

# B S R & Associates LLP

Chartered Accountants

8-2-618/2, Reliance Humsafar,  
4th Floor, Road, No. 11,  
Banjara Hills  
Hyderabad - 500 034. India.

Telephone +91 40 3046 5000  
Fax +91 40 3046 5299

## **Independent Auditor's Report on Annual Financial Results of Rain Industries Limited (formerly Rain Commodities Limited) Pursuant to the Clause 41 of the Listing Agreement**

**To the Board of Directors of  
Rain Industries Limited (formerly Rain Commodities Limited)**

We have audited the accompanying Statement of Annual Financial Results ('the Statement') of Rain Industries Limited (formerly Rain Commodities Limited) ("the Company") for the year ended December 31, 2014 attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India ("Listing Agreement") except for the disclosures regarding 'Public shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended December 31, 2014 and the corresponding quarter in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter of the respective financial years have only been subjected to a review and have not been subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles prescribed in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and Section 133 of the Companies Act, 2013 ("2013 Act") to the extent applicable or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the financial year ended December 31, 2014.

B S R & Associates LLP

**Independent Auditor's Report on Annual Financial Results of Rain Industries Limited (formerly Rain Commodities Limited) Pursuant to the Clause 41 of Listing Agreement (continued)**

Further, we also report that we have, on the basis of the books of accounts and other records and information and explanation given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

*for B S R & Associates LLP*

*Chartered Accountants*

Firm registration Number: 116231W/ W-100024



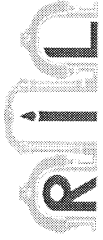
**Sriram Mahalingam**

*Partner*

Membership Number: 049642

Hyderabad

February 27, 2015



**RAIN INDUSTRIES LIMITED**

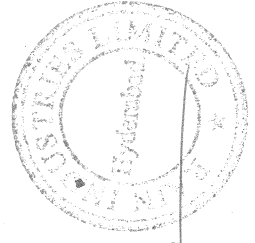
(Formerly Rain Commodities Limited) CIN: L26942TG1974PLC001693

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

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

Statement of Standalone Audited Financial Results for the Quarter and Year ended December 31, 2014						
Particulars	Quarter ended			Year ended		(Rupees in lakhs)
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	
	Audited - see Note 6 below	Unaudited	Audited - see Note 6 below	Audited	Audited	
<b>1</b>	<b>Income from operations</b>					
(a)	Net Sales / Income from Operations (Net of excise duty)	274	155	-	773	7,072
<b>2</b>	<b>Expenses</b>					
(a)	Purchases of Stock-in-trade	-	-	-	-	7,044
(b)	Employee Benefits Expense	150	149	31	572	179
(c)	Depreciation Expense	14	13	12	52	50
(d)	Other Expenses	222	132	44	652	271
	<b>Total Expenses</b>	<b>386</b>	<b>294</b>	<b>87</b>	<b>1,276</b>	<b>7,544</b>
<b>3</b>	<b>Loss from Operations before Other Income, Foreign Exchange (Gain)/Loss, Finance Costs and Tax (1-2)</b>	<b>(112)</b>	<b>(139)</b>	<b>(87)</b>	<b>(503)</b>	<b>(472)</b>
<b>4</b>	<b>Other Income (See Note 4 below)</b>	<b>462</b>	<b>4,172</b>	<b>4,237</b>	<b>5,469</b>	<b>5,785</b>
<b>5</b>	<b>Foreign Exchange (Gain)/Loss</b>	<b>(603)</b>	<b>230</b>	<b>(174)</b>	<b>(650)</b>	<b>1,374</b>
<b>6</b>	<b>Profit/(Loss) before Finance Costs and Tax (3+4-5)</b>	<b>953</b>	<b>3,803</b>	<b>4,324</b>	<b>5,616</b>	<b>3,939</b>
<b>7</b>	<b>Finance Costs</b>	<b>1,147</b>	<b>321</b>	<b>269</b>	<b>2,216</b>	<b>1,134</b>
<b>8</b>	<b>Profit/(Loss) before Tax (6-7)</b>	<b>(194)</b>	<b>3,482</b>	<b>4,055</b>	<b>3,400</b>	<b>2,805</b>
<b>9</b>	<b>Tax Expense</b>	<b>41</b>	<b>900</b>	<b>1,274</b>	<b>942</b>	<b>1,275</b>
<b>10</b>	<b>Net Profit/(Loss) for the period/year (8-9)</b>	<b>(235)</b>	<b>2,582</b>	<b>2,781</b>	<b>2,458</b>	<b>1,530</b>
<b>11</b>	<b>Paid-up Equity Share Capital - Face Value Rs. 2/- each</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>
<b>12</b>	<b>Reserves excluding Revaluation Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,128</b>
<b>13</b>	<b>Earnings/(Loss) Per Share - Basic &amp; Diluted (of Rs. 2/- each)</b>	<b>-0.07*</b>	<b>0.77*</b>	<b>0.82*</b>	<b>0.73</b>	<b>0.45</b>
	(*Not Annualised)					

(See accompanying notes to the Standalone Audited Financial Results)



*(Signature)*

## PART II

	Quarter ended			Year ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>A PARTICULARS OF SHAREHOLDING</b>					
1 Public shareholding					
- Number of Shares	198,882,219	198,882,219	187,164,116	198,882,219	187,164,116
- Percentage of Shareholding	59.13%	59.13%	55.65%	59.13%	55.65%
2 Promoters and Promoter Group Shareholding					
(a) Pledged / Encumbered					
- Number of Shares	25,316,465	25,316,465	25,316,465	25,316,465	25,316,465
- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	18.42%	18.42%	16.97%	18.42%	16.97%
- Percentage of Shares (as a % of the total Share Capital of the Company)	7.53%	7.53%	7.53%	7.53%	7.53%
(b) Non - encumbered					
- Number of Shares	112,146,995	112,146,995	123,865,098	112,146,995	123,865,098
- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	81.58%	81.58%	83.03%	81.58%	83.03%
- Percentage of Shares (as a % of the total Share Capital of the Company)	33.34%	33.34%	36.82%	33.34%	36.82%

**B INVESTOR COMPLAINTS**

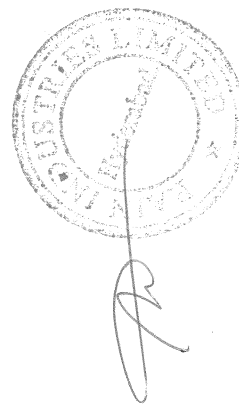
	Quarter ended December 31, 2014
Pending at the beginning of the quarter	-Nil-
Received during the quarter	23
Disposed off during the quarter	23
Remaining unresolved at the end of the quarter	-Nil-

