R C L
RAIN COMMODITIES LIMITED

RCOL/NSE/2010 May 18, 2010

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Floor 5
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai – 400 051.

Dear Sir/Madam,

Sub: Outcome of the Board Meeting-Reg
Ref: Scrip code-RAINCOM

With reference to the above stated subject, we bring to your kind notice that the Board of Directors of the Company at their meeting held on 18th May, 2010, have approved the following Scheme of Arrangement for Corporate Restructuring under Section 391 to 394 read with Section 78, 100 to 103 of the Companies Act, 1956:

(a) Transfer of Cement Business from Rain Commodities Limited (Holding Company) to Rain CII Carbon (India) Limited (Wholly Owned Subsidiary Company) with effect from 1st April, 2010 (First Appointed Date);

(b) Transfer of Calcined Petroleum Coke (CPC) and Power Business from Rain CII Carbon (India) Limited (Wholly Owned Subsidiary Company) to Rain CII Carbon (Vizag) Limited (Wholly Owned Step-down Subsidiary Company) with effect from 1st April, 2010 (Second Appointed Date); and

(c) Merger of Moonglow Company Business Inc, British Virgin Islands (Wholly Owned Subsidiary of Rain CII Carbon (India) Limited) with Rain Commodities Limited with effect from 1st October, 2010 (Third Appointed Date) and consequent reduction in Capital Reserve, Share Premium and General Reserve of Rain CII Carbon (India) Limited (Wholly Owned Subsidiary Company).

The aforesaid Corporate Restructuring is being under taken to achieve the following objectives:

(i) Rain Commodities Limited along with its subsidiaries are engaged inter alia, in the business of manufacture and sale of Cement and Calcined Petroleum Coke and generation of power;

RAIN COMMODITIES LIMITED

(ii) The nature of risk and returns associated with the Cement and Calcined Petroleum Coke businesses carried on by Rain Commodities Limited, by itself or through its subsidiaries, is distinct from each other and consequently each business or undertaking is capable of attracting different set of investors, strategic partners, lenders and other stakeholders. In order to delineate and create a holding company for the two distinct business verticals, Rain Commodities Limited has decided to undertake the Composite Scheme of Arrangement;

(iii) Delineation of business vertical would assist in greater visibility of performance of individual businesses and attribution of appropriate value based on their respective risk-return profile and cash flows;

(iv) The Composite Scheme of Arrangement would assist in the creation of a global holding company in USA for the Calcined Petroleum Coke business which would enable fund raising, through either equity and/ or debt, to pursue inorganic and organic growth opportunities; and

(v) The demerger of Cement Business Undertaking would assist in induction of joint venture partner and pursue inorganic and organic growth opportunities in Cement industry.

The Proposed Corporate Restructuring is among Rain Commodities Limited ("the Company") and it's Wholly Owned Subsidiaries and would not result in alteration of rights and obligations of the Shareholders of the Company or any dilution of equity in the Company. Once the proposed Corporate Restructuring is completed, it would facilitate unlocking the inherent value of its Cement and Calcined Petroleum Coke businesses, through induction of strategic partners to achieve organic and inorganic growth in the respective businesses.

The aforesaid Scheme of Arrangement is subject to the approval of Lenders, Shareholders, Stock Exchanges, Regulators and Hon'ble High Court of Andhra Pradesh.

This is for your information and records.

Thanking you,

Yours faithfully,
for **RAIN COMMODITIES LIMITED**

RAIN COMMODITIES LIMITED

S. VENKAT RAMANA REDDY
COMPANY SECRETARY

Regd./Corp. Office : Rain Center, 34, Srinagar Colony, Hyderabad - 500 073. AP, India.
Tel : +91 (40) 40401234 / 40401257, Fax : +91 (40) 40401214 / 1213, Email : secretarial@priyacement.com
www.priyacement.com