B S R & Associates LLP
Chartered Accountants

8-2-618/2, Reliance Humsafar,
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Review Report on the Statement of Standalone Unaudited Financial Results for the quarter and nine months ended September 30, 2014 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 reviewed the accompanying Statement of Standalone Unaudited Financial Results ('the Statement') of Rain Industries Limited (formerly Rain Commodities Limited) ("the Company") for the quarter and nine months ended September 30, 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 reviewed by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company in their meeting held on November 6, 2014. Our responsibility is to issue a report on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Sriram Mahalingam
Partner
Membership Number: 049642

Place: Hyderabad
Date : November 6, 2014

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

PART I

(Rupees in lakhs)

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended September 30, 2014

	Particulars	Quarter ended			Nine Months ended		Year ended
		September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	December 31, 2013
		Unaudited					Audited
1	**Income from operations**						
	(a) Net Sales / Income from Operations (Net of excise duty)	-	-	10	-	7,072	7,072
2	**Expenses**						
	(a) Purchases of Stock-in-trade	-	-	10	-	7,044	7,044
	(b) Changes in Inventories of Stock-in-trade	-	-	-	-	-	-
	(c) Employee Benefits Expense	63	54	26	164	148	179
	(d) Depreciation Expense	13	13	13	38	38	50
	(e) Other Expenses	72	78	33	214	227	271
	Total Expenses	**148**	**145**	**82**	**416**	**7,457**	**7,544**
3	**Loss from Operations before Other Income, Foreign Exchange (Gain)/Loss, Finance Costs and Tax (1-2)**	**(148)**	**(145)**	**(72)**	**(416)**	**(385)**	**(472)**
4	Other Income (See Note 4 below)	4,181	450	457	5,032	1,548	5,785
5	Foreign Exchange (Gain)/Loss	230	2	602	(47)	1,548	1,374
6	**Profit/(Loss) before Finance Costs and Tax (3+4-5)**	**3,803**	**303**	**(217)**	**4,663**	**(385)**	**3,939**
7	Finance Costs	321	297	226	1,069	865	1,134
8	**Profit/(Loss) before Tax (6-7)**	**3,482**	**6**	**(443)**	**3,594**	**(1,250)**	**2,805**
9	Tax Expense (See Note 5 below)	900	1	(94)	901	1	1,275
10	**Net Profit/(Loss) for the period/year (8-9)**	**2,582**	**5**	**(349)**	**2,693**	**(1,251)**	**1,530**
11	Paid-up Equity Share Capital - Face Value Rs. 2/- each	6,727	6,727	6,727	6,727	6,727	6,727
12	Reserves excluding Revaluation Reserves	-	-	-	-	-	26,128
13	Earnings/(Loss) Per Share - Basic & Diluted (of Rs. 2/- each) (Not Annualised)	0.77	-	(0.10)	0.80	(0.37)	0.45 *
	(* Annualised)						

(See accompanying notes to the Standalone Unaudited Financial Results)

CHARTERED ACCOUNTANTS B S R & Associates LLP

RAIN INDUSTRIES LIMITED Hyderabad

PART II

			Quarter ended			Nine Months ended		Year ended
			September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	December 31, 2013
A		PARTICULARS OF SHAREHOLDING						
	1	Public shareholding						
		- Number of Shares	198,882,219	190,293,294	185,889,584	198,882,219	185,889,584	187,164,116
		- Percentage of Shareholding	59.13%	56.58%	55.27%	59.13%	55.27%	55.65%
	2	Promoters and Promoter Group Shareholding	137,463,460	146,052,385	150,456,095	137,463,460	150,456,095	149,181,563
	(a)	Pledged / Encumbered						
		- Number of Shares	25,316,465	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%	17.33%	16.83%	18.42%	16.83%	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%	7.53%
	(b)	Non - encumbered						
		- Number of Shares	112,146,995	120,735,920	125,139,630	112,146,995	125,139,630	123,865,098
		- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	81.58%	82.67%	83.17%	81.58%	83.17%	83.03%
		- Percentage of Shares (as a % of the total Share Capital of the Company)	33.34%	35.89%	37.20%	33.34%	37.20%	36.82%

B	INVESTOR COMPLAINTS	Quarter ended September 30, 2014
	Pending at the beginning of the quarter	-Nil-
	Received during the quarter	28
	Disposed off during the quarter	28
	Remaining unresolved at the end of the quarter	-Nil-

Notes:

1 The Standalone Unaudited Financial Results were reviewed by the Audit Committee on November 5, 2014 and approved by the Board of Directors at their meeting held on November 6, 2014.

