



40th ANNUAL REPORT 2014





BOARD OF DIRECTORS

Mr. N. Radhakrishna Reddy

Mr. N. Jagan Mohan Reddy

Mr. N. Sujith Kumar Reddy

Mr. Dipankar Basu

Mr. S. L. Rao

Mr. H. L. Zutshi

Ms. Radhika Vijay Haribhakti

Mr. V. Narayanamurthy

Mr. G. Krishna Prasad

Chairman

Managing Director

Director

Independent Director

Independent Director

Independent Director

Additional Director (Independent Director)

Nominee Director, IDBI Bank Limited

Independent Director

CHIEF FINANCIAL OFFICER

Mr. T. Srinivasa Rao

COMPANY SECRETARY

Mr. S. Venkat Ramana Reddy

STATUTORY AUDITORS

M/s. B S R & Associates LLP,
Chartered Accountants,
Reliance Humsafar, IV Floor,
Road No.11, Banjara Hills,
Hyderabad- 500 034.
Telangana State.

REGISTERED OFFICE

"Rain Center",
34, Srinagar Colony,
Hyderabad-500 073,
Telangana State, India.
Phone No.+ 91 (40) 40401234
Fax No. + 91 (40) 40401214
Email: secretarial@rain-industries.com
Website: www.rain-industries.com
CIN: L26942TG1974PLC001693

INTERNAL AUDITORS

M/s. Ernst & Young LLP,
The Oval Office,
18, iLabs Center, Madhapur,
Hyderabad - 500 081.
Telangana State.

BANKS

IDBI Bank Limited
ICICI Bank Limited
Citibank

SECRETARIAL AUDITORS

M/s. DVM Gopal & Associates,
Practising Company Secretaries
6-3-154-159, Flat No. 303,
3rd Floor, Royal Majestic,
Prem Nagar Colony,
Near Banjara Hills Care Hospital,
Khairatabad, Hyderabad - 500 004
Telangana State.

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Rain Industries Limited (formerly Rain Commodities Limited) ("Rain Group")
is one of the world's leading producer of Carbon and Chemical Products
and is one of the leading producers of Cement in South India.

Business Vertical	Description of Business
Carbon Products Business	<ul style="list-style-type: none"> Carbon Products comprise Calcined Petroleum Coke ("CPC"), Green Petroleum Coke ("GPC"), Coal Tar Pitch ("CTP"), Co-generated Energy and other derivatives of Coal Tar distillation. Activities across the World with operating facilities spread across Africa, Belgium, Canada, Germany, India, Poland and United States of America. The Russian JV facility is under construction and expected to commence operations from Second half of CY 2015. Co-generation facilities located in United States of America and India.
Chemicals Business	<ul style="list-style-type: none"> Chemicals include the downstream operations of Coal Tar distillation and comprise Resins, Modifiers, Super Plasticizers and other specialty products. Activities across the World with facilities in Germany, Canada and the Netherlands.
Cement Business	<ul style="list-style-type: none"> Production and Sale of Cement. Activities predominantly in South India. Entering new market regions viz. Maharashtra, Orissa and Kerala. Marketed under the brand name "Priya Cement".

- Rain Group has achieved a Compounded Annual Growth Rate ("CAGR") of 33% in Consolidated Revenues during last five years.
- Rain Group has achieved a CAGR of 13% in Consolidated Operating Profits during last five years.
- Consolidated Book Value per share is increased by 125% from Rs. 39 per share to Rs. 88 per share during the last five years.

Rain Group Operating Facilities

Business Vertical	Facility	Description
Carbon Products Business	Visakhapatnam - Andhra Pradesh, India	<ul style="list-style-type: none"> Two rotary kilns to produce CPC Located in Visakhapatnam Port Area Proximity to new Aluminum Smelter plants Integrated with Co-generation facility
	Lake Charles- Louisiana, USA	<ul style="list-style-type: none"> Two rotary kilns to produce CPC Dedicated deep-water terminal Integrated with Co-generation facility
	Robinson - Illinois, USA	<ul style="list-style-type: none"> Two rotary kilns to produce CPC Located adjacent to Marathon oil refinery
	Chalmette - Louisiana, USA	<ul style="list-style-type: none"> One rotary kiln to produce CPC Dedicated deep-water terminal Integrated with Co-generation facility
	Gramercy- Louisiana, USA	<ul style="list-style-type: none"> One rotary kiln to produce CPC Dedicated deep-water terminal Integrated with Co-generation facility
	Norco - Louisiana, USA	<ul style="list-style-type: none"> One rotary kiln to produce CPC Located adjacent to Motiva oil refinery Integrated with Co-generation facility
	Purvis - Mississippi, USA	<ul style="list-style-type: none"> One rotary kiln to produce CPC Focused on specialty applications Direct rail or truck shipments to customers
	Castrop - Rauxel, Germany	<ul style="list-style-type: none"> Coal tar distillation (largest single line Coal Tar distillation plant globally) with integrated downstream production operations Dedicated river port and access via sea, rail and road
	Zelzate, Belgium ⁽⁴⁾	<ul style="list-style-type: none"> Coal tar distillation with integrated downstream production operations Transport access via sea and road
	Hamilton, Canada	<ul style="list-style-type: none"> Serves as hub for North America and is the only coal tar distillation facility in Canada Transport access via sea, rail and road
	Adabeya - Suez, Egypt	<ul style="list-style-type: none"> Engaged in production of Slag Foaming Carbon Materials and Recarbonizers
	Kedzierzyn - Kozle, Poland	<ul style="list-style-type: none"> Soft pitch production Serves as hub for Eastern Europe
	Cherepovets, Russia (under construction, expected to be operational in H2 2015)	<ul style="list-style-type: none"> Joint venture with OAO Severstal in Russia Focused on pitch supply to the North Atlantic, Russia and the MiddleEast Transport access via sea, rail and road

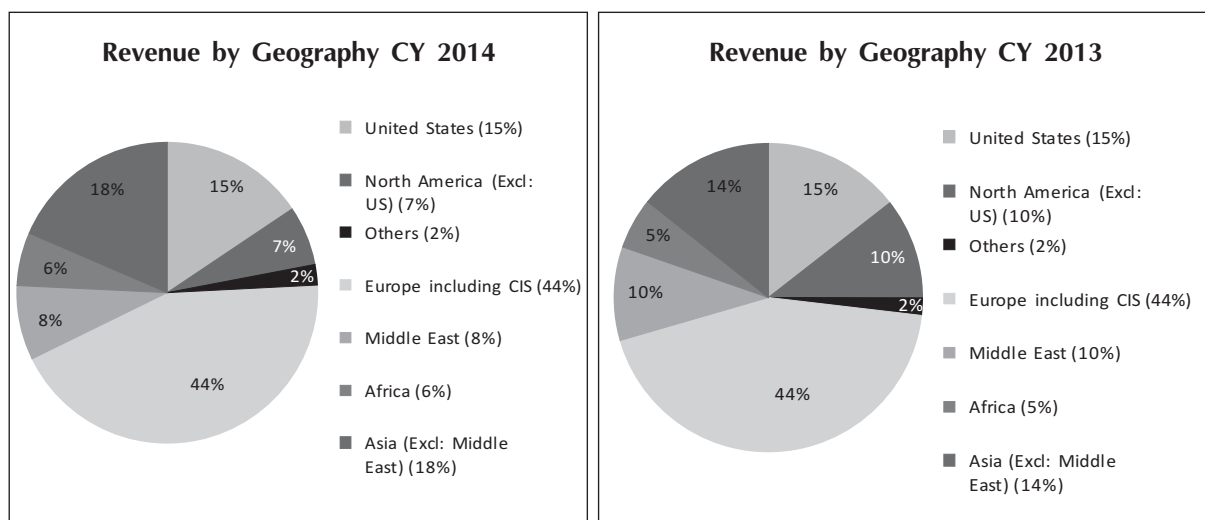
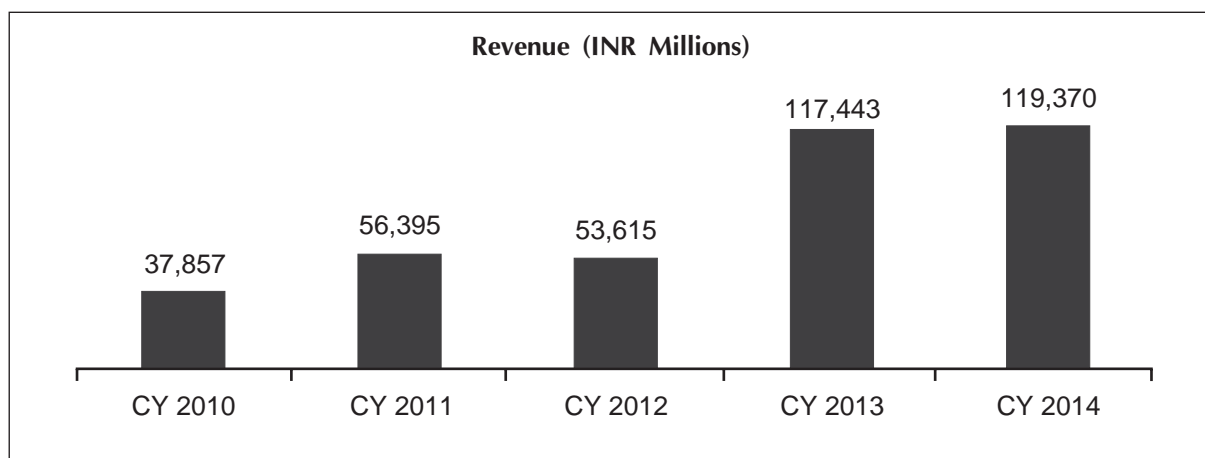


Rain Group Operating Facilities (Contd.)

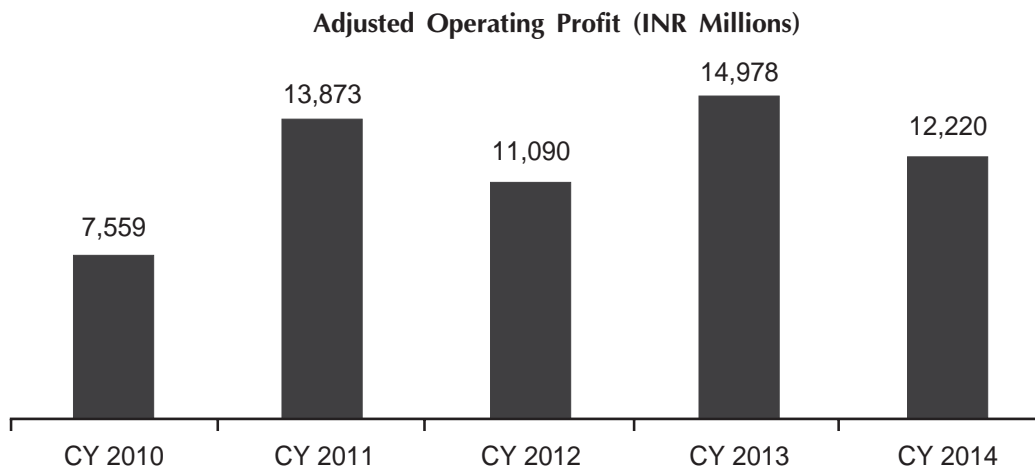
Business Vertical	Facility	Description
Chemicals Business	Duisburg, Germany	<ul style="list-style-type: none"> Downstream resins production Dedicated river port
	Uithoorn, The Netherlands	<ul style="list-style-type: none"> Downstream resins production New heat polymerization technology for tailor-made products
	Candiac, Canada	<ul style="list-style-type: none"> Downstream Superplasticizer production
	Hanau, Germany	<ul style="list-style-type: none"> Downstream regional producer of impregnated wood products
Cement Business (Markets the product under the brand "Priya Cement")	Nalgonda - Telangana State, India	<ul style="list-style-type: none"> One rotary kiln Pit Head Lime Stone Mines
	Kurnool - Andhra Pradesh, India	<ul style="list-style-type: none"> Two rotary kilns Pit Head Lime Stone Mines
	Bellary- Karnataka, India	<ul style="list-style-type: none"> Fly Ash Handling and Cement Packing Facility Strategically located at the Karnataka Power Corporation Limited's ("KPCL") power plant

- (1) Rain Group has executed Power Purchase agreement with Southern Power Distribution Company of Andhra Pradesh ("APSPDCL") to set up 22MW Solar Power Plant in Dhramavaram, Anantapur District, Andhra Pradesh. This project is expected to commence operation in Second half of 2015.
- (2) Effective January 1, 2015, Rain Group closed the 20,000 Tons capacity Vertical Shaft Calcining Petroleum Coke ("CPC") plant in China due to new Environmental regulations applicable from January 2015 which would require additional investment. In spite of shutting-down of CPC Plant in China, the Company continues to operate its Representative Offices in China to assist its Carbon and Chemical businesses in procurement of raw-materials.
- (3) Certain of Rain Groups facilities are strategically located and have direct or indirect access to overseas distribution channels and to major logistic networks. Rain utilizes fully-leased specialty transportation assets including:
 - One icebreaker (deep sea) with 8,000 MT of capacity and secure year-round access to St. Lawrence, Canada and the Baltic Sea;
 - Two barges with 2,000 MT of capacity each for in-land transportation in Europe; and
 - Approximately 350 rail cars, with Rain's own terminals and connection of European sites with regional sourcing pools.
- (4) The Brown field expansion of Phthalic Anhydride (PA) plant capacity of 14,000 per annum was successfully completed on time. Commercial production started from October 6, 2014 and plant has achieved its rated capacity and quality.

KEY FINANCIAL INDICATORS ON A CONSOLIDATED BASIS

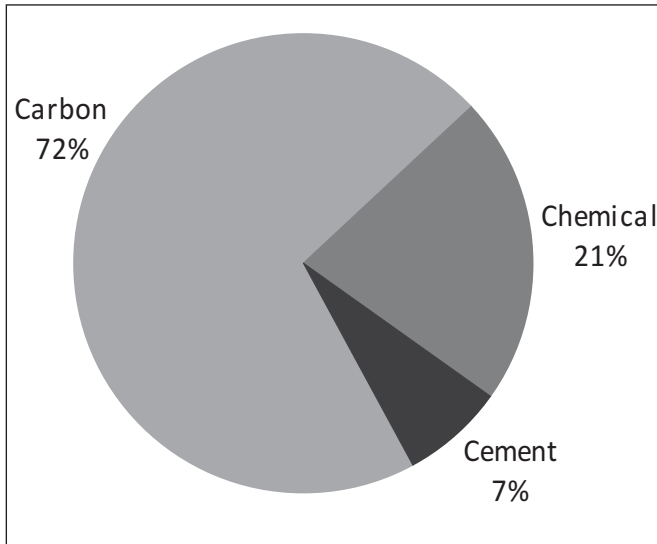


Note: Others include South America, Australia and Rest of the World

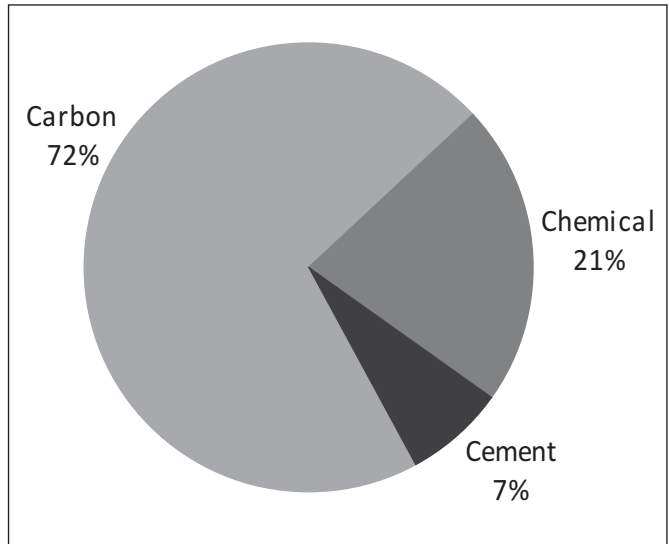


Adjusted Operating Profit is Profit before adjustment of Other Income, Foreign exchange (gain)/loss, Depreciation & amortisation, Impairment loss, Interest and Taxation and Exceptional items.

Segment wise Revenue Mix CY 2014

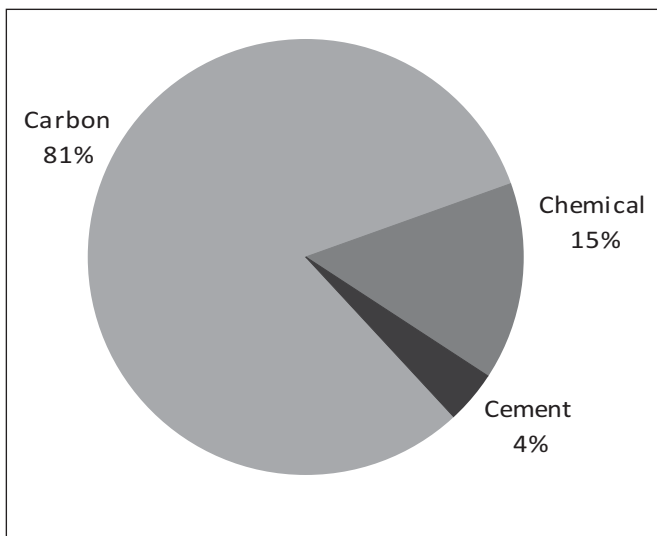


Segment wise Revenue Mix CY 2013

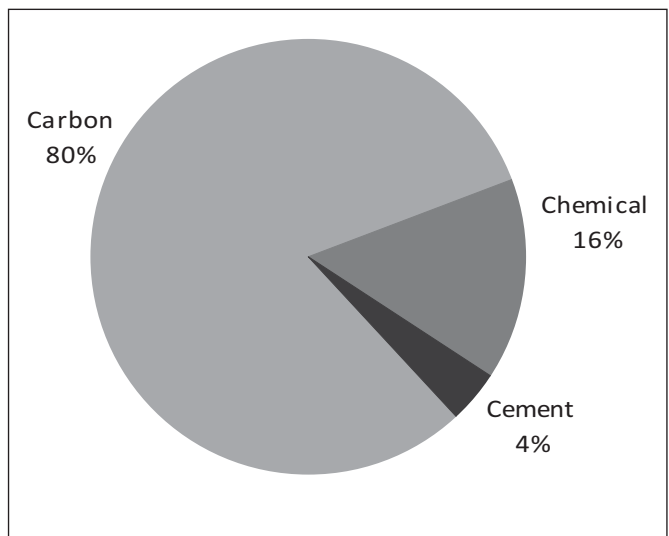


Segment wise Adjusted Operating profit Mix

CY 2014

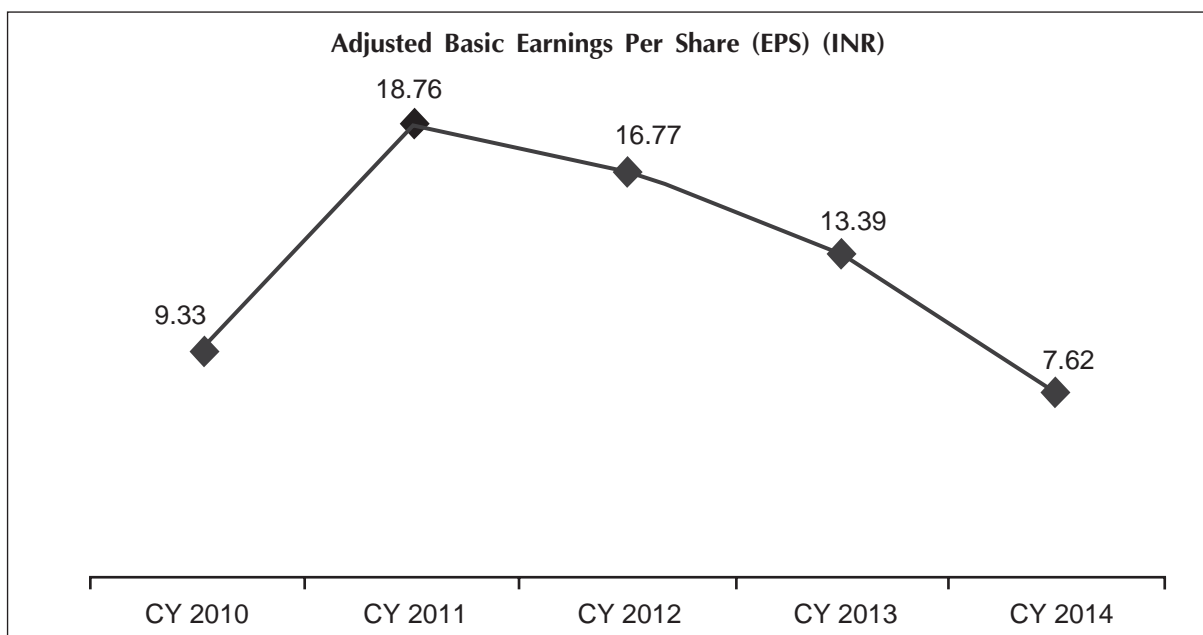
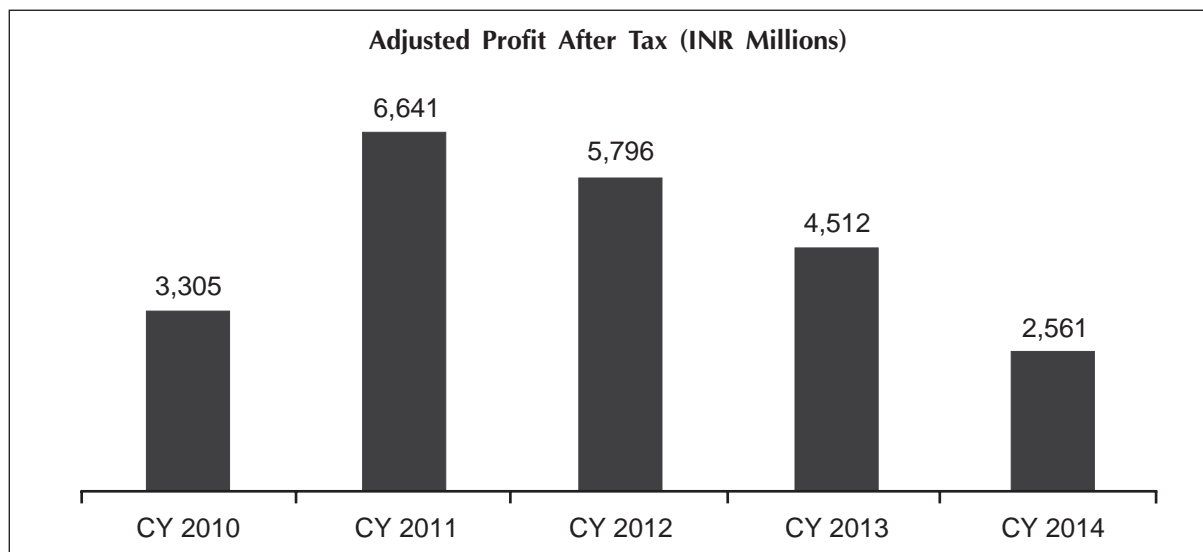


CY 2013



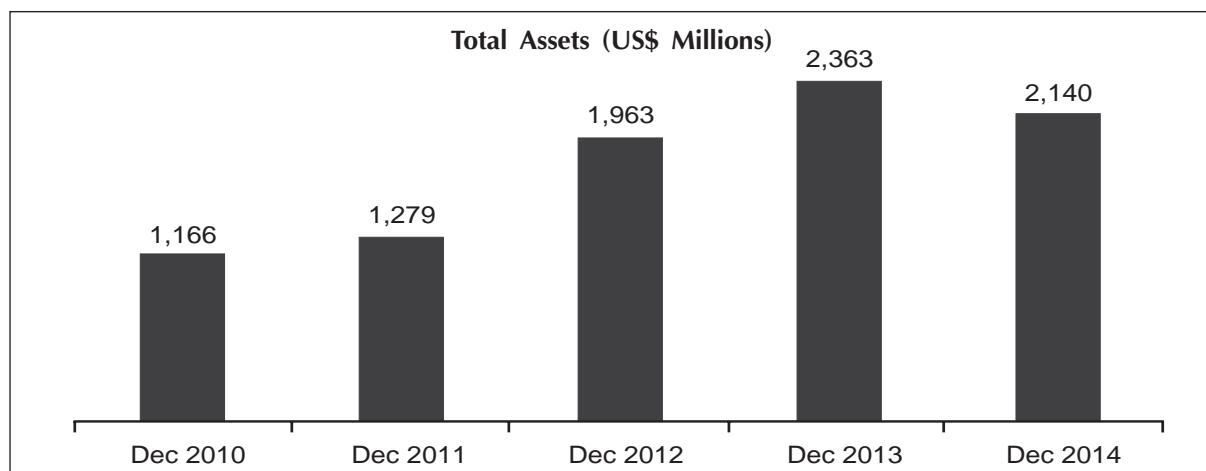
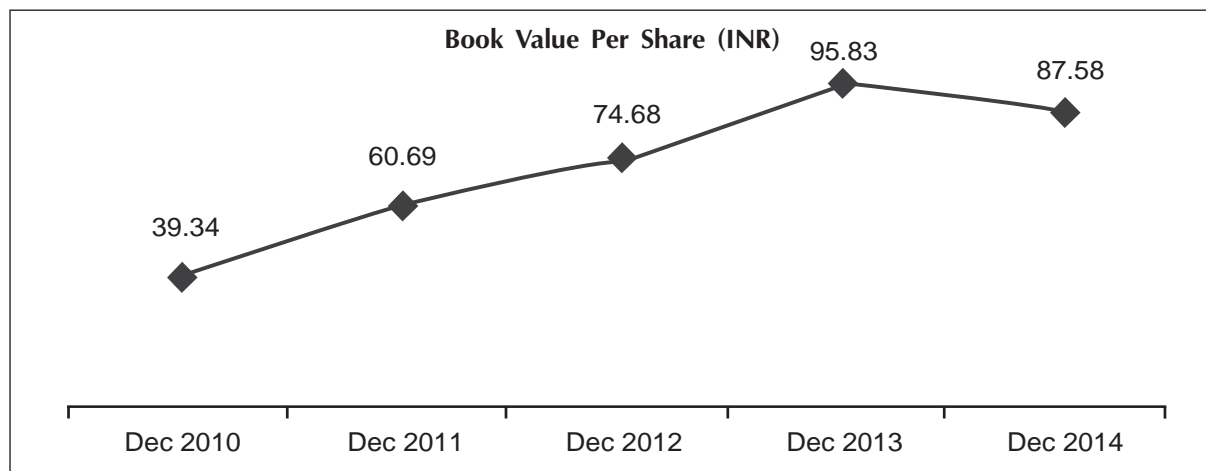
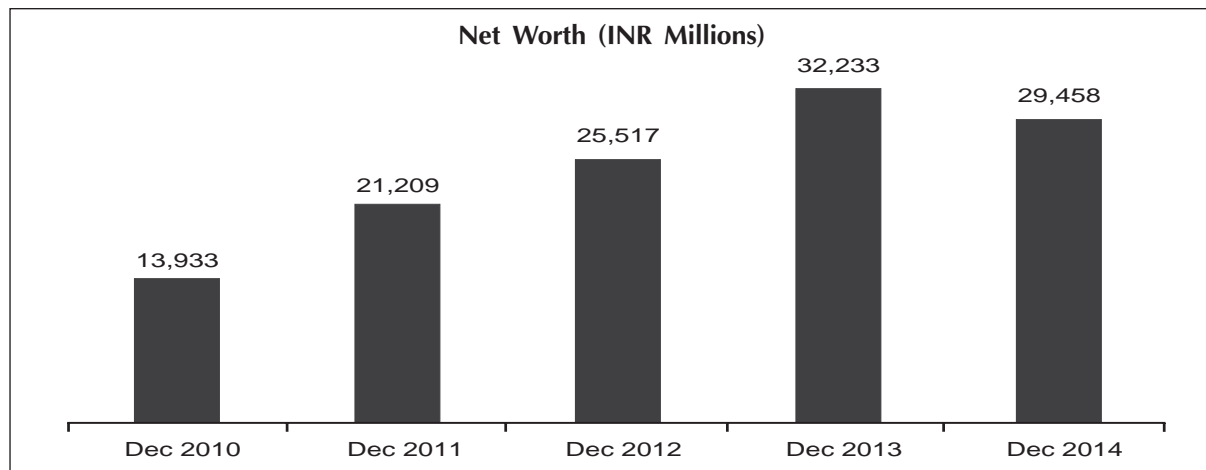
Notes:

- (1) Revenue numbers for the previous years have been reclassified to correspond with the current year's classification / disclosure.
- (2) Adjusted Operating Profit is Profit before adjustment of Other Income, Foreign exchange (gain)/loss, Depreciation & amortization, Impairment loss, Interest and Taxation and Exceptional items.
- (3) In view of the acquisition of RÜTGERS effective January 4, 2013, the figures for 2013 and 2014 are not comparable with that of figures prior to 2013.



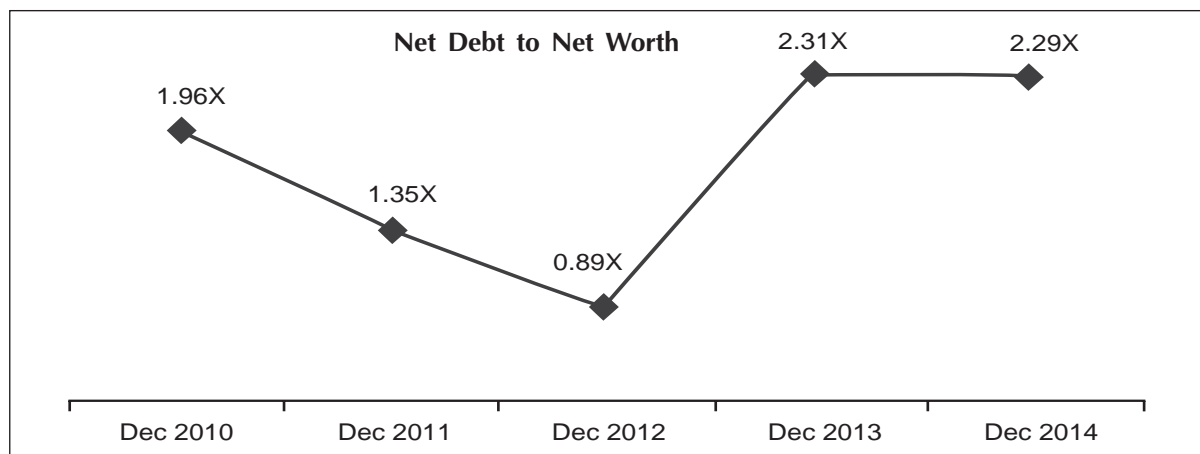
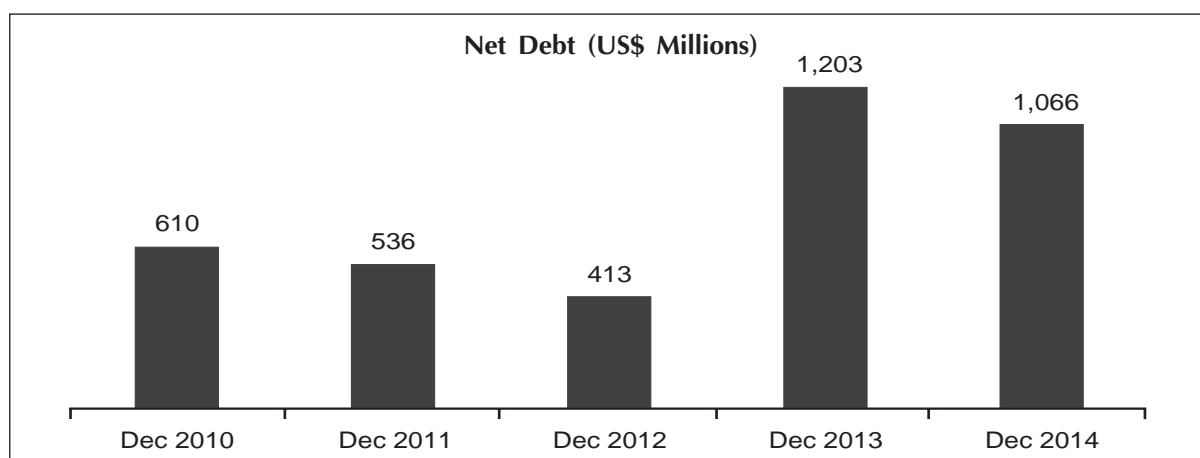
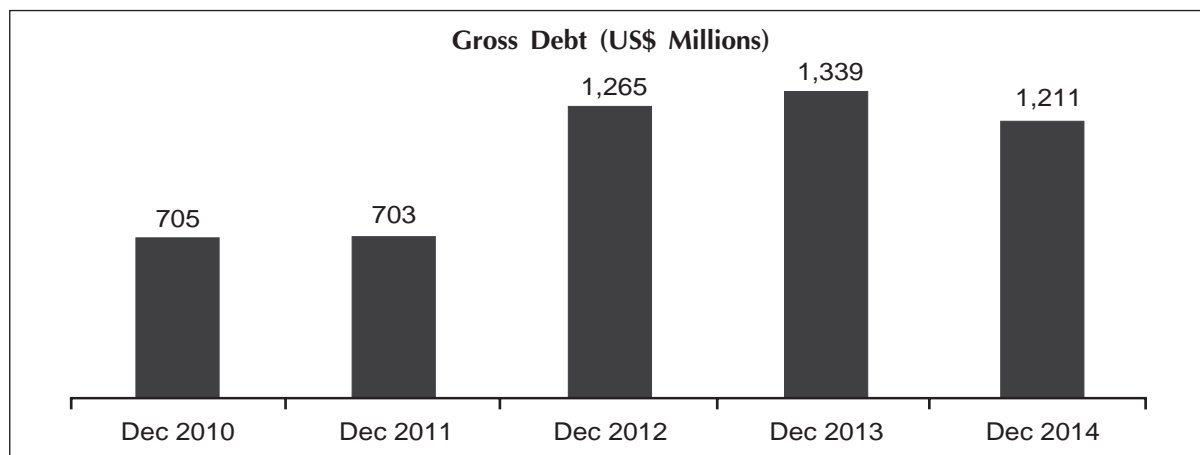
Notes:

- (1) EPS of the previous years have been recomputed to give effect to the share split (in the ratio of 1:5) in CY 2011.
- (2) Profit After Tax and EPS of CY 2010 adjusted for net exceptional expenditure of Rs. 1,249 million (net of tax Rs. 898 Million).
- (3) Profit After Tax and EPS of CY 2012 adjusted for one time expenditure of Rs. 1,789 million (net of tax Rs. 1,219 Million) incurred in-connection with the acquisition of RÜTGERS.
- (4) Profit After Tax and EPS of CY 2013 is adjusted for costs incurred for acquisition of RÜTGERS of Rs. 142 million, impairment loss of Rs. 1,304 million offset by insurance claim receipts of Rs. 375 million and tax impact on all these items of Rs. 404 million.
- (5) Profit After Tax and EPS of CY 2014 is adjusted for incremental pension liability from actuarial losses of Rs. 1,820 million, inventory write down due to fall in oil prices of Rs. 237 Million, Russian ruble currency devaluation impact Rs. 338 Million, impairment loss of Rs. 95 Million, and tax impact on all these items of Rs. 814 Million.
- (6) In view of the acquisition of RÜTGERS effective January 4, 2013, the figures for 2013 and 2014 are not comparable with that of figures prior to 2013.



Notes:

- (1) Book Value Per share of the previous periods has been recomputed to give effect to the share split (in the ratio of 1:5) in CY 2011.
- (2) The Total Assets as of December 31, 2012 includes US\$ 677 Million of proceeds from issue of Senior Secured Notes. These proceeds are consigned to an Escrow Bank account and subsequently utilised for completion of RÜTGERS acquisition.
- (3) In view of the acquisition of RÜTGERS effective January 4, 2013, the figures for 2013 and 2014 are not comparable with that of figures prior to 2013.



Notes:

- (1) As majority of the debt is in Dollar terms, we have converted the reported Indian Rupees into US Dollars applying the RBI's reference rate at the end of the respective financial years.
- (2) The Gross Debt as of December 31, 2012 includes US\$ 677 Million of Senior Secured Notes issued in relation to the acquisition of RÜTGERS. The proceeds of Senior Secured Notes were held in Escrow Bank account (shown as part of Cash and Bank balances as at December 31, 2012) and subsequently utilised for completion of RÜTGERS acquisition.
- (3) In view of the acquisition of RÜTGERS effective January 4, 2013, the figures for 2013 and 2014 are not comparable with that of figures prior to 2013.



NOTICE

Notice is hereby given that the 40th Annual General Meeting of the Members of Rain Industries Limited (formerly Rain Commodities Limited) will be held on Thursday, the June 11, 2015 at 11:00 A M at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Stand alone Balance Sheet as at December 31, 2014, Statement of Profit and Loss for the Financial Year ended on December 31, 2014, Cash Flow Statement for the Financial Year ended December 31, 2014 and reports of Directors and Auditors thereon.
2. To receive, consider and adopt the Consolidated Balance Sheet as at December 31, 2014, Statement of Profit and Loss for the Financial Year ended on December 31, 2014, Cash Flow Statement for the Financial Year ended December 31, 2014 and Report of Auditors thereon.
3. To approve and ratify interim dividend.
4. To appoint a Director in place of Mr. N. Radhakrishna Reddy, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. N. Sujith Kumar Reddy, who retires by rotation and being eligible offers himself for re-appointment.
6. Appointment of Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. B S R & Associates LLP, Chartered Accountants (ICAI Regn. No.116231W/W-100024), be and are hereby re-appointed as Statutory Auditors of the

Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 43rd Annual General Meeting of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM).

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the Remuneration of the Auditors".

SPECIAL BUSINESS:

7. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act and Clause 49 of Listing Agreement, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Ms. Radhika Vijay Haribhakti (DIN: 02409519), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director (Woman Director) of the Company, for a period of 3 years i.e., from 11th June, 2015 to 10th June, 2018 and she shall not be liable to retire by rotation."

By order of the Board
for **Rain Industries Limited**

S. Venkat Ramana Reddy
Company Secretary
M.No. A14143

Place : Hyderabad
Date : February 27, 2015

NOTES:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote instead of himself and such proxy need not be a member. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from June 4, 2015 to June 11, 2015 (both days inclusive).
3. Profile of Mr. N. Radhakrishna Reddy, Director getting re-appointed is given in the Report on Corporate Governance.
4. Profile of Mr. N. Sujith Kumar Reddy, Director getting re-appointed is given in the Report on Corporate Governance.
5. Pursuant to the provisions of Section 124 of the Companies Act, 2013, unclaimed dividend of Rs. 655.39 thousands of Rain Calcining Limited (Amalgamated with the Company) for the financial year ended March 31, 2007, unclaimed dividend of Rs. 2,298.79 thousands of the Company for the financial year ended March 31, 2007 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013. The dividend for the financial year ended December 31, 2007 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.
6. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on May 8, 2014 (date of last Annual General Meeting) on the website of the Company (www.rain-industries.com).
7. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection Fund (IEPF) are given below:

Sl. No.	Name of the Company	For the Financial year ended	Percentage of Dividend	Date of Declaration	Due date for transfer to the Investor Education and Protection Fund
1	Rain Industries Limited	December 31, 2007	28%	June 25, 2008	July 25, 2015
2	Rain Industries Limited	December 31, 2008	37%	June 17, 2009	July 17, 2016
3	Rain Industries Limited	December 31, 2009	37%	June 7, 2010	July 7, 2017
4	Rain Industries Limited	December 31, 2010	46%	May 12, 2011	June 11, 2018
5	Rain Industries Limited	December 31, 2011	55%	April 25, 2012	May 25, 2019
6	Rain Industries Limited	December 31, 2012	55%	April 27, 2013	May 27, 2020
7	Rain Industries Limited	December 31, 2013	50%	November 14, 2013	December 14, 2020
8	Rain Industries Limited	December 31, 2014 (Interim dividend)	50%	November 6, 2014	December 7, 2021

Name of the Company was changed from Rain Commodities Limited to Rain Industries Limited w.e.f. July 8, 2013.

