



RAIN INDUSTRIES LIMITED

RIL/SEs/2024

May 3, 2024

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The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort <u>Mumbai-400 001</u>	The Manager Listing Department The National Stock Exchange of India Limited Bandra Kurla Complex Bandra East <u>Mumbai – 400 051</u>
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Dear Sir/ Madam,

Sub: Rain Industries Limited – Proceedings of 49th Annual General Meeting – Reg.
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

With reference to the above stated subject and in compliance with Regulation 30 read with Schedule- III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we bring to your kind notice the proceedings of 49th Annual General Meeting of Rain Industries Limited as follows:

Proceedings of 49th Annual General meeting :

The 49th Annual General Meeting of the members of Rain Industries Limited (the Company) was held on Friday, the May 3, 2024 at 11.00 A.M. (IST) electronically through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”).

MEMBERS PRESENT THROUGH VIDEO CONFERENCING: 88

Mr. Brian Jude McNamara, Chairman of the Company occupied the Chair and on being satisfied that sufficient quorum was present at the meeting, ordered for commencement of the proceedings.

The Chairman welcomed the members and their representatives present and introduced the Directors, Statutory Auditor, Secretarial Auditor, Chief Financial Officer and Company Secretary present at the meeting.

With the permission of the members, the Chairman took the Notice of the 49th Annual General Meeting as read.

With the permission of the members, the Chairman took the Statutory Auditors’ Report and Secretarial Auditors Report as read, as the report of Statutory Auditors and the Secretarial Auditors were unqualified and without any adverse observations or comments in their respective reports.

The Chairman requested Mr. Jagan Mohan Reddy Nellore, Vice Chairman to address the shareholders.

For Rain Industries Limited



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Mr. Jagan Mohan Reddy Nellore, Vice Chairman explained the shareholders of the Company about the performance of the Company during the financial year ended December 31, 2023. Copy of the Vice Chairman Speech is attached as Annexure - I)

The Chairman informed that the Statutory Registers are available for inspection by any member.

The Chairman requested the shareholders to raise any questions on the Reports and Accounts.

The Shareholders asked certain questions regarding operations of the Company, future plans, etc.

Mr. Jagan Mohan Reddy Nellore, Vice Chairman answered the questions raised by the Shareholders.

The Chairman informed the Members that pursuant to the provisions of Section 108 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had extended the e-voting facility to the Members of the Company in respect of businesses to be transacted at the Annual General Meeting.

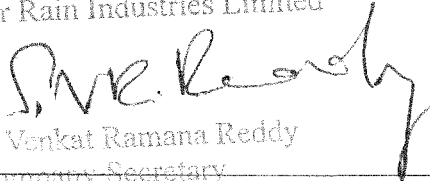
The Chairman further informed that the Company has appointed Mr. DVM Gopal, Practicing Company Secretary as a Scrutinizer for conducting the voting process through e-voting.

After Scrutiny of votes polled through e-voting, Mr. DVM Gopal, Scrutinizer has submitted his report to the Chairman.

The scrutinizers report was received and accordingly, the Chairman has declared that all the following resolutions as set out in the Notice of 49th Annual General Meeting were passed with requisite majority:

S.No	Resolutions Description
	ORDINARY BUSINESS
1	To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended December 31, 2023 and reports of Board and Auditors thereon.
2	To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the Financial Year ended December 31, 2023 and Report of Auditors thereon.
3	To approve and ratify the interim dividend of Rs. 1 per equity share for the financial year ended 31 st December, 2023.
4	To appoint a Director in place of Mr. Jagan Mohan Reddy Nellore (DIN: 00017633) who retires by rotation and being eligible offers himself for re-appointment.

For Rain Industries Limited


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



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SPECIAL BUSINESS	
5	To grant authorization to the Board of Directors to borrow Money.
6	To grant authorization to the Board of Directors to create Mortgage / Charge / Pledge / Hypothecation / Lien on the assets of the Company.
7	To grant authorization to the Board to make loan, investment, give guarantee and provide security.
8	To grant approval for making Contributions or Donations for Charitable purposes.