**Notes:**

- The Standalone Audited Financial Results were reviewed by the Audit Committee on February 26, 2015 and approved by the Board of Directors at their meeting held on February 27, 2015.
- The Standalone Financial Results for the Financial Year ended December 31, 2014 have been Audited by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.
- The Board of Directors had declared an Interim Dividend of Rs. 1/- per Equity Share i.e. 50% on a face value of Rs. 2/- per Equity Share fully paid up for the financial year 2014 on November 6, 2014.
- Other income inclusive of:

Particulars	Quarter ended		Year ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014
Dividends from Subsidiary Companies	-	3,692	3,768	3,692
Interest on Deposits with Banks and Others	462	480	461	1,776
				1,985

(Rupees in lakhs)



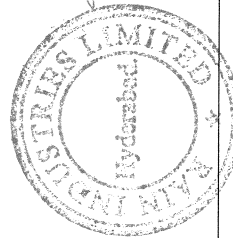
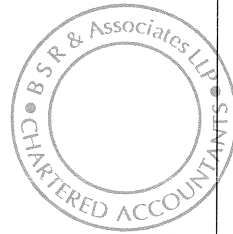
5 Statement of Standalone Assets and Liabilities:

Particulars	(Rupees in lakhs)	
	As at December 31, 2014 Audited	As at December 31, 2013 Audited
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	6,727	6,727
(b) Reserves and surplus	25,222	26,128
<b>Sub-total - Shareholders' funds</b>	<b>31,949</b>	<b>32,855</b>
<b>2 Non-current liabilities</b>		
(a) Long-term borrowings	21,785	16,837
(b) Deferred tax liabilities (net)	-	-
(c) Long-term provisions	25	20
<b>Sub-total - Non-current liabilities</b>	<b>21,810</b>	<b>16,857</b>
<b>3 Current liabilities</b>		
(a) Trade payables	20	20
(b) Other current liabilities		
(i) Current maturities of long-term borrowings	6,080	5,942
(ii) Others	396	416
(c) Short-term provisions	1,127	1,124
<b>Sub-total - Current liabilities</b>	<b>7,623</b>	<b>7,502</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>61,382</b>	<b>57,214</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	1,041	1,065
(b) Non-current investments	30,360	30,359
(c) Long-term loans and advances	18,725	10,302
<b>Sub-total - Non-current assets</b>	<b>50,126</b>	<b>41,726</b>
<b>2 Current assets</b>		
(a) Trade receivables	132	583
(b) Cash and bank balances	2,820	4,935
(c) Short-term loans and advances	7,991	9,832
(d) Other current assets	313	138
<b>Sub-total - Current assets</b>	<b>11,256</b>	<b>15,488</b>
<b>TOTAL - ASSETS</b>	<b>61,382</b>	<b>57,214</b>

5 The segment results are included in Consolidated Audited Financial Results in compliance with Accounting Standard - 17 "Segment Reporting".

6 The figures for the quarters ended December 31 are the balancing figures between the audited figures in respect of the full financial year ended December 31 and the unaudited figures for the nine months ended September 30.

7 The figures of the previous year / periods have been regrouped / reclassified, wherever considered necessary to correspond with the current period's classification / disclosure.



By order of the Board  
for Rain Industries Limited

*(Signature)*

N. Jagann Mohan Reddy  
Managing Director  
DIN:00017633

Place: Hyderabad

Date: February 27, 2015

# B S R & Associates LLP

Chartered Accountants

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## **Independent Auditor's Report on Statement of Consolidated Financial Results of Rain Industries Limited (formerly Rain Commodities Limited) Pursuant to the Clause 41 of the Listing Agreement**

**To the Board of Directors of  
Rain Industries Limited (formerly Rain Commodities Limited)**

We have audited the accompanying Statement of Consolidated Financial Results ('the Statement') of Rain Industries Limited (formerly Rain Commodities Limited) ("the Company") its subsidiaries and associates (collectively referred to as the "Rain Group") for the year ended December 31, 2014 attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India ("Listing Agreement") except for the disclosures regarding 'Public shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended December 31, 2014 and the corresponding quarter in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter of the respective financial years have only been subjected to a review and have not been subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles prescribed in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and Section 133 of the Companies Act, 2013 ("2013 Act") to the extent applicable or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial results 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 audit procedures performed by other auditors. The attached consolidated financial results include total revenues of Rs. 195,000 lakhs and Rs. 917,646 lakhs for the quarter and year ended December 31, 2014 and total assets of Rs. 1,187,936 lakhs as at December 31, 2014 in respect of the aforementioned subsidiaries and share of loss from associates of Rs. 12 lakhs for the year then ended.

**Independent Auditor's Report on Annual Financial Results of Rain Industries Limited (formerly Rain Commodities Limited) Pursuant to the Clause 41 of Listing Agreement (continued)**

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the financial year ended December 31, 2014.

Further, we also report that we have, on the basis of the books of accounts and other records and information and explanation given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

