

## NOTICE

Notice is hereby given that an Extraordinary General Meeting of the Members of Rain Commodities Limited(Formerly Priyadarshini Cement Limited) will be held on Monday, the 4<sup>th</sup> June, 2007 at 4:00 P M at K L N Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI), Red Hills, Hyderabad- 500 004, Andhra Pradesh to transact the following Special business:

### **SPECIAL BUSINESS :**

1. To Consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution** :

**“RESOLVED THAT** pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to alter the Authorised Share Capital of the Company from Rs.167,00,00,000 (Rupees One Hundred and Sixty Seven Crores only) divided into 6,70,00,000(Six Crores Seventy Lakhs only) Equity Shares of Rs.10/- each and 1,00,00,000(One Crore only) Redeemable Preference Shares of Rs.100/- each to Rs.167,00,00,000 (Rupees One Hundred and Sixty Seven Crores only) divided into 11,80,00,000(Eleven Crores and Eighty Lakhs only) Equity Shares of Rs.10/- each and 49,00,000(Forty Nine Lakhs only) Redeemable Preference Shares of Rs.100/- each ”.

2. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution** :

**“RESOLVED THAT** the consent of the members of the Company be and is hereby accorded for substituting the existing Clause V of the Memorandum of Association of the Company by the following:

V. The Authorised Share Capital of the Company is Rs.167,00,00,000 (Rupees One Hundred and Sixty Seven Crores only) divided into 11,80,00,000(Eleven Crores and Eighty Lakhs only) Equity Shares of Rs.10/- each and 49,00,000(Forty Nine Lakhs only) Redeemable Preference Shares of Rs.100/- each with power to sub-divide, consolidate, increase and reduce the capital and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential or special rights and privileges and conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may for the time being be provided in the regulations of the Company”.

3. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution** :

**“RESOLVED THAT** pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded for substituting the existing Article No.6 of the Articles of Association of the Company by the following:

6. The Authorised Share Capital of the Company is Rs.167,00,00,000 (Rupees One Hundred and Sixty Seven Crores only) divided into 11,80,00,000(Eleven Crores and Eighty Lakhs only) Equity Shares of Rs.10/- each and 49,00,000(Forty Nine Lakhs only) Redeemable Preference Shares of Rs.100/- each with power to sub-divide, consolidate, increase and reduce the capital and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential or special rights and privileges and conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may for the time being be provided in the regulations of the Company”.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution** :
- “**RESOLVED THAT** in modification of the resolution passed at the Twenty Fourth Annual General Meeting of the Shareholders of the Company held on 28<sup>th</sup> September, 1998, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company’s Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs.1000 Crores(Rupees One Thousand Crores only)”.
5. To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company(hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such Charges, Mortgages and Hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks/Financial Institutions and other investing agencies to secure Rupee/foreign currency Loans and Working capital facilities availed or proposed to be availed by the Company, provided that the total amount of loans together

with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of Rs.1000 Crores.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, as well as to execute all such documents, instruments and writings as may be required in order to give effect to the above resolution”.

By order of the Board  
For **RAIN COMMODITIES LIMITED**

PLACE : Hyderabad  
DATE : 04.05.2007

**G.R.CHARI**  
**VICE PRESIDENT(FINANCE) &**  
**COMPANY SECRETARY**

**NOTES:**

1. Explanatory statement is annexed to the notice of the Extra-Ordinary General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of item No. 1 to 5.
2. Any Member entitled to attend and Vote is entitled to appoint a proxy and vote instead of himself and the Proxy need not be a member. The Proxies should, however be deposited at the Registered Office of the Company not later than 48 Hours before the commencement of the Meeting.

**EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM NO. 1 to 3**

The existing Authorized Share Capital of the Company is Rs.167 Crores divided into 6,70,00,000(Six Crores Seventy Lakhs only) Equity Shares of Rs.10/- each and 1,00,00,000(One Crore only) Redeemable Preference Shares of Rs.100/- each. As the Company is required to allot the Equity Shares to the Shareholders of Rain Calcining Limited subsequent to the Amalgamation of Rain Calcining Limited with the Company. Accordingly, the Company proposes to alter the existing Authorised Share Capital from Rs.167 Crores divided into 6,70,00,000(Six Crores Seventy Lakhs only) Equity Shares of Rs.10/- each and 1,00,00,000(One Crore only) Redeemable Preference Shares of Rs.100/- each to Rs.167 Crores divided into 11,80,00,000(Eleven Crores and Eighty Lakhs only) Equity Shares of Rs.10/- each and 49,00,000(Forty Nine Lakhs only) Redeemable Preference Shares of Rs.100/- each.

In terms of the provisions of section 94 read with other applicable provisions if any of the Companies Act, 1956, the Company can alter the authorized share capital only by passing the necessary resolution at duly convened general meeting of the shareholders of the Company.

None of the Directors of the Company is directly or indirectly concerned or interested in this resolution.

The Board of Directors recommends the resolution for approval of the members.

**ITEM NO. 4**

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company can not borrow money (a part from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves ( that is reserves not set apart for any specific purpose) without the consent of the shareholders in the General Meeting.

The shareholders of the Company at the Annual General Meeting held on 28<sup>th</sup> September, 1998 authorised the Board of Directors to borrow upto Rs.450 Crores. As per the Scheme of Arrangement entered by the Company with Rain Calcining Limited and Rain Industries Limited and subsequent to the approval of the Hon'ble High Court of Andhra Pradesh to said Scheme of Arrangement, all the Assets and Liabilities of Rain Calcining Limited and Rain Industries Limited will get transferred to the Company. Consequent to the said transfer of the Assets and Liabilities from Rain Calcining Limited and Rain Industries Limited to the Company, the Debts may exceed the Paid up Capital and Free Reserves of the Company and further the Company may avail further loans from the Banks/Financial Institutions or any other

Lenders for business purposes, hence, it is considered necessary to enhance the said borrowing limits of the Board of Directors to Rs.1000 Crores.

The Resolution set out at item No.4 of the notice is put forth for consideration of the members as a Special resolution pursuant to section 293(1)(d) of the Companies Act, 1956, authorizing the Board of Directors to borrow upto a sum of Rs.1000 Crores.

Your Directors recommend the above Resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

#### **ITEM NO. 5**

As per the provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Public Company can not Sell, Lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking with out the consent of the shareholders in the General Meeting.

As per the Scheme of Arrangement entered by the Company with Rain Calcining Limited and Rain Industries Limited and subsequent to the approval of the Hon'ble High Court of Andhra Pradesh to the said Scheme of Arrangement, all the Assets and Liabilities of Rain Calcining Limited and Rain Industries Limited will get transferred to the Company. Consequent to the said transfer of Assets and Liabilities, the charges on the Assets will continue and the Company may create further Mortgage/Hypothecation or Charges on the present and Future Assets of the Company in favour of Banks/Financial Institutions or any other Lenders.

As the mortgage/Charge/Hypothecation by the Company on its Assets as aforesaid in favour of the Banks and Financial institutions may be regarded as disposal of the Company's properties/undertaking in certain events of default, it is necessary for the members to pass a resolution under section 293(1)(a) of the Companies Act, 1956, for creation of said charge/mortgage/Hypothecation.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

By order of the Board  
For **RAIN COMMODITIES LIMITED**

PLACE : Hyderabad  
DATE : 04.05.2007

**G.R.CHARI**  
**VICE-PRESIDENT(FINANCE) &**  
**COMPANY SECRETARY**

