HON'BLE SRI JUSTICE CHALLA KODANDA RAM

COMPANY APPLICATION Nos.1768 and 1769 of 2015

COMMON ORDER:

Since both the Company Applications are pertaining to the same scheme of arrangement, they are being disposed of by a common order.

Company Application No.1768 of 2015 is filed by the Rain Cements Ltd., (hereinafter referred to as "Applicant No.1") seeking that the meeting of the shareholders, secured creditors of the applicant company may be dispensed with; that the meeting of the unsecured creditors of the applicant company be conducted by appointing a Chairman and submit a report to the Court.

Similarly, Company Application No.1769 of 2015 is filed by the Rain Industries Ltd., (hereinafter referred to as "Applicant No.2") seeking that the meeting of the secured creditors of the applicant company may be dispensed with; that a meeting of the equity shareholders of the applicant company be directed to be held by appointing a Chairman and submit a report to the Court.

The Applicant No.1 pleaded that the company "Rain Cements Limited" was incorporated under the Companies Act, 1956 (in short "the Act"), on 04.05.1999, but subsequently its name was changed to "Rain CII Carbon (India) Ltd.," on 30.11.2007 and later the name was changed as Rain Cements Limited, on 18.02.2011, thereafter, again its name was changed as Rain Cements Limited, on 18.02.2011. The main objects of Applicant No.1 are to carry on the business, of and to purchase or otherwise acquire, manufacture, refine, treat, reduce, distil, 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 etc.,

As on 31.12.2014, the authorised share capital is Rs.500 lakhs divided into 5 crore equity shares of Rs.10/- each, and its issued, subscribed and paid up share capital as on 31.12.2014 is Rs.29,80,50,000/- divided into 2,98,05,000 equity shares of Rs.10/- each. It has seven other shareholders holding 100 equity shares each in the Applicant Company and the Applicant Company has one secured creditor i.e., ICICI Bank and the Applicant Company has large number of unsecured creditors. Both the shareholders and the secured creditor have given their consent for the Scheme of Arrangement.

Whereas, the Applicant No.2 pleaded that originally the company Rain Industries Limited, was incorporated under the Act, on 15.03.1974, thereafter, the name was changed twice as “Priyadarshini Cement Limited” and “Rain Commodities Ltd.,” on 04.05.1984 and 16.11.2004 respectively and finally the name was changed to “Rain Industries Limited” on 08.07.2013. The main objects of Applicant No.2 are to produce, manufacture, purchase, refine, prepare, process, import, sell and generally to deal in Cement, Portland cement, alumina cement, white and coloured cement, lime and limestone, kankar and 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 etc.,

As on 31.12.2014, the authorised share capital is Rs.1,180,000,000/- divided into 590,000,000 equity shares of Rs.2/- each, and it has redeemable preference shares of Rs.490,000,000/- divided into 4,900,000 preference shares of Rs.100/- each, and its issued, subscribed and paid up share capital as on 31.12.2014 is Rs.672,691,358/- divided into 336,345,679 equity shares of Rs.2/-

each. It has two secured creditors i.e., IDBI Bank and Citibank and large number of shareholders. The secured creditors have already given their consent for the Scheme of Arrangement.

Learned counsel for the Applicant Nos.1 and 2 submitted that Applicant No.1 company is required to adjust its investment 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, and further submitted that the proposed amalgamation of the transferor company with the Applicant No.1-transferee company would provide synergetic linkages besides economies in cost by combining the business functions and related activities and operations and thus contribute to the profitability of the applicant companies. Therefore, both the applicants have pleaded to appoint a Chairman by fixing the date, time and venue to conduct the meetings as prayed.

The applicants have filed copies of the proposed scheme of arrangement (Annexure-E and F) in its respective Company Applications.

Having regard to the same, permission to hold the meeting of unsecured creditors of the applicant in Comp.A.No.1768 of 2015 and the shareholders of the applicant in Comp.A.No.1769 of 2015, for consideration of the proposed scheme of amalgamation, is granted.

Accordingly, Smt. K. Sumathi, Advocate, is appointed as the Chairperson to convene the meeting of the unsecured creditors of the Applicant in Comp.A.No.1768 of 2015, on 19.01.2016 at 1 p.m., at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry, Red Hills, Hyderabad-500004, and Smt. N. Manga Sri, Advocate, is appointed as Chairperson to convene the meeting of the equity shareholders of the Applicant in

Comp.A.No.1769 of 2015, at 11 a.m. at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry, Red Hills, Hyderabad-500004.

The Chairpersons shall ensure that three weeks' notice is issued to the general public by way of publication in daily newspapers viz., Business Standard (English) and Andhra Prabha (Telugu) of Hyderabad Main Editions, as per the statutory provisions. Further, at request of the learned counsel for the Applicant No.2, it is permitted to issue notices to the shareholders of Applicant No.2-Company, by way of e-mails to its shareholders, whose e-mail I.Ds., are registered with the company, and to the remaining shareholders by way of speed post.

The Chairpersons' fee is fixed at Rs.25,000/- (Rupees twenty five thousand only) each, payable by the respective applicants. The chairpersons shall submit their reports by the next date of hearing.

Post on 10.02.2016, for filing of reports by the Chairpersons.

_____

CHALLA KODANDA RAM, J

Dated: 12.11.2015
Ssv