The Shareholders who have not encashed the aforesaid dividend are requested to make their claim to the Secretarial Department, Rain Industries Limited, Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana State, India, e-mail: secretarial@rain-industries.com.

8. The Company do not have demat suspense account.
9. The Securities and Exchange Board of India ("SEBI") and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service ("ECS") facilities for payment of dividend, wherever



applicable. This facility offers various benefits like timely credit of dividend to the shareholders account, elimination of loss of instruments in transit or fraudulent encashment, etc.

In view of the above:

- (i) Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete ECS form attached to this Annual Report and forward the same to the Company's Registrar and Share Transfer Agent M/s. Karvy Computershare Private Limited, (Unit: Rain Industries Limited), Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, Telangana State, India.
- (ii) Shareholders holding shares in Dematerialized Form are requested to provide the Bank details to their Depository Participants for incorporation in their records.

10. The Company's equity shares are Listed at (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai - 400051 and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2014 -15.

The Delhi Stock Exchange Limited has been derecognized by Securities and Exchange Board of India.

11. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at **Karvy Computershare Private Limited (Unit: Rain Industries Limited), Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, Telangana State, India.**

12. 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 4th June, 2015 (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).

13. 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 7th June, 2015 from 10.00 a.m. to 10th June, 2015 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 AGM Notice but on or before the cut-off date i.e. 04th June, 2015, 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 10th June, 2015.



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 (3) 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., 10th June, 2015.
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 Chairman of the Company after completion of the scrutiny and results of the Postal Ballot would be announced on 12th June, 2015 at 5.00 p.m. at the Registered Office of the Company situated at Rain Center, 34, Srinagar Colony, Hyderabad- 500 073 and the Resolution will be taken as passed effectively on the date of Annual General 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 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 AGM Notice but on or before the cut-off date i.e. 04th June, 2015 , may write to the Karvy on the email Idvarghese1@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 10.00 a.m. on 7th June, 2015 and ends on 5.00 p.m. on 10th June, 2015. 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 4th June, 2015 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 as 6-3-154-159, Flat No. 303,3rd Floor, Royal Majestic, Prem Nagar Colony, Near Banjara Hills Care Hospital, Khairatabad, 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 Chairman of the Company.
- (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 40th Annual General Meeting of the Company scheduled to be held on Thursday, 11th June, 2015. 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.

Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")

Item No. 7

Ms. Radhika Vijay Haribhakti was appointed as an Additional Director of the Company w.e.f. November 6, 2014 by the Board of Directors at its meeting held on November 6, 2014 under section 161 of the Companies Act, 2013. The appointment is subject to the approval of the shareholders at the General Meeting to be held immediately after the said appointment.

A notice along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 has been received from one of the member of the Company proposing candidature of Ms. Radhika Vijay Haribhakti, who has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 of the Act.

In the opinion of the Board, Ms. Radhika Vijay Haribhakti fulfills the conditions specified in the Act and the Rules framed thereunder and Clause 49 of the Listing Agreement for appointment as an Independent Director and she is independent of the management.

The Resolution set out at Item No.6 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Ms. Radhika Vijay Haribhakti as an Independent Director.

The terms and conditions of appointment of Ms. Radhika Vijay Haribhakti shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

● **Brief Profile of Ms. Radhika Vijay Haribhakti**

Ms. Radhika Vijay Haribhakti (57 years) has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch and now heads RH Financial, a boutique Investment Banking Firm focused on M&A and Private Equity. She is also closely involved with issues of Women Empowerment, Financial Inclusion and CSR.

In her long Banking career she has advised several large corporates and led their IPOs, FPOs, GDR and ADR offerings.

She is a Graduate in Commerce from Gujarat University and Post Graduate in Management from Indian Institute of Management (IIM), Ahmedabad.

She is an Independent Director on the Boards of EIH Associated Hotels Ltd, ICRA Limited, ICRA Techno Analytics Limited, Navin Flourine International Ltd and Vistaar Financial Services Private Limited.

She is the member of Audit Committee and Nomination and Remuneration Committee of ICRA Techno Analytics Limited and member of Audit Committee of ICRA Limited and Chairman of Nomination & Remuneration Committee and Employee Stock Option Scheme Compensation Committee of ICRA Limited and Chairman of Asset Liability Committee of Vistaar Financial Services Private Limited.

She is also a member of the Governing Council of Citigroup Micro Enterprise Award and is the Former Chair of Friends of Women's World Banking (FWWB). She has served on various committees of Chambers of Commerce including CII's National Committee on Women Empowerment and Bombay Chamber of Commerce's Task Force on "Mumbai as Offshore Financial Centre".

Ms. Radhika Vijay Haribhakti does not hold any equity shares of the Company and she is not related to other Director of the Company.

Except Ms. Radhika Vijay Haribhakti, none of the Directors or Key Managerial Personnel or relatives of Directors or Key Managerial Personnel of the Company are concerned or interested financially or otherwise in the above Resolution.

By order of the Board
for **Rain Industries Limited**

S. Venkat Ramana Reddy
Company Secretary
M.No. A14143

Place : Hyderabad
Date : February 27, 2015

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 40th Annual Report and the Audited Financial Statements for the Financial Year ended December 31, 2014.

FINANCIAL RESULTS

A) STANDALONE:

The Standalone performance for the Financial Year ended December 31, 2014 is as under:

The financial summary

	(Rs. in thousands)	
PARTICULARS	December 31, 2014	December 31, 2013
Total Revenue	689,172	1,291,667
Profit before finance cost, depreciation and tax expense	566,698	542,229
Finance cost	221,558	256,687
Profit before depreciation and tax expense	345,140	285,542
Depreciation	5,160	5,034
Profit before tax expense	339,980	280,508
Tax expense	94,184	127,533
Net Profit for the year	245,796	152,975
Profit brought forward from earlier year	1,014,549	1,205,317
Profit available for appropriation	1,260,345	1,358,292
Appropriations:		
Dividend (Including Tax on Dividend)	336,346	333,031
Transfer to general reserve	-	-
Transfer to capital redemption reserve	-	10,712
Surplus in Statement of Profit and Loss	923,999	1,014,549

B) CONSOLIDATED :

The Consolidated performance for the Financial Year ended December 31, 2014 is as under:

The financial summary

	(Rs. in thousands)	
PARTICULARS	December 31, 2014	December 31, 2013
Total Revenue	120,143,369	118,009,670
Profit before finance cost, depreciation and amortization, impairment loss, exceptional items and tax expense	12,918,098	15,040,536
Finance cost	6,198,722	5,933,911
Profit before depreciation and amortization, impairment loss, exceptional items and tax expense	6,719,376	9,106,625
Depreciation and amortisation	3,469,794	3,568,226
Profit before impairment loss, exceptional items and tax expense	3,249,583	5,538,399
Impairment loss	95,230	1,303,560
Profit before exceptional items, tax expense, share of loss of Associates and Minority Interest	3,154,353	4,234,839
Exceptional items	2,577,419	-
Profit before tax expense, share of loss of Associates and Minority Interest	576,934	4,234,839
Tax expense/(Profit)	(120,614)	367,236
Profit after tax and Before share of loss of Associates and Minority Interest	697,548	3,867,603
Share of loss of associates	1,238	12,143
Minority interest	(188,992)	10,205
Net profit for the year	885,302	3,845,255
Profit brought forward from earlier year	24,523,153	21,046,248
Profit available for appropriation	25,408,455	24,891,503
Appropriations:		
Dividend (Including Tax on Dividend)	336,346	343,162
Transfer to general reserve	-	14,476
Transfer to capital redemption reserve	-	10,712
Surplus in Statement of Consolidated Profit and Loss	25,072,109	24,523,153

State of the Company's Affairs

During the period under review, the Company has achieved revenue of Rs. 689,172 (in thousands) and net profit of Rs. 245,796 (in thousands) on a standalone basis. During the same period, the Company has achieved revenue of Rs. 120,143,369 (in thousands) and net profit of Rs. 885,302 (in thousands) on a consolidated basis.

OVERVIEW OF CARBON PRODUCTS BUSINESS

Rain Group is one of the leading producers of the Carbon products with Six operating facilities in North America, Three operating facilities in Europe and One facility each in India, Canada, and Egypt. Rain Group has expertise to co-generate Energy from waste heat recovered in the calcining process. With the installation of the new facility at Lake Charles calcining facility in the United States, currently Rain Group is co-generating Energy from four of its Carbon

plants in the United States and one Carbon plant in India. In addition to the revenues generated from the sale of energy to third-parties, these co-generation facilities also reduce overall energy costs and dependence on third party suppliers for sourcing electricity.

Rain Group owns and operates dedicated deep-water vessel loading terminals at three of the Calcined Petroleum Coke (CPC) facilities (Lake Charles, Chalmette and Gramercy) and a barge dock at West Virginia CPC facility in the United States. Rain Group also operates two full-service petroleum coke laboratories.

The Group has recorded net revenue of Rs. 83,972.4 Million from the Carbon Products business during the financial year ended December 31, 2014 as compared to net revenue of Rs. 82,707.3 Million during the year ended December 31, 2013.

The Company is in the process of setting up its fourth Coal Tar Distillation plant with a capacity of 300,000 tons per annum in Russia as a Joint Venture with Severstal, one of the leading steel producers in Russia. The project is progressing well and the detailed engineering has been finalized, all key equipment reached the construction site and construction is in progress. The operations are expected to commence in second half of 2015.

The Brownfield expansion of Phthalic Anhydride ("PA") Project of RÜTGERS Belgium N.V. in Zelzate, Belgium was successfully completed on time and within budget. The PA Project has started commercial production from October 6, 2014 and the plant has achieved its rated capacity and quality.

OUTLOOK FOR CARBON PRODUCTS BUSINESS

Calcined Petroleum Coke ("CPC") is produced from Green Petroleum Coke ("GPC"), a by-product of Crude Oil Refining process, through a process known as "Calcining" that removes moisture and volatile matter from GPC at high temperature. Similarly the key raw material for Coal Tar Pitch ("CTP") is Coal Tar, a liquid by product produced in the coking process of converting coal into Metallurgical Coke.

Together, CPC and CTP comprise the critical component of Carbon Anodes used in the Aluminum smelting process. CPC and CTP are considered as essential materials for the Aluminum industry, as there are no known economically viable substitutes for these products.

As per the recent industry reports, approximately 77% of the world's CPC production and 79% of the world's CTP production is used in the production of Carbon Anodes in the Aluminum Smelting Process.

Production of primary Aluminum is one of the most important determinants of CPC and CTP demand. World production of primary Aluminum totaled approximately 53.8 million metric tons in 2014 and is expected to grow to approximately 62.6 million metric tons by 2017, representing a compounded annual growth rate of 5.2%. The growth in the demand for Aluminum is expected to be driven by increasing use of lightweight materials in many key industries such as Automobiles, Aerospace, Construction, packing and consumer electronics. This demand growth is expected to be met through the addition of new Aluminum smelters, largely in Asia and the Middle East.

From a medium to long term perspective, the performance of Rain Group, being one of the leading carbon producers with operating facilities across Globe is expected to be stable with the continued demand from the growing Aluminum industry and the long term relationship with Aluminum Smelters, Crude Oil Refineries and Steel Producers.

OVERVIEW OF CHEMICAL BUSINESS

The Chemicals products of Rain Group are derived from the downstream refining of primary coal tar distillates into chemical products such as aromatic chemicals, superplasticizers, resins and modifiers. These chemical products are used in a broad variety of end-markets including paints, coatings, construction, plastics, paper, tires, rail ties, insulation and foam.

The Coal Tar distillation business of Rain can be grouped into two categories, the primary coal tar distillation business ("primary distillation") and the follow-on processing of selected co-products of primary distillation into chemicals ("downstream"). Therefore, the supply of Chemicals mostly depends on CTP production. Primarily the Chemicals business can be categorized into four sub product categories:

Superplasticizers: Superplasticizer business comprises polymer-based products that are used especially as additives for concrete, gypsum and for other applications.

Resins & Modifiers: Resins business delivers specialty resins under the brand name NOVARES to niche markets



with applications in the adhesives, coatings, rubber and printing ink industries as well as modifiers for high-performance coating systems, alternative environmental friendly substitutes for coatings applications and paper production applications.

Aromatic Chemicals: Aromatic Chemicals comprises aromatic hydrocarbons including anthracene, carbazole and other specialty chemicals that are used in a wide range of industries, such as paper, pharmaceutical, pigments and fragrance industries. They are even used in applications for growing high-tech industries including magnet wire for electrical motors.

Chemical Trading: ChemTrade business comprises the trading of crude benzene between coke operators and crude benzene processors as well as the trading of diverse chemical raw materials and products.

The Group has recorded net revenue of Rs.24,629.1 Million from the Chemical Business during the financial year ended December 31, 2014 as compared to net revenue of Rs. 23,935.7 Million during the year ended December 31, 2013.

OUTLOOK FOR CHEMICAL BUSINESS

With improving economic prospects, in particular through the development of the manufacturing sector, global annual growth in Chemicals is projected to be 3.6% in 2015 and 3.9% in 2016. The strongest effects will be originated by the developing nations of Asia, Africa and the Middle East.

Due to competitive advantages from shale gas, which led to increasing supply of cheap shale derived raw materials, like natural gas, North America is also expected to generate strong growth. According to U.S.'s chemical industry association ACC (American Chemistry Council), chemical output in the U.S. is expected to grow by 3.7% in 2015 and by 3.9% in 2016.

As in Europe reliable access to low-cost feedstock from shale gas is not available, growth is estimated to be more moderate. According to Europe's leading chemical industry association CEFIC, chemical production in Europe is expected to grow by only 1% in 2015.

For Germany an estimated 1.5% growth for 2015 is expected, compared to a decrease of 0.5% in 2014.

In general the global Chemical industry expects an improvement for the years to come through strengthening production volumes and global capacity utilization.

OVERVIEW OF CEMENT BUSINESS

Rain Industries Limited, through one of its wholly owned subsidiaries, is engaged in the business of production and sale of Cement.

Rain Group is operating one Cement plant in the state of Andhra Pradesh and one Cement plant in the state of Telangana and one Fly Ash Handling and Cement Packing facility in the state of Karnataka.

Rain Group through its vast chain of dealer network sells Cement, under the brand name "**Priya Cement**", in the states of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Maharashtra, Odisha and Kerala.

The Group has recorded net revenue of Rs.8,734.8 Million from Cement Business during the Financial Year ended December 31, 2014 compared to net revenue of Rs. 8,395.6 Million during the year ended December 31, 2013.

OUTLOOK FOR CEMENT INDUSTRY

The Indian Cement industry has witnessed massive capacity addition of over 125 million tons during last five years with the growth in capacity addition is disproportionately high in South India. During the same period, South Indian Cement Capacity has increased by approximately 55 million tons. This has resulted in significant pressure on capacity utilization. While the capacity utilizations on Pan India basis is still around 73% for FY 2014 the capacity utilization in South India is only about 55% for FY 2014.

With a stable new government at the centre and in the states of Telangana and Andhra Pradesh, we expect the core thrust to be on infrastructure-driven growth. Based on the recent reports which suggests that cement demand in India is expected to reach 550-600 MT by 2025, against a current capacity of 360 MT (second largest after China).

Listing of Equity Shares

The Company's Equity shares are listed at the following Stock Exchanges:

- (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001; and
- (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2014-15.

Performance and financial position of each of the subsidiaries, associates and joint venture

Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies of the Company is prepared and same is enclosed as Annexure -1 to this Report.

Subsidiary Companies

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies/ Associate Companies/Joint Ventures is prepared in Form AOC-1 and same is enclosed to this Report.

Consolidated Financial Statements

Consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards 21 issued by Institute of Chartered Accountants of India (ICAI) and as per the provisions of Companies Act, 2013.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website www.rain-industries.com and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders at their request.

Number of Meetings of the Board of Directors

During the year ended December 31, 2014, five Board Meetings were held.

The dates on which the Board meetings were held are February 26, 2014, March 28, 2014, May 8, 2014, August 14, 2014 and November 6, 2014.

Directors Responsibility Statement as required under Section 134 of the Companies Act, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;

- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31, 2014 and of Profit and Loss Account of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended December 31, 2014 on a going concern basis;
- v) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on Declaration given by Independent Directors under Sub-Section (6) of Section 149

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6).

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following Directors namely Mr. H. L. Zutshi, Chairman, Mr. S. L. Rao, Mr. Dipankar Basu, Mr. V. Narayanamurthy, Mr. G. Krishna Prasad and Ms. Radhika Vijay Haribhakti.

- ◆ Brief description of terms of reference:
 - identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
 - carry on the evaluation of every director's performance;



- formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity; and
- any other matter as the Board may decide from time to time.

◆ **Nomination and Remuneration policy**

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Particulars of Loans, Guarantees or Investments under Section 186

The details of Loans, Guarantees, Investments given during the Financial Year ended on December 31, 2014 is given in Annexure-2 in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

Particulars of Contracts or Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 is prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as Annexure - 3 to this Report.

Transfer of Amount to Reserves

The Company does not proposes to transfer any amount to the general reserve for the Financial Year ended 31st December, 2014.

Dividend

The Board of Directors of the Company at its meeting held on November 6, 2014 have declared interim dividend @ 50% on the paid up Equity share capital of the Company i.e., Rs.1.00 per Equity share on face value of Rs.2 each.

The Board of Directors of the Company now recommend that the Interim Dividend be the Final Dividend for the financial year ended December 31, 2014.

Extracts of Annual Return

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as Annexure - 4 to this Report.

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as Annexure - 5 to this Report.

Risk Management Committee

Risk Management Committee consists of the following persons namely Mr. N. Jagan Mohan Reddy, Managing Director, Mr. N. Sujith Kumar Reddy, Director and Mr. T. Srinivasa Rao, Chief Financial Officer.

Mr. T. Srinivasa Rao is the Chief Risk Officer and Mr. S. Venkat Ramana Reddy acts as Secretary to the Committee.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.

Corporate Social Responsibility Committee

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stakeholders and Society.

The Board of Directors of the Company have constituted Corporate Social Responsibility Committee consisting of following persons namely Mr. N. Jagan Mohan Reddy, Chairman, Mr. N. Sujith Kumar Reddy, Member and Mr. G. Krishna Prasad, Member (Independent Director) and adopted policy for Corporate Social Responsibility.

Corporate Social Responsibility policy was adopted by the Board of Directors on the recommendation of Corporate Social Responsibility Committee.

Report on Corporate Social Responsibility as Per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is prepared and the same is enclosed as Annexure - 6 to this Report.

Mechanism for Evaluation of Board

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

A) Criteria for evaluation of Board of Directors as a whole

- i. The frequency of meetings;
- ii. The length of meetings;

- iii. The administration of meeting;
- iv. The number of committees and their roles;
- v. The flow of information to board members and between board members;
- vi. The quality and quantity of information; and
- vii. The Disclosure of Information to the stakeholders.

B) Criteria for evaluation of the Individual Directors

- i. Ability to contribute and monitor corporate governance practices;
- ii. Ability to contribute by introducing best practices to address top management issues;
- iii. Participation in long term strategic planning;
- iv. Commitment to the fulfillment of director obligations and fiduciary responsibilities;
- v. Guiding strategy;
- vi. Monitoring management performance and development;
- vii. Statutory compliance & Corporate governance;
- viii. Attendance and contribution at Board / Committee meetings;
- ix. Time spent by each of the member; and
- x. Core competencies.

Directors

Mr. N. Radhakrishna Reddy and Mr. N. Sujith Kumar Reddy, Directors of the Company retires by rotation and being eligible offer themselves for re-appointment.

Details of Directors or Key Managerial Personnel Who Were Appointed or have resigned during the Year

The shareholders of the Company have re-appointed Mr. Dipankar Basu, Mr. S.L. Rao, Mr. H.L. Zutshi and Mr. G. Krishna Prasad as Independent Directors of the Company for a period of 2 years with effect from September 30, 2014 to September 29, 2016.

To broad base the Board the Board of Directors have appointed Ms. Radhika Vijay Haribhakti as an Additional Director (Independent Woman Director) on the Board.



Mr. T. Srinivasa Rao, has been designated as Chief Financial Officer of the Company pursuant to provisions of Section 203 of the Companies Act, 2013.

Deposits

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013.

Statutory Auditors

The Shareholders of the Company at the Annual General Meeting held on May 8, 2014 have appointed M/s. B S R & Associates LLP, Chartered Accountants as Statutory Auditors of the Company.

The term of M/s. B S R & Associates LLP, Chartered Accountants, Statutory Auditors will expire on the date of 40th Annual General Meeting to be held on June 11, 2015.

It is proposed to re-appoint them as Statutory Auditors of the Company for a period of 3 consecutive years. The members are requested to consider their re-appointment and authorize the Board of Directors to fix their remuneration.

M/s. B S R & Associates LLP, Chartered Accountants (ICAI Regn. No.116231W/W-100024) have confirmed that their appointment, if made, shall be in accordance with the provisions of Section 139 of the Companies Act, 2013.

Auditors Report

M/s. B S R & Associates LLP, Chartered Accountants (ICAI Regn. No.116231W/W-100024) have issued Auditors Report for the Financial Year ended 31st December, 2014 and there are no qualifications in Auditors' Report.

Internal Auditors

The Board of Directors of the Company have appointed M/s. Ernst & Young LLP to conduct Internal Audit of the Company for the Financial Year ended 31st December, 2014.

Audit Committee

Audit Committee consists of the following Directors namely Mr. S. L. Rao, Chairman, Mr. Dipankar Basu, Mr. H. L. Zutshi, Mr. G. Krishna Prasad, Ms. Radhika Vijay Haribhakti and Mr. V. Narayanamurthy.

Except Mr. V. Narayanamurthy, Nominee Director, IDBI

Bank Limited, all the members of the Audit Committee are Independent Directors.

There is no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

Corporate Governance

A separate report on Corporate Governance and Management Discussion and Analysis is annexed as part of the Annual Report along with the Auditor's Certificate on its compliance.

Vigil Mechanism

The Board of Directors have adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

Secretarial Auditor Report

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed Mr. DVM Gopal, Practising Company Secretary (C.P.No: 6798) as Secretarial Auditor to conduct Secretarial audit of the company for the Financial year ended on December 31, 2014.

Secretarial Audit Report issued by Mr. DVM Gopal, Practising Company Secretary in form MR-3 is enclosed as Annexure - 7 to this Annual Report.

There are no qualifications in Secretarial Audit Report.

Statement of particulars of appointment and remuneration of managerial personnel

The Statement of particulars of Appointment and Remuneration of Managerial personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure - 8 to this Annual Report.

Insurance

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements

1. The Company maintains all its records in SAP System and the work flow and approvals are routed through SAP;
2. The Company has appointed Internal Auditors to observe the Internal Controls, whether the work flow of organization is being done through the approved policies of the Company. In every Quarter during the approval of Financial Statements, Internal Auditors will present the Internal Audit Report and Management Comments on the Internal Audit observations; and
3. The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Fixed Assets Policy, Whistle Blower Policy, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The names of companies which have become or ceased to be Company's Subsidiaries, joint ventures or associate companies during the year

During the Financial Year, M/s. Ruetgers Resins GmbH (A Step-down wholly owned Subsidiary Company) is merged with M/s. "Ruetgers Novares GmbH (A Step-Down Wholly owned Subsidiary Company) and M/s. RÜTGERS (Shangai) Trading Co. Ltd has become Company's Subsidiary.

Change in the nature of business

There is no change in the nature of business of the Company.

The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Material changes and commitments

There are no Material changes and commitments in the business operations of the Company from the Financial year ended 31st December, 2014 to the date of signing of the Director's Report.

Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st December, 2014, the Company has not received any Complaints pertaining to Sexual Harassment.

Acknowledgement

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

**On behalf of the Board of Directors
for Rain Industries Limited**

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place: Hyderabad

Date : February 27, 2015

Annexure-1
Performance and financial position of each of the subsidiaries, associates and joint venture
 (Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

Part- A- Subsidiaries

Sl. No.	Name of the Subsidiary Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/ (Benefit)	Profit/(Loss) after Taxation	Proposed Dividend
												Rs. in thousands
1	Rain Cements Limited	31.12.2014	298,050	6,760,178	10,697,677	10,697,677	211,484	8,765,127	41,571	(15,436)	57,007	-
2	Rain Commodities (USA) Inc.	31.12.2014	7,101,610	4,169,159	15,328,107	15,328,107	-	-	1,049,568	(66,625)	1,116,193	363,540
3	Rain Coke Limited	31.12.2014	600	(232)	388	388	-	-	(22)	-	(22)	-
4	Moonglow Company Business Inc.	31.12.2014	3,902,180	2,291,548	6,193,766	6,193,766	-	-	(12)	-	(12)	-
5	Renuka Cement Limited	31.12.2014	5,007	(5,587)	176	176	-	-	(885)	-	(885)	-
6	"Rain Carbon Inc. (Formerly Rain Carbon USA, LLC)	31.12.2014	11,482,198	3,490,556	14,998,004	14,998,004	-	-	1,242,994	-	1,242,994	1,260,090
7	"Rain Global Holdings, LLC (Formerly Carbon Holdings USA, LLC)	31.12.2014	11,482,202	3,515,714	14,997,932	14,997,932	-	-	1,260,046	-	1,260,046	1,260,090
8	"Rain Carbon Holdings, LLC (Formerly CPC Holdings USA, LLC)	31.12.2014	11,482,133	3,515,051	15,532,392	15,532,392	-	522,670	1,262,071	-	1,262,071	1,260,090
9	Rain Global Services LLC	31.12.2014	248	88,168	1,211,732	1,211,732	-	4,794,811	30,238	-	30,238	-
10	RCS Egypt Limited Company L.L.C	31.12.2014	54,780	409,880	890,317	890,317	-	2,096,689	107,572	-	107,572	-
11	Rain CII Carbon (Vizag) Limited	31.12.2014	81,800	5,083,386	7,544,793	7,544,793	-	11,538,917	1,563,233	366,781	1,196,452	-
12	Rain CII Carbon LLC	31.12.2014	10,293,752	13,481,322	98,383,586	98,383,586	-	23,563,438	(1,395,923)	(507,646)	(888,277)	1,260,090
13	CII Carbon Corp.	31.12.2014	-	-	-	-	-	-	-	-	-	-
14	Rain CII Carbon Mauritius Limited	31.12.2014	23,340	(25)	107,949	107,949	-	-	(1,280)	-	(1,280)	-
15	Zhenjiang Xin Tian Tansu Co. Ltd	31.12.2014	88,479	(24,460)	70,089	70,089	-	15,381	(12,857)	-	(12,857)	-
16	Rain CTP Inc.	31.12.2014	26,130,417	3,350,563	47,099,180	47,099,180	-	1,705,551	2,777,913	56,873	2,721,040	-
17	RÜTGERS N.V.	31.12.2014	4,086,707	1,278,174	7,102,274	7,102,274	-	81,990	3,235,586	-	3,235,586	-
18	RÜTGERS Polymers Ltd.	31.12.2014	863,085	242,501	2,531,923	2,531,923	-	2,786,386	385,357	(11,629)	396,986	-
19	RÜTGERS Canada Inc.	31.12.2014	2,027,940	162,517	7,171,968	7,171,968	-	8,653,038	(182,322)	2,496	(184,818)	-
20	Handy Chemicals (U.S.A.) Ltd.	31.12.2014	5	(27,125)	234,564	234,564	-	1,814,396	43,809	(2,309)	46,118	-
21	RÜTGERS Holding Belgium BVBA	31.12.2014	7,007,613	858,319	11,407,932	11,407,932	-	152	129,329	(3)	129,332	3,560,400
22	RÜTGERS Belgium N.V.	31.12.2014	2,174,400	16,011,796	23,503,912	23,503,912	-	22,442,404	4,043,721	(108,348)	4,152,069	-
23	VFT France S.A	31.12.2014	797,280	175,443	984,330	984,330	-	452,486	51,676	(3,183)	54,859	-
24	VFT Trading N.V.	31.12.2014	761,040	204,359	965,399	965,399	-	-	33,481	-	33,481	-
25	Rumba Invest BVBA & Co. KG	31.12.2014	-	(1,863)	1,362,793	1,362,793	-	125,788	-	-	-	-
26	RÜTGERS Holding Germany GmbH ⁽⁵⁾	31.12.2014	2,174	10,582,665	19,061,327	19,061,327	-	2,003,388	1,862,344	18,763	1,843,581	696,600
27	RÜTGERS Germany GmbH (5)	31.12.2014	2,226,586	6,565,803	15,618,566	15,618,566	52,206	746,774	132,495	(59,931)	192,426	-

Annexure-1 (Contd.)

Performance and financial position of each of the subsidiaries, associates and joint venture (Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)												
Sl. No.	Name of the Subsidiary Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/ (Benefit)	Profit/(Loss) after Taxation	Proposed Dividend
Rs. in thousands												
28	RÜTGERS Aromatic Chemicals GmbH ⁽⁵⁾	31.12.2014	7,320	612,018	2,013,856	2,013,856	-	5,781,588	(327,165)	12,868	(340,033)	-
29	RÜTGERS InfraTec GmbH ⁽⁵⁾	31.12.2014	1,884	146,493	3,603,421	3,603,421	-	5,427,589	(538,816)	27,901	(566,717)	-
30	RÜTGERS ChemTrade GmbH ⁽⁵⁾	31.12.2014	37,110	(33,304)	983,893	983,893	-	4,375,914	(62,238)	3,176	(65,414)	-
31	RÜTGERS Basic Aromatics GmbH ⁽⁵⁾	31.12.2014	1,884	786,502	7,092,739	7,092,739	-	21,540,111	(633,749)	26,939	(660,688)	-
32	RÜTGERS Novares GmbH ⁽⁵⁾	31.12.2014	166,849	50,621	5,933,171	5,933,171	-	15,184,951	(687,368)	25,528	(712,896)	-
33	RÜTGERS Resins GmbH ⁽⁶⁾	31.12.2014	-	-	-	-	-	-	-	-	-	-
34	RÜTGERS Resins BV	31.12.2014	74,201	(138,346)	1,453,655	1,453,655	-	3,241,428	(834,634)	(276)	(834,358)	-
35	Severtar Holding Ltd.	31.12.2014	10,235	831,251	842,211	842,211	-	-	(3,366)	-	(3,366)	-
36	OOO RÜTGERS Severtar	31.12.2014	286,648	(467,811)	2,081,493	2,081,493	-	18,915	(1,364,243)	34,197	(1,398,440)	-
37	RÜTGERS Poland Sp. z o.o	31.12.2014	195,700	88,666	330,051	330,051	-	997,586	83,992	(2,091)	86,083	18,877
38	RÜTGERS (Shanghai) Trading Co. Ltd. ⁽⁷⁾	31.12.2014	12,359	3,291	17,294	17,294	-	30,529	11,516	(596)	12,112	-

Notes:

- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates as at December 31, 2014. Exchange rates as on the last date of the financial year are INR/USD - 63.33; INR/EURO - 77.00; INR/RUB - 1.12; INR/CNY - 10.33; INR/PLN - 17.96; INR/CAD - 54.68.
- Refer Note 2(d) of Consolidated Financial Statements to see relation with the subsidiary, percentage equity holding and Country of incorporation for each of subsidiary.
- Financial information is based on Audited Results of the subsidiaries. The reporting period of the subsidiary is same as that of holding Company.
- Investments except in case of investments in subsidiaries.
- Controlled companies in German fiscal unity; income according to local GAAP transferred to RÜTGERS Holding Germany GmbH and taxed on consolidated basis.
- Merged with RÜTGERS Novares GmbH during the year.
- Incorporated during the year.

1. Names of subsidiaries which are yet to commence operations

S.No.	Name of the Company and Address
1	OOO RÜTGERS Severtar, Russia

2. Names of subsidiaries which have been liquidated or sold during the year.

S.No.	Name of the Company and Address
1	RÜTGERS Resins GmbH, Germany

Annexure-1 (Contd.)
Performance and financial position of each of the subsidiaries, associates and joint venture
(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

Part B- Associates and Joint Ventures

S. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet date	Shares of Associate / Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	InfraTec Duisburg GmbH (IDGmbH)	31.12.2013	7,500	64,611	30	Based on the percentage of holding over these investees	As the group has only ability to exercise significant influence but not control over these investees	25,964	(5,051)	(11,785.53)
2	Tarlog GmbH (Tarlog)	31.12.2014	50,000	3,850	50			(17,839)	9,269	9,269.40

Rs. in thousands

1 Names of associates or joint ventures which are yet to commence operations

S.No.	Name of the Company and Address
	- NIL -

2 Names of associates or joint ventures which have been liquidated or sold during the year.

S.No.	Name of the Company and Address
	- NIL -

On behalf of the Board of Directors
for Rain Industries Limited

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad
Date : February 27, 2015

Annexure-2

Particulars of Loans, Guarantees or Investments under Section 186							
Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/ acquisition / giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities)	Amount of loan/ security/ acquisition / guarantee	Time period for which it is made/ given	Date of passing Board resolution	For loans	
						Rate of interest	Date of maturity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Loan	25-Apr-14	Rain Commodities (USA) Inc, a wholly owned Subsidiary Company. Regd.Off: Corporate Trust Centre, 1209 Orange Street, Wilmington, New castle 19801.	Loan of USD 20 Million (Rs. 122.23 crores).	3 Years	26-Feb-14	6 month US\$ LIBOR plus 400bps (Spread) payable half yearly.	Repayment on April 24, 2017 (3 Years).

**On behalf of the Board of Directors
for Rain Industries Limited**

Place : Hyderabad
Date : February 27, 2015

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383



Disclosure of Particulars of Contracts/Arrangements entered into by the Company

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arms length basis
2. Contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arms length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Justification for entering into contracts
1	Rain Cements Limited (Wholly owned Subsidiary)	To provide Shared Services	16th August, 2014 to 31st December, 2014.	Rs. 3.38 Crores	August 14, 2014	NIL	The Company has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to it's Subsidiary Companies in India and outside India, as required.
2	Rain CII Carbon (Vizag) Limited (step down wholly owned Subsidiary)	To provide Shared Services	16th August, 2014 to 31st December, 2014.	Rs. 1.72 Crores	August 14, 2014	NIL	The Company has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to it's Subsidiary Companies in India and outside India, as required.
3	Rain CII Carbon LLC, USA (step down wholly owned Subsidiary)	To provide Shared Services	16th August, 2014 to 30th October, 2014.	Rs. 1.68 Crores	August 14, 2014	NIL	The Company has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to it's Subsidiary Companies in India and outside India, as required.
			8th November, 2014 to 31st December, 2014.	Rs. 60 Lakhs	November 6, 2014	NIL	
4	Ruetgers NV (stepdown wholly owned Subsidiary)	To provide Shared Services	8th November, 2014 to 31st December, 2014.	Rs. 41.36 Lakhs	November 6, 2014	NIL	The Company has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to it's Subsidiary Companies in India and outside India, as required.

**On behalf of the Board of Directors
for Rain Industries Limited**

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad
Date : February 27, 2015

Form No.MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on December 31, 2014

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- | | |
|--|--|
| i) CIN | L26942TG1974 PLC001693 |
| ii) Registration Date | 15th March, 1974 |
| iii) Name of the Company | Rain Industries Limited |
| iv) Category/Sub-Category of the Company | Company Limited by Shares / Public Company |
| v) Address of the Registered Office and contact details | Rain Center, 34, Srinagar Colony,
Hyderabad - 500073, Telangana;
Ph.No.040-40401234, Fax:040-40401214;
email: secretarial@rain-industries.com;
www.rain-industries.com |
| vi) Whether listed Company | YES
BSE Limited
National Stock Exchange of India Limited |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | Karvy Computershare Private Limited,
Plot No.17 to 24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500081, Telangana State;
Phone: +91 040 44655188
Email id: murthy.psrch@karvy.com |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover (Consolidated) of the company shall be stated:-

Sl.No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Carbon	232	72 %
2	Chemical	242	21%
3	Cement	269	7%



II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	Rain Cements Limited	U23209TG1999 PLC031631	Subsidiary Company	100.00	Section 2 (87)
2	Rain Coke Limited	U23101TG2012 PLC079823	Subsidiary Company	100.00	Section 2 (87)
3	Rain CII Carbon (Vizag) Ltd	U11100TG2008 PLC058785	Subsidiary Company	100.00	Section 2 (87)
4	Renuka Cement Limited	U26942TG1996 PLC025831	Subsidiary Company	100.00	Section 2 (87)
5	Moonglow Company Business Inc [Moonglow]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
6	Rain Commodities (USA) Inc. [RCUSA]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
7	Rain Global Services LLC [RGS]	Not Applicable	Subsidiary Company	80.50	Section 2 (87)
8	RGS Egypt Limited Company LLC [RGS Egypt]	Not Applicable	Subsidiary Company	51.00	Section 2 (87)
9	Rain Carbon Inc. [RCI]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
10	Rain Global Holdings, LLC [RGH]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
11	Rain Carbon Holdings, LLC [RCH]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
12	Rain CII Carbon LLC [RCC]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
13	Rain CII Carbon Mauritius Limited [RCCM]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
14	CII Carbon Corp [CII]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
15	Zhenjiang Xin TianTansu Co Limited [Zhenjiang]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
16	Rain CTP Inc [Rain CTP]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
17	RUETGERS Canada Inc. [RCI]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
18	RUETGERS Polymers Limited [RPL]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
19	Handy Chemicals (USA) Ltd [HUSA]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
20	RUETGERS NV [RNV]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
21	RUETGERS Holding Belgium BVBA [RHBVBA]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
22	RUETGERS Belgium NV [RBNV]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
23	VFT Trading NV [VNV]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
24	VFT France SA [VFSA]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
25	RUETGERS Holding Germany GmbH [RHGmbH]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
26	RUETGERS Germany GmbH [RGmbH]	Not Applicable	Subsidiary Company	99.70	Section 2 (87)
27	RUETGERS Aromatic Chemicals GmbH [RACGmbH]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
28	RUETGERS ChemTrade GmbH [RCTGmbH]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
29	RUETGERS Basic Aromatics GmbH [RBAGmbH]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
30	RUETGERS Poland SP Zoo [RPZ]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
31	RUETGERS InfraTec GmbH [RIGmbH]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
32	RUETGERS Novares GmbH [RNGmbH]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
33	RUETGERS Resins BV [RRBV]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
34	OOO RUETGERS Severtar [OOOSevertar]	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
35	Severtar Holding Ltd [Severtar]	Not Applicable	Subsidiary Company	65.30	Section 2 (87)
36	Rumba Invest BVBA & Co. KG [Rumba]	Not Applicable	Subsidiary Company	94.90	Section 2 (87)
37	RÜTGERS (Shangai) Trading Co. Ltd	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
38.	RÜTGERS Resins GmbH (Merged with RUETGERS Novares GmbH)	Not Applicable	Subsidiary Company	-	-

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year
		Demat	Physical	Total	Demat	Physical	Total	
A.	Promoters							
(1)	Indian							
(a)	Individuals / HUF	43,902,635	-	43,902,635	38,521,350	-	38,521,350	11.45
(b)	Central Government	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-
(d)	Bodies Corporate	81,298,063	-	81,298,063	81,268,885	-	81,268,885	24.16
(e)	Banks/FI	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-
	Sub - Total (A) (1):-	125,200,698	-	125,200,698	119,790,235	-	119,790,235	35.62
(2)	Foreign							
(a)	NRIs-Individuals	23,980,865	-	23,980,865	17,673,225	-	17,673,225	5.25
(b)	Other - Individuals	-	-	-	-	-	-	-
(c)	Bodies Corporates	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-
	Sub - Total (A) (2):-	23,980,865	-	23,980,865	17,673,225	-	17,673,225	5.25
	Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	149,181,563	-	149,181,563	137,463,460	-	137,463,460	40.87
B.	Public Shareholding							
1	Institutions							
(a)	Mutual Funds	43,627,238	23,210	43,650,448	55,748,114	23,210	55,771,324	16.58
(b)	Banks/FI	6,215	42,070	48,285	77,543	42,070	119,613	0.04
(c)	Central Government	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-
(g)	FIs	69,500,277	5,500	69,505,777	52,702,701	5,500	52,708,201	15.67
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-
(g)	Others (Specify)	-	-	-	-	-	-	-
	Sub - Total (B) (1):-	113,133,730	70,780	113,204,510	108,528,358	70,780	108,599,138	32.29
								-1.37

i) Category-wise Shareholding (Contd.)