The Annual General Meeting Started at 11.00 a.m. and concluded at 12.30 p.m. Hrs (IST).

This is for your information and records.

Thanking you,

Yours faithfully,
for **Rain Industries Limited**


S. Venkat Ramana Reddy
Company Secretary

ANNEXURE-I

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**Vice Chairman's Speech in
Annual General Meeting of RAIN Industries Ltd.**

Friday, May 3, 2024
Hyderabad, India

Good morning, ladies, and gentlemen, and welcome to the 49th Annual General Meeting of RAIN Industries Limited.

In 2022, Your Company experienced strong performance, driven by exceptionally high sales realizations. However, in 2023, sales realizations returned to more typical levels compared to the previous year. During this period, raw material costs remained elevated but gradually decreased over several quarters. As a result, profit margins were squeezed, leading to lower financial performance in 2023. Your company is proactively addressing these challenges and aiming for improved results in 2024 and beyond.

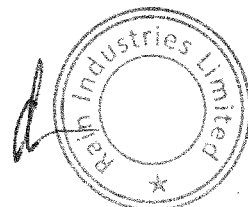
We operate within a cyclical industry and our business model centers on margin management achieved by transforming raw materials, which are byproducts of core industries like steel and oil refining, into finished products. This means our profit margins are less about market fluctuations and more about the conversion process itself. Over time, the prices of both raw materials and finished goods have typically moved in tandem, resulting in a managed margin, enabling us to sustain consistent margins under normal market conditions.

In summary, our margin management strategy is closely tied to the ebb and flow of raw material and finished product prices, allowing us to adapt to market conditions effectively.

During the last two years, RAIN encountered a unique situation with distinct challenges and prospects, wherein both raw material and finished product prices surged and held steady for an extended period, resulting in improved profit margins in 2022. The reverse happened in 2023, when prices embarked on a downward trajectory. Regrettably, the stabilization phase is extending over a prolonged period resulting in a significant decline in the operating margins.

We completed 2023 with a Revenue of ₹ 181,415 million; Operating profit of ₹ 20,137 million; Net profit of ₹ 1,526 million and EPS of ₹ 4.54. The profit for the year was not only impacted by reduced margins, but also due to one-off, non-cash impairment charges of ₹ 7,506 million caused by factors such as increased interest rates, reduced product demand, geopolitical conflicts and higher energy costs in Europe.

In 2023, the industry experienced a decline in demand for finished products, influenced by several factors. The global rise in interest rates and tighter credit markets were central factors influencing our 2023 financial performance. Our customers proactively adjusted production volumes downwards, responding to evolving demand forecasts and managing working capital amidst higher interest rates. Additionally, competitive Chinese exports to Western markets and rising energy costs in Europe further impacted product demand.



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Also, the geopolitical challenges and the severe drought conditions at the Panama Canal have disrupted global supply chain dynamics, resulting in adverse effects on transportation costs and necessitating strategy adjustments.

Despite these challenges, we completed the refinancing of our long-term loans during 2023 and pushed out debt maturities to 2028 – 2029. Although the refinancing was completed at higher interest rates than our previous ones, they were in-line with market rates prevailing at the time due to various global macro-economic factors. Our refinancing allowed us to succeed in reducing our total debt by about US\$ 130 million compared to year-end 2022. Rest assured that, although RAIN is navigating a dynamic and challenging market landscape, the entire team is diligently working to restore financial performance and closely monitoring signs of improvement.

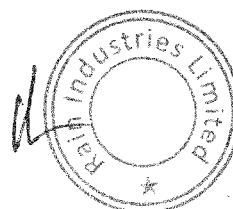
RAIN's proactive steps to improve performance.

RAIN remains optimistic about the future and is taking proactive steps to improve the performance. We have already taken several major steps in the right direction. While recognizing that we still have much work ahead of us, we are beginning to see several signs which give us optimism.