*for B S R & Associates LLP*

*Chartered Accountants*

Firm registration Number: 116231W/ W-100024



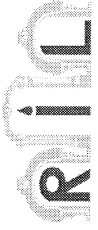
**Sriram Mahalingam**

*Partner*

Membership Number: 049642

Hyderabad

February 27, 2015



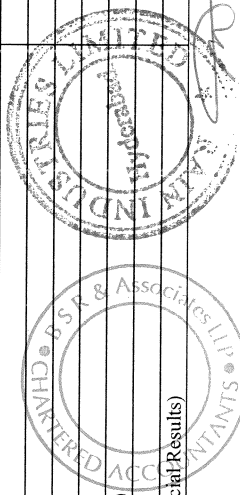
RAIN INDUSTRIES LIMITED

(Formerly Rain Commodities Limited) CIN: L26942TG1974PLC001693

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

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

Statement of Consolidated Audited Financial Results for the Quarter and Year ended December 31, 2014						
Particulars	Quarter ended			Year ended		
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	
	Audited - see Note 16 below	Unaudited	Audited - see Note 16 below	Audited		
<b>1 Income from operations</b>						
(a) Net Sales / Income from Operations (Net of excise duty)	258,990	296,971	288,121	1,173,364	1,150,386	
(b) Other Operating Income (See Note 6 and 11 below)	2,138	6,240	12,597	20,335	24,047	
<b>Total Income from Operations (net)</b>	<b>261,128</b>	<b>303,211</b>	<b>300,718</b>	<b>1,193,699</b>	<b>1,174,433</b>	
<b>2 Expenses</b>						
(a) Cost of Materials Consumed	93,149	123,485	122,643	454,499	509,625	
(b) Purchases of Stock-in-trade	61,912	49,960	55,462	222,651	167,901	
(c) Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	(3,356)	(3,665)	(9,048)	11,893	(6,732)	
(d) Employee Benefits Expense	24,046	23,942	20,851	97,670	88,559	
(e) Depreciation and Amortisation Expense	8,775	8,483	9,284	34,698	35,682	
(f) Impairment Loss (See Note 10 below)	952	-	13,036	952	13,036	
(g) Power and Fuel	14,326	15,633	17,509	60,518	60,369	
(h) Selling and Distribution Expenses	22,813	23,124	18,404	89,705	75,487	
(i) Other Expenses	32,471	34,565	38,683	134,563	129,440	
<b>Total Expenses</b>	<b>255,088</b>	<b>275,527</b>	<b>286,824</b>	<b>1,107,149</b>	<b>1,073,367</b>	
<b>3 Profit from Operations before Other Income, Foreign Exchange (Gain)/Loss, Finance Costs, Exceptional items, Tax, Share of Profit/(Loss) of Associates and Minority Interest (1-2)</b>	<b>6,040</b>	<b>27,684</b>	<b>13,894</b>	<b>86,550</b>	<b>101,066</b>	
4 Other Income	1,876	769	382	3,690	5,663	
5 Foreign Exchange (Gain)/Loss (See Notes 5 below)	1,149	(1,959)	1,354	(2,088)	5,051	
<b>6 Profit before Finance Costs, Exceptional items, Tax, Share of Profit/(Loss) of Associates and Minority Interest (3+4-5)</b>	<b>6,767</b>	<b>30,412</b>	<b>12,922</b>	<b>92,328</b>	<b>101,678</b>	
7 Finance Costs	14,822	14,892	15,511	60,785	59,331	
<b>8 Profit Before Exceptional items, Tax, Share of Profit/(Loss) of Associates and Minority Interest (6-7)</b>	<b>(8,055)</b>	<b>15,520</b>	<b>(2,589)</b>	<b>31,543</b>	<b>42,347</b>	
9 Exceptional items (See Note 8 below)	25,774	-	-	25,774	-	
<b>10 Profit Before Tax, Share of Profit/(Loss) of Associates and Minority Interest (8-9)</b>	<b>(33,829)</b>	<b>15,520</b>	<b>(2,589)</b>	<b>5,769</b>	<b>42,347</b>	
11 Tax Expense / (benefit) (See Note 12 below)	(12,247)	4,638	(7,526)	(1,206)	3,672	
<b>12 Net Profit for the Period before Share of Profit/(Loss) of Associates and Minority Interest (10-11)</b>	<b>(21,582)</b>	<b>10,882</b>	<b>4,937</b>	<b>6,975</b>	<b>38,675</b>	
13 Share of Profit/(Loss) of Associates	(27)	-	(144)	(12)	(121)	
14 Minority Interest	1,638	584	(71)	1,890	(102)	
<b>15 Net Profit for the period/year (12+13+14)</b>	<b>(19,971)</b>	<b>11,466</b>	<b>4,722</b>	<b>8,853</b>	<b>38,452</b>	
16 Paid-up Equity Share Capital - Face Value Rs. 2/- each	6,727	6,727	6,727	6,727	6,727	
17 Reserves excluding Revaluation Reserves	-	-	-	287,851	315,604	
18 Earnings Per Share - Basic and Diluted (of Rs. 2/- each)	-5.94*	3.41*	1.41*	2.63	11.41	
(* Not Annualised)						
(See accompanying notes to the Consolidated Audited Financial Results)						





## PART II

	Quarter ended				Year ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	
	<b>A PARTICULARS OF SHAREHOLDING</b>					
1 Public shareholding						
- Number of Shares	198,882,219	198,882,219	187,164,116	198,882,219	187,164,116	
- Percentage of Shareholding	59.13%	59.13%	55.65%	59.13%	55.65%	
2 Promoters and Promoter Group Shareholding						
(a) Pledged / Encumbered	137,463,460	137,463,460	149,181,563	137,463,460	149,181,563	
- Number of Shares	25,316,465	25,316,465	25,316,465	25,316,465	25,316,465	
- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	18.42%	18.42%	16.97%	18.42%	16.97%	
- Percentage of Shares (as a % of the total Share Capital of the Company)	7.53%	7.53%	7.53%	7.53%	7.53%	
(b) Non - encumbered						
- Number of Shares	112,146,995	112,146,995	123,865,098	112,146,995	123,865,098	
- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	81.58%	81.58%	83.03%	81.58%	83.03%	
- Percentage of Shares (as a % of the total Share Capital of the Company)	33.34%	33.34%	36.82%	33.34%	36.82%	

	Quarter ended December 31, 2014
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	-Nil-
Received during the quarter	23
Disposed off during the quarter	23
Remaining unresolved at the end of the quarter	-Nil-

## Notes:

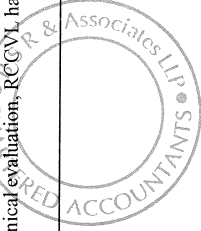
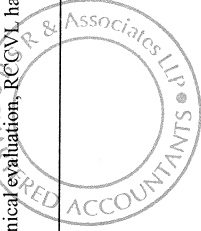
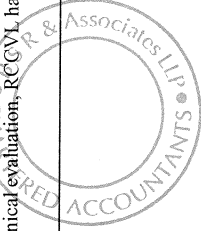
- The Consolidated Audited Financial Results were reviewed by the Audit Committee on February 26, 2015 and approved by the Board of Directors at their meetings held on February 27, 2015.
- The Consolidated Financial Results for the Financial year ended December 31, 2014 were audited by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.
- The Consolidated Audited Financial Results have been prepared in accordance with Accounting Standard 21 - Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules 2006, as per section 211 (3C) of the Companies Act, 1956 and section 133 of the Companies Act, 2013 to the extent applicable.
- The Board of Directors had declared an Interim Dividend of Rs. 1/- per Equity Share i.e. 50% on a face value of Rs. 2/- per Equity Share fully paid up for the financial year 2014 on November 6, 2014.
- 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 foreign exchange (gain) / loss on such foreign currency loans, determined as an effective net investment hedge is recognised in Reserves and Surplus and would be transferred to the Statement of Profit and Loss upon sale or disposal of the investment in such non-integral foreign operations.