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Non-Institutions									
a)	Bodies Corp.	-	-	-	-	-	-	-	-	-
i)	Indian	21,746,081	359,650	22,105,731	6.57	31,470,775	205,150	31,675,925	9.42	2.85
ii)	Overseas (OCB)	-	68,425	68,425	0.02	-	68,425	68,425	0.02	-
b)	Individuals									
i)	Individual Shareholders holding nominal share capital up to Rs.1 lakh.									
		23,294,052	8,051,215	31,345,267	9.32	25,954,346	7,721,115	33,675,461	10.01	0.69
ii)	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh.									
		6,536,324	61,420	6,597,744	1.96	10,309,975	129,990	10,439,965	3.10	1.14
c)	Others (Specify)									
i.	HUF	1,498,747	-	1,498,747	0.45	1,848,642	-	1,848,642	0.55	0.10
ii.	Non Resident Individuals	7,138,975	5,157,485	12,296,460	3.66	7,550,134	4,966,990	12,517,124	3.72	0.07
iii.	Trusts	25,750	-	25,750	0.01	16,750	-	16,750	0.00	0.00
iv.	Clearing Members	21,482	-	21,482	0.01	40,789	-	40,789	0.01	0.01
	Sub - Total (B) (2):-	60,261,411	13,697,770	73,959,181	21.99	77,191,411	13,091,670	90,283,081	26.84	4.85
	Total Public Shareholding (B)=(B)(1)+(B)(2)	173,395,141	13,768,975	187,164,116	55.65	185,719,769	13,162,450	198,882,219	59.13	3.48
C.	Shares held by Custodian for GDR & ADRs	-	-	-		-	-	-	-	-
	Grand Total (A+B+C)	322,576,704	13,768,975	336,345,679	100	323,183,229	13,162,450	336,345,679	100	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	Mr. N. Radhakrishna Reddy	10,383,730	3.09	-	10,383,730	3.09	-	-
2	Mr. N. Sujith Kumar Reddy	10,028,770	2.98	-	10,028,770	2.98	-	-
3	Mr. N. Jagan Mohan Reddy	8,586,740	2.55	-	8,586,740	2.55	-	-
4	Mrs. N. Indira Reddy	7,513,100	2.23	-	7,513,100	2.23	-	-
5	Mrs. N. Swamalatha Reddy	1,042,000	0.31	-	1,042,000	0.31	-	-
6	Mrs. N. Akhila Reddy	362,065	0.11	-	362,065	0.11	-	-
7	Mr. N. Lakshminarasa Reddy	465,250	0.14	-	465,250	0.14	-	-
8	Mrs. K. V. Arundhathi Reddy	14,285	0.00	-	14,285	0.00	-	-
9	Mrs. N. Anupama Reddy	125,410	0.04	-	125,410	0.04	-	-
10	Mrs. Ananthaxmi A Reddy	17,673,225	5.25	-	17,673,225	5.25	-	-
11	Sujala Investments Private Limited	37,766,675	11.23	-	37,766,675	11.23	-	-
12	Focus India Brands Private Limited	25,316,465	7.53	16.97	25,316,465	7.53	18.42	-
13	Nivee Holdings Private Limited	8,143,250	2.42	-	8,143,250	2.42	-	-
14	Arunachala Holdings Private Limited	5,272,500	1.57	-	5,272,500	1.57	-	-
15	PCL Financial Services Pvt Limited	3,780,750	1.12	-	3,780,750	1.12	-	-
16	Arunachala Logistics (P) Limited	989,245	0.29	-	989,245	0.29	-	-
17	Mr. Y Santhosh Kumar Reddy	5,381,285	1.60	-	-	-	-	-1.60
18	Mr. Rajiv Reddy	6,307,640	1.88	-	-	-	-	-1.88
19	Yeratapalli Investments Private Limited	29,178	0.01	-	-	-	-	-0.01
	Total	149,181,563	44.35	16.97	137,463,460	40.87	18.42	-3.48



iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the Year	149,181,563	44.35	-	-
1	Sold on 10.04.2014	(29,178)	(0.01)	149,152,385	44.34
2	Sold on 23.04.2014	(800,000)	(0.24)	148,352,385	44.11
3	Sold on 02.06.2014	(2,300,000)	(0.68)	146,052,385	43.42
4	Sold on 20.08.2014 and 21.08.2014	(489,478)	(0.15)	145,562,907	43.28
5	Sold on 22.08.2014	(200,759)	(0.06)	145,362,148	43.22
6	Sold on 25.08.2014, 26.08.2014 and 27.08.2014	(675,029)	(0.20)	144,687,119	43.02
7	Sold on 28.08.2014	(23,557)	(0.01)	144,663,562	43.01
8	Sold on 01.09.2014 and 02.09.2014	(229,865)	(0.07)	144,433,697	42.94
9	Sold on 03.09.2014 and 04.09.2014	(277,453)	(0.08)	144,156,244	42.86
10	Sold on 05.09.2014	(195,000)	(0.06)	143,961,244	42.80
11	Sold on 08.09.2014	(190,144)	(0.06)	143,771,100	42.75
12	Sold on 16.09.2014	(6,307,640)	(1.88)	137,463,460	40.87
	At the end of the year			137,463,460	40.87

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Reliance Capital trustee Co., Ltd. (including all managed funds)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the Year	30,454,542	9.05	-	-
	28.02.2014	(58,500)	(0.02)	30,396,042	9.04
	07.03.2014	(11,113)	(0.00)	30,384,929	9.03
	14.03.2014	(551,930)	(0.16)	29,832,999	8.87
	11.04.2014	(395,450)	(0.12)	29,437,549	8.75
	18.04.2014	(24,537)	(0.01)	29,413,012	8.74
	09.05.2014	1,018,000	0.30	30,431,012	9.05
	23.05.2014	(1,298,523)	(0.39)	29,132,489	8.66
	30.05.2014	(121,300)	(0.04)	29,011,189	8.63
	06.06.2014	(100,000)	(0.03)	28,911,189	8.60
	18.07.2014	290,838	0.09	29,202,027	8.68
	25.07.2014	100,000	0.03	29,302,027	8.71
	08.08.2014	51,887	0.02	29,353,914	8.73
	22.08.2014	36,000	0.01	29,389,914	8.74
	19.09.2014	(985,000)	(0.29)	28,404,914	8.45
	19.12.2014	13,000	0.00	28,417,914	8.45
	31.12.2014	142,000	0.04	28,559,914	8.49
At the end of the year (or on the date of separation, if separated during the year)				28,559,914	8.49

Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No.	ICICI Prudential (including all managed funds)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2	At the beginning of the Year	13,162,166	3.91	-	-
	03.01.2014	15,517	0.00	13,177,683.00	3.92
	10.01.2014	85,999	0.03	13,263,682	3.94
	17.01.2014	65,348	0.02	13,329,030	3.96
	24.01.2014	63,139	0.02	13,392,169	3.98
	31.01.2014	11,846	0.00	13,404,015	3.99
	07.02.2014	73,393	0.02	13,477,408	4.01
	14.02.2014	636,447	0.19	14,113,855	4.20
	21.02.2014	36,433	0.01	14,150,288	4.21
	07.03.2014	106,590	0.03	14,256,878	4.24
	14.03.2014	703,319	0.21	14,960,197	4.45
	21.03.2014	156,237	0.05	15,116,434	4.49
	31.03.2014	123,562	0.04	15,239,996	4.53
	04.04.2014	59,484	0.02	15,299,480	4.55
	11.04.2014	405,074	0.12	15,704,554	4.67
	18.04.2014	117,405	0.03	15,821,959	4.70
	25.04.2014	61,131	0.02	15,883,090	4.72
	09.05.2014	16,000,000	4.76	31,883,090	9.48
	13.06.2014	(73,924)	(0.02)	31,809,166	9.46
	20.06.2014	(158,341)	(0.05)	31,650,825	9.41
	11.07.2014	(268,601)	(0.08)	31,382,224	9.33
	25.07.2014	(152,323)	(0.05)	31,229,901	9.29
	29.08.2014	(708,576)	(0.21)	30,521,325	9.07
	19.09.2014	(100,000)	(0.03)	30,421,325	9.04
	30.09.2014	(63,151)	(0.02)	30,358,174	9.03
	10.10.2014	(229,392)	(0.07)	30,128,782	8.96
	17.10.2014	(30,705)	(0.01)	30,098,077	8.95
	24.10.2014	(216,200)	(0.06)	29,881,877	8.88
	31.10.2014	(157,750)	(0.05)	29,724,127	8.84
	07.11.2014	(894,667)	(0.27)	28,829,460	8.57
	14.11.2014	(242,307)	(0.07)	28,587,153	8.50
	21.11.2014	(225,176)	(0.07)	28,361,977	8.43
	28.11.2014	(244,548)	(0.07)	28,117,429	8.36
	05.12.2014	(931,526)	(0.28)	27,185,903	8.08
	12.12.2014	(11,463)	(0.00)	27,174,440	8.08
At the end of the year (or on the date of separation, if separated during the year)				27,174,440	8.08

Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No.	Meghamala Enterprises Pvt Ltd	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3	At the beginning of the Year	17,404,110	5.17	-	-
	At the end of the year (or on the date of separation, if separated during the year)			17,404,110	5.17

Sl. No.	CIR International S.A.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4	At the beginning of the Year	18,150,000	5.40	-	-
	30.09.2014	(272,574)	(0.08)	17,877,426	5.32
	14.11.2014	(44,000)	(0.01)	17,833,426	5.30
	21.11.2014	(289,165)	(0.09)	17,544,261	5.22
	28.11.2014	(516,835)	(0.15)	17,027,426	5.06
	05.12.2014	(291,200)	(0.09)	16,736,226	4.98
	At the end of the year (or on the date of separation, if separated during the year)			16,736,226	4.98

Sl. No.	Goldman Sachs Investments (Mauritius) I Ltd	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	At the beginning of the Year	8,501,800	2.53	-	-
	06.06.2014	(282,406)	(0.08)	8,219,394	2.44
	13.06.2014	(415,249)	(0.12)	7,804,145	2.32
	20.06.2014	(186,330)	(0.06)	7,617,815	2.26
	22.08.2014	971,723	0.29	8,589,538	2.55
	29.08.2014	1,810,467	0.54	10,400,005	3.09
	05.09.2014	378,680	0.11	10,778,685	3.20
	28.11.2014	3,324,660	0.99	14,103,345	4.19
	05.12.2014	979,974	0.29	15,083,319	4.48
	At the end of the year (or on the date of separation, if separated during the year)			15,083,319	4.48

Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No.	Sirius Transport Private Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6	At the beginning of the Year	-	-	-	-
	06.06.2014	2,150,000	0.64	2,150,000	0.64
	30.06.2014	(2,150,000)	(0.64)	-	-
	19.09.2014	6,307,640	1.88	6,307,640	1.88
	07.11.2014	(30,000)	(0.01)	6,277,640	1.87
	14.11.2014	(67,922)	(0.02)	6,209,718	1.85
	21.11.2014	(203,742)	(0.06)	6,005,976	1.79
	28.11.2014	(106,806)	(0.03)	5,899,170	1.75
	05.12.2014	(34,100)	(0.01)	5,865,070	1.74
At the end of the year (or on the date of separation, if separated during the year)				5,865,070	1.74

Sl. No.	The Childrens Investment Fund Management (UK) Llp A/C Talos Capital	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7	At the beginning of the Year	4,787,560	1.42	-	-
At the end of the year (or on the date of separation, if separated during the year)				4,787,560	1.42

Sl. No.	Morgan Stanley Asia (Singapore) Pte.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	At the beginning of the Year	2,861,835	0.85	-	-
	10.01.2014	(12,158)	-0.00	2,849,677	0.85
	17.01.2014	(6,919)	-0.00	2,842,758	0.85
	24.01.2014	(10,208)	-0.00	2,832,550	0.84
	31.01.2014	(3,451)	-0.00	2,829,099	0.84
	11.04.2014	82,000	0.02	2,911,099	0.87
	09.05.2014	248,000	0.07	3,159,099	0.94
	16.05.2014	15,766	0.00	3,174,865	0.94
	23.05.2014	(15,766)	-0.00	3,159,099	0.94
	30.05.2014	(330,000)	-0.10	2,829,099	0.84
	13.06.2014	52,263	0.02	2,881,362	0.86
	08.08.2014	39,773	0.01	2,921,135	0.87

(Contd.)



	15.08.2014	17,504	0.01	2,938,639	0.87
	22.08.2014	(92,036)	-0.03	2,846,603	0.85
	12.09.2014	57,765	0.02	2,904,368	0.86
	19.09.2014	27,465	0.01	2,931,833	0.87
	30.09.2014	119,880	0.04	3,051,713	0.91
	03.10.2014	(2,357)	-0.00	3,049,356	0.91
	10.10.2014	2,387	0.00	3,051,743	0.91
	17.10.2014	(50,773)	-0.02	3,000,970	0.89
	31.10.2014	48,648	0.01	3,049,618	0.91
	07.11.2014	(2,169)	-0.00	3,047,449	0.91
	14.11.2014	38,407	0.01	3,085,856	0.92
	21.11.2014	67,648	0.02	3,153,504	0.94
	05.12.2014	5,473	0.00	3,158,977	0.94
	19.12.2014	(68,083)	-0.02	3,090,894	0.92
At the end of the year (or on the date of separation, if separated during the year)				3,090,894	0.92

Sl. No.	Nordea 1 Sicav - Indian Equity Fund	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9	At the beginning of the Year	-	-	-	-
	09.05.2014	2,765,968	0.82	2,765,968	0.82
	23.05.2014	166,504	0.05	2,932,472	0.87
	18.07.2014	(92,982)	(0.03)	2,839,490	0.84
	15.08.2014	(173,476)	(0.05)	2,666,014	0.79
	29.08.2014	171,416	0.05	2,837,430	0.84
	19.09.2014	175,035	0.05	3,012,465	0.90
	17.10.2014	(239,411)	(0.07)	2,773,054	0.82
	14.11.2014	644,526	0.19	3,417,580	1.02
	21.11.2014	(8,498)	(0.00)	3,409,082	1.01
	28.11.2014	(636,028)	(0.19)	2,773,054	0.82
At the end of the year (or on the date of separation, if separated during the year)				2,773,054	0.82

Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No.	The Master Trust Bank Of Japan, Ltd. As Trustee Of Nissay India Equity Selection Mother Fund	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10	At the beginning of the Year	-	-	-	-
	05.12.2014	1,991,320	0.59	1,991,320	0.59
	12.12.2014	104,111	0.03	2,095,431	0.62
At the end of the year (or on the date of separation, if separated during the year)				2,095,431	0.62

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the Year		-	-	-
	Directors			-	
1	Mr. N. Radhakrishna Reddy	10,383,730	3.09	10,383,730	3.09
2	Mr. N. Sujith Kumar Reddy	10,028,770	2.98	10,028,770	2.98
3	Mr. N. Jagan Mohan Reddy	8,586,740	2.55	8,586,740	2.55
4	Mr. Dipankar Basu	140	0.00	140	0.00
5	Mr. S.L. Rao	-	-	-	-
6	Mr. H.L. Zutshi	-	-	-	-
7	Mr. V. Narayanamurthy	-	-	-	-
8	Mr. G. Krishna Prasad	-	-	-	-
9	Ms. Radhika Vijaya Haribhakti	-	-	-	-
10	Mr. Yogesh Rastogi (since Withdrawn by ICICI Bank)	-	-	-	-
	Key Managerial Personnel			-	
1	Mr. T. Srinivasa Rao	90,000	0.03	90,000	0.03
2	Mr. S. Venkat Ramana Reddy	-	-	-	-



V. INDEBTEDNESS

in INR '000s

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the Financial Year				
i) Principal Amount	2,277,920	-	-	2,277,920
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,277,920	-	-	2,277,920
Change in Indebtedness during the financial year				
Addition	1,210,506	-	-	1,210,506
Reduction	701,906	-	-	701,906
Net Change	508,600	-	-	508,600
Indebtedness at the end of the Financial year				
i) Principal Amount	2,786,520	-	-	2,786,520
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,786,520	-	-	2,786,520

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager Mr. N. Jagan Mohan Reddy Managing Director	Total Amount (Rs.)
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	9600000	9600000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3872000	3872000
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, Please specify	-	-
	Total (A)	13472000	13472000
	Ceiling as per the Act	17672600	17672600

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors					
		Mr. Dipankar Basu	Mr. S.L.Rao	Mr. H.L. Zutshi	Ms. Radhika Vijay Haribhakti	Mr. G. Krishna Prasad	Total Amount (Rs.)
1	Independent Directors Fee for attending board/ committee meetings	300000	300000	300000	50000	300000	1250000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	300000	300000	300000	50000	300000	1250000
2	Other Non-Executive Directors	Mr. N. Radhakrishna Reddy	Mr. N. Sujith Kumar Reddy	Mr. Yogesh Rastogi, Nominee Director ICICI Bank	Mr. V. Narayana murthy, Nominee Director, IDBI Bank Limited		
	Fee for attending board/ committee meetings	160000	-	20000	20000		
	Commission	-	-	-	-		
	Others, please specify	-	-	-	-		
	Total (2)	160000	-	20000	20000		200000
	Total (B)=(1+2)						1450000
	Total Managerial Remuneration						14922000
	Overall Ceiling as per the Act						21207120

C Remuneration to Key Managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total (Rs.)
		Mr. S. Venkat Ramana Reddy	Mr. T. Srinivasa Rao	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1153080	3904464	5057544
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1729618	5564103	7293721
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, Please specify	-	-	-
	Total	2882698	9468567	12351265



VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

A. COMPANY

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

B. DIRECTORS

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

C. OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

On behalf of the Board of Directors
for Rain Industries Limited

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad
Date : February 27, 2015

Annexure- 5

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY:

- 1) The steps taken or impact on conservation of energy: -N.A.-
- 2) The steps taken by the Company for utilizing alternate sources of energy: -N.A.-
- 3) The Capital investment on energy conservation equipments: -N.A.-

B. TECHNOLOGY ABSORPTION:

i. The Efforts made towards technology absorption:

NIL

ii. The Benefits derived like product improvement, cost reduction, product development or import substitution:

NIL

iii. Details of technology imported during the past 3 years:

No technology has been imported during the past 3 years.

- a. The details of technology import: -NIL-
- b. The year of import: -NIL-
- c. Whether the technology has been fully absorbed: -NIL-
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: -NIL-

iv. The expenditure incurred on Research and Development: -N.A.-

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

- 1) The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(Rs. in Thousands)

Particulars	December 31, 2014	December 31, 2013
Used	925,655	2,551,908
Earned	841,687	1,480,926

On behalf of the Board of Directors
for Rain Industries Limited

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad
Date : February 27, 2015



Annexure- 6

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
 - i Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - i Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water; and
 - i Rural development projects.
 - i web link: www.rain-industries.com / www.pragnyapriya.com

2. Composition of CSR Committee:

S.No.	Name	Designation
1	Mr. N. Jagan Mohan Reddy	Chairman
2	Mr. N. Sujith Kumar Reddy	Member
3	Mr. G. Krishna Prasad	Member (Independent Director)

3. Average Net profit for last three Financial Years:

Net Profit	For the Financial Year ended 31st December (Rs. In thousands)		
	2013	2012	2011
	(36,253)	424,587	146,335
Average Net Profit for the preceding three Financial Years	178,223		

4. Prescribed CSR expenditure (2% of Average Net Profit) : Rs. 3,564,000
5. Details of CSR spend for the financial year:
 - a. Total amount spent for the financial year: Rs. 40 lakhs
 - b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Scholarships to students for pursuing Intermediate Education i.e., 11th and 12th Standard	Promotion of education	Scholarships to students for pursuing Intermediate Education i.e., 11th and 12th Standard are given to economically backward students in the state of Andhra Pradesh and Telangana. In the Districts of Adilabad, Nalgonda, Karimnagar, Kurnool, Srikakulam and Vijayanagaram	The Company has donated Rs. 40 lakhs to M/s. Pragnya Priya Foundation, a Company established under Section 25 of Companies Act, 1956 (Section 8 as per Companies Act, 2013) by the Group	Rs. 40 lakhs	Rs. 40 lakhs	The amount was spent through M/s. Pragnya Priya Foundation a Section 25 Company under Companies Act, 1956 (Section 8 of Companies Act, 2013).
Total				Rs. 40 Lakhs	Rs. 40 lakhs	Rs. 40 lakhs	

6. The Company has spent two percent of average net profits of the last three financial years.
7. We hereby confirms that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of .the company.

For and on behalf of Corporate Social Responsibility Committee

Mr. N. Jagan Mohan Reddy
Chairman of the Committee

Mr. N. Sujith Kumar Reddy
Member

Place : Hyderabad
Date : February 27, 2015

Mr. G. Krishna Prasad
Member



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.12.2014

Annexure- 7

FORM NO MR 3

*Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*

To

The Members,

M/s. Rain Industries Limited
Hyderabad.

1. We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **M/s. Rain Industries Limited** (hereinafter called as "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.
2. The Company is engaged in the business of trading in Green Petroleum Coke it provides shared services to its subsidiary companies and also makes investment in Subsidiary Companies.
3. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended on 31st December 2014 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
4. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Rain Industries Limited** (hereinafter called as "**the Company**") for the financial year from 1st January, 2014 and ended with 31st December, 2014 ("Audit Period") according to the provisions of:
 - (i) The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - i) The following other laws as specifically applicable in the view of the Management.
 - i) Income Tax Act, 1961
 - ii) Central Sales Tax Act, 1956
 - iii) Telangana Value Added Tax
 - iv) The Payment of Bonus Act, 1965

- v) Telangana Tax on Professions, Trades, Callings and Employments Act, 1987
 - vi) Customs Act, 1962
 - vii) Finance Act, 1994 (Service Tax)
 - viii) The Payment of Gratuity Act, 1972
 - ix) The Payment of Wages Act, 1936
 - x) The Maternity Benefit Act, 1961
 - xi) A P Shops & Establishment Act, 1988
 - xii) The National and Festival Holidays Act, 1963
 - xiii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - xiv) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
5. We have also examined compliance of the applicable Clauses of The Listing Agreements entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited respectively.
 6. We further report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above. However, please note for the Audit Period:
 - i) SEBI (ICDR) Regulations, 2009 are not applicable, as there being no further issues of any securities.
 - ii) SEBI (ESOS & ESOP) Guidelines, 1999 are not applicable, as there being no schemes of the Company under the said Guidelines.
 - iii) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable, as there being no debt securities, which are listed on any of the recognized Stock Exchanges.
 - iv) SEBI (Delisting of Equity Shares) Regulations, 2009 are not applicable, as there being no instances of delisting of Equity Shares, except de-recognition of Delhi Stock Exchange by the SEBI.
 - v) SEBI (Buyback of Securities) Regulations, 1998 are not applicable, as there being no instances of buy-back of shares;
 - vi) The Ministry of Corporate Affairs has not notified applicable Secretarial Standards under the Companies Act 2013, therefore, the same was not considered in the Audit.
 - vii) The compliance of other specific applicable Laws as listed in 4 (v) (i) above, were relied on the basis of representations and Compliance Certificates issued by the Managing Director, Compliance Officers and other officials of respective/concerned Departments of the Company.
7. We further report that:
 - a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance.
 - c. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
 - d. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
 - e. It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.
 8. We further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
 9. We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **dvmgopal & associates**
Company Secretaries

Place: **Hyderabad**
Date: **27th February 2015**

DVM Gopal
Proprietor
M No: F 6280
CP No: 6798

Annexure-8

Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

- (i) **the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

S.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. N. Radhakrishna Reddy (Chairman)*	NIL
2	Mr. N. Jagan Mohan Reddy (Managing Director)	16.61%
3	Mr. N. Sujith Kumar Reddy (Director)	NIL
4	Mr. Dipankar Basu (Independent Director)*	NIL
5	Mr. S.L. Rao (Independent Director)*	NIL
6	Mr. H.L. Zutshi (Independent Director)*	NIL
7	Mr. G. Krishna Prasad (Independent Director)*	NIL
8	Ms. Radhika Vijay Haribhakti (Additional Director) (Independent Woman Director)*	NIL
9	Mr. V. Narayana Murthy (Nominee Director - IDBI Bank)*	NIL
10	Mr. Yogesh Rastogi (Nominee Director - ICICI Bank)**	NIL

* Mr. N. Radhakrishna Reddy, Chairman, Mr. Dipankar Basu, Mr. S.L. Rao, Mr. H.L. Zutshi, Mr. G. Krishna Prasad, Ms. Radhika Vijay Haribhakti, Independent Directors, Mr. V. Narayana Murthy, Nominee Director (IDBI Bank) and Mr. Yogesh Rastogi, Nominee Director (ICICI Bank) were paid sitting fees for attending the Meetings.

**ICICI Bank had withdrawn its Nominee Director Mr. Yogesh Rastogi from the Board of the Company with effect from September 24, 2014.

- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year**

S.No.	Name of the Director	Percentage increase in remuneration
1	Mr. N. Radhakrishna Reddy (Chairman)*	NIL
2	Mr. N. Jagan Mohan Reddy (Managing Director)**	NIL
3	Mr. N. Sujith Kumar Reddy (Director)	NIL
4	Mr. Dipankar Basu (Independent Director)*	NIL
5	Mr. S.L. Rao (Independent Director)*	NIL
6	Mr. H.L. Zutshi (Independent Director)*	NIL
7	Mr. G. Krishna Prasad (Independent Director)*	NIL
8	Ms. Radhika Vijay Haribhakti (Additional Independent Woman Director)*	NIL
9	Mr. V. Narayana Murthy (Nominee Director - IDBI Bank)*	NIL
10	Mr. Yogesh Rastogi (Nominee Director -ICICI Bank)***	NIL
11	Mr. T. Srinivasa Rao (Chief Financial Officer)	6.51%
12	Mr. S. Venkat Ramana Reddy (Company Secretary)	11.50%

* Mr. N. Radhakrishna Reddy, Chairman, Mr. Dipankar Basu, Mr. S.L. Rao, Mr. H.L. Zutshi, Mr. G. Krishna Prasad, Ms. Radhika Vijay Haribhakti, Independent Directors, Mr. V. Narayana Murthy, Nominee Director (IDBI Bank) and Mr. Yogesh Rastogi, Nominee Director (ICICI Bank) were paid sitting fees for attending the Meetings.

** There was no increase in Remuneration paid to Mr. N. Jagan Mohan Reddy, Managing Director during the Financial Year ended 31st December, 2014.

***ICICI Bank had withdrawn its Nominee Director Mr. Yogesh Rastogi from the Board of the Company with effect from September 24, 2014.

(iii) **The percentage increase in the median remuneration of employees in the financial year.**

10.71%

(iv) **The number of permanent employees on the rolls of Company.**

There are 34 permanent employees on the rolls of the Company.

(v) **The explanation on the relationship between average increase in remuneration and Company performance**

S.No.	Average increase in remuneration	Company performance
1	10.68%	Net profit of the Company is increased by 60.67%

(vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

S.No.	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st December, 2014
1	Rs. 2,58,23,265	Rs. 24,57,96,000 (Net Profit)

(vii) **Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.**

S.No.	Particular	As at December 31, 2014		As at December 31, 2013	
1	Market Capitalisation	BSE	Rs.14,91,69,30,864	BSE	Rs.12,02,43,58,024
		NSE	Rs.14,86,64,79,012	NSE	Rs.12,12,52,61,728
2	Price Earnings Ratio (Considering consolidated EPS)	BSE	16.86	BSE	3.13
		NSE	16.81	NSE	3.16

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The Company came with an Initial Public Offer in 1985 at the price of Rs.10/- per equity share. As on 31st December, 2014 the Market Quotation of the Company Share Price (Closing Price) is as follows:

- BSE Limited: Rs. 44.35
- The National Stock Exchange of India Limited: Rs. 44.20

(viii) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

There is only one Whole Time Director i.e., Managing Director. There was no increase in Remuneration paid to Managing Director during the Financial Year ended 31st December, 2014.

**(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.**

S.No.	Name	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st December, 2014
1	Mr. N. Jagan Mohan Reddy, Managing Director	Rs. 1,34,72,000	Rs. 24,57,96,000 (Net Profit)
2	Mr. T. Srinivasa Rao Chief Financial Officer	Rs. 94,68,567	Rs. 24,57,96,000 (Net Profit)
3	Mr. S. Venkat Ramana Reddy Company Secretary	Rs. 28,82,698	Rs. 24,57,96,000 (Net Profit)

(x) The key parameters for any variable component of remuneration availed by the directors

Only Commission is payable in addition to monthly Remuneration. The Commission is paid on the performance of the Company upon recommendation of Nomination and Remuneration Committee.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. -N.A.-

(xii) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

**On behalf of the Board of Directors
for Rain Industries Limited**

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad

Date : February 27, 2015

**Statement of Particulars of Employees Pursuant to the Provisions of Rule 5 (2) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

S. No.	Name & Designation	Remuneration received	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the company
1	Mr. N. Jagan Mohan Reddy (Managing Director)	Rs. 1,34,72,000	Contractual	B.S.I.E. (U.S.A) 22 years	August 10, 1994	48 years	Managing Director of Rain Calcining Ltd	N.A.	Son of Mr. N. Radhakrishna Reddy, Chairman Brother of Mr. N. Sujith Kumar Reddy, Director
2	Mr. T. Srinivasa Rao (Chief Financial Officer)	Rs.94,68,567	Contractual	B.Com, FCA 24 years	April 1, 2012	48 years	Vice President (Finance) of Rain CII Carbon (Vizag) Ltd	N.A.	N.A.

Notes:

- Gross Remuneration includes salary, taxable allowances, commission, value of perquisites as per the Income-tax Rules, 1962 and Company's contribution to provident fund/superannuation fund.

**On behalf of the Board of Directors
for Rain Industries Limited**

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

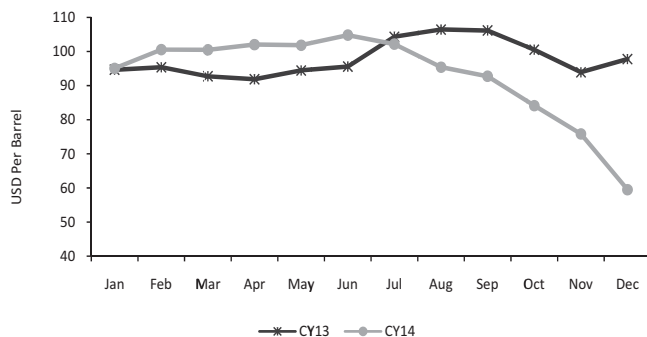
Place : Hyderabad
Date : February 27, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Year 2014 turned out to be a challenging year due to various macro-economic factors including prolonged weakness in primary Aluminum metal prices, falling commodity prices in general and Crude Oil price in particular, subdued end markets, falling interest rates in Europe and adverse currency movements. We had to endure with continued excess Cement capacity in South India coupled with delayed recovery of demand for Cement. These factors impacted your Company's performance negatively. Your Company achieved revenues of Rs.119.4 billion, adjusted operating profit of Rs.12.2 billion and net profit of Rs. 0.9 billion.

Although there is an increase in revenues by Rs. 1.9 billion, there is a substantial fall in net profit by Rs. 3.0 billion due to weaker operating margins. After adjusting for exceptional items of increased pension liability resulting from lower interest rates in Europe, inventory write down due to sharp fall in commodity prices and also a sharp devaluation of Russian Ruble during Q4 2014; your Company's Adjusted net profit for the current year is Rs. 2.6 billion, as compared to adjusted net profit of Rs. 4.5 billion achieved during the previous year.

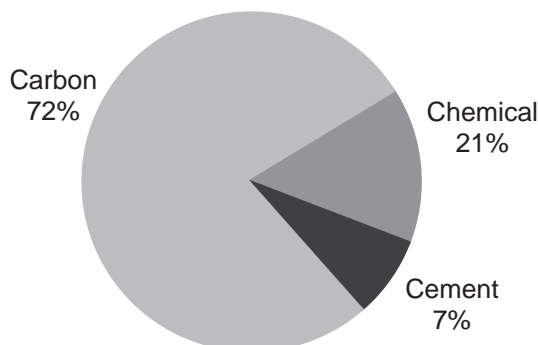
Crude Oil Prices – USD Per Barrel - (Sharp fall in CY14):



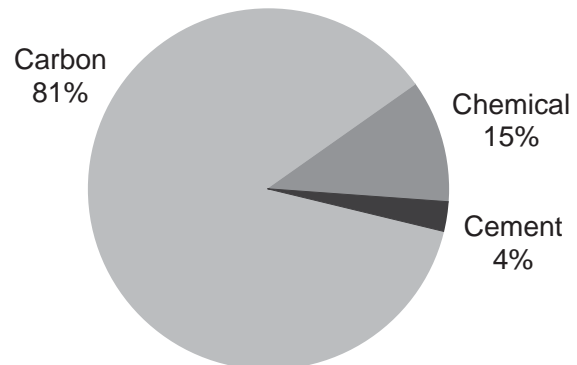
Source: in.investing.com

With this backdrop, the Company's various businesses present their operations review as follows:

Segment wise Revenue Mix for CY14



Segment wise Operating profit Mix for CY14



A) CARBON PRODUCTS

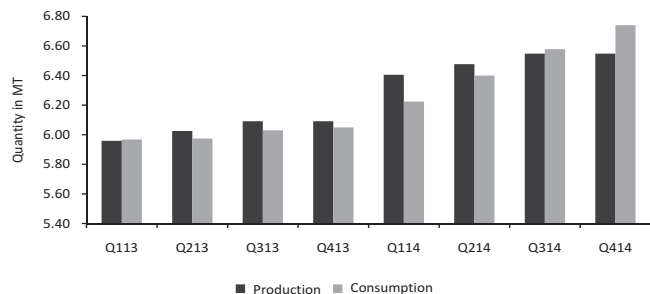
Carbon Products of Rain Group comprises of Calcined Petroleum Coke ("CPC"), Coal Tar Pitch ("CTP"), Trading in Green Petroleum Coke ("GPC"), Co-generated Energy and other derivatives of Coal Tar distillation.

CPC INDUSTRY STRUCTURE AND DEVELOPMENT

CPC is produced from GPC, a by-product of the Crude Oil Refining process, through a process known as "Calcining" that removes moisture and volatile matter from GPC at high degree of temperature. CPC is produced in two primary forms, Anode Grade CPC for use in the Aluminum Smelting process (representing approximately 77% of Global CPC production) and Industrial Grade CPC for use in the manufacturing of Titanium Dioxide and other industrial applications (representing approximately 23% of Global CPC production). For every ton of Aluminum, approximately 0.4 tons of CPC is consumed in the Aluminum production process.

The World CPC production for 2014 is estimated to be about 25 million tons, China and North America together contributes about 60% of the World's CPC production. China continues to play a key role in the CPC industry and by 2017 China's share of the World's CPC production is estimated to increase to 54%.

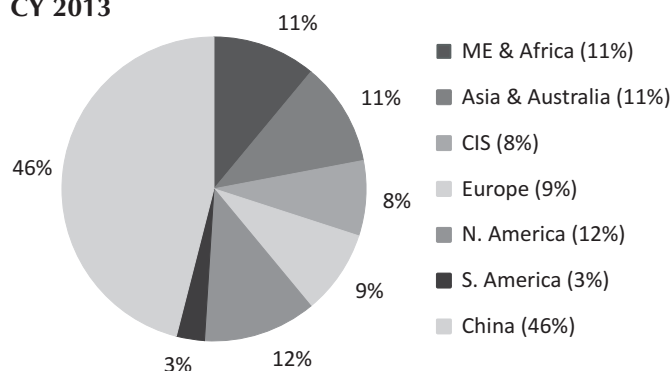
World CPC – Production & Demand:



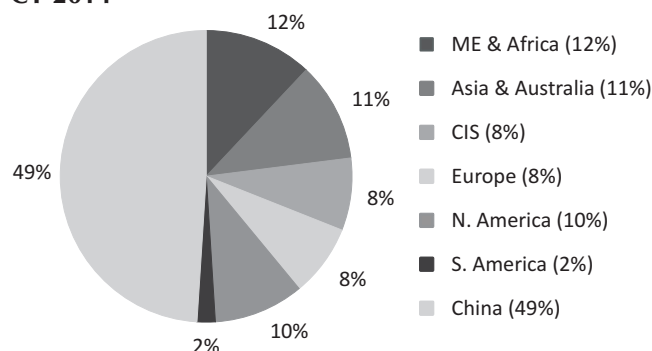
Source: Management Estimate and Industry

World CPC – Geographical Demand Mix:

CY 2013



CY 2014



Source: Management Estimate and Industry

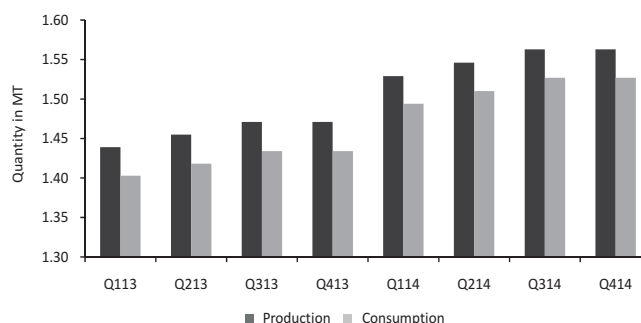
We estimate that over 130 Oil Refineries world-wide produce and sell GPC in varying forms and qualities. Sale of GPC generally does not constitute a material portion of Refiners' revenues. The price of GPC depends on the quality and the market in which it will be used, and is largely driven by demand and supply conditions in such market. A refiner typically realizes higher prices for GPC used in the production of Anode Grade CPC than that used in the production of Industrial Grade CPC. However, the quality of GPC (whether anode-grade or industrial grade) cannot be modified by Refinery and the same largely depends on the type of crude being refined.

In general, CPC and GPC prices move in parallel, as a result, CPC producers typically pass on GPC cost increases or GPC cost decreases to their end customers. However, there could be a time lag for CPC prices to adjust to changes in GPC prices, as the frequency of CPC pricing changes is determined by individual customer contracts and typically ranges between three to six months.

CTP INDUSTRY STRUCTURE AND DEVELOPMENT

Coal Tar is a liquid by-product produced in the coking process of converting coal into metallurgical coke, during this process approximately 80% of the coal volume is processed into metallurgical coke. Metallurgical coke is used as an important reducing agent and energy source in blast furnaces for the production of pig iron. Thus, the supply of Coal Tar is correlated to pig iron production. Asia has a share of approximately 77% while the CIS-countries and Europe account for about 16% of the total World Pig Iron production.