2 The Standalone Unaudited Financial Results for the quarter and nine months ended September 30, 2014 have been subjected to a 'Limited Review' by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

3 The Board of Directors have 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 at their meetings held on November 6, 2014.

4 Other income inclusive of:

(Rupees in lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	December 31, 2013
Dividends from Subsidiary Companies	3,692	-	-	3,692	-	3,768
Interest on Deposits with Banks and Others	480	442	446	1,314	1,524	1,985

5 Tax expense for the quarter ended September 30, 2014, include Rs. 730 Lakhs pertaining to Minimum Alternative Tax and Rs. 170 Lakhs pertaining to tax expenses of earlier years.

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

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

CHARTERED ACCOUNTANTS B S R & Associates LLP

RAIN INDUSTRIES LIMITED Hyderabad

By order of the Board
for Rain Industries Limited

N. Jagan Mohan Reddy
Managing Director

Place: Hyderabad
Date: November 6, 2014

B S R & Associates LLP
Chartered Accountants

8-2-618/2, Reliance Humsafar,
4th Floor, Road, No. 11,
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Review Report on Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended September 30, 2014 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 reviewed the accompanying Statement of Consolidated Unaudited 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 quarter and nine months ended September 30, 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. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company in their meeting held on November 6, 2014. Our responsibility is to issue a report on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the financial results of certain subsidiaries and associates which have been reviewed by other auditors whose reports have been furnished to us, and our opinion is based on the review procedures performed by other auditors. The attached consolidated unaudited financial result includes revenue of Rs. 233,998 lakhs and Rs. 722,646 lakhs for the quarter and nine months ended September 30, 2014, respectively. Further, the attached consolidated unaudited financial result includes share of profit of Rs. Nil and Rs. 15 lakhs for the quarter and nine months ended September 30, 2014, respectively from aforementioned associates.

Review Report on Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended September 30, 2014 of Rain Industries Limited (formerly Rain Commodities Limited) Pursuant to the Clause 41 of the Listing Agreement

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of consolidated unaudited financial results for the quarter and nine months ended September 30, 2014, prepared in accordance with the accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Sriram Mahalingam
Partner
Membership Number: 049642

Place: Hyderabad
Date : November 6, 2014

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

PART I

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months ended September 30, 2014

(Rupees in lakhs)

	Particulars	Quarter ended			Nine Months ended		Year ended
		September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	December 31, 2013
		Unaudited					Audited
1	**Income from operations**						
	(a) Net Sales / Income from Operations (Net of excise duty)	296,971	308,975	297,602	914,374	862,265	1,150,386
	(b) Other Operating Income (See Note 6 and 10 below)	6,240	6,503	3,358	18,197	11,450	24,047
	Total Income from Operations (net)	**303,211**	**315,478**	**300,960**	**932,571**	**873,715**	**1,174,433**
2	**Expenses**						
	(a) Cost of Materials Consumed	123,485	121,928	125,443	361,350	386,982	509,625
	(b) Purchases of Stock-in-trade	49,960	49,356	45,158	160,739	112,439	167,901
	(c) Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	(3,665)	7,591	3,213	15,249	2,316	(6,732)
	(d) Employee Benefits Expense	23,942	24,460	23,873	73,624	67,708	88,559
	(e) Depreciation and Amortisation Expense	8,483	8,553	9,618	25,923	26,398	35,682
	(f) Impairment Loss (See Note 9 below)	-	-	-	-	-	13,036
	(g) Power and Fuel	15,633	14,871	12,908	46,192	42,860	60,369
	(h) Selling and Distribution Expenses	23,124	22,643	19,579	66,892	57,083	75,487
	(i) Other Expenses	34,565	36,716	33,394	102,092	90,757	129,440
	Total Expenses	**275,527**	**286,118**	**273,186**	**852,061**	**786,543**	**1,073,367**
3	**Profit from Operations before Other Income, Foreign Exchange (Gain)/Loss, Finance Costs, Tax, Share of Profit/(Loss) of Associates and Minority Interest (1-2)**	**27,684**	**29,360**	**27,774**	**80,510**	**87,172**	**101,066**
4	Other Income	769	576	387	1,814	5,281	5,663
5	Foreign Exchange (Gain)/Loss (See Notes 5 below)	(1,959)	(2,284)	1,938	(3,237)	3,697	5,051
6	**Profit before Finance Costs, Tax, Share of Profit/(Loss) of Associates and Minority Interest (3+4-5)**	**30,412**	**32,220**	**26,223**	**85,561**	**88,756**	**101,678**
7	Finance Costs	14,892	14,819	15,585	45,963	43,820	59,331
8	**Profit Before Tax, Share of Profit/(Loss) of Associates and Minority Interest (6-7)**	**15,520**	**17,401**	**10,638**	**39,598**	**44,936**	**42,347**
9	Tax Expense (See Note 8 below)	4,638	4,889	1,828	11,041	11,198	3,672
10	**Net Profit for the Period before Share of Profit/(Loss) of Associates and Minority Interest (8-9)**	**10,882**	**12,512**	**8,810**	**28,557**	**33,738**	**38,675**
11	Share of Profit/(Loss) of Associates	-	18	23	15	23	(121)
12	Minority Interest	584	(179)	(178)	252	(31)	(102)
13	**Net Profit for the period/year (10+11+12)**	**11,466**	**12,351**	**8,655**	**28,824**	**33,730**	**38,452**
14	Paid-up Equity Share Capital - Face Value Rs. 2/- each	6,727	6,727	6,727	6,727	6,727	6,727
15	Reserves excluding Revaluation Reserves	-	-	-	-	-	315,604
16	Earnings Per Share - Basic and Diluted (of Rs. 2/- each) (Not Annualised)	3.41	3.67	2.58	8.57	10.00	11.41 *
	(* Annualised)						
	(See accompanying notes to the Consolidated Unaudited Financial Results)						

