary.*



Dated this _____

Name _____

Address _____

Reg. Folio No. _____ Client ID No. _____

DP ID No. _____ No. of shares: Equity _____

Please Affix
Re.1/- Revenue
Stamp and sign
across

Signature across the stamp

Signatures of Shareholder(s)

Sole / First Holder: _____

Second Holder: _____

Third Holder: _____

Signature of Proxy

Proxy: _____

Notes:

- (1) Please affix revenue stamp before putting Signature.
- (2) All alterations made in the form of proxy should be initialed.
- (3) The Proxy must be deposited at the Registered Office of the Applicant Company at Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India not later than 48 hours before the date of the meeting.
- (4) In case of multiple proxies, the proxy later in time shall be accepted.
- (5) Proxy need not be a shareholder of the Applicant Company.

Route Map for Venue of the Meeting





RAIN INDUSTRIES LIMITED

CIN: L26942TG1974PLC001693

Regd. Off: "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073,
Telangana State, India.

Ph.No.040-40401234; Fax:040-40401214;

Email: secretarial@rain-industries.com / www.rain-industries.com

ATTENDANCE SLIP

Regd. Folio No.	
No. of Equity Shares held	

*DP ID:	
* Client ID:	

Name of the Shareholder	
Name of Proxy	

I/We hereby record my / our presence at the Court Convened Meeting of Equity Shareholders of the Company to be held on Tuesday, January 19, 2016 at 11:00 A M. at K L N Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, Please sign here

If Proxy, Please sign here

Note: This form should be signed and handed over at the Meeting Venue.

* Applicable for investors holding shares in electronic form.



**PRINTED MATTER
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RAIN INDUSTRIES LIMITED

CIN: L26942TG1974PLC001693

Regd. Off: "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073,
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Ph.No.040-40401234; Fax:040-40401214;

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