Foreign Exchange (Gain) / Loss transferred to Reserves and Surplus:

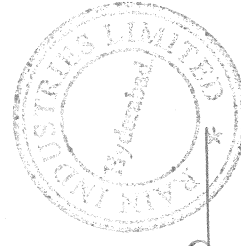
Particulars	Quarter ended			Year ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Foreign Exchange (Gain) / Loss	233	232	(175)	141	4,196

- The Company has been indemnified in relation to certain environmental expenditure, as per the terms of a prior acquisition made by the Company. Based on completion of due process as per the terms of the agreement, the Company has recognised final claim amount of Rs. 5,313 Lakhs during the quarter ended September 30, 2014. The total claim amount recognised for the year ended December 31, 2014 was Rs. 15,016 Lakhs and for the year ended December 31, 2013 was Rs. 10,066 Lakhs.

- Hudhud cyclone had hit North coast of Andhra Pradesh State on October 12, 2014. However, due to the preemptive steps taken by the company, Hudhud did not cause any material damage to the manufacturing facilities of Rain CII Carbon (Vizag) Limited ("RCCVL") (Step-down wholly owned subsidiary of the Company) situated at Visakhapatnam, Andhra Pradesh. The cyclone resulted in temporary stoppage of operations at this facility. Post completion of required repair activities and technical evaluation, RCCVL had restarted first Kiln on October 26, 2014 and second Kiln on November 5, 2014. RCCVL is having adequate Insurance coverage subject to general deductibles.



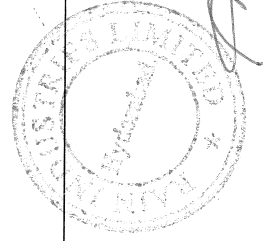
8	Exceptional items include:	(Rupees in lakhs)					
		Quarter ended			Year ended		
		December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2013
	Incremental pension liability resulting from actuarial losses (due to significant fall in interest rates in Europe)	18,198	-	-	18,198	-	
	Inventory write-down, resulting from abnormal fall in net realizable value, due to sharp decline in prices of inputs	2,369	-	-	2,369	-	
	Foreign exchange loss resulting from substantial depreciation of Russian Ruble against US Dollar	5,207	-	-	5,207	-	
9	On January 04, 2013, as a part of the acquisition of RUETGERS, Company had recognized a liability towards contingent consideration payable to prior owners of RUETGERS N.V., Belgium. As the conditions stipulated for payment of such contingent consideration are not fulfilled within the agreed timelines, outstanding contingent consideration of Rs. 15,802 lakhs (as at December 31, 2013) is not payable and the reversal of the liability is adjusted against goodwill during the current year.						
10	The Board of Directors of the Company had considered and approved the closure of RCC's Calcining facility in Moundsville - West Virginia, USA. This closure is brought on by the impact of new regulations by the Environmental Protection Agency, USA, requiring considerable additional investments which the Board believes is economically unviable. Further, the closure of the above facility is not expected to have any significant impact on the combined output of the Company. The Company has carried out impairment analysis based on the fair valuation report of the independent valuer and recognized an impairment loss of Rs. 13,036 Lakhs during the quarter ended December 31, 2013.						
11	During the quarter ended June 30, 2012, one of the Calcined Petroleum Coke ("CPC") Storage Domes at the Gramercy Facility of Rain CII Carbon LLC, USA was damaged by a lightning strike and subsequent fire. The Other Operating Income for the year ended December 31, 2013 includes Rs. 3,752 Lakhs of insurance proceeds pertaining to inventory.						
12	Tax expense / (benefit) is inclusive of:						
		(Rupees in lakhs)					
	<b>Particulars</b>	Quarter ended			Year ended		
		December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	
	Minimum Alternate Tax	(1,286)	730	(775)	(252)	(4,200)	
	Tax expense / (credit) relating to earlier years	81	170	(1,080)	251	(1,096)	
13	Certain Standalone information of the Company:						
		(Rupees in lakhs)					
	<b>Particulars</b>	Quarter ended			Year ended		
		December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	
	Net Sales / Income from Operations (Net of excise duty)	274	155	-	773	7,072	
	Profit/(Loss) Before Tax (including Other Income)	(194)	3,482	4,055	3,400	2,805	
	Profit/(Loss) After Tax	(235)	2,582	2,781	2,458	1,530	



*[Handwritten signature]*

## Statement of Consolidated Assets and Liabilities:

Particulars	(Rupees in lakhs)	
	As at December 31, 2014	As at December 31, 2013
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	6,727	6,727
(b) Reserves and surplus	287,851	315,604
<b>Sub-total - Shareholders' funds</b>	<b>294,578</b>	<b>322,331</b>
<b>2 Minority interest</b>	2,163	4,162
<b>3 Non-current liabilities</b>		
(a) Long-term borrowings	716,782	745,083
(b) Deferred tax liabilities, net	42,251	47,206
(c) Other long-term liabilities	5,262	12,694
(d) Long-term provisions	78,983	68,785
<b>Sub-total - Non-current liabilities</b>	<b>843,278</b>	<b>873,768</b>
<b>4 Current liabilities</b>		
(a) Short-term borrowings	34,314	58,674
(b) Trade payables	100,078	125,749
(c) Other current liabilities		
(i) Current maturities of long-term borrowings	16,164	25,297
(ii) Others	53,727	42,608
(d) Short-term provisions	11,212	10,053
<b>Sub-total - Current liabilities</b>	<b>215,495</b>	<b>262,381</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,355,514</b>	<b>1,462,642</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	318,567	332,280
(b) Goodwill on consolidation	579,518	621,159
(c) Non-current investments	683	755
(d) Deferred tax assets, net	20,273	16,596
(e) Long-term loans and advances	25,815	11,429
(f) Other non-current assets	148	165
<b>Sub-total - Non-current assets</b>	<b>945,004</b>	<b>982,384</b>
<b>2 Current assets</b>		
(a) Current investments	1,954	650
(b) Inventories	153,372	200,018
(c) Trade receivables	137,120	153,706
(d) Cash and cash equivalents (represents cash and bank balances)	89,952	84,469
(e) Short-term loans and advances	24,131	24,274
(f) Other current assets	3,981	17,141
<b>Sub-total - Current assets</b>	<b>410,510</b>	<b>480,258</b>
<b>TOTAL - ASSETS</b>	<b>1,355,514</b>	<b>1,462,642</b>



*[Handwritten Signature]*

**Segment wise Revenue, Results and Capital Employed:**

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

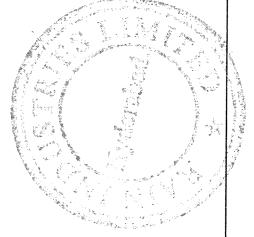
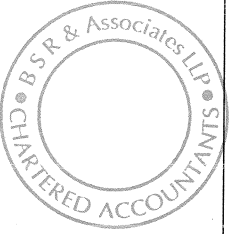
- (a) Carbon Products  
(b) Chemicals  
(c) Cement

