



37th Annual Report 2011



BOARD OF DIRECTORS

| | |
|---------------------------|--------------------------------------|
| Mr. N.Radhakrishna Reddy | Chairman |
| Mr. N.Jagan Mohan Reddy | Managing Director |
| Mr. N. Sujith Kumar Reddy | Director |
| Mr. Dipankar Basu | Independent Director |
| Mr. S L Rao | Independent Director |
| Mr. H L Zutshi | Independent Director |
| Mr. E.S. Ravisekar | Nominee Director, IDBI Bank Limited |
| Mr. Yogesh Rastogi | Nominee Director, ICICI Bank Limited |
| Mr. G. Krishna Prasad | Independent Director |

CFO

Mr. T. Srinivasa Rao

VICE PRESIDENT (F & A)

Mr. G. N. V. S. R. R. Kumar

COMPANY SECRETARY

Mr. S. Venkat Ramana Reddy

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells,
Chartered Accountants,
1-8-384 & 385, 3rd Floor,
Gowra Grand, S.P. Road,
Secunderabad - 500 003, A.P.

INTERNAL AUDITORS

M/s. Ernst & Young Pvt. Ltd,
The Oval Office,
18, iLabs Center, Madhapur,
Hyderabad - 500 081, A.P.

BANKS

IDBI Bank Limited
Citibank
ICICI Bank Limited
Indian Bank

REGISTERED OFFICE

"Rain Center",
34, Srinagar Colony,
Hyderabad-500 073,
Andhra Pradesh, India.
Phone No. 040-40401234
Fax No. 040-40401214
Email: secretarial@priyacement.com



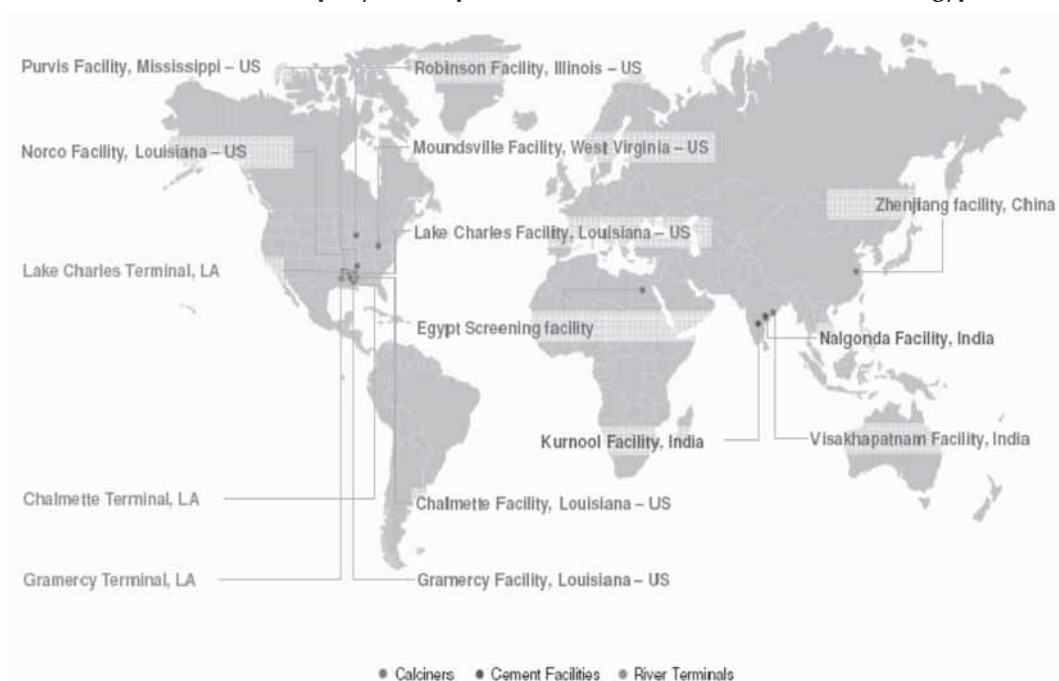
| Sl. No. | Contents | Page No. |
|---------|---|----------|
| 1. | Key Financial Indicators on a consolidated basis | 06 |
| 2. | Notice | 10 |
| 3. | Directors' Report | 15 |
| 4. | Management Discussion and Analysis | 25 |
| 5. | Report on Corporate Governance | 29 |
| 6. | Auditors' Report | 48 |
| 7. | Standalone Financial Statements | 51 |
| 8. | Statement u/s 212 of the Companies Act, 1956 | 75 |
| 9. | Balance Sheet abstract | 81 |
| 10. | Auditors' Report on Consolidated Financial Statements | 83 |
| 11. | Consolidated Financial Statements | 84 |
| 12. | ECS Form | 107 |
| 13. | Proxy Form | 109 |
| 14. | Attendance Form | 111 |