We are anticipating price stabilization for our finished products starting in the second half of 2024. Along with that improvement, we expect to see significant operational improvements in our three business segments. I would like to highlight few positive developments that will further strengthen our position:

Our Carbon segment's calcination plants in India had been operating well below the rated capacity due to restrictions imposed several years ago on imports of our raw materials into the country. However, with the recent relaxation of those import restrictions by the Hon'ble Commission for Air Quality Management (or, CAQM), based on the directives of the Hon'ble Supreme Court of India; RAIN anticipates finally being able to ramp-up the Indian operations to higher capacities, which would allow us to significantly improve the overall performance. Part of the import relaxation was to increase the import quota of Green Petroleum Coke or GPC from 1.4 million tons per annum to 1.9 million tons per annum. This was implemented by the Directorate General of Foreign Trade (DGFT) through its allocations announced in early April 2024 and allows for increased production at RAIN's DTA calcination plant in Vizag.

However, the regulatory authorities have yet to formulate the steps for implementing another part of the same CAQM Order, regarding the import of GPC and Calcined Petroleum Coke or CPC for RAIN's Special Economic Zone plant, which cannot begin its ramp-up until that clarity is given. We anticipate those regulations to be issued soon and upon the implementation of the CAQM Order, Your Company's CPC calcination plants in India can optimize capacity utilization and create a favorable environment for a return on the capital invested in setting up the new CPC Plant in the Special Economic Zone.



The primary aluminium smelting sector (which is the main customer base of our Carbon segment) is looking positive, with current price realisations exceeding US\$ 2,500 per ton on the London Metal Exchange. Primary aluminium plays a crucial role in various sectors and has seen steady demand growth over the past few years, driven principally by emerging economies' infrastructure development and the increasing adoption of aluminium in lightweight vehicle manufacturing. Trends such as the shift towards electric vehicles, lightweighting in automotive and aerospace industries, and the growth of renewable energy infrastructure are expected to drive demand for primary aluminium in the coming years. Further, growing global concerns about climate change and sustainability have led to a focus on reducing the carbon footprint and increased use of aluminium as the lightweight metal of choice.

In the carbon sector, there is mounting pressure to create environmentally friendly products and adopt sustainable processes. The global competition within this sector is fierce, driving companies to constantly enhance efficiency and product quality to stay ahead. As a market leader, RAIN is keeping pace with this movement as well. In 2023, RAIN's Carbon segment demonstrated its commitment to environmental stewardship by strategically investing in technology upgrades. These upgrades were aimed at reducing emissions across our global operations, aligning with our company's dedication to sustainability and workplace safety.

Our Advanced Materials segment is similarly seeing economic recovery in several end-user industries, as well as several new product-line advancements spearheading RAIN's leadership in the marketplace. Demand is growing steadily for our bio-based and environmentally friendly product lines in our resins, asphalt coating and rubber sectors.

In 2023, we achieved a significant milestone by obtaining International Sustainability and Carbon Certification (known as ISCC) PLUS certification for our resins plant in Duisburg, Germany. This certification underscores our commitment to sustainability and environmental responsibility. Additionally, during the same period, we successfully introduced a new generation of NOVARES ECO resins to the market. These ISCC PLUS compliant resins align with the growing demand for sustainable materials and contribute to a more-eco-friendly future.

The ISCC Scheme plays a crucial role in ensuring the traceability and sustainability of products. The ISCC PLUS certification specifically covers plastics, chemicals, food, feed markets, and biofuels beyond the European Union and the UK. By adhering to these rigorous standards, we demonstrate our dedication to responsible practices and contribute to a greener global landscape.

In our Advanced Materials segment, we have seen strong and promising signs for the medium and long-term growth in the market for our rechargeable-battery anode materials as consumers continue to demand cleaner, greener materials, and ways of life. In response to these trends, RAIN's R&D teams continued in 2023 to work on several new and innovative products and materials in the battery space for future launch.