Particulars	Quarter ended			Year ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Rupees in lakhs)				
<b>1) Segment Revenue</b>					
(a) Carbon Products	188,754	218,871	214,881	869,261	860,712
(b) Chemicals	68,019	74,174	73,178	294,730	292,193
(c) Cement	23,007	23,304	19,830	87,364	83,975
<b>Total</b>	<b>279,780</b>	<b>316,349</b>	<b>307,889</b>	<b>1,251,355</b>	<b>1,236,880</b>
Less: Inter Segment Revenue	20,790	19,378	19,768	77,991	86,494
<b>Net Sales / Income from Operations (Net of excise duty)</b>	<b>258,990</b>	<b>296,971</b>	<b>288,121</b>	<b>1,173,364</b>	<b>1,150,386</b>
<b>2) Segment Results</b>					
Profit before Other Income, Foreign Exchange (Gain)/Loss, Finance Costs and Exceptional items from each segment					
(a) Carbon Products	7,609	24,131	8,537	76,690	84,723
(b) Chemicals	(3,486)	2,423	4,466	9,204	13,973
(c) Cement	1,917	1,130	891	656	2,370
<b>Total</b>	<b>6,040</b>	<b>27,684</b>	<b>13,894</b>	<b>86,550</b>	<b>101,066</b>
Less: i) Finance Costs	14,822	14,892	15,511	60,785	59,331
ii) Other Income	(1,876)	(769)	(382)	(3,690)	(5,663)
iii) Foreign Exchange (Gain)/Loss	1,149	(1,959)	1,354	(2,088)	5,051
iv) Exceptional items	25,774	-	-	25,774	-
<b>Total Profit Before Tax</b>	<b>(33,829)</b>	<b>15,520</b>	<b>(2,589)</b>	<b>5,769</b>	<b>42,347</b>
<b>3) Capital Employed</b>					
(Segment Assets – Segment Liabilities)					
(a) Carbon Products	821,421	854,311	857,549	821,421	857,549
(b) Chemicals	170,322	196,505	215,741	170,322	215,741
(c) Cement	47,416	47,251	50,445	47,416	50,445
(d) Unallocated	(9,472)	(25,326)	(26,862)	(9,472)	(26,862)
<b>Total</b>	<b>1,029,687</b>	<b>1,072,741</b>	<b>1,096,873</b>	<b>1,029,687</b>	<b>1,096,873</b>

16 Figures for the quarters ended December 31 are the balancing figures between the audited figures in respect of the full financial year ended December 31 and the unaudited figures for the nine months ended September 30.

17 The figures of the previous year / periods have been regrouped / reclassified, wherever considered necessary to correspond with the current period's classification / disclosure.

18 The Investors can view Standalone Audited Financial Results of the Company on the Company's website www.rain-industries.com or on the BSE Limited website www.bseindia.com or on the National Stock Exchange of India Limited website www.nseindia.com.



By order of the Board  
for Rain Industries Limited

*N. Jagan Mohan Reddy*

N. Jagan Mohan Reddy  
Managing Director  
DIN:00017633

Place: Hyderabad  
Date: February 27, 2015

**Results Update**

**Consolidated Net Sales of INR 117,336 Million in CY 2014**

**Consolidated Adjusted Operating Profit of INR 12,220 Million in CY 2014**

**Consolidated Adjusted Net Profit of INR 2,561 Million in CY 2014**

**Consolidated Adjusted EPS of INR 7.62 in CY 2014**

Rain Industries Limited (“Rain” or “the Company”) reported its’ consolidated audited financial results for the Quarter and Year ended December 31, 2014.

**Consolidated Financial Highlights for CY 2014:**

(INR in million)

Particulars	Year Ended		% Increase / (Decrease)
	December 2014	December 2013	
<b>Net Sales <sup>(1)</sup></b>			
(a) Carbon Products	83,972	82,707	2%
(b) Chemicals	24,629	23,936	3%
(c) Cement	8,735	8,396	4%
<b>Total</b>	<b>117,336</b>	<b>115,039</b>	<b>2%</b>
<b>Adjusted Operating Profit <sup>(2)</sup></b>			
(a) Carbon Products	9,905	11,953	(17%)
(b) Chemicals	1,881	2,434	(23%)
(c) Cement	434	591	(27%)
<b>Total</b>	<b>12,220</b>	<b>14,978</b>	<b>(18%)</b>
Reported Net Profit	885	3,845	(77%)
Adjusted Net Profit	2,561	4,512	(43%)
Earnings Per Share	2.63	11.41	(77%)
Adjusted Earnings Per Share	7.62	13.39	(43%)

**Sales Volume Information:**

(Volume in ‘000 Metric Tons)

Particulars	Year Ended		% Increase/ (Decrease)
	December 2014	December 2013	
Carbon Products	3,280	3,129	5%
Chemicals	317	291	9%
Cement	2,153	2,134	1%



## Rain Industries Limited

(Formerly Rain Commodities Limited)

### Consolidated Financial Highlights for Q4 2014:

(INR in million)

Particulars	Quarter Ended			% Increase / (Decrease)	
	Dec. 2014	Sept. 2014	Dec. 2013	Q4 2014 vs. Q3 2014	Q4 2014 vs. Q4 2013
<b>Net Sales <sup>(1)</sup></b>					
(c) Carbon Products	18,303	21,076	20,758	(13%)	(12%)
(d) Chemicals	5,296	6,291	6,071	(16%)	(13%)
(c) Cement	2,300	2,330	1,983	(1%)	16%
<b>Total</b>	<b>25,899</b>	<b>29,697</b>	<b>28,812</b>	<b>(13%)</b>	<b>(10%)</b>
<b>Adjusted Operating Profit <sup>(2)</sup></b>					
(c) Carbon Products	1,378	2,949	2,742	(53%)	(50%)
(d) Chemicals	(85)	462	700	(118%)	(112%)
(c) Cement	284	206	179	38%	59%
<b>Total</b>	<b>1,577</b>	<b>3,617</b>	<b>3,621</b>	<b>(56%)</b>	<b>(56%)</b>
Reported Net (Loss)/ Profit	(1,997)	1,147	472	(274%)	(523%)
Adjusted Net (Loss)/ Profit	(321)	1,147	1,307	(128%)	(125%)
Earnings Per Share	(5.94)	3.41	1.41	(274%)	(522%)
Adjusted Earnings Per Share	(0.96)	3.41	3.86	(128%)	(125%)

**Note:**

(1) Net Sales is adjusted for inter segmental sales.