Rain Commodities Limited is a leading producer of Calcined Petroleum Coke, with further diversification into production of Cement, Co-generation of Energy through Waste-heat Recovery and trading in Fuel Grade Petroleum Coke

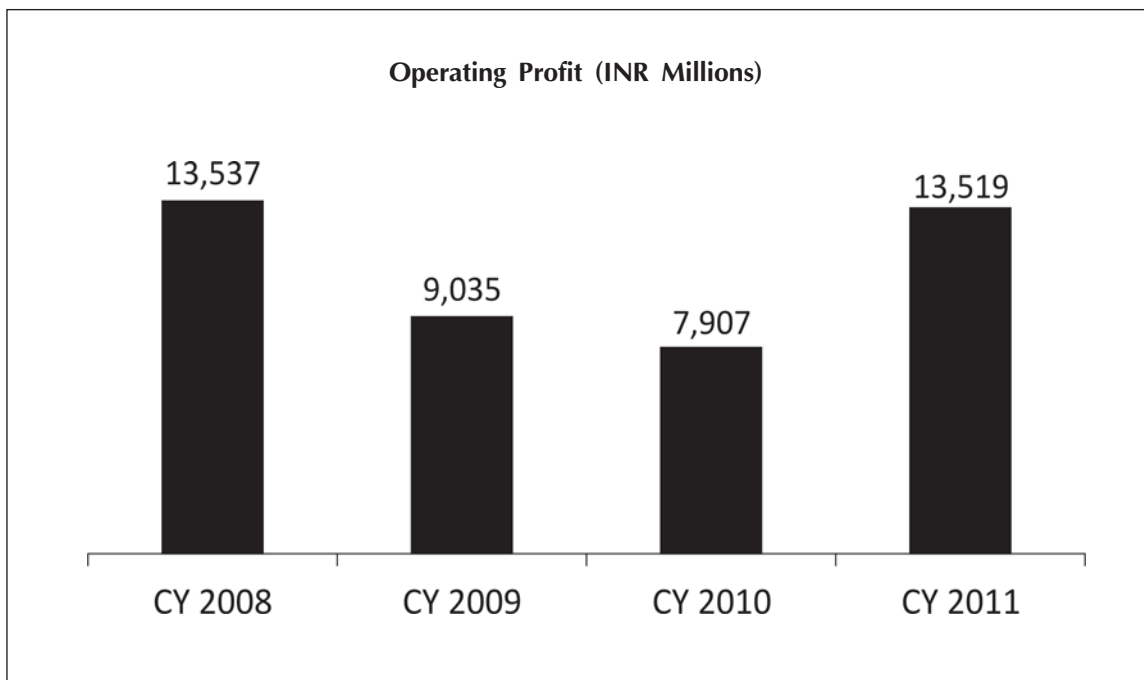
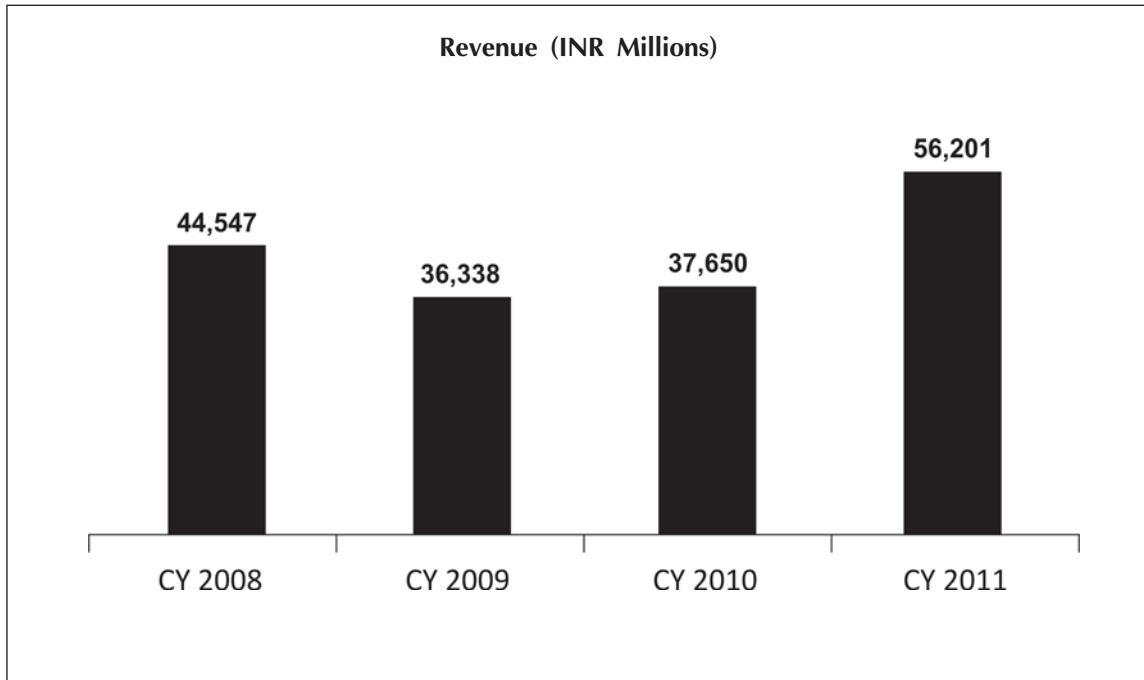
| Business Vertical | Description of Business |
|---------------------------------|---|
| Carbon Products Business | <p>Calcined Petroleum Coke:</p> <ul style="list-style-type: none"> Production and sale of Calcined Petroleum Coke ("CPC") Activities across the Globe with nine operating plants in the USA, India and China, with a market share of about 9% of Global CPC Industry. <p>Co-generation of Energy through Waste-heat Recovery:</p> <ul style="list-style-type: none"> Co-generation of Energy (Steam and/or Electricity) through Waste-heat recovery at four of the existing CPC plants (three in the USA and one in India) Further, a Waste-heat recovery facility at Lake Charles, Louisiana CPC plant is under development. This facility is expected to be operational from Q4 of 2012 <p>Trading in Petroleum Coke:</p> <ul style="list-style-type: none"> Trading of Fuel Grade Green Petroleum Coke, with activities in India, USA, Europe and Africa |
| Cement Business | <ul style="list-style-type: none"> Production and Sale of Cement - Two Integrated Cement Plants in Andhra Pradesh with a Fly-ash Handling and Cement Packing Unit in Karnataka Activities spread across South India Marketed under the brand name "Priya Cement" |