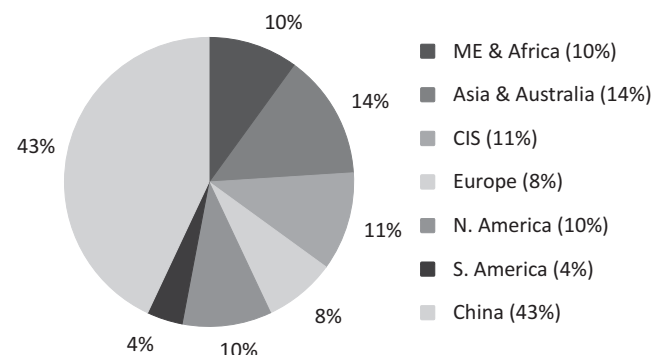
World CTP - Production & Demand:



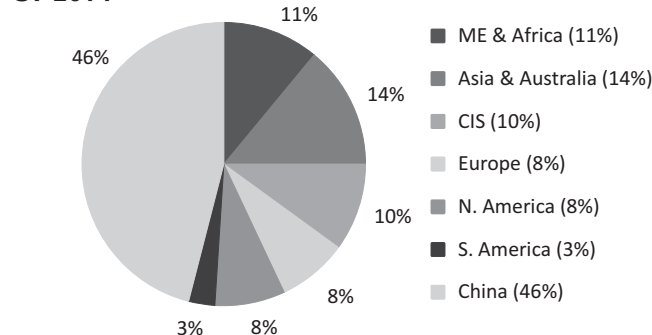
Source: Management Estimate and Industry

World CTP - Geographical Demand Mix:

CY 2013



CY 2014



Source: Management Estimate and Industry



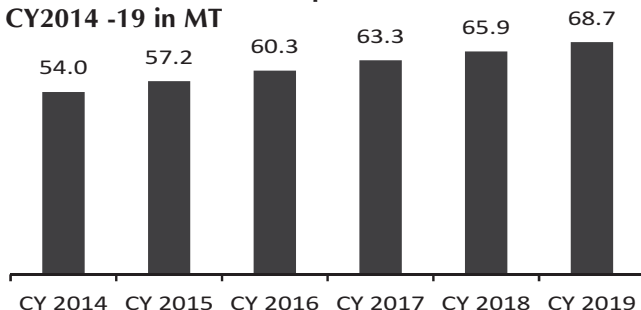
Coal Tar is a by-product of the metallurgical coke and is sold to coal tar distillers. The Coal Tar distillation business can be grouped into two stages, the primary coal tar distillation business ("primary distillation") and the follow-on processing of selected products of primary distillation into refined products ("downstream"). Primary distillation products include CTP, which represents approximately half of the distillation yield, naphthalene oil and aromatic oils.

About 79% of the world production of CTP is consumed for the production of Carbon Anodes in the aluminum smelting process. For every ton of Aluminum, approximately 0.1 ton of CTP is consumed in the Aluminum production process. Therefore production of primary Aluminum is one of the most important determinants of CTP demand. The World CTP consumption by aluminum industry for 2014 is estimated to be about 4.8 million tons. China accounts for approximately 52% of total consumption while Europe together with the CIS countries account for approximately 18% and North America for about 7% of total consumption.

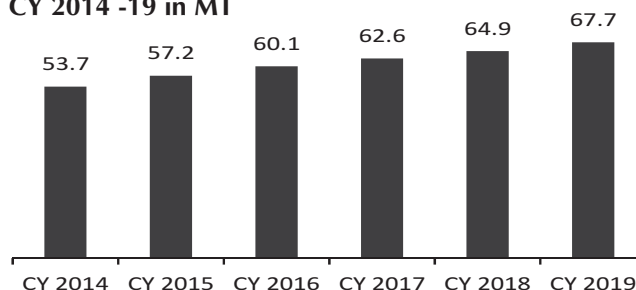
The highest increase of CTP consumption by the aluminum industry from 2013 to 2014 had been seen in the Middle East, Asia (including China) and Eastern Europe, while Western Europe was flat and in North America the consumption was shrinking.

According to the recent industry estimates, world demand for primary Aluminum totaled approximately 54.0 million metric tons in 2014 and is expected to grow to approximately 68.7 million metric tons by 2019, representing a CAGR of 5.0%. China accounts for approximately 50% of total demand for primary Aluminum, while Europe incl. Russia has a share of approximately 15% and North America a share of 12%. It is expected that China will increase its share in Aluminum consumption to about 53% of total demand for primary Aluminum by 2019 driven by continuous construction activities and higher exports. Western Europe is expected to have an increase in Aluminum production of about 2.1% (CAGR) driven by the transportation and packaging business.

World Aluminum Consumption Growth CY2014 -19 in MT



World Aluminum Production Growth CY 2014 -19 in MT



Source: Management Estimate and Industry

The primary distillation process results in production of Coal Tar Pitch, which represents approximately 48% of distillation yield; Chemical Oils such as Naphthalene Oil, which represents approximately 12% of the distillation yield and Aromatic Oils such as Creosote, Carbon Black Oil, which represents approximately 40% of the distillation yield.

Naphthalene as a chemical intermediate is mainly used as a precursor to other chemicals or as a solvent for chemical reaction. A popular use of Naphthalene is production of dispersants which are used in construction industry as superplasticizers and in production of concrete and gypsum. Therefore demand for Naphthalene is correlated to the construction industry. According to current industry estimates world construction output is going to increase at about 3.5%. For developed economies a growth rate of 2.7% for construction output is projected, while for emerging economies a growth rate of about 4.8% is expected. Naphthalene is also used in production of Phthalic Anhydride, where Naphthalene is a substitute of Ortho-Xylene. Advantages of using Naphthalene in manufacturing Phthalic Anhydride had been in the last years a cost advantage compared to Ortho-Xylene. Phthalic Anhydride is used in manufacturing plastics, polyester resins and alkyd resins. Phthalate esters from Phthalic anhydride are used as plasticizers in production of several PVC products.

Aromatic oils are sold to different industries. Creosote is used by the wood treatment industry for the impregnation of wood. Carbon black oil is primarily used by rubber and tire industry. Prices for aromatic oils are highly correlated to price of Fuel Oil. In the first two quarters of 2014 prices of Fuel Oil with 1% S FOB Rotterdam Barge were steady at a level over 600 USD/metric ton. Since third quarter prices decreased rapidly, by fourth quarter reached a level under 300 USD/metric ton.

After industrial processing, the products made from naphthalene and industrial oils are indispensable constituents of many articles of daily life. They are used,

for example, in the leather industry and the construction sector, and are processed into items such as car tires and pharmaceuticals.

THREATS AND CHALLENGES

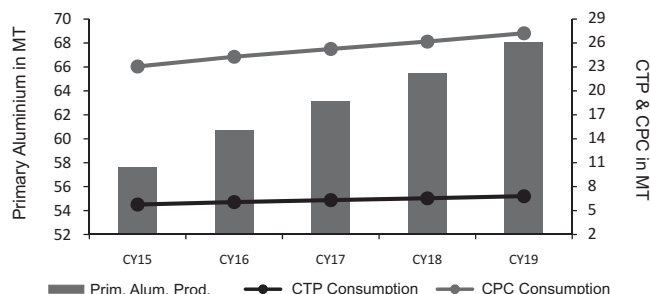
The key limitations for increasing the supply of CPC include the location of suitable new sites to facilitate production in close proximity to refiners and the availability of suitable quality GPC. GPC is a by-product of the oil refining process and is not produced with a view toward meeting the supply needs of the World's CPC or Aluminum producers. Changes in the economics of oil refiners over the past 15 to 20 years have resulted in a trend toward refining heavier and more Sour Crude oils. While refiners continue to build refining capacity (and therefore indirectly GPC production capacity), the worldwide supply of traditional Anode Grade GPC is expected to grow at a slower pace as refineries processing more Sour Crude oil, which results in lower quality, or fuel grade, GPC. As a result, global CPC producers have experienced and may continue to experience a reduction in the availability of the quality raw materials they require. To economically and efficiently support growth in the Aluminum industry, Rain Group believes that smelters and calciners will need to continue to work together to expand the existing quality specifications for CPC, and allow for more non-traditional alternative coke blends in the Anode Grade CPC production process. Rain's patented ICE technology is one method of utilizing inferior grades of GPC to produce CPC without compromising the product quality materially.

The key limitations for increasing the supply of CTP include the location of suitable new sites to facilitate production in close proximity to Cokeries and the availability of suitable quality Coal Tar. Coal tar is a liquid by-product produced by the Cokeries in the conversion process of coal into metallurgical coke and is not produced with a view toward meeting the supply needs of the World's CTP or Aluminum producers. The World Coal Tar production for 2014 is estimated to be about 23.1 million tons. With approximately 18% of total Coal Tar production in Europe and the CIS countries, supply of Coal tar for most of RÜTGERS Coal Tar distillation capacity, which also is located in Europe, is currently not under downside risk. In addition RÜTGERS strengthens its Coal Tar sourcing by about 20%, through its Russian JV.

Although the Aluminum industry has experienced production and consumption growth on a long-term basis, there may be cyclical periods of weak demand which could result in decreased primary Aluminum production. Rain Group's sales have historically declined

during such cyclical periods of weak Global demand for Aluminum.

World Production of Primary Aluminum & corresponding CTP & CPC Consumption 2015-19:



Source: Management Estimate and Industry

World GPC Trade:

In regards to Naphthalene and aromatic oils as by-products of primary distillation risks are related to the development of the demand of construction industry and the development of prices of correlated commodities. Decreasing Fuel Oil and Ortho-Xylene prices could reduce margins and competitiveness of Naphthalene and aromatic oils.

B) CHEMICALS

CHEMICALS INDUSTRY STRUCTURE AND DEVELOPMENT

The Chemical products of Rain Group are derived from the downstream refining of primary coal tar distillates and petro derivatives, like C9 and C10, into chemical products such as aromatic chemicals, superplasticizers and resins & modifiers. Therefore the supply of Chemicals depends on the one hand on CTP production and on the other hand on close proximity to refiners and the quantity of available suitable quality petro derivatives, like C9 and C10. These chemical products are used in a broad variety of end-markets including paints, coatings, construction, plastics, paper, tires, rail ties, insulation and foam. Primarily the Chemicals business can be categorized into four sub product categories:

Superplasticizers: The Superplasticizer business comprises Naphthalene and polymer-based products that are used especially as additives for gypsum and concrete, such as polymeric dispersants, which are used in the formulation of superplasticizers for the concrete industry. Our Superplasticizer business line is a leading supplier of dispersing agents for a wide range of uses from gypsum wallboards, textiles, leather tanning agents, pulp and paper through agricultural chemicals, ceramics, dyes and polymer emulsions to lead storage batteries as well as



electroplating and pigment slurries - our products are indispensable in numerous industries.

Resins & Modifiers: The Resins & Modifiers business line produces specialty resins, with a wide range of softening points and compatibilities, under the brand name "NOVARES" for the adhesive, coating, rubber and printing ink industries. In addition it produces modifiers for high-performance coating systems and environmentally friendly applications for the paper industry. Products are derived from a variety of raw materials, like carboindene, which are provided by group-internal supply, as well as C9 and C10 fractions, which are externally sourced.

Aromatic Chemicals: The Aromatic Chemicals business line extracts pure products derived from coal tar and other sources. These products comprise aromatic hydrocarbons as phenols, cresols, xyenols, carbazole and anthracene as well as 3,5-xyleneol and acetophenone. These substances are used in a wide range of industries, such as paper, pharmaceutical, pigments and fragrance industries and are essential in the manufacture of many products, such as paints, drugs, agrochemicals, fragrances, disinfectants, paper and dyestuffs. They are also used in applications in high-tech industries including magnet wire for electrical motors.

The global chemical volumes in 2014 were affected by recession in Europe and the slowdown in China and other emerging countries. With overall global production increase of 2.8%, growth in 2014 was nearly on same level as in 2013. The U.S. reached an annual growth rate of 2% and Europe of 1%. The growth in demand for Chemicals primarily depends on the manufacturing sector, which represents the primary customer base for Chemical Industry. After a Global annual growth of 3.8% of industrial production output in 2014 annual growth is projected to be 4.3% in 2015 and 2016, in particular led by Asia, USA and Eastern Europe.

With improving economic prospects, in particular through the development of the manufacturing sector, global annual growth in Chemicals is projected to be 3.6% in 2015 and 3.9% in 2016. The strongest effects will be originated by the developing nations of Asia-Pacific, Africa and the Middle East. Due to competitive advantages from shale gas, which led to increasing supply of cheap shale derived raw materials, like natural gas, North America is also expected to generate strong growth. According to U.S.'s chemical industry association ACC (American Chemistry Council), chemical output in the U.S. is expected to grow by 3.7% in 2015 and by 3.9% in 2016. As in Europe reliable access to low-cost feedstock from shale gas is not

available, growth is estimated to be more moderate. According to Europe's leading chemical industry association CEFIC, chemical production in Europe is expected to grow by only 1% in 2015. For Germany an estimated 1.5% growth for 2015 is expected, compared to a decrease of 0.5% in 2014. In general the global Chemical industry expects an improvement for the years to come through strengthening production volumes and global capacity utilization.

THREATS AND CHALLENGES

Key threats for Chemical business are the volatility in commodity pricing, as well as volatility in currency-exchange rates, and the availability of competitive raw material supply. Especially the prices of C9 or C10 fractions as well as benzene price depend on exchange rates and the price of Petroleum Oil and Fuel Oil.

Pricing and procurement risks are reduced through integrated management of sales and supply volumes/pricing, worldwide procurement, optimized processes and long term agreements to ensure reliable sourcing of additional raw material requirements.

The Company also witnessed some seasonality in Chemical business mainly due to wet and/or cold weather conditions in geographies where its plants and/or end customers are located, and due to general de-stocking and slower production at the end of the year.

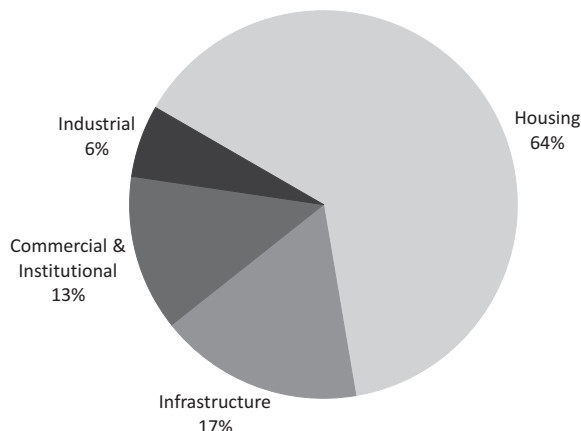
C) CEMENT

CEMENT INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian cement industry is the second largest market after China accounting for about 8% of the total global production. It had a total capacity of over 360 MillionTonnes as of financial year ended 2013-14 and the capacity is expected to increase to around 550 Million Tonnes by financial year 2019-20. Cement is a cyclical commodity with a high correlation with GDP. The housing sector is the biggest demand driver of cement, accounting for about 64% of the total consumption. The other major consumers of cement include infrastructure (17%), commercial construction (13%) and industrial construction (6%). During last couple of years, low capacity utilization coupled with weak prices and increasing input costs are causing performance pressure even on the most efficient Cement plants in India. Due to these subdued operating profits and high debt service obligations some of the companies have even deferred their expansion plans. With the improved demand from Infrastructure and Housing sectors coupled with limited capacity additions, the Cement capacity utilization

on Pan India basis has bottomed out in FY 2013-14 and is forecasted to slowly improve post 2014-15.

Cement Consumption by sector



Source: Management Estimate and Industry

The Indian cement industry grew at a commendable rate in the previous decade, registering a compounded growth of about 8%. However, the growth slowed down in the period 2011 to 2013 when cement consumption grew at an average rate of 4%. Moreover, the per capita consumption of cement in India still remains substantially low at about 192 kg when compared with the world average which stands at about 365 kg (excluding China). This underlines the tremendous scope for growth in the Indian cement industry in the long term.

Cement, being a bulk commodity, is a freight intensive industry and transporting it over long distances can prove to be uneconomical. This has resulted in cement being largely a regional play with the industry divided into five main regions viz. north, south, west, east and the central region. The Southern region of India has the highest installed capacity, accounting for about one-third of the country's total installed cement capacity.

Current position

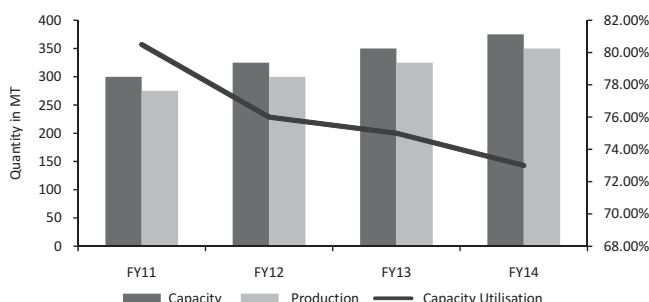
During the financial year 2013-14 (FY14), India's cement industry grew by 3-4% year-on-year (YoY). The subdued growth was mainly attributable to slowdown in construction activities, regulatory delays in infrastructural projects, high interest rates, prolonged monsoons and natural disasters such as floods and cyclone in some parts of the country. The industry witnessed high operating costs, including all major cost heads such as raw materials, energy and freight. The steep depreciation of the rupee and hike in rail freight and diesel prices further aggravated the concerns.

Near future

Cement demand is closely linked to the overall economic growth, particularly the housing and infrastructure sector. With the Government's thrust on housing and infrastructure development, cement demand is expected to increase in the near future. The weakness in the international crude oil prices and other commodities should help bring costs under control and improve profitability of the sector. If inflation comes under control, the likely lowering of interest rates would be a big positive for the cement sector.

While temporary challenges remain in the form of excess capacity, slowing the pace of capacity additions will improve the overall utilization levels. Also the long term drivers for cement demand remain intact. Higher government spending on infrastructure, robust growth in rural housing and rising per capita incomes would contribute to the growth of the industry.

Trend in cement capacity utilization levels



Source: Management Estimate and Industry

THREATS AND CHALLENGES

The Indian Cement industry has witnessed massive capacity addition of over 125 million tons during last five years with the growth in capacity addition is disproportionately high in South India. During the same period, South Indian Cement Capacity has increased by approximately 55 million tons. This has resulted in significant pressure on capacity utilization and price realization as well.

India's cement industry's average utilization has come down drastically from 100%+ level in financial year 2008 to ~73% in financial year 2014 led by weak demand over supply situation in the industry. We expect cement demand to improve and capacity utilization to bottom out in Second half of FY15, led by low pace in capacity addition and better demand prospects. The Southern region of the country was facing demand issues due to political instability and delay in projects across the sectors. However, with the reorganization of new states



with the split of Andhra Pradesh, we expect the demand to pick up and utilization to improve on the back of fresh demand for housing, urban and infrastructure development from the new states.

BUSINESS AND GROWTH STRATEGIES

Rain believes the scale of our vertically integrated Company will provide a platform to continue to develop higher-margin downstream products. The size and the excellent logistic network of Rain's plants allow the company to realize economies of scale. Rain has integrated its Coal Tar distillation operations with its downstream operations that efficiently use the products derived from its primary distillation process and allow it to generate incremental margins in excess of the margins that it generates through the sale of its primary distillation products. Rain believes it is one of the few Global operators to have implemented a fully integrated downstream production process in the Coal Tar distillation. In addition to providing a long-term and reliable source of coal tar supply, the Russian JV offers the flexibility to increase the volume of co-products resulting from primary coal tar distillation, which Rain plans to use to increase the production of downstream products.

Our Company wide strategy is to support process improvement and the development of new, higher margin products and technologies through research and development initiatives, with a focus on performance, sustainability and utilization of alternative raw materials. Rain intends to maximize efficiencies and minimize costs across the company by combining the purchasing, trading and R&D functions along all business segments and executing cost reduction initiatives.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems and procedures with regard to purchase of stores and other raw materials including components, plant and machinery equipment and for sale of goods and other assets.

The Company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled.

DISCUSSION ON FINANCIAL PERFORMANCE

During the period under review, the Company has achieved revenue from operations of Rs. 77.3 million

and net profit of Rs. 245.8 million on a Standalone basis. During the same period, the Company has achieved net revenue from operations of Rs. 119,369.9 million and net profit of Rs. 885.3 million on a Consolidated basis.

The Basic and Diluted Earnings Per Share of the Company as on December 31, 2014 is Rs. 0.73 on Standalone basis and Rs. 2.63 on Consolidated basis.

The Paid up Share Capital of the Company as on December 31, 2014 is Rs. 672,691,358 comprising of 336,345,679 Equity Shares of Rs. 2/- each fully paid-up.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skill, enabling them to adapt to contemporary technological advancements. Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through effective communication, meetings and negotiation.

The Company employs more than 2,500 employees directly and indirectly through its Subsidiaries across the World.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, statutes and other incidental factors.

On behalf of the Board of Directors
for **RAIN INDUSTRIES LIMITED**

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad

Date : February 27, 2015

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in India, compliance with the requirements of Corporate Governance is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Rain Industries Limited ("RIL"/the "Company") is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

2. BOARD OF DIRECTORS :

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at December 31, 2014, the Board of Directors ("Board") comprises of Nine Directors, of which eight are Non-Executive Directors. The Company has a non-executive chairman and five independent directors, comprise more than half the total strength of the Board.

The composition and category of the Board of Directors is as follows:

Sl. No.	Name of the Director	Designation	Category
1	Mr. N. Radhakrishna Reddy	Chairman	Non - Executive Director (Promoter)
2	Mr. N. Jagan Mohan Reddy	Managing Director	Executive Director (Promoter)
3	Mr. N. Sujith Kumar Reddy	Director	Non - Executive Director (Promoter)
4	Mr. S.L. Rao	Director	Independent Director
5	Mr. Dipankar Basu	Director	Independent Director
6	Mr. H.L. Zutshi	Director	Independent Director
7	Mr. G. Krishna Prasad	Director	Independent Director
8	Ms. Radhika Vijay Haribhakti ¹	Additional Director	Independent Director (Woman Director)
9	Mr. V. Narayanamurthy	Nominee Director	Non-Executive Director -Nominee of IDBI Bank

¹Ms. Radhika Vijay Haribhakti was appointed as an Additional Director (Independent Woman Director) on the Board of the Company with effect from November 6, 2014.

Other Directorships:

The number of directorships and memberships in the committees of Other Companies held by the Directors as on December 31, 2014 are as under:

Name of the Director	No. of Other Directorships*	In Other Companies**	
		Membership	Chairmanship
Mr. N. Radhakrishna Reddy	10	-	-
Mr. N. Jagan Mohan Reddy	8	1	-
Mr.N. Sujith Kumar Reddy	10	-	-
Mr. S.L. Rao	5	-	2
Mr. Dipankar Basu	5	1	2
Mr. H.L. Zutshi	1	1	-
Mr. G. Krishna Prasad	4	-	1
Ms. Radhika Vijay Haribhakti ¹	4	-	-
Mr. V. Narayanamurthy	-	-	-

¹Ms. Radhika Vijay Haribhakti was appointed as an Additional Director (Independent Woman Director) on the Board of the Company with effect from November 6, 2014.

* Includes directorships in the companies incorporated under the Companies Act, 1956.

** Includes only Audit and Shareholders Grievances Committee

None of the Directors hold Directorships in more than 15 Companies.

Board Meetings:

During the year ended December 31, 2014, five Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed four months.

The dates on which the Board meetings were held are February 26, 2014, March 28, 2014, May 8, 2014, August 14, 2014 and November 6, 2014.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended December 31, 2014 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	Number of Board Meetings		Attendance at AGM Held May 8, 2014
	Held	Attended	
Mr. N. Radhakrishna Reddy	5	5	Yes
Mr. N. Jagan Mohan Reddy	5	5	Yes
Mr. N. Sujith Kumar Reddy	5	5	Yes
Mr. G. Krishna Prasad	5	5	Yes
Mr. Yogesh Rastogi ¹	5	-	No
Mr. V. Narayanamurthy	5	-	No
Mr. S L Rao	5	4	Yes
Mr. Dipankar Basu	5	4	Yes
Mr. H L Zutshi	5	4	Yes
Ms. Radhika Vijay Haribhakti ²	5	1	No ²

¹ICICI Bank vide their letter dated September 24, 2014 had withdrawn its Nominee Director Mr. Yogesh Rastogi from the Board of the Company.

²Ms. Radhika Vijay Haribhakti was appointed as an Additional Director (Independent Woman Director) on the Board of the Company with effect from November 6, 2014.

Profile of Board of Directors

Brief resume of the Directors, nature of their expertise in specific functional areas and name of Companies in which they hold directorship and the membership of the committees of the Board are furnished hereunder:

- **Mr. N. Radhakrishna Reddy**

Mr. N. Radhakrishna Reddy (72 years) is the Chairman of Rain Industries Limited. He has more than 45 years of experience in Construction and Cement Industry. He has been a Director of the Company since 1984. Currently, he is also on the board of Rain Cements Limited, Renuka Cement Limited, Rain Coke Limited, PCL Financial Services Private Limited, Arunachala Holdings Private Limited, PR Cement Holdings Limited, Apeetha Enterprises Private Limited, Lakshmi Sea Foods Limited, Rain Entertainments Private Limited and Pragnya Priya Foundation. He is the member of Nomination and Remuneration Committee of Rain Cements Limited.

Mr. N. Radhakrishna Reddy holds 10,383,730 equity shares in the Company.

Mr. N. Radhakrishna Reddy, Chairman is the father of Mr. N. Jagan Mohan Reddy, Managing Director and Mr. N. Sujith Kumar Reddy, Director. Other than the said Directors, he is not related to any other Director.

- **Mr. N. Jagan Mohan Reddy**

Mr. N. Jagan Mohan Reddy (48 years) has a Bachelor of Science degree in Industrial Engineering from Purdue University, U.S.A. He is the founder of Rain CII Carbon (Vizag) Limited (successor of Rain Calcining Limited) that has started operations in 1998. He was instrumental in the acquisition of (i) Rain CII Carbon LLC (formerly CII Carbon LLC), a US based company, engaged in the business of manufacture and sale of Calcined Petroleum Coke (CPC) and generation of energy and (ii) RÜTGERS N.V., a Belgium-headquartered Coal Tar Pitch ("CTP") and Chemicals manufacturer. He provides strategy and guidance to the Senior Management of Rain Group.

He is presently the Managing Director of Rain Industries Limited and Director in Rain CII Carbon (Vizag) Limited, Rain Cements Limited, Rain Coke Limited, Renuka Cement Limited, Sujala Investments Private Limited, Focus India Brands Private Limited, Rain Entertainments Private Limited, Moonglow Company Business Inc, Rain Commodities (USA) Inc, Rain CII Carbon LLC, USA, Rain Carbon Inc., Rain Global Services LLC, USA, Rain CII Carbon Mauritius Limited, Pragnya Priya Foundation, Rain Carbon Holdings LLC, USA, Rain Global Holdings LLC, USA and Rain CTP Inc. and Rutgers N.V. He is the member of Audit Committee of Rain Cements Limited.

Mr. N. Jagan Mohan Reddy holds 100 equity Shares in the Company.

Mr. N. Jagan Mohan Reddy, Managing Director is son of Mr. N. Radhakrishna Reddy, Chairman and brother of Mr. N. Sujith Kumar Reddy, Director. Other than the said Directors, he is not related to any other Director of the Company.

- **Mr. N. Sujith Kumar Reddy**

Mr. N. Sujith Kumar Reddy (43 Years) holds a Bachelor's degree in Commerce. He has more than 20 years of experience in manufacturing and Construction Industry. He is the Managing Director of Rain Cements Limited, which manufactures and sells Cement under the brand name "Priya Cement". He is also Director of Renuka Cement Limited, Rain Coke Limited, PCL Financial Services Private Limited, Arunachala Holdings Limited, Apeetha Enterprises Private Limited, Nivee Holdings Private Limited, Nivee Property Developers Private Limited, Rain Entertainments Private Limited and PragnyaPriya Foundation.

Mr. N. Sujith Kumar Reddy holds 10,028,770 equity shares in the Company.

Mr. N. Sujith Kumar Reddy, Director is son of Mr. N. Radhakrishna Reddy, Chairman and brother of Mr. N. Jagan Mohan Reddy, Managing Director. Other than the said Directors, he is not related to any other Director.

- **Mr. Dipankar Basu**

Mr. Dipankar Basu (79 Years) was previously the Chairman of State Bank of India until his retirement in August, 1995. While serving as Chairman of State Bank of India, he served concurrently on the Boards of a number of SBI subsidiaries including those engaged in investment banking and fund management. Between 1996 and 1999, Mr. Basu served as a member of the Disinvestment Commission set up to advise the

Government of India on public sector disinvestments. During 1997-98, Mr. Basu was a member of the Narasimham Committee on Banking Sector Reforms. Later, during 2004-06, he was a member of the Appointments Board constituted by Government of India for selection of Chairman and Executive Directors of Public Sector Banks. Mr. Basu brings with him long experience and wide knowledge of financial markets in India. He has several years of Board level experience in companies engaged in a wide spectrum of businesses - both financial and non-financial. He is currently on the Boards of Chambal Fertilizers & Chemicals Ltd, SBI Cards and Payment Services Pvt Ltd, Asian Paints Ltd, Deepak Fertilizers & Petrochemicals Corp. Ltd and Rain CII Carbon (Vizag) Limited. He is at present a member of the Investment Advisory Committee of Army Group Insurance Fund and of the Empowered Committee on External Commercial Borrowings of Reserve Bank of India. He is the Chairman of Stakeholders Relationship Committee and Nomination and Remuneration Committee of Deepak Fertilisers & Petrochemicals Corp. Ltd., Chairman of Audit Committee and Member of Nomination and Remuneration Committee of Asian Paints Limited and Member of Audit Committee and Nomination and Remuneration Committee of Rain CII Carbon (Vizag) Limited. Mr. Basu received his Master of Arts (Economics) degree from Delhi University.

Mr. Dipankar Basu holds 140 equity shares in the Company and he is not related to any other Director of the Company.

- **Mr. S.L. Rao**

Mr. S L Rao (79 Years) is an economist, Distinguished Fellow, Emeritus at The Energy & Resources Institute (TERI), New Delhi, Board Member, Institute for Social and Economic Change, Bangalore, IIM Kozikode, CIRC-CUTS Institute of Regulation and Competition and Trustee, Bangalore International Centre and Aga Khan Foundation, India. He is Member of Advisory Committees including the Competition Commission of India, the Indian Energy Exchange. He has served for many years on other corporate and institutional Boards.

He was Director-General, National Council of Applied Economic Research, Delhi from 1990 to 1996 and was the first Chairman of the Central Electricity Regulatory Commission. He had earlier spent 28 years in management positions in Unilever, Warner Hindustan and Beardsell, five years as management consultant and designed and ran the National Management Programme (1987 to 1990). He is a columnist in the "Telegraph", Kolkata, "Financial Express" and "Deccan Herald". He is a widely read commentator on policy issues in many national and international publications. He has authored or edited 15 books; the last 3 were "Powering India" (Academic Foundation, 2011), "From Servants or Masters?" Evolution of Professional Management in India", (Global Business Press, 2007), and "Governing Power", (TERI Press, 2004).

He is on the Boards of Honeywell Automation India Limited, Kanoria Chemicals and Industries Ltd, Global Trust Capital Finance Pvt Ltd, Insight Alpha Pvt Ltd and Rain CII Carbon (Vizag) Ltd. He is Chairman of Audit Committee and Member of Nomination and Remuneration Committee of Honeywell Automation India Limited, Chairman of Nomination and Remuneration Committee of Kanoria Chemicals and Industries Ltd and Chairman of Audit Committee and Member of Nomination and Remuneration Committee of Rain CII Carbon (Vizag) Ltd.

Mr. S L Rao does not hold any equity shares of the Company and he is not related to any other Director of the Company.

- **Mr. H L Zutshi**

Mr. H L Zutshi (72 Years) was the Chairman & Managing Director of Hindustan Petroleum Corporation Ltd.(HPCL). HPCL is engaged in petroleum refining, marketing and exploration activities and has an annual turnover of over USD 38 billion. He retired from HPCL in May 2002 after serving as CMD for seven years. HPCL was the successor company of ExxonMobil in India, after the latter's activities was taken over by the Government of India in 1974.

Mr. Zutshi was also the Chairman of Mangalore Refineries and Petrochemicals Ltd (MRPL), a joint venture company between Aditya Birla Group of companies and HPCL, South Asia LPG Ltd, a joint venture between HPCL and TOTAL of France, HINCOL a joint venture between COLAS SA of France and HPCL and an Exploration & Production company called Prize Petroleum, joint venture between HPCL and HDFC, ICICI and TDCI.

He was a member of the Government of India appointed expert Sub-Committee for developing a policy paper on deregulation etc, which provided inputs for the Hydro Carbon Vision 2025. He was formerly Chairman of the Petroleum, Coal, Fertilizer and related products Division Council of Bureau of Indian Standards (BIS), New Delhi, Convener of the Financial Services Sector task force of the Department of Public Enterprises, which fixed annual performance targets of the Financial Services PSU'S. He was also Advisor Energy & Hydrocarbon to Mittal S.a.r.l, Luxomberg, and ABN Amro Investments. He was formerly Independent Director on the Boards of MMTC, MECON Ltd and IDBI Bank Ltd. He was also Special Director for BIFR on the boards of two companies.

Mr. Zutshi has had a brilliant academic record. He specialised in Mechanical Engineering and was trained in Management at the Administrative Staff College (Hyderabad), Indian Institute of Management (Ahmedabad) and Templeton College, Oxford University, UK.

Mr. Zutshi is presently the Managing Trustee of the Energy Research and Social Advancement Foundation, New Delhi, Ishwar Charitable Trust and also an Independent Director on the Board of Rain CII Carbon (Vizag) Limited. He is a member of India International Centre, New Delhi. He is the Member of Audit Committee and Chairman of Nomination and Remuneration Committee of Rain CII Carbon (Vizag) Limited.

Mr. H L Zutshi does not hold any equity shares of the Company and he is not related to any other Director of the Company.

- **Mr. G. Krishna Prasad**

Mr. G. Krishna Prasad (45 Years) holds a Bachelor's degree in Electronics Engineering from India and a Masters degree in Computer Science from Wayne State University, Detroit. He worked earlier with Ford Motor Company in Detroit prior to starting his companies in India. Mr. G. Krishna Prasad is at present Managing Director in Tecra Systems Private Limited and Emergency Dictation Software Services Private Limited and Director in Srinija Infrastructure Private Limited and Rain Cements Limited. He is the Chairman of Audit Committee and Nomination and Remuneration Committee of Rain Cements Limited.

Mr. G. Krishna Prasad does not hold any equity shares of the Company and he is not related to any other Director of the Company.

- **Ms. Radhika Vijay Haribhakti**

Ms. Radhika Vijay Haribhakti (57 years) has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch and now heads RH Financial, a boutique Investment Banking Firm focused on M&A and Private Equity. She is also closely involved with issues of Women Empowerment, Financial Inclusion and CSR.

In her long Banking career she has advised several large corporates and led their IPOs, FPOs, GDR and ADR offerings.

She is a Graduate in Commerce from Gujarat University and Post Graduate in Management from Indian Institute of Management (IIM), Ahmedabad.

She is an Independent Director on the Boards of NavinFlourine International Ltd, EIH Associated Hotels Ltd, Vistaar Financial Services Private Limited, ICRA Limited and ICRA Techno Analytics Limited.

She is the member of Audit Committee and Nomination and Remuneration Committee of ICRA Techno Analytics Limited and member of Audit Committee of ICRA Limited and Chairman of Nomination & Remuneration Committee and Employee Stock Option Scheme Compensation Committee of ICRA Limited.

She is also a member of the Governing Council of Citigroup Micro Enterprise Award and is the Former Chair of Friends of Women's World Banking (FWWB). She has served on various committees of Chambers of Commerce including CII's National Committee on Women Empowerment and Bombay Chamber of Commerce's Task Force on "Mumbai as Offshore Financial Centre".

Ms. Radhika Vijay Haribhakti does not hold any equity shares of the Company and she is not related to any other Director of the Company.

- **Mr. V. Narayanamurthy**

Mr. V. Narayanamurthy (51 years) holds Master's Degree in Business Economics and Financial Management and is a Certified Associate of the Indian Institute of Banking & Finance. He is the Nominee Director of IDBI Bank Limited. He is working with IDBI Bank Limited as General Manager and Executive Assistant to the Chairman & Managing Director. In a career spanning 26 years in IDBI Bank, he has gained experience in a wide range of functions including corporate banking, project appraisal, corporate planning & policy, corporate strategy & research, strategic investments and corporate communications.

Mr. V. Narayanamurthy is a Nominee Director on the Board of Janalakshmi Financial Services Private Limited.

Mr. V. Narayanamurthy does not hold any equity shares of the Company and he is not related to any other Director of the Company.

3. BOARD COMMITTEES:

The Company currently has the following Committees of the Board:

- Audit Committee;
- Nomination and Remuneration Committee; and
- Stakeholders Relationship, Grievance and Share Transfer Committee.

a) **Audit Committee**

Composition:

- The Audit Committee was constituted by the Board with 5 Independent Directors and 1 Non-executive Director (Nominee Director of IDBI Bank Limited) with Independent Director as its Chairman.
- The Head of Finance and Accounts, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

Audit Committee meetings :

- Four Audit Committee Meetings were held during the year ended December 31, 2014. The maximum time gap between any of the two meetings was not more than four months.
- The Audit Committee meetings were held on February 25, 2014, May 7, 2014, August 13, 2014 and November 5, 2014.

Composition of the Audit Committee and the details of meetings held and attended by its members are given below:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. S L Rao	Chairman	4	4
Mr. Dipankar Basu	Member	4	4
Mr. H L Zutshi	Member	4	4
Mr. G. Krishna Prasad	Member	4	3
Mr. Yogesh Rastogi ¹	Member	4	1
Mr. V. Narayanamurthy	Member	4	1
Ms. Radhika Vijay Haribhakti ²	Member	4	-

¹ ICICI Bank vide their letter dated September 24, 2014 had withdrawn its Nominee Director Mr. Yogesh Rastogi from the Board of the Company.

² Ms. Radhika Vijay Haribhakti was appointed as an Additional Director (Independent Woman Director) on the Board of the Company and Audit Committee with effect from November 6, 2014.

Terms of Reference:

The terms of reference of the Audit Committee are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
22. Review and monitor the auditor's independence and performance and effectiveness of audit process;
23. Examination of the financial statement and the auditors' report thereon;
24. Approval or any subsequent modification of transactions of the company with related parties;
25. Scrutiny of inter-corporate loans and investments;
26. Valuation of undertakings or assets of the company, wherever it is necessary;
27. Evaluation of internal financial controls and risk management systems;
28. Monitoring the end use of funds raised through public offers and related matters;
29. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company; and
30. The Audit Committee shall have authority to investigate into any matter in relation to the items specified (as mentioned at S.No. 21 to 28 above) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
31. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

b) Nomination and Remuneration Committee

Composition:

- The Nomination and Remuneration Committee was constituted by the Board with 5 Independent Directors and 1 Non-executive Director (Nominee Director of IDBI Bank) with Independent Director as its Chairman.
- The Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

Composition of the Committee is given below:

Name of the Director	Designation
Mr. H L Zutshi	Chairman
Mr. Dipankar Basu	Member
Mr. S L Rao	Member
Mr. G. Krishna Prasad	Member
Mr. V. Narayanamurthy	Member
Ms. Radhika Vijay Haribhakti ¹	Member

¹ Ms. Radhika Vijay Haribhakti was appointed as an Additional Director (Independent Woman Director) on the Board of the Company and Nomination and Remuneration Committee with effect from November 6, 2014.

Brief description of terms of reference

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- carry on the evaluation of every director's performance;
- formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity; and
- any other matter as the Board may decide from time to time.