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

### Sales Volume Information for Q4 2014:

(Volume in '000 Metric Tons)

Particulars	Quarter Ended			% Increase/ (Decrease)	
	Dec 2014	Sep 2014	Dec 2013	Q4 2014 vs. Q3 2014	Q4 2014 vs. Q4 2013
Carbon Products	808	813	782	(1%)	3%
Chemicals	83	81	67	3%	24%
Cement	506	512	470	(1%)	8%



## Rain Industries Limited

(Formerly Rain Commodities Limited)

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### Corporate Highlights:

1. On January 4, 2013, the Company acquired RÜTGERS N.V., Belgium from investment funds maintained by Triton ("Prior Owners"). In this regard, the Company had recognized liability towards contingent consideration payable to Prior Owners of RÜTGERS N.V., Belgium. As the conditions stipulated for payment of such contingent consideration are not fulfilled within agreed time, outstanding contingent consideration of INR 1,580 million (as at December 31, 2013) is not payable and the same is adjusted against the value of goodwill.
2. With the objective of reducing interest cost, Rain CII Carbon LLC ("RCC"), a Wholly Owned Subsidiary of the Company prepaid Junior Subordinated Notes of US\$ 26 million (Equivalent to INR 1,628 million), including interest accrued of US\$ 13 million on December 29, 2014. Such Junior Subordinated Notes carried fixed interest rate of 10%, interest compounded annually with a bullet repayment scheduled in January 2018.
3. Considering new Environmental regulations applicable from January 2015 which would require additional investment; Zhenjiang Xin Tian Tansu Co. Ltd, a Wholly Owned Subsidiary of RCC has shut-down its 20,000 Tons capacity per annum Vertical-shaft Calcined Petroleum Coke ("CPC") Plant during January 2015. The Company provided for impairment of INR 56 million for the value of assets in China considering the net realizable value of the assets; during the quarter ended December 31, 2014. 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.

#### 4. Hudhud cyclone impact:

During October 2014, the Hudhud cyclone hit the North-coast of the State of Andhra Pradesh. However, due to the pre-emptive steps taken by the Company, Hudhud did not cause any material damage to the manufacturing facilities of Rain CII Carbon (Vizag) Limited ("RCCVL") (a Wholly Owned Subsidiary of the Company) situated at Visakhapatnam, Andhra Pradesh. The cyclone resulted in temporary stoppage of operations at this facility. Post completion of required repair activities and technical evaluation, RCCVL had restarted its first Kiln on October 26, 2014 and its second Kiln on November 5, 2014. RCCVL lodged claims against Insurance Companies for loss of property and inventories. Such claims were partially settled during December 2014 and the balance of claims will be settled by the end of March 2015. Pending full settlement of insurance claims, RCCVL recognized net loss of INR 160 million during the quarter ended December 31, 2014.



## **Rain Industries Limited**

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### **5. Status of capital projects:**

#### **A) Solar Power Plant in Andhra Pradesh:**

During the quarter ended December 31, 2014, the Company's Wholly Owned Subsidiary, Rain Cements Limited ("RCL") executed a Power Purchase Agreement with Southern Power Distribution Company of Andhra Pradesh Limited ("APSPDCL") to set-up a 22MW Solar Power Plant in Dharmavaram, Anantapur District, Andhra Pradesh and to supply power generated from such Solar Power Plant for next 25 years at a fixed tariff of INR 5.89 per kWh plus an annual escalation of 3% for first ten years. RCL is in the process of acquiring land in Dharmavaram, finalizing the equipment suppliers and initiating other construction activities. The Solar Power Plant is expected to commence operations in Second-half of CY 2015.

#### **B) Waste-heat Recovery Power Plant in Kurnool Cement Plant:**

To optimize the cost of electricity in its Cement Operations, RCL is proposing to set-up a 7 MW Waste-heat Recovery Power Plant ("WHR Power Plant") at its existing Integrated Cement Plant in Kurnool, India. The construction work for the WHR Power Plant will be commenced in March 2015 and is expected to be commissioned by March 31, 2016. The total estimated capital outlay for the WHR Power Plant is INR 700 million and the cost of generation of electricity is estimated to be below INR 2.00 per kWh.

#### **C) Tar Distillation Plant in Russia:**

A New Coal Tar Distillation Plant with a capacity of 300,000 Tons per annum is being developed in Cherepovets, Russia via Joint Venture with OAO Severstal, Russia and is progressing well. The detailed engineering has been finalized, all key equipment reached the construction site and construction is in progress. Due to 46% fall in Russian Ruble against US Dollar during the quarter ended December 31, 2014; the Company has incurred an aggregate loss of INR 521 million (including exchange loss of INR 181 million attributable to Joint Venture Partner) in restating loans and other liabilities denominated in US Dollar borrowed for incurring the Capital Expenditure for the Project. The long-term viability of the Russian Tar Distillation Plant was not impacted due to devaluation of Russian Ruble, as majority of the product will be sold in prices denominated either in US Dollars or in Euros.





## **Rain Industries Limited**

*(Formerly Rain Commodities Limited)*

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### **D) Phthalic Anhydride Expansion in Belgium:**

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.

### **6. Certain Exceptional Items during December 2014 Quarter:**

- A) The pricing of certain raw-materials procured by RÜTGERS Group as well as certain finished products produced and sold to customers by the RÜTGERS Group are directly linked to the pricing of commodities like Fuel Oil, Benzene and Ortho-xylene. Due to the substantial fall in commodity prices, there is a fall in operating margins during the quarter ended December 31, 2014. Total estimated impact on the operating margin due to the fall in commodity prices is € 8.0 million (equivalent to INR 619 million), which includes a provision of € 3.0 million (equivalent to INR 237 million) towards fall in Net Realizable Value on Closing Inventories as of December 31, 2014. The raw material pricing is adjusted with one-month / three-months delay so that the impact on our operating margin due to weakening commodity prices is limited to few months.
- B) Due to a substantial fall in interest rates in Europe, a lower discount rate of 1.70% was assumed for determining the Pension Liability as on December 31, 2014; as compared to a discount rate of 3.10% assumed in December 2013. Due to such change in the discount rate, there is an actuarial loss / incremental pension liability of € 23.5 million (equivalent to INR 1,820 million) during the quarter ended December 31, 2014, as compared to an Actuarial Gain of € 3.5 million (equivalent to INR 293 million) realized during the December 2013 quarter. However, these actuarial losses will not have any cash outflow impact in near future.
- C) Due to weaker performance in the Chemical business in RÜTGERS Resins BV, Netherlands (a Wholly Owned Subsidiary of RÜTGERS Group), licenses and other assets were impaired during the quarter ended December 31, 2014. The Company recognized a provision of € 0.50 million (equivalent to INR 39 million) towards impairment of licenses in RÜTGERS Resins BV, Netherlands.