Still in our Advanced Materials segment, 2023 was a landmark year for our new, Hydrogenated Hydrocarbon Resins (known as HHCR) plant in Germany. After initial teething and subsequent energy cost issues, we were able to make major technical improvements to this plant which have greatly enhanced its reliability, throughput, and economics in 2023 compared to 2022. Due to an improvement in demand for HHCR, coupled with our regional customers' preference to procure larger quantities of HHCR locally, we expect to reach 50% capacity utilization at our German HHCR plant by the end of 2024.

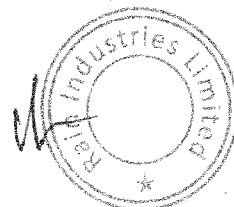
Our Cement segment also has reason for a positive outlook. Cement demand in our home territory of India rebounded strongly in 2023, growing by 7 – 8% on a per annum basis due to the continued Indian government infrastructure spending that has been a driving force behind this growth. With normalization of fuel and energy costs, and with increased volumes from higher demand, we expect improved operating margins. Our Cement segment also achieved a major sustainability milestone year in 2023, as we brought on-line even more solar power capacity to supplement our existing capacity. Cement production is an energy-intensive process, including the need for electricity to prepare the raw materials and fuels, and to grind the finished product. By combining our Cement segment's waste-heat power production with our now-further-expanded solar electricity generation, RAIN is making great strides in producing cement with an ever-lower carbon footprint, by using 39% of electricity consumed in manufacturing of Cement from Green energy sources.

Returning to the group-wide discussion, no company can control the length or duration of market cycles, but RAIN can control its costs. Throughout the down-cycle in 2023, we remained proactive in enhancing our cost-efficiency around the world. Our team has used that time to implement significant and sustainable cost-saving measures such as consolidating offices, optimising operations and streamlining our workforce.

In addition to strengthening our existing business, RAIN is simultaneously focused on the development and production of next-generation products to position our business for future growth. This includes the establishment of a new research and development facility to innovate and develop new, groundbreaking products which bring together and multiply our market-leading, innovative know-how from both our Carbon and Advanced Materials business segments, launching RAIN into new product lines and market areas.

RAIN's key area of focus group-wide is to reduce costs and debt to the greatest extent possible. The cash flow from our operations, including the release of working capital which accompanies a fall in commodity prices, would be applied to reduce our debt. Accordingly, we have optimized capital allocation for expansion projects, with a strong focus on the solar power plants in our Cement segment.

We anticipate a positive shift in demand for RAIN products starting in the latter half of 2024. With our robust R&D strategy, we are confident in our ability to come out of the current down-cycle on top, as we have in the past. We are focused on adapting and thriving in this rapidly evolving market in both the near and long terms.



At RAIN, ESG Compliance is not merely a box to check; it is a core principle ingrained in our sustainable operations. Our unwavering commitment to environmental, social, and governance (ESG) issues is reflected in our efforts to reduce carbon emissions, enhance employee safety, and invest in education and healthcare for rural communities where we operate in India.

In summary, despite our weaker financial performance in 2023, our vision remains to maintain our deep ESG commitments while transforming RAIN into an entirely unique industrial company with strong intrinsic cash-flow economics and solid growth outlook. By leveraging sustainable 'mega trends,' especially in the industrial areas where we have unique market leadership and expertise, we aim to position ourselves as a leader in the industries and communities in which we operate.

I also would like to take this opportunity to extend heartfelt appreciation to our dedicated employees for their exceptional efforts during these trying times. Their unwavering commitment and resilience have been crucial in steering Your Company through turbulent waters. Despite the challenges faced in 2023, we stand resolute in our pursuit of RAIN's long-term success. Our strategic initiatives are poised to fortify our organization and ensure greater resilience moving forward.

In closing, I would like to convey our gratitude for your unwavering support as a dedicated shareholder of our company. Your commitment and trust are invaluable as we continue to strive for excellence and growth.

Thank you.

Jagan Mohan Reddy Nellore
Vice Chairman

Place: Hyderabad
Date: May 3, 2024