Nomination and Remuneration Committee meetings

- During the period from January 1, 2014 to December 31, 2014, Nomination and Remuneration Committee Meetings were held on August 13, 2014 and November 5, 2014.

Composition of the Nomination and Remuneration Committee and the details of meetings held and attended by its members are given below:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. H L Zutshi	Chairman	2	2
Mr. Dipankar Basu	Member	2	2
Mr. S L Rao	Member	2	2
Mr. G. Krishna Prasad	Member	2	2
Mr. Yogesh Rastogi ¹	Member	2	-
Mr. V. Narayanamurthy	Member	2	-
Ms. Radhika Vijay Haribhakti ²	Member	2	-

¹ ICICI Bank vide their letter dated September 24, 2014 had withdrawn its Nominee Director Mr. Yogesh Rastogi from the Board of the Company.

² Ms. Radhika Vijay Haribhakti was appointed as an Additional Director (Independent Woman Director) on the Board of the Company and Nomination and Remuneration Committee with effect from November 6, 2014.

Nomination and Remuneration policy

- The compensation of the executive directors comprises of fixed component and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the executive directors is periodically reviewed and suitable revision is recommended to the Board by the committee.
- The Non-executive directors are paid sitting fees for attending meetings of Board/Committee.

Details of remuneration to all the Directors

Following are the details of sitting fees paid to the Directors for attending Board and Committee Meetings for the year ended December 31, 2014:

Name of the Director	Amount Rs.
Mr. N. Radhakrishna Reddy	1,60,000
Mr. G. Krishna Prasad	3,00,000
Mr. Yogesh Rastogi ¹	20,000
Mr. V. Narayanamurthy ²	20,000
Mr. S L Rao	3,00,000
Mr. Dipankar Basu	3,00,000
Mr. H L Zutshi	3,00,000
Ms. Radhika Vijay Haribhakti ³	50,000

¹ Paid to ICICI Bank

² Paid to IDBI Bank

³ Ms. Radhika Vijay Haribhakti was appointed as an Additional Director (Independent Woman Director) on the Board of the Company, Audit and Nomination and Remuneration Committee with effect from November 6, 2014.

Mr. N. Radhakrishna Reddy, Mr. Dipankar Basu, Mr. S.L. Rao, Mr. H.L. Zutshi, Mr. G. Krishna Prasad, Ms. Radhika Vijay Haribhakti, Mr. V. Narayana Murthy and Mr. Yogesh Rastogi, Non-Executive Directors were paid sitting fees for attending the Meetings.

The Remuneration paid to the Whole-time Directors during the year is as follows:

Name of the Director and Designation	Salary	Benefits	Bonuses	Pension	Commission	Service contracts	Notice period	Total
Mr. N. Jagan Mohan Reddy, Managing Director	96,00,000	38,72,000	-	-	-	Appointed for a period of 5 years w.e.f. 10th February, 2011	As per the Rules of the Company	1,34,72,000

There were no severance fees, stock option plan or performance linked incentive for the Executive/ Non-Executive Directors. The appointment of Managing Director is made for a period of five years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings.

Shares held by Non-Executive Directors

The number of equity shares of the Company held by Non-Executive Directors, as on December 31, 2014 are as follows:

Name of the Director	No. of Equity Shares (face value of Rs. 2 each) held in the Company
Mr. N. Radhakrishna Reddy	10,383,730
Mr. N. Sujith Kumar Reddy	10,028,770
Mr. G. Krishna Prasad	-NIL -
Mr. V. Narayanamurthy	-NIL -
Mr. S L Rao	-NIL -
Mr. Dipankar Basu	140
Mr. H L Zutshi	-NIL -
Ms. Radhika Vijay Haribhakti	-NIL-

c) Stake Holders Relationship, Grievance and Share Transfer Committee
Composition

The Committee consists of the following Directors:

Name of the Director	Designation
Mr. N. Radhakrishna Reddy	Chairman
Mr. N. Jagan Mohan Reddy	Member
Mr. N. Sujith Kumar Reddy	Member

Terms of Reference

- Stake Holders Relationship, Grievance and Share Transfer Committee oversees and reviews all matters connected with the securities transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual reports/dividends, etc.
- The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

Name and designation of Compliance Officer:

Mr. S. Venkat Ramana Reddy, Company Secretary

Email-id for Investor Grievances: secretarial@rain-industries.com

Number of Shareholders complaints received so far.

- During the year ended December 31, 2014, the Company has received and resolved 218 complaints and there were no pending complaints as at the year end.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

4. GENERAL BODY MEETINGS:

The details of date, location and time of the last three Annual General Meetings held are as under:

Financial year ended December, 31	Date	Time	Venue
2013	May 8, 2014	11.00 AM	KLN Prasad Auditorium, FAPCCI, Red Hills, Hyderabad-500 004.
2012	April 27, 2013	11.00 AM	
2011	April 25, 2012	11.00 AM	

Special Resolutions passed during the previous three Annual General Meetings:

- 39th Annual General Meeting - May 8, 2014 - No special resolutions were passed.
- 38th Annual General Meeting - April 27, 2013

Appointment of Mr. Jagan Mohan Reddy Nellore (Managing Director of the Company) as Chief Executive Officer of CPC Holdings USA LLC., (CPCUSA), a step down wholly owned subsidiary company.

- 37th Annual General Meeting - April 25, 2012 - No special resolutions were passed.

iv) Special resolution passed last year through postal ballot

Special Resolution was passed pursuant to postal ballot notice dated August 14, 2014 to seek approval of Members for the following:

- Authorisation to the Board of Directors to borrow monies beyond the paid-up capital and free reserves pursuant to Section 180(1)(c) of the Companies Act, 2013.
- Authorisation to the Board of Directors to create mortgage/charge/pledge/Hypothecation on the properties of the Company for securing loans etc., pursuant to Section 180(1)(a) of the Companies Act, 2013.

- (c) Authorisation to the Board of Directors to enter into contracts/arrangements/transactions with Related Parties under Section 188 of the Companies Act, 2013.
- (d) Amendment of Articles of Association of the Company in consistent with the Companies Act, 2013.
- (e) Authorisation to the Board of Directors to make investments, give loans, provide guarantee or security under section 186 of the Companies Act, 2013.
- (f) Authorisation to the Board of Directors to pay Commission to the Non-Executive Directors of the Company under section 197 and 198 of the Companies Act, 2013.
- (g) Amendment of Clause III(A) i.e., Main objects and deletion of Clause III(C) i.e., other objects in the Memorandum of Association of the Company under Section 13 of the Companies Act, 2013.

The details of voting pattern for postal ballot are given below:

Resolution (a)	Promoter/ Public	No. of Equity shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=	(4)	(5)	(6)=	(7)=
				[(2)/(1)] *100			[(4)/(2)] *100	[(5)/(2)] *100
Authorisation to the Board of Directors to borrow monies beyond the paid-up capital and free reserves pursuant to Section 180(1)(c) of the Companies Act, 2013.	Promoter and Promoter Group	146,052,385	137,463,460	94.12	137,463,460	-	100.000	-
	Public - Institutional Holders	135,077,948	52,743,112	39.05	52,743,112	-	100.000	-
	Public - Others	55,215,346	2,958,206	5.36	2,942,781	10,540	99.479	0.356
	Total	336,345,679	193,164,778	57.43	193,149,353	10,540	99.992	0.005

Resolution (b)	Promoter/ Public	No. of Equity shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=	(4)	(5)	(6)=	(7)=
				[(2)/(1)] *100			[(4)/(2)] *100	[(5)/(2)] *100
Authorisation to the Board of Directors to create mortgage/ charge/pledge/ Hypothecation on the properties of the Company for securing loans etc., pursuant to Section 180(1)(a) of the Companies Act, 2013.	Promoter and Promoter Group	146,052,385	137,463,460	94.12	137,463,460	-	100.000	-
	Public - Institutional Holders	135,077,948	52,743,112	39.05	52,743,112	-	100.000	-
	Public - Others	55,215,346	2,958,206	5.36	2,943,396	8,910	99.499	0.301
	Total	336,345,679	193,164,778	57.43	193,149,968	8,910	99.992	0.005



Resolution (c)	Promoter/ Public	No. of Equity shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=	(4)	(5)	(6)=	(7)=
				$[(2)/(1)]$ *100			$[(4)/(2)]$ *100	$[(5)/(2)]$ *100
Authorisation to the Board of Directors to enter into contracts/ arrangements/ transactions with Related Parties under Section 188 of the Companies Act, 2013.	Promoter and Promoter Group	146,052,385	137,463,460	94.12	-	-	-	-
	Public - Institutional Holders	135,077,948	52,743,112	39.05	52,743,112	-	100.000	-
	Public - Others	55,215,346	2,958,206	5.36	1,479,451	9,465	50.012	0.320
	Total	336,345,679	193,164,778	57.43	54,222,563	9,465	28.071	0.005

Resolution (d)	Promoter/ Public	No. of Equity shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=	(4)	(5)	(6)=	(7)=
				$[(2)/(1)]$ *100			$[(4)/(2)]$ *100	$[(5)/(2)]$ *100
Amendment of Articles of Association of the Company in consistent with the Companies Act, 2013.	Promoter and Promoter Group	146,052,385	137,463,460	94.12	137,463,460	-	100.000	-
	Public - Institutional Holders	135,077,948	52,743,112	39.05	52,566,741	176,371	99.666	-
	Public - Others	55,215,346	2,958,206	5.36	2,946,201	5,700	99.594	-
	Total	336,345,679	193,164,778	57.43	192,976,402	182,071	99.902	0.094



Resolution (e)	Promoter/ Public	No. of Equity shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=	(4)	(5)	(6)=	(7)=
				[(2)/(1)] *100			[(4)/(2)] *100	[(5)/(2)] *100
Authorisation to the Board of Directors to make investments, give loans, provide guarantee or security under section 186 of the Companies Act, 2013.	Promoter and Promoter Group	146,052,385	137,463,460	94.12	137,463,460	-	100.000	-
	Public - Institutional Holders	135,077,948	52,743,112	39.05	48,748,700	3,994,412	92.427	7.573
	Public - Others	55,215,346	2,958,206	5.36	2,927,596	24,165	98.965	0.817
	Total	336,345,679	193,164,778	57.43	189,139,756	4,018,577	97.916	2.080

Resolution (f)	Promoter/ Public	No. of Equity shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=	(4)	(5)	(6)=	(7)=
				[(2)/(1)] *100			[(4)/(2)] *100	[(5)/(2)] *100
Authorisation to the Board of Directors to pay Commission to the Non-Executive Directors of the Company under section 197 and 198 of the Companies Act, 2013.	Promoter and Promoter Group	146,052,385	137,463,460	94.12	137,463,460	-	100.000	-
	Public - Institutional Holders	135,077,948	52,743,112	39.05	52,743,112	-	100.000	-
	Public - Others	55,215,346	2,958,206	5.36	2,923,055	28,346	98.812	0.958
	Total	336,345,679	193,164,778	57.43	193,129,627	28,346	99.982	0.015

Resolution (g)	Promoter/ Public	No. of Equity shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=	(4)	(5)	(6)=	(7)=
				[(2)/(1)] *100			[(4)/(2)] *100	[(5)/(2)] *100
Amendment of Clause III (A) i.e., Main objects and deletion of Clause III (C) i.e., other objects in the Memorandum of Association of the Company under Section 13 of the Companies Act, 2013.	Promoter and Promoter Group	146,052,385	137,463,460	94.12	137,463,460	-	100.000	-
	Public - Institutional Holders	135,077,948	52,743,112	39.05	52,743,112	-	100.000	-
	Public - Others	55,215,346	2,958,206	5.36	2,942,621	9,085	99.473	0.307
	Total	336,345,679	193,164,778	57.43	193,149,193	9,085	99.992	0.005

The Board had appointed Mr. D.V.M. Gopal, Practicing Company Secretary as Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner.

The procedure for Postal Ballot is as per section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014.

The scrutiniser submitted a report to the Chairman stating that the resolutions have been duly passed by the members with requisite majority.

5. DISCLOSURES:

a) Related party transactions

During the year ended December 31, 2014, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Note 31 to the Annual Accounts.

b) Details of non-compliance etc.,

A Statement of Compliance with all Laws and Regulations as certified by the Managing Director and Company Secretary is placed at periodic intervals for review by the Board.

There were no instances of non-compliance, penalty or strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

c) Disclosure of Accounting Treatment:

The Company has followed the accounting standards in the preparation of its financial statements.

d) Whistle Blower policy

The Board of Directors of the Company had adopted the Whistle Blower Policy and appointed an ombudsman. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct policy.

The Audit Committee reviews periodically the functioning of whistle blower mechanism.

No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also hosted on the website of the Company: www.rain-industries.com.

The ombudsman had not received any complaint during the Financial Year ended 31st December, 2014.

e) Board Disclosures - Risk Management

The Company has constituted Risk Management Committee and Risk Management Policy which has been adopted by the Board of Directors. Currently, the Company's risk management approach comprises of the following:

- Governance of Risk
- Identification of Risk
- Assessment and control of Risk

The risks have been prioritized through a company-wide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company had appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

The details of Risks identified and mitigation measures undertaken are presented to the Board of Directors and the Audit Committee on a quarterly basis. The Board and the Audit Committee provides oversight and review the risk management policy periodically.

A detailed note on the risks is included in the Management Discussion and Analysis annexed to the Directors' Report.

f) Subsidiary Companies

The Company has two material unlisted subsidiaries in India. An independent director of the Company is a director on the Board of these subsidiaries. The Audit Committee of the Company reviews the financial statements of the subsidiaries and the minutes of the Board meetings of these subsidiaries are also periodically placed at the Board meeting of the Company.

g) Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis.

h) CEO and CFO Certification

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement and is separately annexed.

i) Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended December 31, 2014, there were no proceeds from public issues, rights issues, preferential issues, etc.

j) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. Separate persons to the post of Chairman and Managing Director and Reporting of Internal Auditors to the Audit Committee have been adopted from non-mandatory requirements.

k) Details about familiarization of programme.

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events as per Clause 36 of the Listing Agreement, Policy on material subsidiaries, Whistle blower policy, Risk Management Policy and Corporate Social Responsibility policy.

The Statutory Auditors and Internal Auditors of the Company have made a presentation to the Board of Directors with regard to provisions of Companies Act, 2013 and amended Clause-49 of the Listing Agreement and its impact on the Company. Further Statutory Auditors and Senior Management will make a presentation to the Board of Directors on regulatory changes while approving the Quarterly Financial Results.

Web link: www.rain-industries.com/Investor Relations

l) Policy on Material Subsidiaries.

In terms of Clause 49 of the listing agreement, the Board of Directors have adopted a policy with regard to determination of Material Subsidiaries.

The policy is placed on the website of the company www.rain-industries.com

m) Related Party Transactions policy.

In terms of Clause 49 of the listing agreement, the Board of Directors of the Company have adopted a policy to determine Related Party Transactions.

The policy is placed on the website of the company www.rain-industries.com

6. MEANS OF COMMUNICATION

a) Quarterly results

The quarterly results of the Company are published in accordance with the requirements of the listing agreement, in widely circulated news papers namely Business Standard (English daily) and Andhra Prabha (Telugu daily).

b) News releases, presentations, etc.

Official news releases along with quarterly results are displayed on the Company's website: www.rain-industries.com

The Company presentations made to the investors/ analysts are placed on the Company's website: www.rain-industries.com

c) Management Discussion and Analysis (MDA) Report

The report on MDA is annexed to the Directors' Report and forms part of this Annual Report.

7. GENERAL SHAREHOLDER INFORMATION

- a) **Annual General Meeting** : 40th Annual General Meeting
Date : June 11, 2015
Time : 11:00 a.m.
Venue : KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State.
- b) **Financial Calendar** : January 1, 2015 to December 31, 2015. Tentative Schedule for considering Financial Results:
For the Quarter ending March 31, 2015 : April/May, 2015
For the Quarter ending June 30, 2015 : July/August, 2015
For the Quarter ending September 30, 2015 : October /November, 2015
For the Quarter/Year ending December 31, 2015 : January/February, 2016
- c) **Dates of Book Closures** : 4th June, 2015 to 11th June, 2015 (both days inclusive)
- d) **Dividend Payment Date** : -NIL-
- e) **Listing on Stock Exchanges:** Company's equity shares are listed at:

Name and Address of the Stock Exchange	Scrip Code
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal street, Mumbai-400 001.	500339
National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot # C/1, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	RAIN

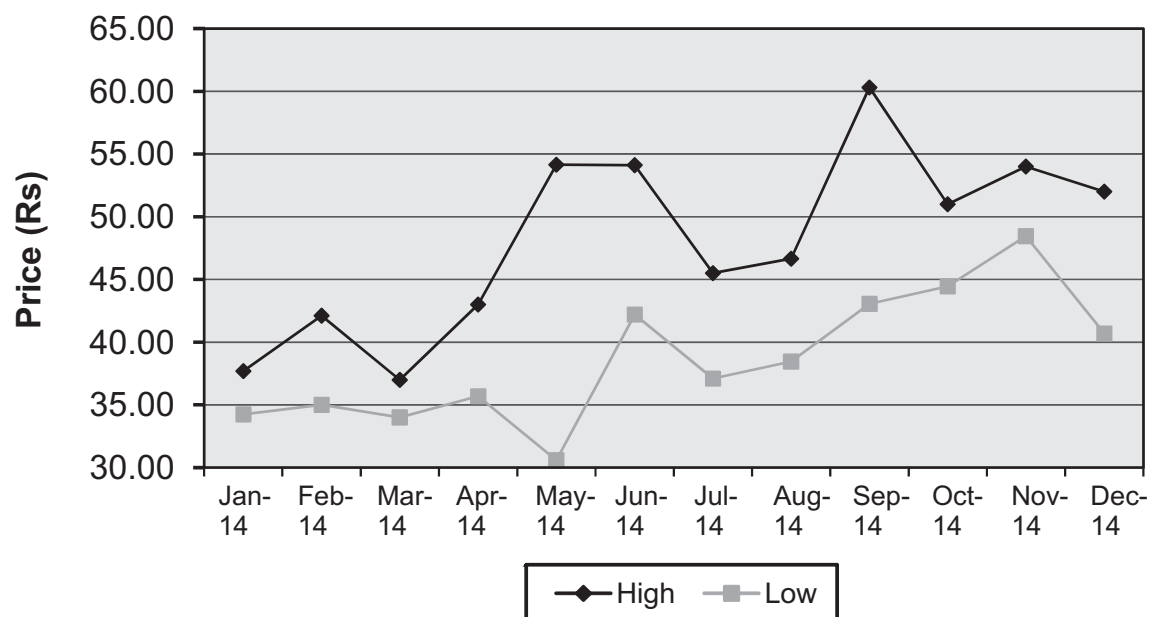
The listing fees for the year 2014-15 has been paid to the above stock exchanges.

f) Market Price Data: High and low during each month from January 1, 2014 to December 31, 2014.

BSE LIMITED (BSE)

Month	High (Rs.)	Low (Rs.)	No. of Shares traded
January, 2014	37.70	34.25	201,943
February, 2014	42.10	35.00	983,676
March, 2014	37.00	34.00	1,116,468
April, 2014	43.00	35.70	578,740
May, 2014	54.15	30.60	30,334,138
June, 2014	54.10	42.20	4,051,400
July, 2014	45.50	37.10	1,871,623
August, 2014	46.65	38.45	2,224,447
September, 2014	60.30	43.05	8,307,800
October, 2014	51.00	44.45	1,387,536
November, 2014	54.00	48.45	2,405,669
December, 2014	52.00	40.70	1,293,116

Share Prices at BSE

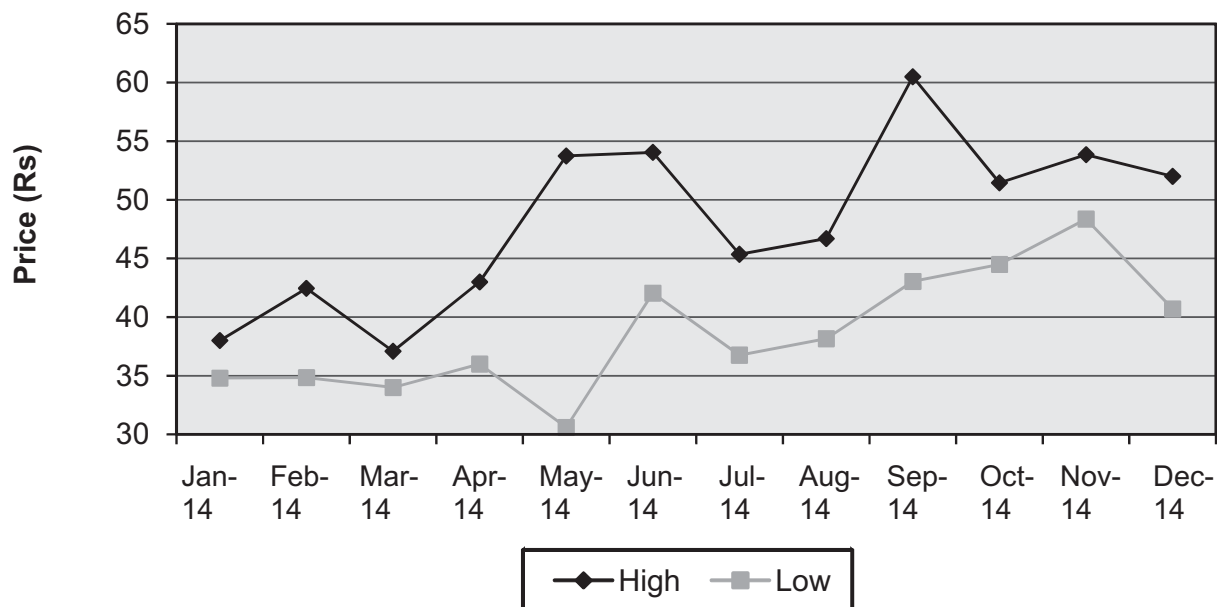




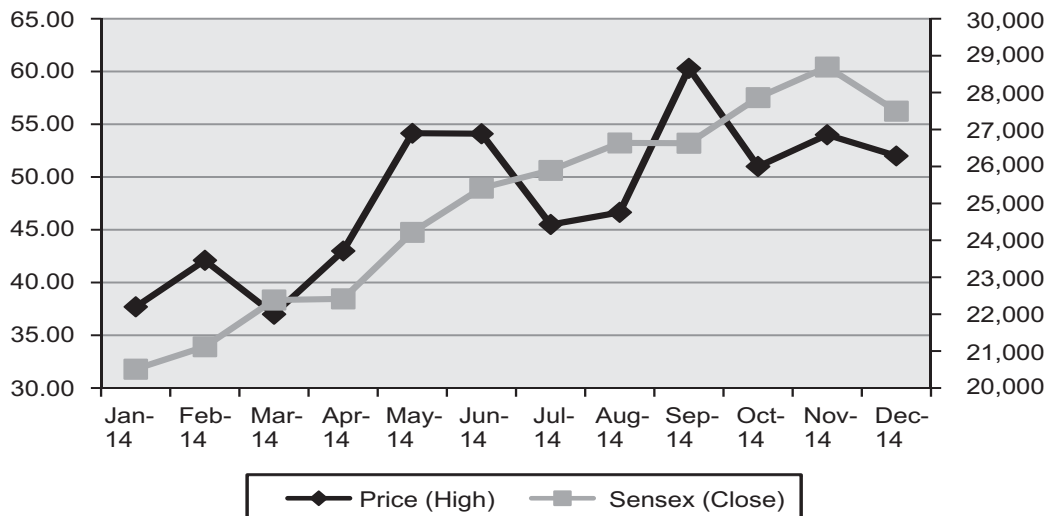
NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

Month	High (Rs.)	Low (Rs.)	No. of Shares traded
January, 2014	38.00	34.80	7,47,590
February, 2014	42.45	34.85	27,02,135
March, 2014	37.10	34.00	14,71,704
April, 2014	43.00	36.00	31,39,800
May, 2014	53.75	30.60	3,84,63,444
June, 2014	54.05	42.05	1,15,50,174
July, 2014	45.35	36.75	78,66,986
August, 2014	46.70	38.15	92,21,339
September, 2014	60.50	43.05	3,04,02,533
October, 2014	51.45	44.50	49,96,789
November, 2014	53.85	48.35	11,028,326
December, 2014	52.00	40.70	4,437,205

Share Prices at NSE

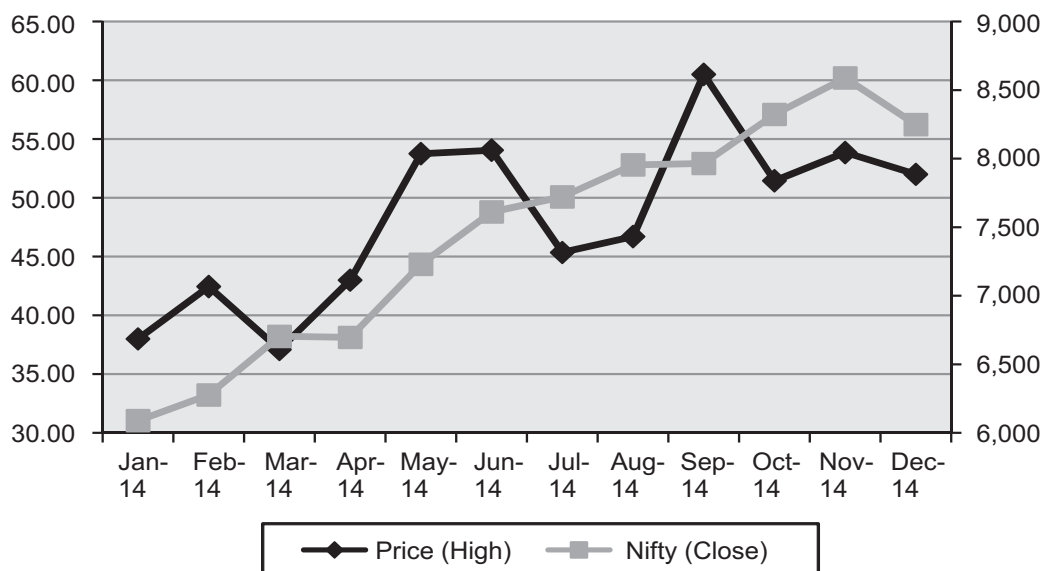


g) Performance in comparison to broad based indices of BSE Sensex:



Comparison between the Share price- High and Sensex index close price.

Performance in comparison to broad based indices of Nifty:



Comparison between the Share price- High and Nifty index close price.

h) Registrar & Share Transfer Agents:

(for Shares held in both Physical and Demat mode)

Karvy Computershare Private Limited

(Unit: Rain Industries Limited)

Plot No.17 to 24, Vittal Rao Nagar,

Madhapur, Hyderabad - 500 081,

Telangana State.

CIN: U74140TG2003PTC041636

Phone # 91-40-44655189; Fax # 91-40-23420814 / 23420857

Email id: murthy.psrch@karvy.com



i) Share transfer System and Dematerialization of Shares:

SEBI vide its Circular No. CIR/MIRSD/8 /2012, dated July 5, 2012 has reduced the time-line for registering the transfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

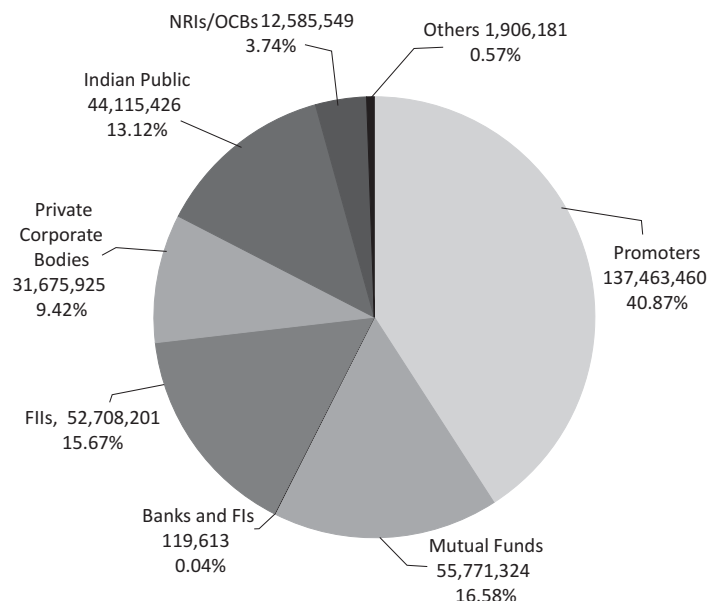
Any transferee who wishes to dematerialize the shares may approach a Depository participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 21 days of receipt.

j) Distribution of Share holding

Share holding pattern as on December 31, 2014:

Sl.No.	Category	No. of shares held	Percentage of shareholding
1.	Promoters/Directors/ Associates	137,463,460	40.87
2.	Mutual Funds and UTI	55,771,324	16.58
3.	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	119,613	0.04
4.	FII's	52,708,201	15.67
5.	Private Corporate Bodies	31,675,925	9.42
6.	Indian Public	44,115,426	13.12
7.	NRIs/OCBs	12,585,549	3.74
8.	Others	1,906,181	0.57
	TOTAL	336,345,679	100.00



Distribution of Share holding as on December 31, 2014

Shares or Debenture Holding of nominal value of	Share/Debenture Holder		Shares	Share/Debenture Holder	
	Number	% to Total Nos		In Rs.	% to Total Amount
1 - 5,000	39,227	93.27	21,539,033	43,078,066	6.40
5,001 - 10,000	1,521	3.62	5,819,022	11,638,044	1.73
10,001 - 20,000	598	1.42	4,430,857	8,861,714	1.32
20,001 - 30,000	224	0.53	2,847,424	5,694,848	0.85
30,001 - 40,000	88	0.21	1,602,849	3,205,698	0.48
40,001 - 50,000	94	0.22	2,159,857	4,319,714	0.64
50,001 - 100,000	108	0.26	3,945,471	7,890,942	1.17
100,001 and above	197	0.47	294,001,166	588,002,332	87.41
TOTAL	42,057	100.00	336,345,679	672,691,358	100.00

k) Dematerialisation of Shares & Liquidity

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

323,183,229 equity shares were dematerialised representing 96.09 % of the total paid up equity share capital of the Company as on December 31, 2014.

ISIN: INE855B01025

l) Plant Locations:

None

m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

The Company has not issued any GDRs/ADRs and there are no outstanding warrants or any Convertible instruments.

n) Address for Correspondence:
Company Secretary

Rain Industries Limited
 Regd. Off: "Rain Center", 34, Srinagar Colony,
 Hyderabad - 500 073, Telangana State, India.
 Phone No. 040-40401234, 040-40401259
 Fax No. 040-40401214.
 CIN: L26942TG1974PLC001693

E-mail: secretarial@rain-industries.com (for investor grievance)

Website: www.rain-industries.com

On behalf of the Board of Directors
 for **Rain Industries Limited**

N. Jagan Mohan Reddy
 Managing Director
 DIN: 00017633

N. Sujith Kumar Reddy
 Director
 DIN: 00022383

Place : Hyderabad
Date : February 27, 2015

DECLARATION

As provided under Clause-49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended December 31, 2014.

for **Rain Industries Limited**

Place: Hyderabad
Date : February 27, 2015

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

CEO AND CFO CERTIFICATE

We hereby certify that :

- a) we have reviewed financial statements and the cash flow statement for the **Financial Year ended 31st December, 2014** and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

For **Rain Industries Limited**

Place: Hyderabad
Date : February 27, 2015

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

Auditor's certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

**To,
The Members of Rain Industries Limited (Formerly Rain Commodities Limited)**

We have examined the compliance of conditions of Corporate Governance by Rain Industries Limited (Formerly Rain Commodities Limited) ('the Company') for the year ended December 31, 2014, as stipulated in clause 49 of the Listing Agreement of the company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

for B S R & Associates LLP
Chartered Accountants
Firm registration Number: 116231W/ W-100024

Place: Hyderabad
Date : February 27, 2015

Sriram Mahalingam
Partner
Membership Number: 049642



INDEPENDENT AUDITOR'S REPORT

To the Members of

Rain Industries Limited

(formerly Rain Commodities Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Rain Industries Limited (Formerly Rain Commodities Limited), ("the Company"), which comprises the Balance Sheet as at December 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") and Section 133 of the Companies Act, 2013 ("2013 Act") to the extent applicable. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act/ 2013 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2014;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227 (3) of the Act/ Section 143(3) of the 2013 Act to the extent applicable, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act and Section 133 of the 2013 Act to the extent applicable;
 - on the basis of written representations received from the directors as on December 31, 2014, and taken on record by the Board of Directors, none of the director is disqualified as on December 31, 2014, from being appointed as a director in terms of sub-section (2) of Section 164 of the 2013 Act.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration Number: 116231W/ W-100024

Sriram Mahalingam

Partner

Hyderabad
February 27, 2015

Membership Number: 049642

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report of even date to the members of Rain Industries Limited (formerly Rain Commodities Limited) ("the Company") on the financial statements for the year ended December 31, 2014. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in a period of two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, physical verification of all fixed assets was carried during the previous financial year.
- (c) Fixed assets disposed of during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) As explained to us, the Company's activities primarily include service revenue and trading in inventory of petroleum coke products. No trading activity was carried out during the year and no inventory was held during and as at the year end. Thus, paragraph 4(ii) of the Order is not applicable.
- (iii) (a) The Company has granted loans to two subsidiary companies covered in the register maintained under Section 301 of the Companies Act, 1956 ("the Act")/ Section 189 of the Companies Act, 2013 ("2013 Act") (as applicable). The maximum amount outstanding during the year was Rs. 3,023,013 thousands and the year-end balance of such loans was Rs.2,495,991 thousands. The Company has not granted any loan to firms or other parties covered in the register maintained under Section 301 of the Act/ Section 189 of the 2013 Act (as applicable).
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to two subsidiary companies listed in the register maintained under Section 301 of the Act/Section 189 of the 2013 Act (as applicable) are not, prima facie, prejudicial to the interest of the Company.
- (c) In the case of loans granted to two subsidiary companies listed in the register maintained under Section 301 of the Act/ Section 189 of

the 2013 Act (as applicable), the borrowers have been generally regular in repaying the principal amounts as stipulated and in the payment of interest.

- (d) There are no overdue amounts of more than Rupees one lakh in respect of loans granted to two subsidiary companies listed in the register maintained under Section 301 of the Act/ Section 189 of the 2013 Act (as applicable).
- (e) The Company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 of the Act/ Section 189 of the 2013 Act (as applicable) and accordingly clause 4(iii)(f) and clause 4(iii)(g) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirement and that goods sold and services rendered are for the specialised requirement of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weaknesses in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts and arrangements referred to in Section 301 of the Act/ Section 189 of the 2013 Act (as applicable) have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs.5 lakhs with any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except for certain services rendered that are for the specialised requirements of the buyers for which suitable alternative sources are not readily available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appears reasonable.

- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act/Section 148(2) of the 2013 Act (as applicable) for any of the goods sold/ services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Wealth Tax, Customs Duty, Service Tax, Investor Education and Protection Fund and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance and Excise duty.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales-tax, Wealth Tax, Customs Duty, Service Tax and other material statutory dues that were in arrears as at December 31, 2014 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Sales tax, Wealth tax, Service tax and Customs duty which have not been deposited with appropriate authorities on account of any disputes. However, the Company disputes the following Income tax dues:

<i>Name of the Statute</i>	<i>Nature of the Dues</i>	<i>Amount in thousands (Rs.)</i>	<i>Period to which the amount relates</i>	<i>Forum where dispute is pending</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>91,243 (91,243)*</i>	<i>AY 2004-05</i>	<i>Honorable High Court of Andhra Pradesh</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>158,773 (12,808)*</i>	<i>AY 2008-09</i>	<i>Income Tax Appellate Tribunal</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>167,759</i>	<i>AY 2009-10</i>	<i>Income Tax Appellate Tribunal</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>200,440</i>	<i>AY 2010-11</i>	<i>Income Tax Appellate Tribunal</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>54,760</i>	<i>AY 2011-12</i>	<i>Deputy Commissioner of Income Tax</i>

*Amount in parenthesis represents amount paid under protest.

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanation given to us and on the basis of



- our examination of the books of account, the term loans obtained by the Company were applied for the purpose for which such loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act/ Section 189 of the 2013 Act (as applicable).
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for B S R & Associates LLP

Chartered Accountants

Firm registration Number: 116231W/ W-100024

Sriram Mahalingam

Partner

Hyderabad
February 27, 2015

Membership Number: 049642

BALANCE SHEET AS AT DECEMBER 31, 2014

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	Note	As at December 31, 2014	As at December 31, 2013
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	672,691	672,691
(b) Reserves and surplus	4	2,522,223	2,612,773
		3,194,914	3,285,464
2. Non-current liabilities			
(a) Long-term borrowings	5	2,178,552	1,683,680
(b) Deferred tax liabilities (net)	6	-	-
(c) Long-term provisions	7	2,461	2,031
		2,181,013	1,685,711
3. Current liabilities			
(a) Trade payables	8	2,017	2,013
(b) Other current liabilities	9	647,571	635,845
(c) Short-term provisions	10	112,689	112,359
		762,277	750,217
TOTAL		6,138,204	5,721,392
B. ASSETS			
1. Non-current assets			
(a) Fixed assets	11	104,075	106,495
(b) Non-current investments	12	3,035,949	3,035,949
(c) Long-term loans and advances	13	1,872,546	1,030,233
		4,908,495	4,066,182
2. Current assets			
(a) Trade receivables	14	13,205	58,254
(b) Cash and bank balances	15	282,003	493,526
(c) Short-term loans and advances	16	799,108	983,187
(d) Other current assets	17	31,318	13,748
		1,125,634	1,548,715
TOTAL		6,138,204	5,721,392
Corporate Information	1		
Significant Accounting Policies	2		

The notes referred to above form an integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership number: 049642
Place: Hyderabad
Date : February 27, 2015

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

N. Sujith Kumar Reddy
Director
DIN: 00022383

S. Venkat Ramana Reddy
Company Secretary
M.No. A14143



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2014

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	Note	For the year ended December 31, 2014	For the year ended December 31, 2013
1. Revenue			
Revenue from operations	18	77,341	707,241
Other income	19	611,831	584,426
Total revenue		689,172	1,291,667
2. Expenses			
Purchases of stock-in-trade		-	704,389
Employee benefits expense	20	57,246	17,928
Finance costs	21	221,558	256,687
Depreciation expense	11	5,160	5,034
Other expenses	22	65,228	27,121
Total expenses		349,192	1,011,159
3. Profit before tax (1-2)		339,980	280,508
4. Tax expense	23	94,184	127,533
5. Profit for the year (3-4)		245,796	152,975
Earnings per share of Rs. 2/- each	27		
Basic and diluted (Rs.)		0.73	0.45

Corporate Information 1

Significant Accounting Policies 2

The notes referred to above form an integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership number: 049642
Place: Hyderabad
Date : February 27, 2015

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

N. Sujith Kumar Reddy
Director
DIN: 00022383

S. Venkat Ramana Reddy
Company Secretary
M.No. A14143



CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	For the year ended December 31, 2014	For the year ended December 31, 2013
A. Cash flow from operating activities		
Profit before taxation	339,980	280,508
Adjustments for :		
Depreciation expense	5,160	5,034
Interest income	(177,577)	(198,515)
Interest and other borrowing costs	137,979	113,360
Dividend income	(369,210)	(376,835)
Loss on retirement of fixed assets	80	464
Loss on foreign currency transactions and translations, net	18,613	119,665
	(384,955)	(336,827)
Operating loss before working capital changes	(44,975)	(56,319)
Adjustments for :		
Trade receivables	45,010	286,246
Loans and advances	(2,267)	(52)
Trade payables, other current liabilities and provisions	(1,883)	1,126
	40,860	287,320
Cash generated from/(used in) operations	(4,115)	231,001
Income tax paid (net)	(109,538)	(77,035)
Net cash flow from/(used in) operating activities	(113,653)	153,966
B. Cash flow from investing activities		
Purchase of fixed assets	(2,901)	(444)
Proceeds from sale of fixed assets	81	4
Bank deposits and other bank balances	1,684	(6,476)
Loan given to subsidiary companies	(1,210,506)	(865,107)
Loan repaid by subsidiary companies	636,601	2,195,555
Interest received	159,731	220,347
Dividends received	369,210	376,835
Net cash flow from/(used in) investing activities	(46,100)	1,920,714

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014 (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	For the year ended December 31, 2014	For the year ended December 31, 2013
C. Cash flow from financing activities		
Proceeds from borrowings	1,210,506	-
Repayment of borrowings	(786,267)	(1,270,833)
Repayment of short term borrowings (net)	-	(332,279)
Finance cost paid	(137,979)	(115,580)
Dividend paid	(336,346)	(766,350)
Buy-back of equity shares (Refer note 24)	-	(202,773)
Net cash flow used in financing activities	(50,086)	(2,687,815)
Net decrease in cash and cash equivalents (A+B+C)	(209,839)	(613,135)
Cash and cash equivalents - Opening balance	455,908	1,069,043
Cash and Cash equivalents - Closing Balance	246,069	455,908

Notes:

	As at December 31, 2014	As at December 31, 2013
a) Cash and Cash equivalents - Closing Balance	246,069	455,908
Add: Other bank balances	35,934	37,618
Cash and bank balances - Closing Balance (Refer note 15)	282,003	493,526

- b) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.