## Rain Industries Limited

(Formerly Rain Commodities Limited)

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### Financial Performance Review and Analysis – Q4 2014 vs. Q4 2013:

To highlight some of the key performance indicators, on a consolidated basis:

- Consolidated Net Revenue is INR 25,899 million during the current quarter, a fall of 10% compared to INR 28,812 million during Q4 2013.
  - Carbon product sales volume during the current quarter is 808 thousand tons, which is a marginal increase of 3% compared to 782 thousand tons in Q4 2013. Carbon sales volume increased during current quarter mainly due to higher Pitch sales and an increase in Pet Coke trading volume, which was partly offset by lower CPC sales in the United States. While carbon sales volume has increased by 3%, due to a fall in blended realization, lower Pet Coke trading sales (on CIF terms) and depreciation of Euro during the quarter, the Carbon division revenue has reduced by 12% in Q4 2014; as compared to Q4 2013.
  - Chemicals sales volume during the current quarter is 83 thousand tons, an increase of 24% compared to 67 thousand tons in Q4 2013. While Chemical sale volumes have increased by 24%, due to fall in realization, change in product mix and depreciation of the Euro, Revenue from Chemical business has reduced by 13% in Q4 2014; as compared to Q4 2013.
  - Cement sales volume during the current quarter is 506 thousand tons, an increase of 8% compared to 470 thousand tons in Q4 2013. With the combination of increase in sales volume by 8% and increase in average realization from INR 211 per bag in Q4 2013 to INR 227 per bag in Q4 2014, Cement revenues increased by 16% in Q4 2014; as compared to Q4 2013.
- Consolidated Adjusted Operating Profit for the current quarter is INR 1,577 million a decrease of 56% compared to INR 3,621 million achieved during Q4 2013. While the Cement division has delivered a strong recovery of 59% growth in operating profit and this was offset by lower operating performance in the Carbon and Chemical business as a result of change in product mix and lower margins in the Resins business. In addition the operating profit of the Carbon and Chemical business in Q4 2013 was positively impacted by an environmental claim income of INR 1,007 million.
- During Q4 2014, the Company had a foreign exchange loss of INR 115 million, as compared to a foreign exchange loss of INR 135 million in Q4 2013. The loss in Q4 2014 is mainly due to loss on derivative contracts entered in Germany for hedging US dollar denominated receivables and due to depreciation of the Rupee against the US dollar.



## Rain Industries Limited

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- Finance cost during the current quarter is INR 1,482 million, a decrease of 4% compared to INR 1,551 million during Q4 2013. The fall in finance cost is mainly due to translation impact of foreign currency interest cost and marginal decline in debt.
- Considering the expected improvement in performance during subsequent periods, the Company recognized Deferred Tax Benefit of INR 950 Million on business losses eligible for carry-forward. Further, the Company has also recognized MAT Credit INR 25 Million, and reversed deferred tax liability of INR 223 Million, which is no longer required.
- Consolidated reported net loss during the current quarter is INR 1,997 million compared to consolidated net reported profit of INR 472 million during Q4 2013. However the adjusted net loss (after exceptional items) for the current quarter is INR 321 million. The Company achieved a consolidated negative EPS of INR 5.94 and adjusted negative EPS of INR 0.96 during the current quarter, as compared to consolidated EPS of INR 1.41 and adjusted EPS of INR 3.86 during Q4 2013 respectively.

### **Financial Performance Review and Analysis – CY 2014 Vs CY 2013:**

- Consolidated Net Revenue is INR 117,336 million during the current year, a marginal increase of 2% compared to INR 115,039 million during 2013.
  - Carbon product sales volume during the current year is 3,280 thousand tons, a marginal increase of 5% compared to 3,129 thousand tons in 2013. The increase of Carbon sales is mainly on account of an increase in higher Pitch sales and Pet Coke trading volume which was partly offset by lower CPC sales volume in the United States. While carbon sales volume has increased by 5%, due to fall in realized prices of Pitch and CPC, the Carbon division revenue has shown only a 2% increase compared to 2013.
  - Chemicals sales volume during the year is 317 thousand tons, an increase of 9% compared to 291 thousand tons in 2013. While Chemical sales volume has increased by 9%; due to fall in average realization by 9%, change in product mix and devaluation of Euro, Revenue from the Chemical business has increased by only 3%, as compared to 2013.
  - Cement sales volume during the current year is 2,153 thousand tons, a marginal increase of 1% compared to 2,134 thousand tons in 2013. With the combination of increase in sales volume by 1% and an increase in average realization to INR 211 per bag during the last quarter of the year compared to rest of the year, Cement revenues increased by 4% in 2014 compared to 2013.



## Rain Industries Limited

(Formerly Rain Commodities Limited)

- Consolidated Adjusted Operating Profit for the year is INR 12,220 million a decrease of 18% compared to INR 14,978 million achieved during 2013. The decrease is mainly on account of lower operating performance in the Carbon, Chemical business as a result of change in product mix and lower margins in Resins business and partly offset with the improving performance in Cement business.
- A detailed reconciliation of reported operating profit and adjusted operating profit for the year 2014 is explained in the below table:

Particulars	INR in Millions	
Reported Operating profit		10,163
<b>Add: Exceptional items</b>		
a) Incremental pension liability resulting from actuarial losses (due to significant fall in interest rates in Europe)	1,820	
b) Inventory write-down, resulting from fall in net realizable value, due to abnormal decline in prices of inputs	237	
		2,057
<b>Adjusted Operating Profit</b>		<b>12,220</b>

- During 2014 the Company had a foreign exchange gain of INR 209 million, as compared to foreign exchange loss of INR 505 million in 2013. The primary reason for the foreign exchange gain in 2014 is appreciation of US dollar and Canadian dollar against Euro.
- Finance cost during the current year is INR 6,078 million, an increase of 2% compared to finance cost of INR 5,933 million incurred during 2013. The increase in finance cost is mainly due to translation impact of foreign currency interest cost.
- Effective tax rate was lower during the current year due to recognition of MAT credit for INR 25 million, deferred tax liability reversal of INR 223 million and recognition of indemnification income during the year, which is not taxable.
- Consolidated reported net profit for the year is INR 885 million, as compared to consolidated reported net profit of INR 3,845 million during 2013. However the adjusted net profit (after exceptional items) for the current year is INR 2,561 million, as compared to adjusted net profit of INR 4,512 million in 2014.