CHARTERED ACCOUNTANTS B S R & Associates LLP

RAIN INDUSTRIES LIMITED Hyderabad

PART II

			Quarter ended			Nine Months ended		Year ended
			September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	December 31, 2013
A		PARTICULARS OF SHAREHOLDING						
	1	Public shareholding						
		- Number of Shares	198,882,219	190,293,294	185,889,584	198,882,219	185,889,584	187,164,116
		- Percentage of Shareholding	59.13%	56.58%	55.27%	59.13%	55.27%	55.65%
	2	Promoters and Promoter Group Shareholding	137,463,460	146,052,385	150,456,095	137,463,460	150,456,095	149,181,563
	(a)	Pledged / Encumbered						
		- Number of Shares	25,316,465	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%	17.33%	16.83%	18.42%	16.83%	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%	7.53%
	(b)	Non - encumbered						
		- Number of Shares	112,146,995	120,735,920	125,139,630	112,146,995	125,139,630	123,865,098
		- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	81.58%	82.67%	83.17%	81.58%	83.17%	83.03%
		- Percentage of Shares (as a % of the total Share Capital of the Company)	33.34%	35.89%	37.20%	33.34%	37.20%	36.82%

B	INVESTOR COMPLAINTS	Quarter ended September 30, 2014
	Pending at the beginning of the quarter	-Nil-
	Received during the quarter	28
	Disposed off during the quarter	28
	Remaining unresolved at the end of the quarter	-Nil-

Notes:

1 The Consolidated Unaudited Financial Results were reviewed by the Audit Committee on November 5, 2014 and approved by the Board of Directors at their meetings held on November 6, 2014.

2 The Consolidated Unaudited Financial Results for the quarter and nine months ended September 30, 2014 have been subjected to a 'Limited Review' by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

3 The Consolidated Unaudited Financial Results have been prepared in accordance with Accounting Standard 21 - Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules 2006, including the Unaudited Financial Results of all its Subsidiaries and Associates.

4 The Board of Directors have 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 at their meetings held on November 6, 2014.

5 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:

(Rupees in lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	December 31, 2013
Foreign Exchange (Gain) / Loss	232	(1)	616	(92)	4,371	4,196

6 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 claim amount recognised for the nine months ended September 30, 2014 is Rs. 15,016 Lakhs and for the year ended December 31, 2013 was Rs. 10,066 Lakhs.

7 During the month of October 2014, Hudhud cyclone had hit North coast of Andhra Pradesh state, 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") (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 first Kiln on October 26, 2014 and second Kiln is expected to restart soon. RCCVL is having adequate Insurance coverage subject to general deductibles.