Corporate Information	1
Significant Accounting Policies	2

The notes referred to above form an integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership number: 049642
Place: Hyderabad
Date : February 27, 2015

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

N. Sujith Kumar Reddy
Director
DIN: 00022383

S. Venkat Ramana Reddy
Company Secretary
M.No. A14143

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Corporate Information

Rain Industries Limited ('the Company') was incorporated on March 15, 1974 under the Companies Act, 1956. The Company is currently engaged in the business of trading in Carbon Products. The Company's equity shares are Listed at BSE Limited and National Stock Exchange of India Limited in India.

The name of the Company has been changed to Rain Industries Limited from Rain Commodities Limited, pursuant to the approval received from the Registrar of Companies, Hyderabad on July 8, 2013.

Note 2: Significant Accounting Policies

(a) Basis of accounting and preparation of financial statements

The financial statements have been prepared under the historical cost convention on an accrual basis, to comply with the generally accepted accounting principles in India ("Indian GAAP"), the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956, the relevant provisions of the Companies Act, 2013 to the extent applicable and the guidelines issued by the Securities and Exchange Board of India ('SEBI'). The financial statements are presented in Indian rupees rounded off to the nearest thousand.

(b) Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made.

(c) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is expected to be realised within 12 months after the reporting date; or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. It is expected to be settled in the company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within 12 months after the reporting date; or
- iv. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's operating cycle is within a period of 12 months.

(d) Inventories

Traded goods are valued at lower of weighted average cost and net realisable value. Goods in transit are valued at cost or below.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(e) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

Cash and cash equivalents for the purpose of cash flow comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

(f) Revenue Recognition

Sales are recognised on dispatch of goods and upon transfer of property in the goods to customers. Sales are inclusive of excise duty, as applicable.

Income from shared services (services provided to Group companies) is recognised by the Company on accrual basis. Income in excess of billings is disclosed under Other current assets as unbilled revenues.

(g) Other Income

Interest income is recognised using the time proportion method, based on the transactional interest rates.

Dividend income is recognised when the Company's right to receive dividend is established.

(h) Fixed Assets, Depreciation, Impairment

Fixed Assets are stated at cost/professional valuation less accumulated depreciation. Cost includes freight, installation cost, duties and taxes, interest on specific borrowings utilised for financing the qualifying fixed assets and other incidental expenses.

Depreciation is provided on straight-line method at the rates specified in the Schedule XIV to the Companies Act, 1956 or based on the estimated economic useful lives whichever is higher.

Individual assets costing rupees five thousand or below are fully depreciated in the year of acquisition and put to use.

All fixed assets are assessed for any indication of impairment at the end of each financial year.

On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets is charged to the statement of profit and loss in the respective financial years. The impairment loss recognised in prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

(i) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain/ loss upon such restatement along with the gain/ loss on account of foreign currency transactions are accounted in the statement of profit and loss. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised in the statement of profit and loss.

(j) Investment

Long term investments are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments. Current investments are carried at the lower of cost and fair value.

(k) Employee Benefits

Defined Contribution Plans

Contributions paid/payable under defined contribution plans are recognised in the Statement of Profit and Loss each year. Contribution plans comprises of Superannuation fund covered under a scheme administered and managed by ICICI Prudential Life Insurance Company Limited, and Provident Fund is administered and managed by the Government of India. The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

Defined Benefit Plans

The Company has a defined benefit Gratuity plan covering all its employees. Gratuity is

covered under a scheme administered by Life Insurance Corporation of India (LIC). The liability as at the balance sheet date is provided based on an actuarial valuation carried out by an independent actuary, in accordance with Accounting Standard 15 on 'Employee Benefits' (AS 15).

All actuarial gains and losses arising during the year are recognised in the Statement of Profit and Loss of the year.

Other Long-term Employee Benefits

Other long term employee benefits comprise compensated absences which is provided based on an actuarial valuation carried out in accordance with AS-15 at the end of the year.

Short-term Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

(l) Borrowing Costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

(m) Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges are reflected as finance lease obligations.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as

operating leases and recorded as expense as and when the payments are made over the lease term.

(n) Earnings Per Share

The earnings considered in ascertaining the company's Earnings Per Share (EPS) comprise net profit after tax (and includes the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

(o) Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

(p) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014		As at December 31, 2013	
	Number of Shares	Amount	Number of Shares	Amount
Note 3: Share capital				
Authorized:				
Equity Shares of Rs. 2 each	590,000,000	1,180,000	590,000,000	1,180,000
Redeemable preference shares of Rs. 100 each	4,900,000	490,000	4,900,000	490,000
TOTAL	594,900,000	1,670,000	594,900,000	1,670,000
Issued, subscribed and paid up				
Equity Shares of Rs. 2 each	336,345,679	672,691	336,345,679	672,691
TOTAL	336,345,679	672,691	336,345,679	672,691

Notes:

- (i) **Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year**

Particulars	For the year ended December 31, 2014		For the year ended December 31, 2013	
	Number of Shares	Amount	Number of Shares	Amount
As at beginning of the year	336,345,679	672,691	341,701,602	683,403
Less: Equity Shares bought back and extinguished during the year (Refer note 24)	-	-	5,355,923	10,712
As at end of the year	336,345,679	672,691	336,345,679	672,691

- (ii) **Rights, preferences and restrictions attached to the equity shares**

The Company has only one class of equity shares having a par value of Rs. 2 each per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

During the year ended December 31, 2014, the amount of per share dividend recognised as distribution to equity shareholders was Rs. 1.00 (year ended December 31, 2013: Rs. 1.00)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

(iii) Shareholders holding more than 5% of the equity shares

Name of the Shareholder	As at December 31, 2014		As at December 31, 2013	
	Number of Shares	%	Number of Shares	%
Sujala Investments Pvt. Limited	37,766,675	11.23	37,766,675	11.23
ICICI Prudential (including all managed funds)	27,174,440	8.08	13,162,166	3.91
Reliance Capital Trustee Co. Ltd (including all managed funds)	28,559,914	8.49	30,454,542	9.05
Focus India Brands Pvt Ltd	25,316,465	7.53	25,316,465	7.53
Anantha A L Reddy	17,673,225	5.25	17,673,225	5.25
Meghamala Enterprises Private Limited	17,404,110	5.17	17,404,110	5.17

(iv) There are no shares issued pursuant to contract without payment being received in cash during the period of five years immediately preceding the reporting date.

(v) Equity shares bought back (including pending extinguishment) during the last five years:

	As at December 31, 2014	As at December 31, 2013
	Number of Shares	Number of Shares
Aggregate number of shares [Refer Notes (a) to (c) below]	17,827,216	23,827,216

Note:

- 10,000,000 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from November 14, 2011 to March 29, 2012.
- 2,471,293 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from October 22, 2012 to December 31, 2012.
- 5,355,923 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from January 1, 2013 to March 31, 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 4: Reserves and surplus		
(a) Capital reserve	417,725	417,725
(b) Capital redemption reserve		
Opening balance	47,655	36,943
Add: Transferred from surplus in Statement of Profit and Loss (Refer note 24)	-	10,712
Closing balance	47,655	47,655
(c) Securities premium account		
Opening balance	516,669	708,730
Less: Utilised towards buy back of equity shares (Refer note 24)	-	192,061
Closing balance	516,669	516,669
(d) General reserve		
Opening balance	616,175	616,175
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing balance	616,175	616,175
(e) Surplus in Statement of Profit and Loss		
Opening balance	1,014,549	1,205,317
Add: Profit for the year	245,796	152,975
Less: Interim dividend (Refer note 3(ii))	336,346	336,345
Proposed final dividend (net of dividend on shares bought back) (Refer note 3(ii))*	-	(2,851)
Tax on dividend (net of eligible credit)*	-	(463)
Transfer to capital redemption reserve	-	10,712
Closing balance	923,999	1,014,549
TOTAL	2,522,223	2,612,773

*The amount in previous year represents the reversal of proposed final dividend and tax on such dividend for the financial year ended December 31, 2012 on account of buy back of 5,355,923 equity shares during the period from January 1, 2013 to March 25, 2013. The shareholders approved the dividend in Annual General Meeting held on April 27, 2013 with the record date of April 18, 2013. Accordingly, the shares bought back were not entitled for dividend and hence proposed dividend on such shares have been reversed as at December 31, 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 5: Long-term borrowings		
Term Loans		
From Banks		
- Secured (Refer Note (i) below)	2,786,520	2,277,920
Less: Current portion of Long-term borrowings (disclosed under note 9 - Other current liabilities)	607,968	594,240
TOTAL	2,178,552	1,683,680

Notes:

- (i) Term loan with the original amount of US\$ 40 Million borrowed from IDBI Bank Limited, Dubai branch is secured by a pari passu:
 - (a) First charge on all immovable and movable properties present and future of the Company and Rain Cement Limited, a wholly owned subsidiary; and
 - (b) Second charge on all current assets of the Company and Rain Cements Limited, a wholly owned subsidiary Company.
- (ii) Term loan of US\$ 20 Million borrowed from IDBI Bank Limited, Dubai branch, in the current financial year is secured by a pari passu:
 - (a) First charge on all immovable and movable properties present and future of Rain Cements Limited, a wholly owned subsidiary Company.
- (iii) Term loan with the original amount of US\$ 40 Million, carries interest of 3 months Libor plus 400 basis points and Term loan of US\$ 20 Million carries interest of 6 months Libor plus 350 basis points.
- (iv) The term loans availed by the Company have been utilised for the purpose of investment in its wholly owned subsidiary company which is engaged in the business of Calcined Petroleum Coke, in accordance with the sanctioned terms.
- (vi) The scheduled maturity of Long-term borrowings and total number of installments are summarised as below:

Borrowings Repayable	Number of instalments remaining	As at December 31, 2014
Outstanding Term Loans from Banks		
IDBI Bank Limited - US\$ 24.0 Million*	5	1,519,920
IDBI Bank Limited - US\$ 20.0 Million**	1	1,266,600
TOTAL		2,786,520

* Of the original amount of US\$ 40 Million borrowed, 3 equal quarterly installments of 8% each from April 1, 2015 to October 1, 2015, 12% of original amount on January 1, 2016 and 24% of original amount on April 1, 2016.

** US\$ 20 Million is a bullet repayment on April 28, 2017.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 6: Deferred tax liabilities (net)		
A. Deferred tax liabilities		
- on account of depreciation	11,119	10,881
	<u>11,119</u>	<u>10,881</u>
B. Deferred tax assets		
- on account of employee benefits	901	890
- on account of carry forward losses	10,218	9,991
	<u>11,119</u>	<u>10,881</u>
Deferred tax liabilities [A-B]	<u>-</u>	<u>-</u>
Note 7: Long-term provisions		
Provision for employee benefits		
- Compensated absences (Refer note 29(c))	1,749	2,010
- Gratuity (Refer note 29(b))	712	21
TOTAL	<u>2,461</u>	<u>2,031</u>
Note 8: Trade payables		
Trade payables - other than Micro and Small enterprises	2,017	2,013
TOTAL	<u>2,017</u>	<u>2,013</u>
Disclosures under the Micro, Small and Medium Enterprises Act, 2006 (the Act):		
<p>The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at December 31, 2014 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.</p>		
Note 9: Other current liabilities		
Current maturities of long-term debt (Refer note 5 (ii) and (iv))	607,968	594,240
Unclaimed dividends (Refer note 15)	35,934	37,194
Other payables		
- Statutory remittances	1,610	2,048
- Others	2,059	2,363
TOTAL	<u>647,571</u>	<u>635,845</u>
Note 10: Short Term Provisions		
Provision for employee benefits		
- Compensated absences (Refer note 29(c))	191	587
Provision - others		
- Provision for tax [net of advance tax Rs. 286,647 (December 31, 2013 Rs. 286,647)]	112,498	111,772
TOTAL	<u>112,689</u>	<u>112,359</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

Note 11: Fixed Assets

Description	Gross Block (At Cost/ Professional Valuation)				Depreciation			Net Block	
	As at January 1, 2014	Additions during the period	Deletions during the period	As at December 31, 2014	As at January 1, 2014	For the period	On Deletions	As at December 31, 2014	As at December 31, 2013
Buildings	82,771	-	-	82,771	11,186	1,349	-	70,236	71,585
Furniture and fixtures	45,190	-	-	45,190	21,198	2,858	-	21,134	23,992
Office equipments	15,927	1,654	245	17,336	5,009	874	84	11,537	10,918
Vehicles	-	1,247	-	1,247	-	79	-	1,168	-
TOTAL	143,888	2,901	245	146,544	37,393	5,160	84	104,075	106,495
Year ended December 31, 2013	144,448	439	999	143,888	32,890	5,034	531	106,495	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 12: Non-current investments		
Trade investments: unquoted		
Investment in subsidiaries		
(a) Rain Cements Limited	2,128,104	2,128,104
29,805,000 (December 31, 2013 : 29,805,000) Equity Shares of Rs. 10 each fully paid up		
(b) Rain Commodities (USA) Inc.		
20 (December 31, 2013 : 20) Common Stock at par value of US\$ 0.01 per share fully paid up	4,445	4,445
20,000,000 (December 31, 2013 : 20,000,000) Class B Redeemable Common Stock at par value of US\$ 1 per share fully paid up	902,800	902,800
(c) Rain Coke Limited	600	600
60,000 (December 31, 2013 : 60,000) Equity Shares of Rs. 10 each fully paid up		
TOTAL	3,035,949	3,035,949

Note 13: Long-term loans and advances

(a) Loans and advances to related parties Unsecured, considered good - Subsidiary Companies		
- Rain Commodities (USA) Inc. (refer note below)	2,127,888	1,238,000
- Rain Cements Limited	336,830	586,831
	2,464,718	1,824,831
Less: Current portion of long term loans and advances:		
- Rain Commodities (USA) Inc.	557,304	396,160
- Rain Cements Limited	240,000	586,831
	1,667,414	841,840
(b) Advance income tax [net of provision for tax Rs. 867,641 (December 31, 2013 Rs. 781,681)]	204,424	188,344
(c) Security deposit	708	49
TOTAL	1,872,546	1,030,233

Note:

- A) The term loan of US\$ 20 Million (original amount) carries interest of 3 months Libor plus 425 basis points and balance as on December 31, 2014 is repayable by Rain Commodities (USA) Inc. as below:
- 32% of the original amount in 4 equal quarterly installments from December 30, 2014 to September 30, 2015
 - 12% of the original amount on December 30, 2015 and
 - 24% of the original amount on March 30, 2016
- B) The term loan of US\$ 20 Million, provided during the current year, carries interest of 6 months Libor plus 400 basis points. This loan is repayable by Rain Commodities (USA) Inc. as bullet payment on April 24, 2017.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 14: Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	-	41,403
Other Trade receivables		
- Unsecured, considered good	13,205	16,851
TOTAL	13,205	58,254
Note 15: Cash and Bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	145,610	65,908
- in deposit accounts (with original maturity of 3 months or less)	100,459	390,000
Other bank balances:		
- Balances held as margin money against guarantees and other commitments	-	424
- Unclaimed dividend accounts (Refer note 9)	35,934	37,194
TOTAL	282,003	493,526
Details of bank balances/deposits		
Balances with banks available in term deposits with original maturity of less than 3 months or less included under 'Cash and cash equivalents'	100,459	390,000
Note 16: Short-term loans and advances		
(Unsecured, considered good)		
Current portion of long term loans and advances to related parties		
Subsidiary Companies:		
- Rain Cements Limited	240,000	586,831
- Rain Commodities (USA) Inc.	557,304	396,160
Prepaid expenses	190	191
Balances with government authorities		
- Service tax credit receivable	1,590	-
Advance to employees	5	5
Others	19	-
TOTAL	799,108	983,187
Note 17: Other current assets		
Accruals		
- Interest accrued on deposits	45	1,651
- Interest accrued on loans	31,273	12,097
TOTAL	31,318	13,748



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	For the year ended December 31, 2014	For the year ended December 31, 2013
Note 18: Revenue from operations		
Sale of carbon products (traded)		
- Petroleum coke	-	706,200
- Coal tar pitch	-	1,041
Revenue from shared services	77,341	-
TOTAL	77,341	707,241
Note 19: Other income		
Interest income		
- Interest from banks on deposits	33,331	61,863
- Interest on loans	144,246	136,652
Dividend income		
- from long-term investments (subsidiaries)	369,210	376,835
Income from shared services (net)	-	3,143
Gain on foreign currency transactions and translations	65,044	5,933
TOTAL	611,831	584,426
Note 20: Employee benefits expense		
Salaries, wages and bonus (Refer note 29(c))	52,531	16,238
Contributions to provident and other funds (Refer note 29(a) and (b))	4,715	1,615
Staff welfare expenses	-	75
TOTAL	57,246	17,928
Note 21: Finance costs		
Interest expense on borrowings	116,749	111,773
Other borrowing costs	21,230	1,587
Net loss on foreign currency transactions and translations	83,579	143,327
TOTAL	221,558	256,687

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	For the year ended December 31, 2014	For the year ended December 31, 2013
Note 22: Other expenses		
Repairs and maintenance - Others	1,093	448
Insurance	252	183
Rent (Refer note 28)	1,395	588
Rates and taxes	1,813	1,542
Communication expenses	12,973	2,458
Travelling and conveyance	3,915	388
Printing and stationery	1,112	1,046
Selling and distribution expenses	-	9,427
Advertisement	1,710	1,576
Legal and professional charges	8,133	2,696
Payments to auditors [Refer Note below]	4,284	3,254
Directors sitting fee	1,450	1,340
Donations and contributions	4,000	-
Loss on retirement of fixed assets	80	464
Miscellaneous expenses	23,018	1,711
TOTAL	65,228	27,121
Note:		
Payment to Auditors comprises (excluding Service Tax):		
As auditors - Statutory Audit	1,900	1,900
Limited Review Fee	900	900
Other Services	152	150
Reimbursement of Expenses	1,332	304
TOTAL	4,284	3,254
Note 23: Tax expenses		
Current Tax		
(i) Current tax for current year	69,039	62,775
(ii) Current tax relating to earlier years	25,145	73,536
(iii) Minimum alternate tax	-	-
Net current tax	94,184	136,311
Deferred Tax	-	(8,778)
TOTAL	94,184	127,533

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

24. Buy-back of Equity Shares

- a. Further to the completion of the scheme of buyback approved by the board of directors on October 25, 2011, the Shareholders of the Company have accorded their approval to another scheme for buyback of equity shares of Rs.2/- each vide postal ballot on October 1, 2012. The approval was granted for buy back of a maximum of 12,700,000 equity shares through open market transactions at a price not exceeding Rs.46/- per share for an amount not exceeding Rs. 460,000. The Company commenced the buyback of equity shares on October 22, 2012 and bought back 2,471,293 equity shares of Rs.2/- each aggregating Rs. 93,677 and extinguished 2,334,185 equity shares up to December 31, 2012. The balance 137,108 equity shares were extinguished by January 4, 2013.

Further during the year ended December 31, 2013, the Company bought back and extinguished 5,355,923 equity shares of Rs.2/- each for an aggregate consideration of Rs. 202,773.

Accordingly, Rs. Nil (December 31, 2013: 10,712) has been reduced from paid-up equity share capital and in accordance with the provisions of Section 77A of the Companies Act, 1956, of the aggregate buyback consideration paid of Rs. Nil (December 31, 2013: Rs. 202,773) Rs. Nil (December 31, 2013: Rs. 192,061) has been utilised from securities premium account and Rs. Nil (December 31, 2013: Rs. 10,712) transferred to the capital redemption reserve from surplus in Statement of Profit and Loss.

25. Contingent liabilities not provided for in respect of:

	As at December 31, 2014	As at December 31, 2013
Matters under dispute - Income Tax	146,993	127,205

26. Unhedged foreign currency exposure:

- (a) There are no outstanding forward exchange contracts as at the year end.
- (b) The following table analyzes foreign currency risk from financial instruments as at 31 December 2014 and 2013:

(All figures in equivalent Indian Rupees thousands)

Particulars	As at December 31, 2014		
	USD	EURO	Total
Trade receivables	-	4,096	4,096
Term loans	759,960	-	759,960
Loans and advances to subsidiary	101,328	-	101,328

(All figures in equivalent Indian Rupees thousands)

Particulars	As at December 31, 2013		
	USD	EURO	Total
Trade receivables	-	-	-
Term loans	1,138,960	-	1,138,960
Loans and advances to subsidiary	99,040	-	99,040

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

27. Earnings Per Share (EPS)

	Year ended December 31, 2014	Year ended December 31, 2013
a. Profit after tax	245,796	152,975
b. Weighted average number of equity shares of Rs.2/- each outstanding during the year (Nos.)	336,345,679	337,074,474
Earnings per share		
c. Basic and Diluted - [a/b] - (Rs.)	0.73	0.45

28. The Company has entered into operating lease agreements for buildings & vehicles. The lease rentals of Rs. 408 (December 31, 2013 - Rs. 588), net of rent cost reimbursed by subsidiary companies amounting to Rs. 987 (December 31, 2013 - Rs. Nil).

The schedule of future minimum rental payments in respect of non-cancellable operating leases is set out below:

Particulars	As at December 31, 2014	As at December 31, 2013
Not later than 1 year	1,500	-
Later than 1 year and not later than 5 years	2,263	-
Beyond 5 years	-	-

29. Employee Benefits

a) Defined Contribution Plans

The Company has recognized the following amounts in Note 20 of the Statement of Profit and Loss:

Particulars	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Provident fund	1,530	1,432
Superannuation fund	100	100
TOTAL	1,630	1,532

b) Defined Benefit Plans - Gratuity

The following table sets forth the status of the Gratuity plan of the Company and the amounts recognized in the balance sheet and statement of profit and loss:

	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Present value of funded obligation	4,943	3,563
Less: Fair Value of Plan Assets	(4,231)	(3,542)
Net Liability		
- Current	-	-
- Non current	712	21

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

Amounts recognised in Note 20 of Statement of Profit and Loss is as follows:

	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Current service cost	280	269
Past service cost	-	-
Interest cost	340	281
Expected return on plan assets	(298)	(242)
Net actuarial loss	740	(226)
TOTAL	1,062	82

Reconciliation of opening and closing balances of the present value of obligations:

	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Opening defined benefit obligation	3,563	3,221
Current service cost	280	269
Past service cost	-	-
Interest cost	340	281
Actuarial loss	760	(208)
Benefits paid	-	-
Closing defined benefit obligation	4,943	3,563

Reconciliation of opening and closing balances of the fair value of plan assets:

	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Opening fair value of plan assets	3,542	2,841
Expected return on plan assets	298	242
Actuarial gain	20	17
Contribution by employer	371	441
Benefits paid	-	-
Closing fair value of plan assets	4231	3,542
Actual return on plan assets	318	259



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

Major category of plan assets as a percentage to fair value of plan assets:

	Year ended December 31, 2014	Year ended December 31, 2013
Insurer Managed Funds	100%	100%

Experience adjustments:

	Year ended				
	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
Defined benefit obligations	-	-	3,221	3,563	4,943
Plan assets	-	-	2,841	3,542	4,231
Deficit	-	-	(380)	(21)	(712)
Experience adjustment on plan liabilities	-	-	(15)	56	243
Experience adjustment on plan assets	-	-	56	17	20

Principal actuarial assumptions used:

	Year ended December 31, 2014	Year ended December 31, 2013
Discount rates	8.20%	9.00%
Expected rate of return on plan assets	8.00%	8.00%
Expected salary increase rates	7.00%	6.00%

The estimates of future salary increase considered in the actuarial valuation take into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

c) Defined Benefit Plans - Compensated absences

The following table sets forth the status of the compensated absences:

	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Net Liability		
- Current	190	587
- Non current	1,750	2,010
TOTAL	1,940	2,597
Amounts recognised in Note 20 of Statement of Profit and Loss	(176)	600

The principal actuarial assumptions used for the computation of defined plan equally apply to the computation of long term compensated absences and are accordingly considered in the estimation of the long term benefit.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

30. Additional information to the financial statements:

(a) Particulars of revenue

	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Carbon products	-	707,241
Revenue from services	77,341	-
TOTAL	77,341	707,241

(b) Details of purchases of stock-in-trade

	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Carbon products	-	704,389
TOTAL	-	704,389

(c) CIF value of imports

	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Carbon products	-	704,389
TOTAL	-	704,389

(d) Expenditure in foreign currency

	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Interest expense on borrowings*	116,749	115,444
Demurrage Charges	-	3,847
Tax payment pertaining to earlier years	17,082	-
Others	968	359

*Gross of the interest cost reimbursed by subsidiary companies amounting to Rs. Nil (December 31, 2013: Rs. 3,671)

(e) Earnings in foreign currency

	Year ended December 31, 2014 Amount	Year ended December 31, 2013 Amount
Interest on loans	83,879	65,618
Income from shared services (Gross)	26,958	9,664*
Dividend income from subsidiary	369,210	317,225

*Include other expenses reimbursed by subsidiary companies (at cost) amounting to Rs. 9,389 as at December 31, 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

(f) Dividends remitted in foreign currency to non-resident shareholders

	Year ended December 31, 2014 Amount		Year ended December 31, 2013 Amount
	Interim Dividend	Final Dividend	Final Dividend
Number of shareholders	333	373	381
Number of shares held (face value of Rs.2/- each)	20,26,895	2,313,375	2,514,510
Year to which dividend relates	2014	2013	2012
Amount of dividend remitted	2,027	2,313	2,766

31. Related Party Disclosures

a) Names of related parties and description of relationship:

Sl.No.	Relationship	Name
(i)	Subsidiaries	<ol style="list-style-type: none"> Rain Coke Limited [Rain Coke] Rain Cements Limited [RCL] Renuka Cement Limited [RenCL] Moonglow Company Business Inc [Moonglow] Rain Commodities (USA) Inc. [RCUSA] Rain Global Services LLC [RGS] RGS Egypt Limited [RGS Egypt] Rain Carbon Inc. [RCI] Rain Global Holdings, LLC [RGH] Rain Carbon Holdings, LLC [RCH] Rain CII Carbon (Vizag) Limited [RCCVL] Rain CII Carbon LLC [RCC] Rain CII Carbon Mauritius Limited [RCCM] CII Carbon Corp [CII] Zhenjiang Xin Tian Tansu Co Limited [Zhenjiang] Rain CTP Inc [Rain CTP] RUETGERS Canada Inc. [RCI] RUETGERS Polymers Limited [RPL] Handy Chemicals (USA) Ltd [HUSA] RUETGERS NV [RNV] RUETGERS Holdings Belgium BVBA [RHBVBA] RUETGERS Belgium NV [RBNV] VFT Trading NV [VNV] VFT France SA [VFSA] RUETGERS Holdings Germany GmbH [RHGmbH] RUETGERS Germany GmbH [RGmbH]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

a) Names of related parties and description of relationship (Contd.)

Sl.No.	Relationship	Name
		27. RUETGERS Aromatic Chemicals GmbH [RACGmbH] 28. RUETGERS ChemTrade GmbH [RCTGmbH] 29. RUETGERS Basic Aromatics GmbH [RBAGmbH] 30. RUETGERS Poland SP Zoo [RPZ] 31. RUETGERS InfraTec GmbH [RIGmbH] 32. RUETGERS Novares GmbH [RNGmbH] 33. RUETGERS Resins GmbH [RRGmbH] (merged with RRBV on July 3, 2014) 34. RUETGERS Resins BV [RRBV] 35. OOO RUETGERS Severtar [OOOSevertar] 36. Severtar Holding Ltd [Severtar] 37. Rumba Invest BVBA & Co. KG [Rumba] 38. RUTGERS (Shanghai) Trading Co. Ltd. (incorporated on January 6, 2014)
(ii)	Associates/joint ventures of subsidiaries	1. Tarlog GmbH [Tarlog] 2. InfraTec Duisburg GmbH [IDGmbH]
(iii)	Enterprise where key managerial personnel along with their relatives exercise significant influence	1. Sujala Investments Private Limited 2. Focus India Brands Private Limited 3. Nivee Holdings Private Limited 4. Arunachala Holdings Private Limited 5. PCL Financial Services Private Limited 6. Rain Entertainment Private Limited 7. Nivee Property Developers Private Limited 8. Pragnya Priya Foundation (PPF)
(iv)	Key managerial personnel	1. Mr. N. Jagan Mohan Reddy - Managing Director 2. Mr. T. Srinivasa Rao - Chief Financial Officer [KMP w.e.f April 1, 2014] 3. Mr. S. Venkat Ramana Reddy - Company Secretary [KMP w.e.f April 1, 2014]



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

**b) Transactions with related parties:
Year Ended December 31, 2014**

Nature of Transactions	Subsidiary Companies	Enterprises where Key Managerial Personnel along with their relatives exercise significant influence	Key Managerial Personnel	Balance outstanding To/(From)
Revenue from Shared Services				
- RCCVL	16,562	-	-	-
- RCC	22,822	-	-	-
- RCL	33,821	-	-	(8,598)
- Ruetgers	4,136	-	-	(4,097)
Loan given				
- RCUSA	1,210,506	-	-	(2,127,888)
- RCL	-	-	-	(336,830)
Loan repaid				
- RCUSA	386,600	-	-	-
- RCL	250,001	-	-	-
Interest Income				
- RCUSA	83,879	-	-	(20,305)
- RCL	60,368	-	-	(10,968)
Remuneration to Key Managerial Personnel				
- N. Jagan Mohan Reddy	-	-	13,472	-
- T Srinivasa Rao	-	-	7,150	-
- S Venkat Ramana Reddy	-	-	2,192	-
Dividend paid	-	81,269	56,195	-
Donations given				
- PPF	-	4,000	-	-
Dividend Income received				
- RCUSA	369,210	-	-	-
Reimbursement of Payment made to the Subsidiary				
- RCCVL	3,467	-	-	-
Corporate Guarantee (released) / given on behalf of the Company by				
- RCL	1,210,506	-	-	3,799,800

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

c) Transactions with related parties: Year Ended December 31, 2013

Nature of Transactions	Subsidiary Companies	Enterprises where Key Managerial Personnel along with their relatives exercise significant influence	Key Managerial Personnel	Balance outstanding To/(From)
Sales / Receivables				
- RCL - (GPC)	-	-	-	(23,558)
- RCCVL - (GPC)	706,200	-	-	-
Income from Shared Services				
- RCCVL	1,086	-	-	-
- RCC	275	-	-	-
- RCL	1,783	-	-	(1,783)
Purchases/Payables				
- RGS (GPC)	703,352	-	-	-
Loan given				
- RCUSA	-	-	-	(1,238,000)
- RCL	305,000	-	-	(586,831)
- RCCVL	560,107	-	-	-
Loan repaid				
- RCUSA	1,095,546	-	-	-
- RCL	279,902	-	-	-
- RCCVL	820,107	-	-	-
Interest Income				
- RCUSA	65,618	-	-	(12,097)
- RCL	66,856	-	-	-
- RCCVL	4,178	-	-	-
Remuneration to Key Managerial personnel				
- N. Jagan Mohan Reddy	-	-	13,625	-
Dividend paid	-	168,587	60,898	-
Dividend Income received				
- RCUSA	317,225	-	-	-
- RCL	59,610	-	-	-
Selling and Distribution Expenses				
- RCL	9,000	-	-	-
Freight and Other Expenses reimbursed				
- RGS	350	-	-	-
- RCCVL	3,728	-	-	-
Finance Costs				
- RCCVL	119,595	-	-	-
Reimbursement of Payment made on behalf of				
- RCCVL	14,919	-	-	-
- RCC	9,389	-	-	-
- RCL	32,132	-	-	(32,914)
Corporate Guarantee released on behalf of				
- RCUSA	(5,477,730)	-	-	-
Corporate Guarantee (released)/ given on behalf of the Company by				
- RCL	(1,095,550)	-	-	2,476,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

32. Segment Reporting

The segment results are included and presented on consolidated basis in accordance with the requirements of Accounting Standard - 17 "Segment Reporting".

33. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership number: 049642
Place: Hyderabad
Date : February 27, 2015

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

N. Sujith Kumar Reddy
Director
DIN: 00022383

S. Venkat Ramana Reddy
Company Secretary
M.No. A14143

Operational Performance of Subsidiary Companies/Joint Ventures/Associate Companies FORM NO. AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part- A- Subsidiaries

Sl. No.	Name of the Subsidiary Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries (Refer Note 1 below)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/(Benefit)	Profit/(Loss) after Taxation	Proposed Dividend	% of share-holding
1	Rain Cements Limited	31.12.2014	INR	298,050	6,760,178	10,697,677	10,697,677	211,484	8,765,127	41,571	(15,436)	57,007	-	100
2	Rain Commodities (USA) Inc.	31.12.2014	US\$	7,101,610	4,169,159	15,328,107	15,328,107	-	-	1,049,568	(66,625)	1,116,193	363,540	100
3	Rain Coke Limited	31.12.2014	US\$	600	(232)	388	388	-	-	(22)	-	(22)	-	100
4	Moonglow Company Business Inc.	31.12.2014	US\$	3,902,180	2,291,548	6,193,766	6,193,766	-	-	(12)	-	(12)	-	100
5	Renuka Cement Limited	31.12.2014	INR	5,007	(5,587)	176	176	-	-	(885)	-	(885)	-	100
6	"Rain Carbon Inc. (Formerly Rain Carbon USA, LLC)	31.12.2014	US\$	11,482,198	3,490,556	14,998,004	14,998,004	-	-	1,242,994	-	1,242,994	1,260,090	100
7	"Rain Global Holdings, LLC (Formerly Carbon Holdings USA, LLC)	31.12.2014	US\$	11,482,202	3,515,714	14,997,932	14,997,932	-	-	1,260,046	-	1,260,046	1,260,090	100
8	"Rain Carbon Holdings, LLC (Formerly CPC Holdings USA, LLC)	31.12.2014	US\$	11,482,133	3,515,051	15,532,392	15,532,392	-	522,670	1,262,071	-	1,262,071	1,260,090	100
9	Rain Global Services LLC	31.12.2014	US\$	248	88,168	1,211,732	1,211,732	-	4,794,811	30,238	-	30,238	-	80.5
10	RGS Egypt Limited Company L.L.C	31.12.2014	US\$	54,780	409,880	890,317	890,317	-	2,096,689	107,572	-	107,572	-	51
11	Rain CII Carbon (Vizag) Limited	31.12.2014	INR	81,800	5,083,386	7,544,793	7,544,793	-	11,538,917	1,563,233	366,781	1,196,452	-	100
12	Rain CII Carbon LLC	31.12.2014	US\$	10,293,752	13,481,322	98,383,586	98,383,586	-	23,563,438	(1,395,923)	(507,646)	(888,277)	1,260,090	100
13	CII Carbon Corp.	31.12.2014	US\$	-	-	-	-	-	-	-	-	-	-	100
14	Rain CII Carbon Mauritius Limited	31.12.2014	US\$	23,340	(25)	107,949	107,949	-	-	(1,280)	-	(1,280)	-	100
15	Zhenjiang Xin Tian Tansu Co. Ltd	31.12.2014	RMB Yuan / CNY	88,479	(24,460)	70,089	70,089	-	15,381	(12,857)	-	(12,857)	-	100
16	Rain CTP Inc.	31.12.2014	EURO	26,130,417	3,350,563	47,099,180	47,099,180	-	1,705,551	2,777,913	56,873	2,721,040	-	100
17	RUTGERS N.V.	31.12.2014	EURO	4,086,707	1,278,174	7,102,274	7,102,274	-	81,990	3,235,586	-	3,235,586	-	100
18	RUTGERS Polymers Ltd.	31.12.2014	CAD	863,085	242,501	2,531,923	2,531,923	-	2,786,386	385,357	(11,629)	396,986	-	100
19	RUTGERS Canada Inc.	31.12.2014	CAD	2,027,940	162,517	7,171,968	7,171,968	-	8,653,038	(182,322)	2,496	(184,818)	-	100
20	Handy Chemicals (U.S.A.) Ltd.	31.12.2014	US\$	5	(27,125)	234,564	234,564	-	1,814,396	43,809	(2,309)	46,118	-	100
21	RUTGERS Holding Belgium BVBA	31.12.2014	EURO	7,007,613	858,319	11,407,932	11,407,932	-	152	129,329	(3)	129,332	3,560,400	100
22	RUTGERS Belgium N.V.	31.12.2014	EURO	2,174,400	16,011,796	23,503,912	23,503,912	-	22,442,404	4,043,721	(108,348)	4,152,069	-	100
23	VFT France S.A	31.12.2014	EURO	797,280	175,443	984,330	984,330	-	452,486	51,676	(3,183)	54,859	-	100
24	VFT Trading N.V.	31.12.2014	EURO	761,040	204,359	965,399	965,399	-	-	33,481	-	33,481	-	100
25	Rumba Invest BVBA & Co. KG	31.12.2014	EURO	-	(1,863)	1,362,793	1,362,793	-	125,788	-	-	-	-	94.9
26	RUTGERS Holding Germany GmbH ⁽⁵⁾	31.12.2014	EURO	2,174	10,582,665	19,061,327	19,061,327	-	2,003,388	1,862,344	18,763	1,843,581	696,600	100
27	RUTGERS Germany GmbH (5)	31.12.2014	EURO	2,226,586	6,565,803	15,618,566	15,618,566	52,206	746,774	132,495	(59,931)	192,426	-	99.7

Operational Performance of Subsidiary Companies/Joint Ventures/Associate Companies (Contd.)