## Rain Industries Limited

(Formerly Rain Commodities Limited)

- A detailed reconciliation of reported net profit and adjusted net profit is explained in the below table:

(INR in million)

Particulars	2014	2013
Reported Net profit	885	3,845
<b>Add:</b> Exceptional items (including exceptional foreign currency loss), net of tax	1,796	667
	<b>2,681</b>	<b>4,512</b>
<b>Less:</b> Share of Minority in exceptional items	(120)	-
<b>Adjusted Net Profit</b>	<b>2,561</b>	<b>4,512</b>

### Debt Analysis:

As at December 31, 2014, the Company has a consolidated gross debt of US\$ 1,211 million (including working capital debt of US\$ 54 million) and Cash and Cash Equivalents of US\$ 145 million. The net debt as at the same date is US\$ 1,066 million.

(US\$ in Million)

Particulars	2014	2013	Type of Interest / Repayment Terms
Senior Secured Notes	1,035	1,070	Fixed Rate/ Bullet repayments in 2018 and 2021
Senior Bank debt	85	90	Floating Rate/ Instalments up to 2018
Deferred consideration (Note 1)	-	26	Interest Free/ Payment based on triggering event
Sales Tax Deferment	13	15	Interest Free/ Instalments up to 2027
Junior Subordinated Notes (Note 2)	-	13	Bullet repayment in 2018 along with compounded interest
Other Debt	24	32	
<b>Gross term debt</b>	<b>1,157</b>	<b>1,245</b>	
Add: Working Capital Debt	54	94	
<b>Total Debt</b>	<b>1,211</b>	<b>1,339</b>	
Less: Cash and Cash Equivalents	145	136	
<b>Net Debt</b>	<b>1,066</b>	<b>1,203</b>	



## Rain Industries Limited

(Formerly Rain Commodities Limited)

Note:

1. As the conditions stipulated for payment of such contingent consideration are not fulfilled within agreed time, outstanding contingent consideration of INR 1,580 million (as at December 31, 2013) is not payable and the same is adjusted against the value of goodwill.
  2. To reduce the interest cost, prepayment has been made along with compounded interest on December 29, 2014.
- Net debt of the Company as at December 31, 2014 is reduced by \$137 million, as compared to net debt as at December 31, 2013 due to repayment of installments due, prepayment of debt and reversal of debt-obligations during the year.

With the existing cash and cash equivalents of US\$ 145 million coupled with undrawn revolver facilities of US\$ 220 million, the Company is well placed to meet debt servicing obligations and capex projects in pipe line. The major debt repayments are scheduled to start only from CY 2018.

The Company generated consolidated Free Cash Flows of US\$ 65 million during year ended December 31, 2014; after spending capital expenditure of US\$ 61 million and incurring cash interest cost of US\$ 113 million.

The Company has used the following exchange rates for preparing the consolidated financial statements.

Currency	Average		As At	
	Q4 2014	Q4 2013	31 Dec. 2014	31 Dec. 2013
INR / US Dollar	62.00	62.03	63.33	61.90
INR / EURO	77.40	84.48	77.00	85.36
RUB / US Dollar	47.72	32.51	56.45	32.77



**Rain Industries Limited**  
(Formerly Rain Commodities Limited)

**Historical Performance:**

(INR in million)

	CY 2014	CY 2013	CY 2012	CY 2011	CY 2010	CY 2009
<b>Income from Operations<sup>(1)</sup></b>	119,370	117,443	53,615	56,395	37,857	36,494
<b>Operating Profit<sup>(2)</sup></b>	12,220	14,978	11,090	13,873	7,559	9,063
<b>Net Profit</b>	885	3,845	4,577	6,641	2,407	4,438
<b>Adjusted Net Profit<sup>(3)</sup></b>	2,561	4,512	5,796	6,641	3,305	4,020

**Notes:**

- (1) Income from Operations is sum of Net Sales and Other Operating Income.
- (2) Operating Profit is Profit before Other Income, Foreign exchange (gain) loss, Depreciation & Amortisation, Impairment loss, Interest, Taxation and Exceptional Items.
- (3) Net Profit is adjusted for exceptional expense or income for the reported period net of the applicable taxes.
  - (a) Profit After Tax for CY 2014 is adjusted for incremental pension liability from actuarial losses of INR 1,820 Million, Inventory write down due to fall in oil prices of INR 237 Million, Russian ruble currency devaluation impact INR 338 Million, impairment loss of INR 95 Million, and tax impact on all these items of INR 814 Million.
  - (b) Profit After Tax for CY 2013 is adjusted for costs incurred for acquisition of RÜTGERS of INR 142 Million, impairment loss of INR 1,304 Million offset by insurance claim receipts of INR 375 Million and tax impact on all these items of INR 404 Million.
  - (c) Profit After Tax for CY 2012 is adjusted for one time expenditure of INR 1,789 Million (net of tax INR 1,219 Million) incurred in-connection with the acquisition of RÜTGERS.
  - (d) Profit After Tax for CY 2010 is adjusted for net exceptional expenditure of INR 1,249 Million (net of tax INR 898 Million).
  - (e) Profit After Tax for CY 2009 is adjusted for exceptional profit of INR 513 Million (net of tax INR 418 Million) on sale of Investment in Petroleum Coke Industries Company, Kuwait.

**About Rain:**

Rain is one of the World's leading producer of Carbon Products and Specialty Chemicals with 16 operating facilities spread across United States of America, Canada, Europe, India, Africa and China, 17<sup>th</sup> facility, a JV in Russia, is under construction. Rain is also having two integrated Cement facilities in India and markets its product under the brand "Priya Cement".

Carbon Products are comprised 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.

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**Safe Harbour:** Some of the statements made in this release that are not historical facts can be construed as forward-looking statements. These forward-looking statements include the Rain Industries Limited's (RIL) financial and growth projections as well as statements concerning its plans, strategies, intentions and beliefs concerning its business and the markets in which it operates. These statements are based on information currently available to RIL, and are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors could cause results to materially differ from those stated. These factors include, but are not limited to, changes in laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates of countries with which RIL does business; competitive pressures, the loss of one or more key customer or supplier relationships; customer insolvencies, successful integration of structural changes, including restructuring plans, acquisitions divestitures and alliances; cost and availability of raw materials; and other economic, business, competitive, regulatory and/or operational matters affecting the Company and its subsidiaries generally. RIL assumes no obligation to update forward-looking statements and takes no responsibility for any consequence of decisions made based on such statements.