8 Tax expense is inclusive of:

(Rupees in lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	December 31, 2013
Minimum Alternate Tax	730	1	(2,053)	1,034	(3,425)	(4,200)
Tax expense / (credit) relating to earlier years	170	-	-	170	(16)	(1,096)

9 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.

CHARTERED ACCOUNTANTS B S R & Associates LLP

RAIN INDUSTRIES LIMITED Hyderabad

10 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.

11 Certain Standalone information of the Company:

(Rupees in lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	December 31, 2013
Net Sales / Income from Operations (Net of excise duty)	-	-	10	-	7,072	7,072
Profit/(Loss) Before Tax (including Other Income)	3,482	6	(443)	3,594	(1,250)	2,805
Profit/(Loss) After Tax	2,582	5	(349)	2,693	(1,251)	1,530

12 **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

(Rupees in lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	December 31, 2013
1) Segment Revenue						
(a) Carbon Products	218,871	230,206	223,863	680,507	645,831	860,712
(b) Chemicals	74,174	75,216	80,745	226,711	219,015	292,193
(c) Cement	23,304	21,835	19,021	64,357	64,145	83,975
Total	**316,349**	**327,257**	**323,629**	**971,575**	**928,991**	**1,236,880**
Less: Inter Segment Revenue	19,378	18,282	26,027	57,201	66,726	86,494
Net Sales / Income from Operations (Net of excise duty)	**296,971**	**308,975**	**297,602**	**914,374**	**862,265**	**1,150,386**
2) Segment Results						
Profit before Other Income, Foreign Exchange (Gain)/Loss and Finance Costs from each segment						
(a) Carbon Products	24,131	23,613	23,221	69,081	76,186	84,723
(b) Chemicals	2,423	6,461	4,451	12,690	9,507	13,973
(c) Cement	1,130	(714)	102	(1,261)	1,479	2,370
Total	**27,684**	**29,360**	**27,774**	**80,510**	**87,172**	**101,066**
Less: i) Finance Costs	14,892	14,819	15,585	45,963	43,820	59,331
ii) Other Income	(769)	(576)	(387)	(1,814)	(5,281)	(5,663)
iii) Foreign Exchange (Gain)/Loss	(1,959)	(2,284)	1,938	(3,237)	3,697	5,051
Total Profit Before Tax	**15,520**	**17,401**	**10,638**	**39,598**	**44,936**	**42,347**
3) Capital Employed						
(Segment Assets – Segment Liabilities)						
(a) Carbon Products	854,311	852,642	875,727	854,311	875,727	857,549
(b) Chemicals	196,505	206,902	205,088	196,505	205,088	215,741
(c) Cement	47,251	46,986	51,403	47,251	51,403	50,445
(d) Unallocated	(25,326)	(25,398)	(31,089)	(25,326)	(31,089)	(26,862)
Total	**1,072,741**	**1,081,132**	**1,101,129**	**1,072,741**	**1,101,129**	**1,096,873**

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

14 The Investors can view Standalone Unaudited 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
Managing Director

Place: Hyderabad
Date: November 6, 2014

CHARTERED ACCOUNTANTS BSR & Associates LLP

INDUSTRIES LIMITED Hyderabad

Rain Industries Limited
(Formerly Rain Commodities Limited)

Press Release November 6, 2014

Results Update

Consolidated Net Sales of Rs. 29,697 Million in Q3 2014

Consolidated Operating Profit of Rs. 3,617 Million in Q3 2014

Consolidated Net Profit of Rs. 1,147 Million in Q3 2014

Consolidated EPS of Rs. 3.41 in Q3 2014

Rain Industries Limited ("Rain" or "the Company") reported its consolidated and standalone unaudited financial results for the Quarter ended September 30, 2014.

Consolidated Financial Highlights:

(Rupees in million)

Particulars	Quarter ended			% change	
	Sep 2014	June 2014	Sep 2013	Q3 2014 vs. Q2 2014	Q3 2014 vs. Q3 2013
Net Sales [1]					
(a) Carbon Products	21,076	22,211	21,203	-5%	-1%
(b) Chemicals	6,291	6,504	6,656	-3%	-5%
(c) Cement	2,330	2,183	1,901	7%	23%
Total	**29,697**	**30,898**	**29,760**	**-4%**	**-0%**
Operating Profit [2]					
(a) Carbon Products	2,949	2,898	2,934	2%	1%
(b) Chemicals	462	874	706	-47%	-35%
(c) Cement	206	20	99	930%	108%
Total	**3,617**	**3,792**	**3,739**	**-5%**	**-3%**
Net Profit	1,147	1,235	866	-7%	32%
Earnings Per Share	3.41	3.67	2.58	-7%	32%