Sl. No.	Name of the Subsidiary Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries (Refer Note 1 below)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Rs. in thousands			
										Profit/ (Loss) before Taxation	Tax Expense/ (Benefit)	Profit/ (Loss) after Taxation	Proposed Dividend
28	RÜTGERS Aromatic Chemicals GmbH ⁽⁶⁾	31.12.2014	EURO	7,320	612,018	2,013,856	2,013,856	-	5,781,588	(327,165)	12,868	(340,033)	-
29	RÜTGERS InfraTec GmbH ⁹	31.12.2014	EURO	1,884	146,493	3,603,421	3,603,421	-	5,427,589	(538,816)	27,901	(566,717)	-
30	RÜTGERS ChemTrade GmbH ⁽⁵⁾	31.12.2014	EURO	37,110	(33,304)	983,893	983,893	-	4,375,914	(62,238)	3,176	(65,414)	-
31	RÜTGERS Basic Aromatics GmbH ⁽⁵⁾	31.12.2014	EURO	1,884	786,502	7,092,739	7,092,739	-	21,540,111	(633,749)	26,939	(660,688)	-
32	RÜTGERS Novares GmbH ⁽⁵⁾	31.12.2014	EURO	166,849	50,621	5,933,171	5,933,171	-	15,184,951	(687,368)	25,528	(712,896)	-
33	RÜTGERS Resins GmbH ⁽⁶⁾	31.12.2014	EURO	-	-	-	-	-	-	-	-	-	-
34	RÜTGERS Resins BV	31.12.2014	EURO	74,201	(138,346)	1,453,655	1,453,655	-	3,241,428	(834,634)	(276)	(834,358)	-
35	Severtar Holding Ltd.	31.12.2014	EURO	10,235	831,251	842,211	842,211	-	-	(3,366)	-	(3,366)	-
36	OOO RÜTGERS Severtar	31.12.2014	RUB	286,648	(467,811)	2,081,493	2,081,493	-	18,915	(1,364,243)	34,197	(1,398,440)	-
37	RÜTGERS Poland Sp. z o.o	31.12.2014	PLN	195,700	88,666	330,051	330,051	-	997,586	83,992	(2,091)	86,083	18,877
38	RÜTGERS (Shanghai) Trading Co. Ltd. ⁽⁷⁾	31.12.2014	PLN	12,359	3,291	17,294	17,294	-	30,529	11,516	(596)	12,112	-

Notes:

- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates as at December 31, 2014. Exchange rates as on the last date of the financial year are INR/USD - 63.33; INR/EURO - 77.00; INR/RUB - 1.12; INR/CNY - 10.33; INR/PLN - 17.96; INR/CAD - 54.68.
- Refer Note 2(d) of Consolidated Financial Statements to see relation with the subsidiary, percentage equity holding and Country of incorporation for each of subsidiary.
- Financial information is based on Audited Results of the subsidiaries. The reporting period of the subsidiary is same as that of holding Company.
- Investments except in case of investments in subsidiaries.
- Controlled companies in German fiscal unity, income according to local GAAP transferred to RÜTGERS Holding Germany GmbH and taxed on consolidated basis.
- Merged with RÜTGERS Novares GmbH during the year.
- Incorporated during the year.

1. Names of subsidiaries which are yet to commence operations

S.No.	Name of the Company and Address
1	OOO RÜTGERS Severtar, Russia

2. Names of subsidiaries which have been liquidated or sold during the year.

S.No.	Name of the Company and Address
1	RÜTGERS Resins GmbH, Germany

Part B- Associates and Joint Ventures

Rs. in thousands

S. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet date	Shares of Associate / Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	InfraTec Duisburg GmbH (IDGmbH)	31.12.2013	7,500	64,611	30	Based on the percentage of holding over these investees	As the group has only ability to exercise significant influence but not control over these investees	25,964	(5,051)	(11,785.53)
2	Tarlog GmbH (Tarlog)	31.12.2014	50,000	3,850	50			(17,839)	9,269	9,269.40

1 Names of associates or joint ventures which are yet to commence operations

S.No.	Name of the Company and Address
	- NIL -

2 Names of associates or joint ventures which have been liquidated or sold during the year.

S.No.	Name of the Company and Address
	- NIL -

For and on behalf of the Board of Directors

Place: Hyderabad
Date : February 27, 2015

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

S. Venkat Ramana Reddy
Company Secretary
M. No.: A14143



CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

Rain Industries Limited (Formerly Rain Commodities Limited)

We have audited the accompanying Consolidated Financial Statements of Rain Industries Limited (formerly Rain Commodities Limited) ("the Company") its subsidiaries and associates (collectively referred to as the "Rain Group"), which comprise the Consolidated Balance Sheet as at December 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the applicable financial reporting framework. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Rain Group as at December 31, 2014;
- (ii) in the case of Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements and other financial information of certain subsidiaries and associates which have been audited by other auditors whose reports have been furnished to us, and our opinion is based on the report of other auditors. The attached consolidated financial statements include total assets of Rs. 118,793,559 thousands as at December 31, 2014, total revenues of Rs. 91,764,561 thousands and net cash out flows amounting to Rs. 218,179 thousands in respect of the aforementioned subsidiaries and share of loss from associates of Rs. 1,238 thousands for the year then ended.

for B S R & Associates LLP
Chartered Accountants

Firm registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner

Hyderabad
 February 27, 2015

Membership Number: 049642



CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2014

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	Note	As at December 31, 2014	As at December 31, 2013
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	672,691	672,691
(b) Reserves and surplus	4	28,785,138	31,560,367
		29,457,829	32,233,058
2. Minority interest		216,294	416,189
3. Non current liabilities			
(a) Long-term borrowings	5	71,678,172	74,508,296
(b) Deferred tax liability, net	6	4,225,059	4,720,640
(c) Other long-term liabilities	7	526,218	1,269,447
(d) Long-term provisions	8	7,898,296	6,878,485
		84,327,745	87,376,868
4. Current liabilities			
(a) Short-term borrowings	9	3,431,431	5,867,440
(b) Trade payables	10	10,007,815	12,574,856
(c) Other current liabilities	11	6,989,047	6,790,514
(d) Short-term provisions	12	1,121,156	1,005,312
		21,549,449	26,238,122
TOTAL		135,551,317	146,264,237
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	28,880,371	29,916,006
(ii) Intangible assets	13	58,237,558	62,706,524
(iii) Capital work-in-progress		2,690,594	2,721,355
(b) Non-current investments	14	68,316	75,521
(c) Deferred tax asset, net	6	2,027,284	1,659,569
(d) Long-term loans and advances	15	2,581,506	1,142,850
(e) Other non-current assets	16	14,817	16,463
		4,691,923	2,894,403
2. Current assets			
(a) Current investments	17	195,374	65,000
(b) Inventories	18	15,337,164	20,001,846
(c) Trade receivables	19	13,712,022	15,370,564
(d) Cash and bank balances	20	8,995,153	8,446,888
(e) Short-term loans and advances	21	2,413,073	2,427,442
(f) Other current assets	22	398,085	1,714,209
		41,050,871	48,025,949
TOTAL		135,551,317	146,264,237
Corporate information	1		
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Sriram Mahalingam
Partner
Membership number: 049642
Place: Hyderabad
Date : February 27, 2015

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

S. Venkat Ramana Reddy
Company Secretary
M.No. A14143



STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2014

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	Note	For the year ended December 31, 2014	For the year ended December 31, 2013
1. Revenue			
Revenue from operations (gross)	23	121,445,484	119,189,143
Less: Excise duty		2,075,613	1,745,774
Revenue from operations (net)		119,369,871	117,443,369
Other income	24	773,498	566,301
Total revenue		120,143,369	118,009,670
2. Expenses			
Cost of materials consumed		45,449,904	50,962,505
Purchases of stock-in-trade		22,265,061	16,790,089
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	1,189,259	(673,173)
Employee benefits expense	26	9,766,999	8,855,948
Finance costs	27	6,198,722	5,933,911
Depreciation and amortisation expense	13	3,469,794	3,568,226
Impairment loss	30.3	95,230	1,303,560
Other expenses	28	28,554,047	27,033,765
Total expenses		116,989,016	113,774,831
3. Profit before exceptional items, tax, share of loss of associates and minority interest (1-2)		3,154,353	4,234,839
4. Exceptional Items (Refer note 30.14)		2,577,419	-
5. Profit before tax, share of loss of associates and minority interest (3-4)		576,934	4,234,839
6. Tax expense	29	(120,614)	367,236
7. Profit after tax and before share of loss of associates and minority interest (5-6)		697,548	3,867,603
8. Share of loss of associates		1,238	12,143
9. Minority interest		(188,992)	10,205
10. Profit for the year (7-8-9)		885,302	3,845,255
Earnings per share of Rs. 2/- each	30.10		
Basic and Diluted (Rs.)		2.63	11.41
Corporate information	1		
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Sriram Mahalingam
Partner
Membership number: 049642
Place: Hyderabad
Date : February 27, 2015

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

S. Venkat Ramana Reddy
Company Secretary
M.No. A14143

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	For the year ended December 31, 2014	For the year ended December 31, 2013
A. Cash flow from operating activities		
Profit before taxation	576,934	4,234,839
Adjustments for :		
Depreciation and amortisation expense	3,469,794	3,568,226
(Profit)/Loss on sale of fixed assets (net)	(11,168)	(321)
Interest and other borrowing costs	6,078,501	5,933,145
Interest income	(101,543)	(129,290)
Dividend income from current investments	(7,904)	-
Impairment loss	95,230	1,303,560
Liabilities/provisions no longer required written back	(207,448)	(149,580)
Bad debts written off	6,586	30,319
Provision for doubtful debts and advances	7,759	(12,810)
Loss/(gain) on foreign currency transactions and translation (net)	388,180	195,015
	<u>9,717,987</u>	<u>10,738,264</u>
Operating profit before working capital changes	10,294,921	14,973,103
Adjustments for :		
Adjustments for (increase)/decrease in operating assets:		
Inventories	3,962,042	(1,123,933)
Trade receivables	(232,841)	(135,367)
Loans and advances and other assets	418,439	(1,422,427)
Trade payables, other liabilities and provisions	192,446	(5,272,632)
	<u>4,340,086</u>	<u>(7,954,359)</u>
Cash generated from operations	14,635,007	7,018,744
Income taxes paid, net	(1,722,467)	(927,308)
Net cash from operating activities	12,912,540	6,091,436
B. Cash flow from investing activities		
Purchase of fixed assets, including capital advances	(3,902,924)	(3,653,581)
Proceeds from sale of fixed assets	45,470	64,307
Cash paid for acquisition, net of cash acquired	-	(37,509,764)
Purchase of current investments	(195,000)	(65,000)
Refund of capital advances	156,374	-
Proceeds from sale of investments	65,000	20
Bank deposits and other bank balances	(301,440)	38,293,806
Interest received	94,096	183,140
Dividends received on current investments	7,530	-
Net cash used in investing activities	(4,030,894)	(2,687,072)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014 (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	For the year ended December 31, 2014	For the year ended December 31, 2013
C. Cash flow from financing activities		
Proceeds from long-term borrowings	1,210,506	2,462,704
Repayment of long-term borrowings	(2,403,027)	(6,913,515)
Net increase/(decrease) in working capital borrowings	(432,528)	4,704,623
Sales tax deferment paid	(44,791)	(41,661)
Interest and other borrowing costs paid	(6,910,731)	(4,298,585)
Dividend paid (including tax on dividend)	(336,346)	(776,481)
Buy-back of equity shares (Refer note 30.1)	-	(202,773)
Net cash used in financing activities	(8,916,917)	(5,065,688)
Net decrease in cash and cash equivalents (A+B+C)	(35,271)	(1,661,324)
Cash and cash equivalents - opening balance	8,138,711	8,065,407
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	297,226	1,734,628
Cash and Cash equivalents - Closing Balance (Refer Note (ii) below)	8,400,666	8,138,711

Notes:

- The above consolidated cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.
- Reconciliation of Cash and Cash equivalents with the Balance Sheet:

	As at December 31, 2014	As at December 31, 2013
Cash and Cash equivalents - Closing Balance	8,400,666	8,138,711
Add: Other bank balances	594,487	308,177
Cash and Bank balances - Closing Balance	8,995,153	8,446,888

- Comparative figures of the previous year, where necessary, have been regrouped to conform to those of the current year.

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership number: 049642
Place: Hyderabad
Date : February 27, 2015

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

N. Sujith Kumar Reddy
Director
DIN: 00022383

S. Venkat Ramana Reddy
Company Secretary
M.No. A14143

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Corporate Information

Rain Industries Limited ("RIL" or "the Company" or the "Parent Company") was incorporated on March 15, 1974 under the Companies Act, 1956. The Company along with its subsidiaries ("the Group" or "Rain Group") is engaged in the business of manufacture and sale of Carbon Products, Chemicals and Cement.

Carbon Products comprises of Calcined Petroleum Coke ("CPC"), Green Petroleum Coke ("GPC"), Coal Tar Pitch ("CTP"), Co-generated Energy and other derivatives of Coal Tar distillation. Chemicals include the downstream operations of Coal Tar distillation and are comprised of Resins, Modifiers, Super Plasticizers and other specialty products. The manufacture and sale of Cement has been classified as Cement.

The name of the Company has been changed to Rain Industries Limited from Rain Commodities Limited, pursuant to the approval received from the Registrar of Companies, Hyderabad on July 8, 2013.

Note 2: Significant Accounting Policies

(a) Basis of preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared under the historical cost convention on an accrual basis, to comply with the generally accepted accounting principles in India ("Indian GAAP"), the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 (as amended) issued by Central Government of India and the relevant provisions of the Companies Act, 1956, the relevant provisions of the Companies Act, 2013 to the extent applicable and the guidelines issued by the Securities and Exchange Board of India ('SEBI'). The consolidated financial statements are presented in Indian rupees rounded off to the nearest thousand.

(b) Use of estimates

The preparation of the consolidated financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported period. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made.

(c) Current and non current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is expected to be realised within 12 months after the reporting date; or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. It is expected to be settled in the Group's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within 12 months after the reporting date; or
- iv. The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's operating cycle is within a period of 12 months.

(d) Principles of consolidation

The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard 21 (AS-21) - "Consolidated Financial Statements", Accounting Standard 23 (AS-23) - "Accounting for Investments in Associates in Consolidated Financial Statements".

The Financial Statements of the subsidiaries and associates used in consolidation are drawn upto the same reporting date as that of the Parent Company i.e. year ended December 31, 2014 and are audited.

The consolidated financial statements have been prepared on the following basis:

- i) The Financial Statements of the Parent Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses unless cost cannot be recovered.
- ii) The Consolidated Financial Statements include the share of profit/loss of the associate companies which have been accounted for using equity method as per AS-23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments.
- iii) The excess of cost to the Group of its investments in the subsidiary companies, over its share of equity of the subsidiary companies, at the date on which the investments are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements and included under the head 'Fixed Assets'. Such Goodwill is not amortised and is tested for impairment at the end of each financial year. Alternatively, where the share of equity in the subsidiary, as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve' and included under the head 'Reserves and Surplus', in the Consolidated Financial Statements.
- iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies were made and further movements in their share in the profit/loss, subsequent to the dates of Investments.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Companies considered in the consolidated financial statements along with Rain Industries Limited are:

Sl. No.	Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest (%)	
				December 31, 2014	December 31, 2013
1	Rain Cements Limited (RCL)	Subsidiary	India	100	100
2	Rain Commodities (USA) Inc. (RCUSA)	Subsidiary	United States of America	100	100
3	Rain Coke Limited (RCOKE)	Subsidiary	India	100	100
4	Moonglow Company Business Inc. (Moonglow)	Subsidiary of RCL	British Virgin Island	100	100
5	Renuka Cement Limited (RenCL)	Subsidiary of RCL	India	100	100
6	Rain Carbon Inc. (RCI)(Formerly Rain Carbon USA, LLC)	Subsidiary of RCUSA	United States of America	100	100
7	Rain Global Holdings, LLC (RGH) (Formerly Carbon Holdings USA, LLC)	Subsidiary of RCI	United States of America	100	100
8	Rain Carbon Holdings, LLC (RCH) (Formerly CPC Holdings USA, LLC)	Subsidiary of RGH	United States of America	100	100
9	Rain Global Services LLC (RGS)	Subsidiary of RCH	United States of America	80.5	80.5
10	RGS Egypt Limited Company L.L.C (RGS Egypt)	Subsidiary of RGS	Egypt	51	51
11	Rain CII Carbon (Vizag) Limited (RCCVL)	Subsidiary of RCH	India	100	100
12	Rain CII Carbon LLC (RCC)	Subsidiary of RCH	United States of America	100	100
13	CII Carbon Corp. (CIICC)	Subsidiary of RCC	United States of America	100	100
14	Rain CII Carbon Mauritius Limited (RCCML)	Subsidiary of RCC	Mauritius	100	100
15	Zhenjiang Xin Tian Tansu Co. Ltd (ZXTTCL)	Subsidiary of RCCML	China	100	100
16	Rain CTP Inc. (Rain CTP)	Subsidiary of RCC	United States of America	100	100
17	RÜTGERS N.V. (RNV)	Subsidiary of Rain CTP	Belgium	100	100
18	Handy Chemicals (U.S.A.) Ltd. (HUSA)	Subsidiary of Rain CTP	United States of America	100	100
19	RÜTGERS Canada Inc. (RCan)	Subsidiary of Rain CTP	Canada	100	100
20	RÜTGERS Polymers Ltd. (RPL)	Subsidiary of Rain CTP	Canada	100	100

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

21	RÜTGERS Holding Belgium BVBA (RHBVBA)	Subsidiary of Rain CTP & RNV	Belgium	100	100
22	RÜTGERS Belgium N.V. (RBNV)	Subsidiary of RHBVBA	Belgium	100	100
23	RÜTGERS Holding Germany GmbH (RHGmbH)	Subsidiary of RBNV	Germany	100	100
24	VFT Trading N.V. (VNV)	Subsidiary of RBNV	Belgium	100	100
25	VFT France S.A (VFSA)	Subsidiary of RBNV	France	100	100
26	Rumba Invest BVBA & Co. KG (Rumba)	Subsidiary of RHGmbH	Germany	94.9	94.9
27	RÜTGERS Germany GmbH (RGmbH)	Subsidiary of RHGmbH	Germany	99.7	99.7
28	RÜTGERS Aromatic Chemicals GmbH (RACGmbH)	Subsidiary of RGmbH	Germany	100	100
29	RÜTGERS InfraTec GmbH (RIGmbH)	Subsidiary of RGmbH	Germany	100	100
30	RÜTGERS ChemTrade GmbH (RCTGmbH)	Subsidiary of RGmbH	Germany	100	100
31	RÜTGERS Basic Aromatics GmbH (RBAGmbH)	Subsidiary of RGmbH	Germany	100	100
32	RÜTGERS Novares GmbH (RNGmbH)	Subsidiary of RGmbH	Germany	100	100
33	RÜTGERS Poland Sp. z o.o (RPZ)	Subsidiary of RBAGmbH	Poland	100	100
34	RÜTGERS Resins GmbH (RRGmbH)	Subsidiary of RNGmbH	Germany	-*	100
35	Severtar Holding Ltd. (Severtar)	Subsidiary of RHGmbH	Cyprus	65.3	65.3
36	RÜTGERS Resins BV (RRBV)	Subsidiary of RRGmbH	The Netherlands	100	100
37	OOO RÜTGERS Severtar (OOOSevertar)	Subsidiary of Severtar	Russia	100	100
38	InfraTec Duisburg GmbH (IDGmbH)	Investment in Associates by RGmbH	Germany	30	30
39	Tarlog GmbH (Tarlog)	Investment in Associates by RIGmbH	Germany	50	50
40	RÜTGERS (Shanghai) Trading Co. Ltd.	Subsidiary of RGmbH	China	100**	NA

* During the current year RRGmbH is merged with RNGmbH

** Incorporated during the current year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(e) Revenue Recognition

Revenue on sale of products is recognised on dispatch of goods and upon transfer of property in the goods to customers. Sales are inclusive of excise duty, but excludes sales tax and trade discounts as applicable.

Revenue from sale of carbon products include sale of co-generated energy which is recorded exclusive of electricity duty payable to Government authorities and recognised in accordance with contract terms. Revenue from services rendered is recognised when the related services are performed in accordance with contract terms.

Revenues which arise from the Group's operating activities, principal or ancillary, but which are not arising from sale of products/services rendered are included as other operating revenues.

Income from sale of Certified Emission Reduction (CER's) are recognised on conclusion of CER sale to ultimate buyers.

Rental income is recognised on a time-apportioned basis in accordance with the underlying substance of the relevant contract.

(f) Other Income

Interest income is recognised using the time proportion method, based on the underlying interest rates.

Dividend income is recognised when the Group's right to receive dividend is established.

(g) Tangible Assets and Depreciation

Fixed Assets are stated at cost/professional valuation less accumulated depreciation. Cost includes freight, installation cost, duties and taxes, interest on specific borrowings utilised for financing the qualifying fixed assets and other incidental expenses. Subsequent expenditure related to an item of tangible fixed asset is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under long-term loans and advances as capital advances. Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress.

Depreciation is provided on straight-line method at the rates specified in the Schedule XIV to the Companies Act, 1956 or based on the estimated economic useful lives whichever is higher.

The cost of land used for mining is amortised over the estimated period of mining rights granted and leasehold land is amortised over the lease period.

Individual assets costing rupees five thousand or below are fully depreciated in the year of acquisition and put to use.

Gains and losses on disposal of tangible assets are determined as the difference between net sales proceeds and the carrying amount, and are presented in the Statement of Consolidated Profit and Loss.

(h) Intangible Assets (other than goodwill on consolidation) and Amortisation

Intangible assets are recorded at the consideration paid for acquisition including any import duties and other applicable taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), and any directly attributable expenditure in making the asset ready for its intended use.

Intangible assets are amortised on a systematic basis over the best estimate of their useful lives, commencing from the date the asset is available to the Group for its use.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the disposal of intangible assets are recognised in the Statement of Consolidated Profit and Loss.

(i) Impairment of assets

All fixed assets including Goodwill and other intangible assets are assessed for any indication of impairment at the end of each financial year. For assets in respect of which any such indication exists the assets recoverable amount is estimated.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is recognised in the Statement of Consolidated Profit and Loss in the respective financial years, if the carrying amount of the assets or CGU exceeds its recoverable amount.

If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortised historical cost.

(j) Inventories

Inventories are valued at lower of cost and net realisable value. Raw material cost is computed on the basis of weighted average cost per unit of measurement after providing for obsolescence, if any. Finished goods and work in progress are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises material, labour and applicable overhead expenses. Stores and spares are valued at cost determined on weighted average basis, or below.

Traded goods are valued at lower of weighted average cost and net realisable value.

Goods in transit are valued at cost or below.

Power banking units are valued at lower of cost or net realizable value. Cost comprises the raw material cost allocated to power generation.

(k) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the rate prevailing on the balance sheet date. The resultant gain/loss upon such restatement along with the gain/loss on account of foreign currency transactions are accounted in the Statement of Consolidated Profit and Loss. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised in the Statement of Consolidated Profit and Loss.

All subsidiaries of the Group are in the nature of non-integral operations in terms of Accounting Standard 11, "The effects of changes in foreign exchange rates". All monetary and non monetary assets and liabilities are translated at the rate prevailing on the balance sheet date. All revenue and expense transactions during the year are reported at an average rates. The resultant translation adjustment is reflected as 'Foreign Currency Translation Reserve' and included under Reserves and Surplus.

(l) Investments

Non-current investments are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments. Current investments are carried at the lower of cost and fair value.

(m) Employee Benefits

Defined contribution plans

Contributions paid/payable under defined contribution plans are recognised in the Statement of Consolidated Profit and Loss each year. The Group makes the contributions and has no further obligations under the plan beyond its contributions.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Consolidated Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. All actuarial gains and losses arising during the year are recognised in the Statement of Consolidated Profit and Loss.

Other long-term employee benefits

Other long term employee benefits comprise compensated absences which is provided based on an actuarial valuation carried out in accordance with AS-15 "Employee Benefits" at the end of the year.

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

(n) Segment Reporting

The Group has considered business segment as the primary segment for reporting. The products considered as business segment are:

- Carbon Products
- Chemicals
- Cement

The above business segments have been identified based on the nature of products, risks and return, organisation structure and internal financial reporting.

The geographical segments considered for disclosures are:

- Sales within India – represents sales made to customers located within India.
- Sales outside India – represents sales made to customers located outside India.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the respective segment.

(o) Leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Consolidated Profit and Loss on accrual basis.

Profit or loss on sale and lease back arrangements resulting in operating leases are recognised, in case the transaction is established at fair value, else the excess over the fair value is deferred and amortised over the period for which the asset is expected to be used.

(p) Derivative Instruments and Hedge Accounting

The Group uses foreign exchange forward contracts, option contracts and swap contracts (derivatives) to mitigate its risk of changes in foreign currency exchange rates and does not use them for trading or speculative purposes.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The premium or discount on foreign exchange forward contracts is amortised as income or expense over the life of the contract. The exchange difference is calculated and recorded in accordance with AS-11 (revised) in the Statement of Consolidated Profit and Loss. The changes in the fair value of foreign currency option and swap contracts are recognised in the Statement of Consolidated Profit and Loss as they arise. Fair value of such option and swap contracts is determined based on the appropriate valuation techniques considering the terms of the contract.

The Group has designated foreign currency loans availed as a hedging instrument to hedge its net investment in non-integral foreign operations, with effect from January 1, 2009. Accordingly, the translation gain/(loss) on such foreign currency loans, determined as an effective net investment hedge is recognised in Foreign Currency Translation Reserve (FCTR) included under Reserves and Surplus and would be transferred to the Statement of Consolidated Profit and Loss upon sale or disposal of the investment in the non-integral foreign operations.

(q) Earnings Per Share

The earnings considered in ascertaining the Group's Earnings Per Share (EPS) comprise net profit after tax (and includes the post tax effect of any extra ordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

(r) Tax Expense

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

(s) Borrowing Costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

(t) Cash Flow Statements

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and Cash equivalents for the purpose of cash flow comprises of cash at bank and in hand and short term investments with an original maturity of three months or less.

(u) Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the consolidated financial statements.

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014		As at December 31, 2013	
	Number of Shares	Amount	Number of Shares	Amount
Note 3: Share capital				
Authorized:				
Equity Shares of Rs. 2 each	590,000,000	1,180,000	590,000,000	1,180,000
Redeemable preference shares of Rs. 100 each	4,900,000	490,000	4,900,000	490,000
TOTAL	594,900,000	1,670,000	594,900,000	1,670,000
Issued, subscribed and paid up				
Equity Shares of Rs. 2 each	336,345,679	672,691	336,345,679	672,691
TOTAL	336,345,679	672,691	336,345,679	672,691

Notes:

(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year

Particulars	For the year ended December 31, 2014		For the year ended December 31, 2013	
	Number of Shares	Amount	Number of Shares	Amount
As at beginning of the year	336,345,679	672,691	341,701,602	683,403
Less: Equity Shares bought back and extinguished during the year	-	-	5,355,923	10,712
As at end of the year	336,345,679	672,691	336,345,679	672,691

(ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a par value of Rs. 2 each per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. However, in case of interim dividend the profits are distributed based on approval of Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

During the year ended December 31, 2014, the amount of per share dividend recognised as distribution to equity shareholders was Rs. 1.00 (year ended December 31, 2013: Rs. 1.00).



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

(iii) Shareholders holding more than 5% of the equity shares

Name of the Shareholder	As at December 31, 2014		As at December 31, 2013	
	Number of Shares	%	Number of Shares	%
Sujala Investments Pvt. Limited	37,766,675	11.23	37,766,675	11.23
ICICI Prudential (including all managed funds)	27,174,440	8.08	13,162,166	3.91
Reliance Capital Trustee Co. Ltd (including all managed funds)	28,559,914	8.49	30,454,542	9.05
Focus India Brands Pvt Ltd	25,316,465	7.53	25,316,465	7.53
Anantha A L Reddy	17,673,225	5.25	17,673,225	5.25
Meghamala Enterprises Private Limited	17,404,110	5.17	17,404,110	5.17

(iv) There are no shares issued pursuant to contract without payment being received in cash during the period of five years immediately preceding the reporting date

(v) Equity shares bought back (including pending extinguishment) during the last five years:

	As at December 31, 2014	As at December 31, 2013
	Number of Shares	Number of Shares
Aggregate no. of shares [Refer Notes (a) to (c) below]	17,827,216	23,827,216

Note:

- 10,000,000 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from November 14, 2011 to March 29, 2012.
- 2,471,293 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from October 22, 2012 to December 31, 2012.
- 5,355,923 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from January 1, 2013 to March 31, 2013.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 4: Reserves and surplus		
(a) Capital Reserve	37,468	37,468
(b) Capital redemption reserve		
Opening balance	47,655	36,943
Add: Transferred from surplus in Statement of Consolidated Profit and Loss	-	10,712
Closing balance	47,655	47,655
(c) Securities premium account		
Opening balance	516,669	708,730
Less: Utilised towards buy back of equity shares	-	192,061
Closing balance	516,669	516,669
(d) General reserve		
Opening balance	990,694	976,218
Add: Transferred from surplus in Statement of Consolidated Profit and Loss	-	14,476
Closing balance	990,694	990,694
(e) Foreign currency translation reserve		
Opening balance	5,444,728	2,027,653
Add: Effect of changes in foreign exchange rates	(3,324,185)	3,417,075
Closing balance	2,120,543	5,444,728
(f) Surplus in statement of consolidated profit and loss		
Opening balance	24,523,153	21,046,248
Add: Profit for the year	885,302	3,845,255
Less: Interim dividend (Refer note 3(ii))	336,346	336,345
Proposed final dividend (net of dividend on shares bought back) (Refer Note 3(ii))*	-	(2,851)
Tax on dividend (net of eligible credit)*	-	9,668
Transfer to General reserve	-	14,476
Transfer to Capital redemption reserve	-	10,712
Closing balance	25,072,109	24,523,153
TOTAL	28,785,138	31,560,367

* The amount in previous year is net of reversal of proposed final dividend and tax on such dividend for the financial year ended December 31, 2012 on account of buy back of 5,355,923 equity shares during the period from January 1, 2013 to March 25, 2013. The shareholders approved the dividend in Annual General Meeting held on April 27, 2013 with the record date of April 18, 2013. Accordingly, the shares bought back were not entitled for dividend and hence proposed final dividend and tax on such shares have been reversed as at December 31, 2013.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 5: Long-term borrowings		
A. Term loans		
From banks		
- Secured	5,354,549	5,539,830
From other parties		
- Unsecured	718,893	1,008,411
Less: Current portion of Long-term borrowings disclosed under Note 11 - Other current liabilities	1,461,509	1,341,077
	4,611,933	5,207,164
B. Senior secured notes		
8.00% Senior secured notes (due for repayment in December 2018)	24,065,400	23,522,000
8.25% Senior secured notes (due for repayment in January 2021)	25,332,000	24,760,000
8.50% Senior secured notes (due for repayment in January 2021)	16,170,619	17,925,621
	65,568,019	66,207,621
C. Deferred payment liabilities		
- Unsecured	853,031	2,477,409
Less: Current portion of Long-term borrowings disclosed under Note 11 - Other current liabilities	43,851	1,069,111
	809,180	1,408,298
D. Finance lease obligations		
- Secured	787,864	994,273
Less: Current portion of Long-term borrowings disclosed under Note 11 - Other current liabilities	111,034	119,504
	676,830	874,769
E. Other loans and advances (Unsecured)	12,210	810,444
TOTAL [A+B+C+D+E]	71,678,172	74,508,296

Notes:

- (i) Term loan with the original amount of US\$ 40 Million borrowed from IDBI Bank Limited, Dubai branch by the Company is secured by a pari passu:
 - (a) First charge on all immovable and movable properties present and future of the Company and Rain Cement Limited, a wholly owned subsidiary; and
 - (b) Second charge on all current assets of the Company and Rain Cements Limited, a wholly owned subsidiary Company. It carries interest of 3 months Libor plus 400 basis points. Of the original amount of US\$ 40 Million borrowed, 3 equal quarterly installments of 8% each from April 1, 2015 to October 1, 2015, 12% of original amount on January 1, 2016 and 24% of original amount on April 1, 2016.

Term loan of US\$ 20 Million borrowed from IDBI Bank Limited, Dubai branch, in the current financial year is secured by a pari passu first charge on all immovable and movable properties present and future of Rain Cements Limited, a wholly owned subsidiary Company. This loan has a bullet repayment on April 28, 2017. It carries interest of 6 months Libor plus 350 basis points.

The term loans availed by the Company have been utilised for the purpose of investment in its wholly owned subsidiary company which is engaged in the business of Calcined Petroleum Coke, in accordance with the sanctioned terms.
- (ii) Term loan A of US\$ 20 Million availed from ICICI Bank Limited, New York Branch by Rain Commodities (USA) Inc. ("RCUSA") is secured by:
 - (a) Pari passu first charge on all movable fixed assets of RCUSA and first charge on the Debt Service Reserve Account balance of RCUSA; and

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

- (b) Guarantee from Rain Cements Limited.
This loan is repayable in four equal annual installments starting from March 2014. This loan carries interest of 3 month Libor plus 500 basis points.
Term loan B of US\$ 20 Million availed from ICICI Bank Limited, New York Branch by RCUSA is secured by:
- (a) Pari passu first charge on all movable fixed assets of RCUSA and first charge on the Debt Service Reserve Account balance of RCUSA;
- (b) Guarantee from Rain Carbon Holdings, LLC; and
- (c) Pledge of 14.6% of membership interest in Rain CII Carbon LLC ("RCC") by Rain Carbon Holdings, LLC. This loan is repayable in four equal annual installments starting from March 2014. This loan carries interest of 3 month Libor plus 600 basis points.
- (iii) Term loan availed from European Bank for Reconstruction and Development by OOO RÜTGERS Severtar ("OOOSevertar") is secured by:
- (a) Senior charge on all assets of the OOO Severtar, and
- (b) Guarantee from certain group companies, until completion of the project in Russia.
The loan is repayable in 16 equal quarterly instalments starting from July 2014. This loan carries interest of 3 months LIBOR plus 400 basis points.
- (iv) Term loan from others includes loan taken by OOO Severtar from OAO Severstal at fixed interest rate of 8.00% with bullet repayment in December 2018.
- (v) The Senior secured notes of RCC are secured by substantially all of the RCC's assets in the USA and are guaranteed by RCC's subsidiaries in the USA on a joint and several basis.
- (vi) Deferred payment liabilities represents interest free sales tax deferment liability of Rs. 853,031 repayable in 126 monthly installments based on deferment schedule.
- (vii) Finance leases are secured by assets financed under the leasing agreement.
- (viii) During the year, one of the group companies in United States (Rain Carbon Holdings, LLC) entered into a new credit arrangement for an facility amount of \$10,000 thousands, which can be utilized for issuance of letter of credits and cash drawings. The Commitment fee on the unused portion of the facility is 0.25% per annum. Cash drawings under this facility are subject to interest rate of three months USD LIBOR plus 350 bps per annum.

	As at December 31, 2014	As at December 31, 2013
Note 6: Deferred taxes		
Deferred tax liability/(asset)		
- on account of depreciation and amortisation	4,476,261	4,701,616
- on account of employee benefits	(1,501,168)	(994,635)
- on account of deferred payment liabilities	(41,250)	(41,250)
- others	(736,068)	(604,660)
Net deferred tax liability	2,197,775	3,061,071
The net deferred tax liability of Rs. 2,197,775 (December 31, 2013: Rs. 3,061,071) has the following breakdown:		
Deferred tax asset	(2,027,284)	(1,659,569)
Deferred tax liability	4,225,059	4,720,640
Net deferred tax liability	2,197,775	3,061,071
Note 7: Other long-term liabilities		
Interest accrued but not due on borrowings	32,648	747,385
Advances from customers	177,639	143,917
Others	315,931	378,145
TOTAL	526,218	1,269,447

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 8: Long-term provisions		
Provision for employee benefits:		
- Compensated absences	32,164	31,078
- Gratuity	77,158	56,841
- Other defined benefit plans (net)	6,620,653	4,932,364
Provision - Others		
- Provision for environment liabilities	1,134,980	1,821,668
- Provision - others	33,341	36,534
TOTAL	7,898,296	6,878,485
Note 9: Short-term borrowings		
From banks - Secured		
- Buyer's credit	186,945	1,610,389
- Foreign currency non residential loan	-	974,925
- External packing credit loan	1,224,296	50,000
- Other working capital loans	1,963,230	3,232,126
From banks - Unsecured	56,960	-
TOTAL	3,431,431	5,867,440

Notes:

(i) Secured borrowings:

Borrowings availed by Rain CII Carbon (Vizag) Limited ("RCCVL"):

- The Company availed two Packing credit foreign currency loans. These loans are secured by first pari-passu charge on the movable fixed assets (present and future) of the Company. PCFC loan carry an interest rate of 4 to 6 months USD LIBOR plus interest margin of 1.16% and 1.00% (monthly payments).
- Buyers credit are repayable on demand and are secured by first pari-passu charge over current assets comprising of all inventories and book debts (present and future) of the Company.

Borrowing from banks by Rain CII Carbon LLC ("RCC") are secured by substantially all of the RCC's assets in the USA and are guaranteed by RCC's subsidiaries in the USA on a joint and several basis.

Borrowings from banks availed by Rain Global Services LLC ("RGS") are secured by pledge of all assets of RGS, excluding equity interests in its subsidiary, RGS Egypt Limited, and corporate guarantee given by Rain Carbon Holdings, LLC.

During the previous year, certain RÜTGERS group companies sold receivables to TWC Finance Inc ("TWC") of the Cayman Islands in Asset Backed Commercial Paper ("ABCP") program, this program is covered through a cash credit line from Commerzbank AG. RCC has provided guarantee to this facility.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 10: Trade payables		
Other than acceptances	10,007,815	12,574,856
TOTAL	10,007,815	12,574,856
Note 11: Other current liabilities		
Current maturities of long-term borrowings (Refer note 5)	1,616,394	2,529,692
Interest accrued but not due on borrowings	1,769,057	1,817,320
Unclaimed dividend	35,934	37,194
Other payables		
- Statutory remittances	643,857	539,688
- Trade /security deposits received	260,784	249,933
- Advances from customers	110,620	86,808
- Payables on purchase of fixed assets	614,907	501,003
- Provision for discounts	351,117	316,613
- Others	1,586,377	712,263
TOTAL	6,989,047	6,790,514
Note 12: Short-term provisions		
Provision for employee benefits:		
- Compensated absences	36,410	42,281
Provision - Others:		
- Provision for environment liabilities	998,151	942,545
- Provision for loss on derivatives	65,373	-
- Other provisions	21,222	20,486
TOTAL	1,121,156	1,005,312

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

Note 13: Fixed Assets

Description	Gross Block (At Cost/ Professional Valuation)					Depreciation/Amortisation					Net Block	
	As at January 1, 2014	Additions on account of acquisitions	Deletions/ Adjustments	Foreign Exchange Adjustments	As at December 31, 2014	As at January 1, 2014	Additions on account of acquisitions	For the year	Deletions/ Adjustments [Refer Note (iii) below]	Foreign Exchange Adjustments	As at December 31, 2014	As at December 31, 2013
Tangible assets												
Land - freehold	1,067,711	-	3,207	176	1,008,559	318,528	-	-	-	(32,174)	286,354	749,183
Land - leasehold	96,325	-	-	8,477	87,848	16,694	-	5,040	2,724	-	19,010	79,631
(Refer note (i) below)												
Buildings												
Owned												
(Refer note (ii) below)												
Taken under finance lease	8,743,092	-	70,035	31,211	8,252,130	4,964,904	-	308,073	25,262	(378,897)	4,868,818	3,778,188
Plant and equipment	58,203	-	-	-	53,941	39,236	-	3,450	-	(2,847)	39,839	18,967
Owned	69,510,525	-	2,686,679	773,022	67,218,046	45,717,433	-	2,584,881	708,331	(3,659,288)	43,934,695	23,283,351
Taken under finance lease	2,373,598	-	3,730	-	2,144,793	2,052,621	-	49,549	-	(203,375)	1,898,795	320,977
Furniture and fixtures	2,624,185	-	247,516	25,023	2,592,091	1,897,499	-	157,042	23,815	(187,201)	1,843,525	726,686
Office equipments												
Owned	1,995,656	-	89,974	120,671	1,792,525	1,679,403	-	93,540	113,807	(147,241)	1,511,895	316,253
Taken under finance lease	59,751	-	-	-	53,900	56,889	-	1,917	-	(5,666)	53,140	2,862
Vehicles	467,570	-	45,530	29,396	449,668	337,403	-	33,545	26,153	(27,736)	317,059	130,167
	86,996,616	-	3,146,671	987,976	83,653,501	57,080,610	-	3,237,037	900,092	(4,644,425)	54,773,130	28,880,371
												29,916,006
Intangible assets												
Goodwill												
(Refer note (iv) below)	62,115,943	-	-	1,432,260	57,951,835	-	-	-	-	-	-	57,951,835
Licenses and franchise	1,595,282	-	12,156	574	1,449,433	1,005,035	-	232,568	(38,856)	(112,156)	1,164,303	590,247
Other intangible assets	9,689	-	448	-	9,004	9,355	-	189	-	(1,133)	8,411	334
	63,720,914	-	12,604	1,432,834	59,410,272	1,014,390	-	232,757	(38,856)	(113,289)	1,172,714	58,237,558
TOTAL	150,717,530	-	3,159,275	2,420,810	143,063,773	58,095,000	-	3,469,794	861,236	(4,757,714)	55,945,844	92,622,530
Year ended December 31, 2013	44,289,806	81,485,146	10,158,148	3,449,826	150,717,530	7,095,920	41,906,653	3,568,226	2,070,070	7,594,271	58,095,000	92,622,530

Notes:

- Include land measuring 11 acres 82 cents taken on lease from Visakhapatnam Port Trust till October 27, 2022, in respect of which the lease deed is in the process of being executed.
- Include buildings constructed on leasehold land and depreciated over the lease period.
- Impairment loss of Rs. 95,230 recognised during the year (Refer note 30.3).
- Adjustment of Goodwill, Rs. 1,432,260 is on account of reversal of contingent consideration recorded at the time of acquisition of Ruetgers [Refer note 30.2(iv)].