Note:

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

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

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Sales Volume Information:

(Volume in '000 Metric Tons)

Particulars	Quarter ended			% change	
	Sep 2014	June 2014	Sep 2013	Q3 2014 vs. Q2 2014	Q3 2014 vs. Q3 2013
Carbon Products	813	785	726	3%	12%
Chemicals	81	75	76	7%	6%
Cement	512	595	472	-14%	8%

Corporate Highlights:

1. 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.

2. 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 recognized a claim amount of Rs. 1,502 million during the nine months ended September 30, 2014 (including an amount of Rs. 531 million during Q3 2014) over and above Rs. 1,007 million recognised during the quarter ended December 31, 2013, as Other Operating Income. The Company has received full settlement amount.

3. **New corporate office in Covington:**
   Rain CII Carbon LLC ("RCC"), a wholly owned subsidiary of the Company officially moved its headquarters from 'Kingwood, Texas, a suburb of Houston' to its new leased space in 'Covington, Louisiana' on October 20, 2014. The State of Louisiana and RCC have entered into a Cooperative Endeavour Agreement which allows for the reimbursement of relocation costs up to US$ 3.6 Million.

4. **Hudhud cyclone impact:**
   During the month of October 2014, Hudhud cyclone had hit North coast of Andhra Pradesh state, 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") (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 first Kiln on October 26, 2014 and second Kiln is expected to be restarted soon. RCCVL is having adequate Insurance coverage subject to general deductibles.

5. Status of capital projects:

A) PA expansion:

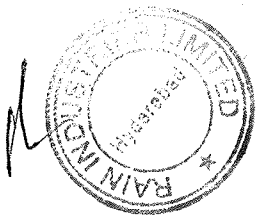
The 14,000 tons Phthalic Anhydride ("PA") expansion project in Belgium has been successfully completed on time and within the budget. Commercial production at this facility commenced on October 6, 2014 and has been operating smoothly.

B) Russian JV:

The Russian Joint Venture, 300,000 tons Coal Tar distillation plant, is progressing well and expect to start operations during the second half of 2015. The detailed engineering has been finalized, key items like new columns have been ordered and have been delivered to the plant, construction permits are obtained, construction of temporary site office has been completed and General Contractor has started mobilizing resources on site.

C) Solar Power Project:

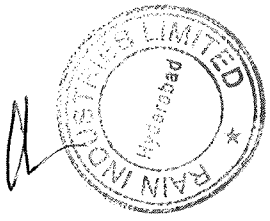
In order to enhance its foot print in Renewable Energy, Rain Group, through Rain Cements Limited ("RCL"), a wholly owned subsidiary, is evaluating the possibility of setting up a 22 MW of Solar Power Plant in Anantapur district of Andhra Pradesh. Considering that RCL already possess suitable land for setting-up a Solar Power Plant in Anantapur district, we participated in the bids invited by Southern Power Distribution Company Limited of Andhra Pradesh & Eastern Power Distribution Company Limited of Andhra Pradesh and have been qualified in the evaluation process. Post completion of detailed site verification and technical evaluation, RCL will execute Power Purchase Agreement. The estimated total capital expenditure for this project would be Rs. 1,400 Millions.



Financial Performance Review and Analysis – Q3 2014 Vs Q3 2013:

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

- Consolidated Net Revenue is Rs. 29,697 million during the current quarter, a marginal fall of 1% compared to Rs. 29,760 million during Q3 2013.
    - Carbon product sales volume during the current quarter is 813 thousand tons, an increase of 12% compared to 726 thousand tons in Q3 2013. Carbon sales volume increased during current quarter mainly due to higher Pitch sales, increase in petcoke trading volume which was partly offset by lower CPC sales in the United States. While carbon sales volume is increased by 12%, due to fall in blended realization, lower CIF based sales in Pet Coke trading and recovery in Rupee against US Dollar and Euro, the Carbon division revenue has reduced marginally by 1% in Q3 2014 compared to Q3 2013.
    - Chemicals sales volume during the current quarter is 81 thousand tons, an increase of 6% compared to 76 thousand tons in Q3 2013. While Chemical sales volume is increased by 6%, due to change in product mix and appreciation of Rupee, Revenue from Chemical business has reduced by 5% in Q3 2014 compared to Q3 2013.
    - Cement sales volume during the current quarter is 512 thousand tons, an increase of 8% compared to 472 thousand tons in Q3 2013. With the combination of increase in sales volume by 8% and increase in average realization from Rs. 201 per bag in Q3 2013 to Rs. 227 per bag in Q3 2014, Cement revenues increased by 23% in Q3 2014 compared to Q3 2013.
- Consolidated Operating Profit for the current quarter is Rs. 3,617 million a marginal decrease of 3% compared to Rs. 3,739 million achieved during Q3 2013. While, carbon division has delivered a marginal growth of 1%, Cement division has delivered strong recovery of over 100% growth in operating profit this was offset by lower operating performance in Chemical business as a result of change in product mix and lower margins in Resins business.
- During Q3 2014 the Group had a foreign exchange gain of Rs. 196 million as compared to foreign exchange loss of Rs. 194 million in Q3 2013. The primary reasons for foreign exchange gain in Q3 2014 is strengthening of Canadian Dollar against Euro partly offset by depreciation of Russian Rubles and Indian Rupee against US Dollar.
- Finance cost during the current quarter is Rs. 1,489 million a decrease of 4% compared to Rs. 1,559 million during Q3 2013, is mainly due to translation impact of foreign currency interest cost.



- Effective tax rate during the current quarter is 30% an increase of 13% compared to 17% during Q3 2013. Effective tax rate in Q3 2013 was lower due to recognition of MAT credit of Rs. 205 million.
- Consolidated net profit during the current quarter is Rs. 1,147 million, an increase of about 32% compared to consolidated net profit of Rs. 866 million during Q3 2013. The Company achieved a consolidated EPS of Rs. 3.41 during the current quarter, an increase of 32% compared to consolidated EPS of Rs. 2.58 during Q3 2013.

Debt analysis:

As at September 30, 2014, the Company has a consolidated gross debt of US$ 1,300 million (including working capital debt of US$ 85 million) and Cash and Cash Equivalents of US$ 200 million. The net debt as at the same date is US$ 1,100 million.

US$ Million	*Amount*	*Type of Interest*	*Remarks*
Senior Secured Notes	1,047	Fixed Rate	Bullet repayments in 2018 and 2021
Senior Bank debt	89	Floating Rate	Installments up to 2018
Deferred Consideration	23	Interest Free	Payment based on triggering events
Sales Tax Deferment	14	Interest Free	Installments up to 2027
Junior Subordinated Notes	13	Fixed Rate	Bullet repayment in 2018, along with compounded interest
Other Debt	29	Fixed Rate	Including finance leases
Gross term debt	**1,215**		
Add: Working Capital Debt	85		
Total Debt	**1,300**		
Less: Cash and Cash Equivalents	200		
Net Debt	**1,100**		

With the existing cash and cash equivalents of US$ 200 million coupled with undrawn revolver facilities of US$ 183 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 Consolidated Free Cash Flows for the nine months ended September 30, 2014 is US$ 77 million, this is net after spending about US$ 36 million for capital expenditure and about US$ 80 million for interest cost.

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Historical Performance:

(Rupees in million)

	Q3 2014	Q2 2014	Q1 2014	CY 2013	CY 2012	CY 2011	CY 2010	CY 2009
Income from Operations[1]	30,321	31,548	31,388	117,443	53,615	56,395	37,857	36,494
Operating Profit [2]	3,617	3,792	3,235	14,978	11,090	13,873	7,559	9,063
Net Profit	1,147	1,235	501	3,845	4,577	6,641	2,407	4,438
Adjusted Net Profit [3]	1,147	1,235	501	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 2013 is adjusted for costs incurred for acquisition of RUETGERS 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.

(b) Profit After Tax for CY 2012 is adjusted for one time expenditure of Rs. 1,789 Million (net of tax Rs. 1,219 Million) incurred in-connection with the acquisition of RUETGERS.

(c) Profit After Tax for CY 2010 is adjusted for net exceptional expenditure of Rs. 1,249 Million (net of tax Rs. 898 Million).

(d) Profit After Tax for CY 2009 is adjusted for exceptional profit of Rs. 513 Million (net of tax Rs. 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 17 operating facilities spread across United States of America, Canada, Europe, India, Africa and China, 18th 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.*

RAIN INDUSTRIES LIMITED Hyderabad