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 14: Non-current investments		
A. Trade investments (unquoted)		
Investment in equity instruments		
(i) of associates		
- InfraTec Duisburg GmbH – 7,500 (previous year: 7,500) ordinary shares with no par value	25,949	30,303
- Tarlog GmbH – 50,000 (previous year: 50,000) ordinary shares with no par value*	-	-
(ii) in other entities		
- Arsol Aromatics GmbH & Co. – 1,365,860 (previous year: 1,365,860) ordinary shares with no par value	26,257	29,108
- Andhra Pradesh Gas Power Corporation Limited 134,000 (December 31, 2013: 134,000) equity shares of Rs. 10 each fully paid up	16,000	16,000
Investment in Government securities		
- National Savings Certificates	110	110
TOTAL	68,316	75,521
*Considering the losses, the investment value is written down to zero		
Note 15: Long-term loans and advances (Unsecured, considered good)		
Capital advances	296,127	464,431
Security deposits	244,169	240,461
Loans and advances		
- to others	751,217	21,340
- to employees	7,315	7,085
Prepaid expenses	3,796	3,055
Balances with Government authorities	28,353	31,672
Advance income tax (net of provision for tax December 31, 2014: Rs. 710,367, previous year: December 31, 2013: Rs. 958,631)	1,250,529	374,806
TOTAL	2,581,506	1,142,850
Note 16: Other non-current assets		
Interest accrued on deposits	356	408
Non-current portion of bank balances (Refer note 20)	14,461	16,055
TOTAL	14,817	16,463
Note 17: Current investments		
Investment in mutual funds of (unquoted):		
a) LIC Nomura MF Liquid Fund D.D.R	-	40,000
b) ICICI Prudential Flexible Income-Direct Plan-Growth	130,236	25,000
c) Axis Liquid Fund - Direct Growth (CF-DG)	20,015	-
d) IDFC Arbitrage Fund-Dividend - (Direct Plan)	25,113	-
e) Reliance Liquid Fund-Treasury Plan-Direct Growth Plan - Growth Option	20,010	-
TOTAL	195,374	65,000
Aggregate amount of unquoted investments	195,374	65,000
Aggregate provision for diminution in value of investments	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 18: Inventories		
(At lower of cost and net realisable value)		
a) Raw materials	6,137,821	9,187,464
Goods-in-transit	741,379	350,053
	<u>6,879,200</u>	<u>9,537,517</u>
b) Work-in-progress	1,542,953	1,984,034
c) Finished goods (other than those acquired for trading)	3,674,541	5,551,786
Goods-in-transit	65,373	25,352
	<u>3,739,914</u>	<u>5,577,138</u>
d) Stock-in-trade (acquired for trading)	1,694,504	843,138
Goods-in-transit	7,546	190,864
	<u>1,702,050</u>	<u>1,034,002</u>
e) Stores and spares	1,088,663	1,155,702
Goods-in-transit	1,832	3,359
	<u>1,090,495</u>	<u>1,159,061</u>
f) Packing materials	93,155	73,985
Goods-in-transit	5,347	5,366
	<u>98,502</u>	<u>79,351</u>
g) Fuel	179,425	477,351
Goods-in-transit	25,018	153,392
	<u>204,443</u>	<u>630,743</u>
h) Power banked units held with third party	79,607	-
TOTAL	<u><u>15,337,164</u></u>	<u><u>20,001,846</u></u>

Note 19: Trade receivables

Trade receivables outstanding for a period exceeding six months from the date they were due for payment

- Unsecured, considered good	671,990	207,415
- Doubtful	62,028	55,508
	<u>734,018</u>	<u>262,923</u>
Less: Provision for doubtful trade receivables	62,028	55,508
	<u>671,990</u>	<u>207,415</u>
Other trade receivables		
- Secured	75,369	124,468
- Unsecured, considered good	12,964,663	15,038,681
- Doubtful	5,544	1,110
	<u>13,045,576</u>	<u>15,164,259</u>
Less: Provision for doubtful trade receivables	5,544	1,110
	<u>13,040,032</u>	<u>15,163,149</u>
TOTAL	<u><u>13,712,022</u></u>	<u><u>15,370,564</u></u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	As at December 31, 2014	As at December 31, 2013
Note 20: Cash and bank balances		
A. Cash and cash equivalents		
Cash on hand	1,494	2,132
Cheques/ drafts on hand	18,000	23,969
Balances with banks:		
- in current accounts	4,059,974	2,176,228
- in Exchange earners foreign currency (EEFC) accounts	191,209	12,286
- in deposit accounts (with original maturity of 3 month or less)	4,129,989	5,924,096
	8,400,666	8,138,711
B. Other bank balances		
Balances held as margin money against guarantees and other commitments	228,943	287,038
Unclaimed dividend accounts	35,934	37,194
Long term deposits (original maturity of more than 12 months)	344,071	-
Less: Non-current portion of bank balances (Refer note 16)	14,461	16,055
	594,487	308,177
TOTAL [A+B]	8,995,153	8,446,888
Note 21: Short-term loans and advances (Unsecured, considered good)		
Advances to related parties		
- Rain Entertainment Private Limited	64,286	199,237
Security deposits	14,599	12,920
Loans and advances to employees	20,830	19,305
Prepaid expenses	285,126	317,867
Balances with Government authorities	720,985	681,672
Advance to supplier and service providers	332,314	624,068
Derivative financial asset, net	-	6,573
Others	974,933	565,800
TOTAL	2,413,073	2,427,442
Note 22: Other current assets		
Unbilled revenue	36,033	37,502
Accruals		
- Interest accrued on deposits	13,146	8,763
- Interest on trade receivables	11,665	-
Others		
- Contractually reimbursable expenses	233,604	1,567,898
- Government subsidies receivable	97,401	97,401
- Others	6,236	2,645
TOTAL	398,085	1,714,209



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	For the year ended December 31, 2014	For the year ended December 31, 2013
Note 23: Revenue from operations		
Sale of products	119,233,329	116,684,787
Revenue from services	178,618	99,613
Other operating revenues [Refer Note (i) below]	2,033,537	2,404,743
Revenue from operations (gross)	121,445,484	119,189,143
Less: Excise duty	2,075,613	1,745,774
Revenue from operations (net)	119,369,871	117,443,369
Notes:		
(i) Other operating revenues comprises:		
Scrap sales	49,351	36,048
Income from sale of Certified Emission Reductions	-	27,879
Rental income	147,909	115,298
Insurance claims	11,480	384,136
Indemnification for environmental costs	1,501,619	1,006,616
Rebates and incentives	-	68,325
Dock revenue	82,939	65,014
Other operating revenues	240,239	701,427
TOTAL	2,033,537	2,404,743
Note 24: Other income		
Interest income:		
Interest from banks on deposits	74,759	124,177
Interest on loans and advances	-	194
Interest on income tax refund	-	4,562
Other Interest	26,784	357
	101,543	129,290
Dividend income from current investments	7,904	-
Gain on foreign currency transactions and translations (net)	404,452	-
Other non-operating income		
Liabilities/provisions no longer required written back	207,448	149,580
Provision for doubtful debts and advances	-	12,810
Profit on sale of fixed assets (net)	11,168	321
Miscellaneous income	40,983	274,300
	259,599	437,011
TOTAL	773,498	566,301



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	For the year ended December 31, 2014	For the year ended December 31, 2013
Note 25: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening Stock		
Finished goods	5,577,138	4,356,035
Work-in-progress	1,984,034	1,694,394
Stock-in-trade	1,034,002	991,815
	<u>8,595,174</u>	<u>7,042,244</u>
Closing Stock		
Finished goods	3,739,914	5,577,138
Work-in-progress	1,542,953	1,984,034
Stock-in-trade	1,702,050	1,034,002
	<u>6,984,917</u>	<u>8,595,174</u>
(Increase)/decrease in stock	1,610,257	(1,552,930)
Foreign currency translation adjustment	(420,998)	879,757
Net (increase)/decrease	<u>1,189,259</u>	<u>(673,173)</u>
Note 26: Employee benefits expense		
Salaries, wages and bonus	8,491,020	8,132,632
Contributions to provident and other funds	723,733	204,904
Staff welfare expenses	552,246	518,412
TOTAL	<u>9,766,999</u>	<u>8,855,948</u>
Note 27: Finance cost		
Interest expense on borrowings	5,922,334	5,691,602
Other borrowing costs	156,167	241,543
Loss on foreign currency transactions and translation (net)	120,221	766
TOTAL	<u>6,198,722</u>	<u>5,933,911</u>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

	For the year ended December 31, 2014	For the year ended December 31, 2013
Note 28: Other expenses		
Consumption of stores and spares	1,580,433	1,495,236
Consumption of packing materials	824,061	735,453
Change in excise duty on finished goods	26,581	18,139
Power and fuel	6,051,784	6,036,928
Repairs and maintenance		
- Plant and machinery	3,600,153	3,194,619
- Buildings	140,350	163,701
- Others	600,303	275,475
Insurance	618,496	615,317
Rent (Refer note 30.8)	617,453	766,276
Rates and taxes	361,026	337,825
Travelling and conveyance	268,703	300,834
Selling and distribution expenses	8,970,484	7,548,735
Cash discounts	161,197	162,512
Donations and contributions	125,786	66,891
Legal and professional charges	2,218,653	2,008,498
Payment to auditors [Refer Note below]	119,460	123,253
Directors' sitting fees	2,825	2,110
Commission to directors	18,000	14,400
Provision for doubtful trade receivables	7,759	-
Bad debts written off	6,586	30,319
Loss on derivatives (net)	75,443	66,384
Loss on foreign currency transactions and translation (net)	-	504,383
Miscellaneous expenses	2,242,538	2,642,844
	28,638,074	27,110,132
Less: Expenses capitalised	84,027	76,367
TOTAL	28,554,047	27,033,765
Note:		
Payment to auditors comprises (excluding service tax):		
Statutory audit fees	65,447	61,406
Limited review fees	8,089	8,500
Other services	42,773	52,252
Reimbursement of expenses	3,151	1,095
TOTAL	119,460	123,253
Note 29: Tax expense		
Current tax		
(i) Tax for current period	1,117,437	1,955,176
(ii) Tax relating to earlier years	25,145	(109,589)
(iii) Minimum alternate tax credit entitlement	(25,181)	(420,018)
Net current tax	1,117,401	1,425,569
Deferred tax	(1,238,015)	(1,058,333)
TOTAL	(120,614)	367,236

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

Note 30.1: Buy-back of Equity Shares

Further to the completion of the scheme of buyback approved by the board of directors on October 25, 2011, the Shareholders of the Company have accorded their approval to another scheme for buyback of equity shares of Rs.2/- each vide postal ballot on October 1, 2012. The approval was granted for buy back of a maximum of 12,700,000 equity shares through open market transactions at a price not exceeding Rs.46/- per share for an amount not exceeding Rs. 460,000. The Company commenced the buyback of equity shares on October 22, 2012 and bought back 2,471,293 equity shares of Rs.2/- each aggregating Rs. 93,677 and extinguished 2,334,185 equity shares up to December 31, 2012. The balance 137,108 equity shares were extinguished by January 4, 2013.

Further during the year ended December 31, 2013, the Company bought back and extinguished 5,355,923 equity shares of Rs.2/- each for an aggregate consideration of Rs. 202,773.

Accordingly, Rs. Nil (December 31, 2013: Rs. 10,712) has been reduced from paid-up equity share capital and in accordance with the provisions of Section 77A of the Companies Act, 1956, of the aggregate buyback consideration paid of Rs. Nil (December 31, 2013: Rs. 202,773), Rs. Nil (December 31, 2013: Rs. 192,061) has been utilised from securities premium account and Rs. Nil (December 31, 2013: Rs. 10,712) has been transferred to the capital redemption reserve from surplus in Consolidated Statement of Profit and Loss.

Note 30.2: Acquisition of RÜTGERS

- (i) On January 4, 2013 Rain CII Carbon LLC, USA (RCC), a wholly owned step-down subsidiary of the Company, completed the acquisition of RÜTGERS N.V. (RÜTGERS), a Belgium headquartered Coal Tar Pitch (CTP) and chemical manufacturer, from funds managed by Triton, after receiving the necessary regulatory approvals. RCC acquired 100% of the shares of RÜTGERS pursuant to an agreement with Triton for a gross enterprise value of € 702.0 million plus certain contingent payments not exceeding € 27.0 million over the next three years. RCC funded the transaction through a combination of internal cash accruals and proceeds from the issuance of senior secured notes. RCC issued two tranches of senior secured notes with an 8 year tenure consisting of US\$ 400.0 million of US dollar denominated notes and € 210.0 million of Euro denominated notes. Management based on its best estimate as on the date of the acquisition has determined the contingent consideration payable.

The following table summarises the consideration paid and the book values of assets and liabilities acquired at the acquisition date:

Particulars	Year ended December 31, 2013
Consideration	
Cash	41,341,565
Contingent consideration payable	1,522,080
Total consideration	42,863,645
Assets and liabilities acquired	
Fixed assets, net of accumulated depreciation (includes Capital Work-in-Progress of Rs. 2,639,929)	11,527,882
Investments	36,090
Current assets (including cash and bank balances of Rs. 3,831,801)	20,894,911
Other assets	251,271
Goodwill	30,690,540
Deferred tax asset	97,333
Total assets	63,498,027
Less: Current liabilities	12,255,835
Less: Other liabilities	8,155,488
Less: Minority interest	223,059
Purchase consideration	42,863,645

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

- (ii) Expenses incurred in relation to the acquisition of RÜTGERS included in the Statement of Consolidated Profit and Loss are as follows:

Particulars	Year ended December 31, 2014	Year ended December 31, 2013
Exchange loss incurred on forward contracts executed in relation to the investment by RCC (included in Note 28 - Other expenses)	-	142,250
TOTAL	-	142,250

- (iii) The Group has been indemnified in relation to certain environmental expenditure, as per the terms of a prior acquisition made by the Group. Based on completion of due process as per the terms of the agreement, the Group has recognized an amount of Rs. 100,662, recoverable upto the end of the previous year as Other Operating Revenue. During the current year, the Group has received the full settlement amount and accordingly recognised final claim amount of Rs. 150,162 during the year ended December 31, 2014.
- (iv) As the conditions stipulated for payment of contingent consideration, determined and recorded as part of acquisition were not fulfilled within the agreed timelines, the Group reassessed its estimate of payment of the contingent consideration and accordingly the outstanding liability of Rs. 15,802 lakhs was reversed during the year ended December 31, 2014. Such reversal of contingent consideration has been adjusted against Goodwill. There were no outstanding consideration payable on acquisition as on the balance sheet date.

Note 30.3: Impairment loss

Based on the impairment analysis carried out during the year, the Group recorded a total impairment loss of Rs. 95,230 on account of the following:

- On account of newly imposed environmental regulations in China, the Group decided to discontinue the operations of its China facility as they did not consider those operations to be financially viable. Management carried out an impairment analysis in accordance with AS- 28 "Impairment of Assets" and accordingly, net book value of all the tangible assets aggregating to Rs. 55,800 (USD 0.9 million) pertaining to China Operations were impaired during the year ended December 31, 2014.
- On account of less than expected performance of its Netherland operations, the Group assessed the recoverable value of the intangibles in accordance with AS-28 "Impairment of Assets". Based on the evaluation carried out, the Group has impaired licenses aggregating to Rs. 39,430 (Euros 0.5 million) in the Netherland operations during the year ended December 31, 2014.

During the previous year, the Board of Directors of the Group have approved the closure of RCC's Calcining facility in Moundsville - West Virginia, USA. effective January 1, 2014. The site has been slated for closure brought on by the impact of new and more stringent regulations by the Environmental Protection Agency, USA. These regulatory challenges would require a level of investment exceeding US\$ 50 million on a plant that has been operating at less than 50% capacity since 2008, which is not economically feasible. The Group has carried out impairment analysis based on the fair valuation report of the external valuer. The impairment loss recognised in the Statement of Consolidated Profit and Loss is as follows:

Particulars	Year ended December 31, 2013	
Impairment of Tangible Assets		
Buildings	421,183	
Plant and equipment	878,097	
Office equipments	124	1,299,404
Impairment accounted in Capital Work-in-Progress		4,156
TOTAL		1,303,560

The above impairment loss relates to the Carbon segment of the Group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

Note 30.4: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at December 31, 2014	As at December 31, 2013
(I) Contingent liabilities		
(a) In respect of demands/claims arising on account of:		
- Income tax	276,485	127,205
- Wheeling charges [Refer note (i)]	342,685	366,782
- Operating charges of state load dispatch center and minimum energy/demand	12,532	5,777
- Electricity duty	17,529	15,724
- Customs Duty, Sales Tax, Service Tax and Excise Duty related matters under dispute	506,030	497,601
- Fuel Surcharge Adjustment levied by Electricity Distributing Companies	34,570	34,570
(b) Claims against the Group not acknowledged as debt	65,434	-
(c) Bank guarantees outstanding	9,098	495,191
(d) Corporate Guarantee issued on behalf of wholly owned subsidiaries		
- US\$ 59 million (December 31, 2012: US\$ 25 million)	3,736,470	1,547,500
(II) Commitments		
Estimated amounts of contracts remaining to be executed on capital account [net of Capital advance Rs. 296,127 (December 31, 2013: Rs. 464,431)]	1,199,189	933,708
(III) Liabilities pursuant to the German Mergers and Acquisitions Act (Umwandlungsgesetz - UmwG), which are largely the result of the spin-off of retirement pension obligations in the past to RÜTGERS Altersversorgungs-GmbH, Germany and RÜTGERS Dienstleistungs-GmbH, Germany. After the sale of shares to RÜTGERS Germany GmbH, Germany these two companies continued to be with the prior owners of RÜTGERS. Management do not expect any claims from this obligation and hence, not recorded any liabilities in the books. The amount of this obligation as at December 31, 2014 is Rs. 2,054,745 (December 31, 2013: Rs. 3,477,058).		

Note:

- (i) During 2002, the erstwhile Rain Calcining Limited had disputed the order of Andhra Pradesh Electricity Regulatory Commission ('APERC') in respect of wheeling charges before the Honorable High Court of Andhra Pradesh. The Honorable High Court of Andhra Pradesh had set aside the order of APERC. Transmission Corporation of Andhra Pradesh ('AP Transco') filed a Special Leave Petition in the Supreme Court of India against the order of the Honorable High Court of Andhra Pradesh. The final verdict of the Honorable Supreme Court of India is awaited. The contingent liability has been computed on the basis of imputed cost till December 31, 2014 per the terms of the said APERC order.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

Note 30.5: Segmental Reporting

a) Business Segment

Particulars	Year ended December 31, 2014				Year ended December 31, 2013			
	Carbon Products	Chemical	Cement	Total	Carbon Products	Chemicals	Cement	Total
Revenue								
External Sales (net of excise duty and taxes on sales)	83,972,418	24,629,097	8,734,819	117,336,334	82,707,319	23,935,723	8,395,584	115,038,626
Inter- Segment Sales	2,953,629	4,843,899	1,577	7,799,105	3,363,829	5,283,597	1,945	8,649,371
Total	86,926,047	29,472,996	8,736,396	125,135,439	86,071,148	29,219,320	8,397,529	123,687,997
Less: Eliminations	(2,953,629)	(4,843,899)	(1,577)	(7,799,105)	(3,363,829)	(5,283,597)	(1,945)	(8,649,371)
Total Revenue from sale of products and from services provided	83,972,418	24,629,097	8,734,819	117,336,334	82,707,319	23,935,723	8,395,584	115,038,626
Other operating income	1,204,746	800,060	28,731	2,033,537	1,410,276	917,707	76,760	2,404,743
Total Revenue	85,177,164	25,429,157	8,763,550	119,369,871	84,117,595	24,853,430	8,472,344	117,443,369
Result								
Segment Result	7,668,954	920,431	65,635	8,655,020	8,472,584	1,397,276	236,972	10,106,832
Operating Profit				8,655,020				10,106,832
Finance costs				6,078,501				5,933,911
Unallocated income				(369,046)				(566,301)
Forex (gain)/loss in other (income)/expense				(208,788)				504,383
Exceptional items				2,577,419				-
Profit Before Taxation				576,934				4,234,839
Provision for Taxation				(120,614)				367,236
Profit after tax and before share of loss of associates and minority interest				697,548				3,867,603
Segment Assets	98,645,124	27,022,072	6,570,374	132,237,570	105,874,506	31,284,781	7,033,381	144,192,668
Unallocated Corporate Assets				3,313,747				2,071,569
Total Assets	98,645,124	27,022,072	6,570,374	135,551,317	105,874,506	31,284,781	7,033,381	146,264,237
Segment Liabilities [Refer note (i)]	16,502,995	9,989,903	1,828,737	28,321,635	20,119,526	9,710,724	1,988,918	31,819,168
Unallocated Corporate Liabilities				4,260,993				4,757,834
Total Liabilities	16,502,995	9,989,903	1,828,737	32,582,628	20,119,526	9,710,724	1,988,918	36,577,002
Capital Expenditure	(812,768)	812,768	-	-	2,634,133	780,489	238,959	3,653,581
Depreciation	2,180,482	920,922	368,389	3,469,793	2,177,140	1,036,931	354,155	3,568,226

Note:

- (i) Segment Liabilities does not include borrowings of Rs. 73,294,566 (December 31, 2013 : Rs.77,037,988).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

b) Geographical Segment

	December 31, 2014		December 31, 2013	
	Revenue from sale of products/services rendered to external customers	Segment Assets	Revenue from sale of products/services rendered to external customers	Segment Assets
India	14,995,392	21,481,763	12,672,107	15,743,001
Outside India	102,340,942	110,755,807	102,366,519	128,449,667
Total	117,336,334	132,237,570	115,038,626	144,192,668

Note 30.6: Employee Benefits

The Group has various employee benefit schemes covering different categories of employees based on their location of employment.

a) Contribution plans:

Amounts towards defined contribution plans have been recognised under "Contributions to provident and other funds" in Note 26: Rs. 172,307 (December 31, 2013 - Rs. 154,728).

b) Benefit plans: The Group operates the following defined benefit plans:

- (i) Gratuity
- (ii) Pension
- (iii) Post retirement medical benefits

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2014. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Balance Sheet and Statement of Consolidated Profit and Loss.

Amounts recognized in the Balance Sheet are as follows:

	As at December 31, 2014	As at December 31, 2013
Present value of funded obligation	9,165,449	7,303,566
Less: Fair value of plan assets	2,467,638	2,314,361
Net liability	6,697,811	4,989,205

The Net liability in respect of unfunded obligation is Rs. 5,878,390 (December 31, 2013: Rs. 4,383,020)

Net employee benefits expense (recognised in employee cost)

	For the year ended December 31, 2014	For the year ended December 31, 2013
Current service cost	310,355	272,562
Past service cost	8,838	-
Interest cost	254,798	211,760
Expected return on plan assets	(114,530)	(84,294)
Administrative expenses	2,757	2,629
Net actuarial loss/(gain) recognized during the year	1,905,668	(352,481)
TOTAL	2,367,886	50,176

Periodic costs in respect of unfunded obligation is Rs. 1,930,124 (December 31, 2013: Rs. 219,035)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

On June 29, 2009, the Memorandum of Understanding between the United Steelworkers and RCC, which stated RCC would pay the full cost of post-retirement medical benefits for the United Steelworkers employees who were hired prior to April 27, 1994, expired without renewal. Effective January 1, 2013, RCC decided to continue sponsoring such post-retirement medical plans, but the affected retirees would have to pay the full cost of such benefits.

Reconciliation of opening and closing balances of the present value of the obligations:

	Year ended December 31, 2014	Year ended December 31, 2013
Opening defined benefit obligation	7,303,566	509,864
On acquisition of subsidiaries	-	5,571,683
Current service cost	310,355	272,562
Past service cost	8,838	-
Interest Cost	254,799	211,760
Actuarial loss/(gain)	1,992,399	(128,901)
Administrative expenses, taxes and insurance premiums	(18,648)	(13,889)
Other significant events	-	(3,728)
Plan participant contributions	74,675	63,815
Amount paid to employees	(145,228)	(96,969)
Exchange differences	(615,307)	917,369
Closing defined benefit obligation	9,165,449	7,303,566

Reconciliation of opening and closing balances of the fair value of plan assets:

	Year ended December 31, 2014	Year ended December 31, 2013
Opening fair value of plan assets	2,314,361	300,540
On acquisition of subsidiaries	-	1,389,297
Expected return on plan assets	110,795	84,294
Actuarial (loss)/gain	90,502	223,580
Contribution by employer	165,354	184,748
Plan participant contributions	71,285	63,815
Administrative expenses, taxes and insurance premiums	(20,434)	(16,518)
Amount paid to employees	(145,228)	(96,969)
Exchange differences	(118,997)	181,574
Closing fair value of plan assets	2,467,638	2,314,361
Actual return on plan assets	201,296	307,874

Major Category of plan assets as a percentage to fair value of plan assets:

	As at December 31, 2014	As at December 31, 2013
Equity securities	44.00%	48.00%
Debt securities	35.00%	50.00%
Insurer managed funds	20.00%	1.00%
Others	1.00%	1.00%



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

Principal Actuarial assumptions used:

	Year ended December 31, 2014	Year ended December 31, 2013
Discount rates on benefit obligations	1.70% to 8.20%	3.10% to 9.00%
Expected rate of return on plan assets	3.10% to 8.00%	3.20% to 8.00%
Expected salary increase rates	2.50% to 7.00%	2.25% to 6.00%
Annual increase in health cost		
Initial trend rate	6.61%	6.77%
Ultimate trend rate	4.50%	4.50%
Year ultimate trend rate is reached	2031	2031

The expected contribution to be made by the Group during the financial year ending December 31, 2015 is Rs. 131,148.

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

c) **Compensated absences**

The Group provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods or receive cash in lieu thereof as per Group policy. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Group towards this benefit as at December 31, 2014 is Rs. 68,574 (December 31, 2013 Rs. 73,359).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

Note 30.7: Related Party Disclosures

a) Names of related parties and description of relationship

Key Managerial Personnel	<ol style="list-style-type: none"> Mr. N. Jagan Mohan Reddy Managing Director Mr. T. Srinivasa Rao Chief Financial Officer [KMP w.e.f April 1, 2014] Mr. S. Venkat Ramana Reddy Company Secretary [KMP w.e.f April 1, 2014]
Enterprise where key managerial personnel along with their relatives exercise significant influence	<ol style="list-style-type: none"> Sujala Investments Private Limited Focus India Brands Private Limited Nivee Holdings Private Limited Arunachala Holdings Private Limited PCL Financial Services Private Limited Rain Entertainment Private Limited (REPL) Nivee Property Developers Private Limited (NPDPL) Pragnya Priya Foundation (PPF)
Associates and joint ventures of the reporting enterprises and the investing party or venturer in respect of which the reporting enterprise is an associate of joint venture	<ol style="list-style-type: none"> Tarlog GmbH (Tarlog) (Investment by RÜTGERS InfraTec GmbH) InfraTec Duisburg GmbH (IDGmbH) (Investment by RÜTGERS Germany GmbH)

b) Transactions with related parties:

Particulars	Year ended December 31, 2014	Year ended December 31, 2013
Purchases and services (net of reimbursements) from:		
a) Tarlog	216,417	199,851
b) IDGmbH	650,213	528,129
Other operating income		
a) Tarlog	4,946	14,518
b) IDGmbH	27,810	14,492
Managerial remuneration		
a) N. Jagan Mohan Reddy	13,472	13,625
b) T. Srinivasa Rao	7,150	-
c) S. Venkat Ramana Reddy	2,192	-
Dividend paid		
a) Enterprise where key managerial personnel along with their relatives exercise significant influence	81,269	168,587
b) Key Managerial Personnel	56,195	60,898
Donations given, net		
a) PPF	5,000	6,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

The Group has the following dues from /to related parties:

Particulars	As at December 31, 2014	As at December 31, 2013
Amounts receivable from		
a) Tarlog	1,001	911
b) IDGmbH	95,172	76,446
c) REPL	1,232,416	268,735
Amounts payable to		
a) Tarlog	31,262	15,405
b) IDGmbH	88,858	105,987
Advance given towards purchase of raw material to		
a) REPL	64,286	199,237

Note 30.8: Operating Leases

The Group has entered into various operating lease agreements for assets comprising of storage and other facilities and amounts aggregating Rs. 617,453 (December 31, 2013 - Rs. 766,276) paid under such agreements have been charged off in the Statement of Consolidated Profit and Loss.

	As at December 31, 2014	As at December 31, 2013
- Not later than 1 year	587,368	468,861
- Later than 1 year and not later than 5 years	1,116,919	733,267
- Beyond 5 years	431,820	306,138

Note 30.9: Finance Leases

The Group has taken buildings, plant and equipment and other assets under finance leases. The future minimum lease payments and their present values as at December 31, 2014 are as follows:

	Present value of minimum lease payments	Future interest	Minimum lease payments
- Not later than 1 year	116,752	39,323	156,075
- Later than 1 year and not later than 5 years	502,114	99,482	601,597
- Beyond 5 years	210,802	9,405	220,207

Note 30.10: Earnings per Share (EPS)

	As at December 31, 2014	As at December 31, 2013
a. Profit for the year	885,302	3,845,255
b. Weighted average number of equity shares of Rs. 2/- each outstanding during the year (Nos.)	336,345,679	337,074,474
Earnings per Share		
c. Basic and Diluted - [a]/[b] - (Rs.)	2.63	11.41

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

Note 30.11: Net Investment Hedge

The Group has designated the 'foreign currency loan' as a hedging instrument to hedge its net investment in a non-integral foreign operation, with effect from January 1, 2009. The translation loss for the year ended December 31, 2014 on such foreign currency loan, determined as an effective net investment hedge, recognized in the Foreign Currency Translation Reserve included in Note 4 - Reserves and surplus is Rs. 14,133 (December 31, 2013: Rs. 419,569).

Note 30.12: Unhedged foreign currency exposure

The following table analyzes foreign currency risk from financial instruments as at December 31, 2014:

(All figures in equivalent Indian Rupees thousands)

	USD	EUR	CAD	Others*	Total
Assets:					
Cash and Bank balances	726,522	92,015	20,293	153	838,983
EEFC Balance	191,209	-	-	-	191,209
Trade receivables	2,911,471	13,644	4,309	11,155	2,940,579
Loans and advances given	1,174,265	-	3,514,166	-	4,688,431
Loans and advances to subsidiary	101,328	-	-	-	101,328
	5,104,795	105,659	3,538,768	11,308	8,760,530
Liabilities:					
Trade payables	1,661,263	26,026	-	-	1,687,289
Loans and borrowings	3,265,785	625,625	-	-	3,891,410
	4,927,048	651,651	-	-	5,578,699

*Others include CHF, JPY, GBP and CNY

The following table analyzes foreign currency risk from financial instruments as at December 31, 2013:

(All figures in equivalent Indian Rupees thousands)

	USD	EUR	CAD	Others*	Total
Assets:					
Cash and Bank balances	525,029	1,944	105,648	626	633,247
EEFC Balance	12,286	-	-	-	12,286
Trade receivables	3,823,707	-	12,051	15,649	3,851,407
Loans and advances given	776,355	-	2,945,932	-	3,722,287
Loans and advances to subsidiary	99,040	-	-	-	99,040
	5,236,417	1,944	3,063,631	16,275	8,318,267
Liabilities:					
Trade payables	1,637,839	257,384	-	430	1,895,653
Loans and borrowings	4,155,568	-	-	-	4,155,568
	5,793,407	257,384	-	430	6,051,221

*Others include CHF, JPY, GBP and CNY

Note 30.13:

The Group has entered into the following derivative contracts:

As at December 31, 2014 the Group have no costless collar derivative instruments.

Further, as at December 31, 2013 the Group had 2 costless collar derivative instruments each consisting of 1 natural gas call and 1 natural gas put covering 130,000 MMBTU for the period of January 1, 2014 to December 31, 2014. The natural gas put sets the price on natural gas purchase at US\$3.50/MMBTU. The natural gas call sets the price on natural gas purchases between US\$4.24 and US\$5.11/MMBTU. At December 31, 2013, the fair value of the derivative instruments recorded within other current liabilities aggregated to Rs. 10,275.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Thousands, except share data and where otherwise stated

As at 31 March, 2014

CATEGORY	CURRENCY	CROSS CURRENCY	AMOUNTS IN MILLIONS	BUY/SELL	PURPOSE
Forward contract	USD	EUR	USD 20.00	Buy	Hedging
Forward contract	USD	EUR	USD 20.00	Sell	Hedging
Forward contract	JPY	EUR	JPY 31.68	Buy	Hedging
Swap contract	JPY	EUR	JPY 31.68	Sell	Hedging
Forward contract	CAD	USD	CAD 6.53	Buy	Hedging
Forward contract	CAD	USD	CAD 6.58	Sell	Hedging

As at 31 March, 2013

CATEGORY	CURRENCY	CROSS CURRENCY	AMOUNTS IN MILLIONS	BUY/SELL	PURPOSE
Forward contract	USD	EUR	USD 38.20	Buy	Hedging
Forward contract	USD	EUR	USD 35.00	Sell	Hedging
Forward contract	JPY	EUR	JPY 0.03	Buy	Hedging

Note 30.14: Exceptional items

Exceptional items	For the year ended December 31, 2014	For the year ended December 31, 2013
Incremental pension liability resulting from actuarial losses	1,819,751	-
Inventory write-down	236,921	-
Foreign exchange loss	520,747	-

- The Group's defined benefit plan in certain European subsidiaries has increased on account of a significant increase in the net pension liability resulting from lower discount rates due to a sharp decline in the interest rates in these countries. The Group has reported Rs. 1,819,751 as the net increase in pension costs as an exceptional item.
- On account of a sharp decline in the prices of certain commodity inputs the Group's inventories were significantly impacted in the last quarter. This decline of Rs. 236,921 was unusual and has been reported as an exceptional item by the Group.
- During the year, the Russian Rubles faced considerable decline on account of depreciation as compared to the US Dollar. This decline was significant and impacted the local currency value of the USD payables in the Group's Russian subsidiary. The Net foreign exchange loss on account of the above decline amounting to Rs. 520,747 has been reported by the Group as an exceptional item.

Note 30.15:

During the year, the Group has given donations to the political parties Rs. 2,850 (December 31, 2013: Rs. 100).

Note 30.16:

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification/ disclosure.

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership number: 049642
Place: Hyderabad
Date : February 27, 2015

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

N. Sujith Kumar Reddy
Director
DIN: 00022383

S. Venkat Ramana Reddy
Company Secretary
M.No. A14143



ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM FOR PAYMENT OF DIVIDEND

To,
Karvy Computershare Private Limited
(Unit: Rain Industries Limited)
Plot No.17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081.

Shareholder's authorisation to receive dividends through Electronic Credit Clearing Mechanism.

Registered Folio No. :	ECS Ref. No. : (for Office use only)
Name of the first/sole shareholder	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Books)	
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank. (Please attach a blank cancelled cheque, or a photocopy (xerox copy) of a cheque issued to you by your Bank, for verification of the above particulars)	
Account Type (Please tick the option)	<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Cash Credit
Bank Account Ledger Folio No. (If any)	
Effective date of this mandate	

I hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. Rain Industries Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place :

Name of First Holder : _____

Date :

Signature of First Holder : _____

Note:

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to their respective Depository participants. Shareholders are also requested to note that changes, if any, intimated by the Demat Account holders directly to the Company will not be considered.



RAIN INDUSTRIES LIMITED

Regd.Office: Rain Center, 34, Srinagar Colony, Hyderabad-500 073, Telangana State

CIN: L26942TG1974PLC001693

ATTENDANCE SLIP

40th Annual General Meeting, June 11, 2015 at 11:00 A.M.

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 40th Annual General Meeting of the members of the Company held on Thursday, the June 11, 2015 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.



RAIN INDUSTRIES LIMITED

Regd.Office: Rain Center, 34, Srinagar Colony, Hyderabad-500 073, Telangana State

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L26942TG1974PLC001693
Name of the company: Rain Industries Limited
Registered office: Rain Center, 34, Srinagar Colony, Hyderabad-500 073, Telangana State.

Name of the member(s):

Registered address:

Email Id:

Folio No./Client Id:

DP ID:

I/We, being the member (s) of.....shares of the above named company, hereby appoint

1.	Name:	
	Address:	
	E-mail Id:	
	Signature:	
2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	
3.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual general meeting of the company, to be held on the Thursday of June 11, 2015 At 11.00 a.m. at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
Ordinary Business	
1.	To receive, consider and adopt the Stand alone Balance Sheet as at December 31, 2014, Statement of Profit and Loss for the Financial Year ended on December 31, 2014, Cash Flow Statement for the Financial Year ended December 31, 2014 and reports of Directors and Auditors thereon.
2.	To receive, consider and adopt the Consolidated Balance Sheet as at December 31, 2014, Statement of Profit and Loss for the Financial Year ended on December 31, 2014, Cash Flow Statement for the Financial Year ended December 31, 2014 and Report of Auditors thereon.
3.	To approve and ratify interim dividend.
4.	To appoint a Director in place of Mr. N. Radhakrishna Reddy, who retires by rotation and being eligible offers himself for re-appointment.
5.	To appoint a Director in place of Mr. N. Sujith Kumar Reddy, who retires by rotation and being eligible offers himself for re-appointment.
6.	To appoint M/s. BSR & Associates LLP, as Statutory Auditors of the Company for a period of 3 years and fix their Remuneration
Special Business	
7.	To appoint Ms. Radhika Vijay Haribhakti as an Independent Director (Woman Director) for a period of three years.

Signed this..... day of..... 2015

Signature of shareholder

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

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Notes

[illegible]

RAIN INDUSTRIES LIMITED

(Formerly Rain Commodities Limited)

Regd. Office: Rain Center, 34, Srinagar Colony,
Hyderabad - 500 073, Telangana, India.

www.rainindustries.com