Rain is a Global Company with operations across USA, India, China and Egypt





KEY FINANCIAL INDICATORS ON A CONSOLIDATED BASIS

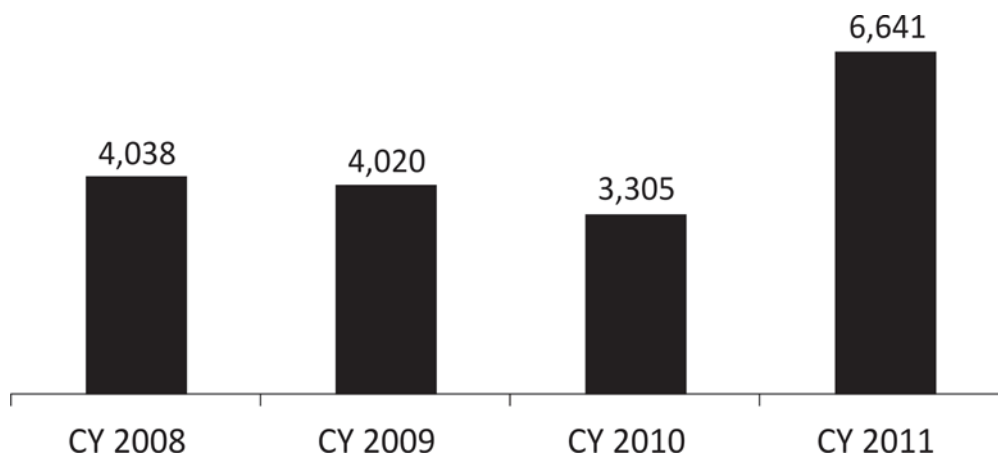


Notes:

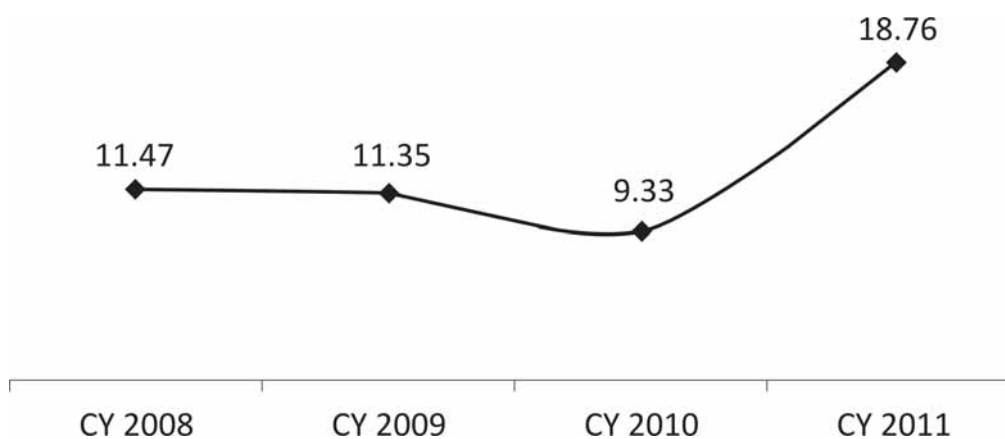
- (1) Operating Profit is Profit before Depreciation, Interest, Taxation and Exceptional Items.
- (2) Previous period numbers are adjusted for foreign exchange (Gain) / Loss, due to the reclassification from Interest expense to Administrative, Selling and Other Expenses during the current financial year.



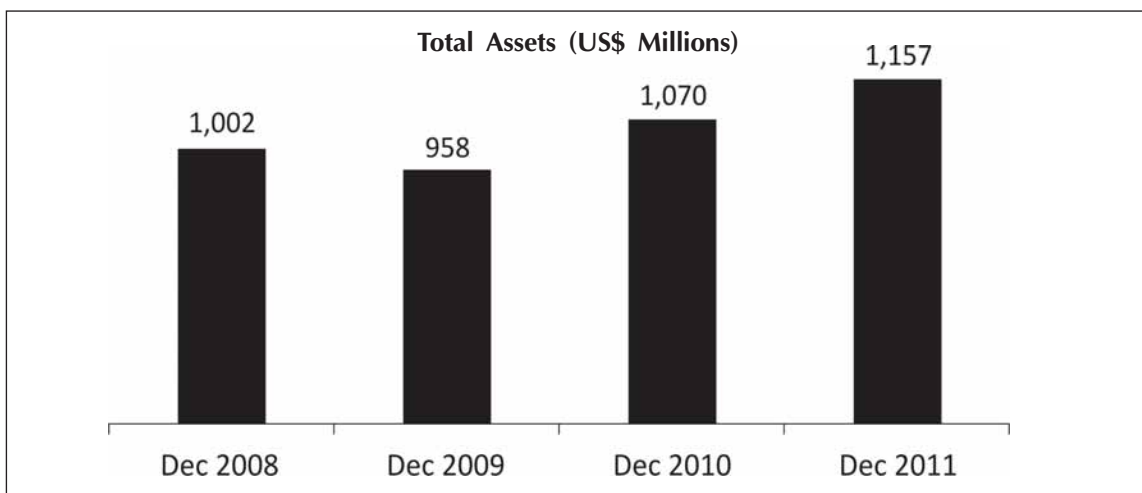
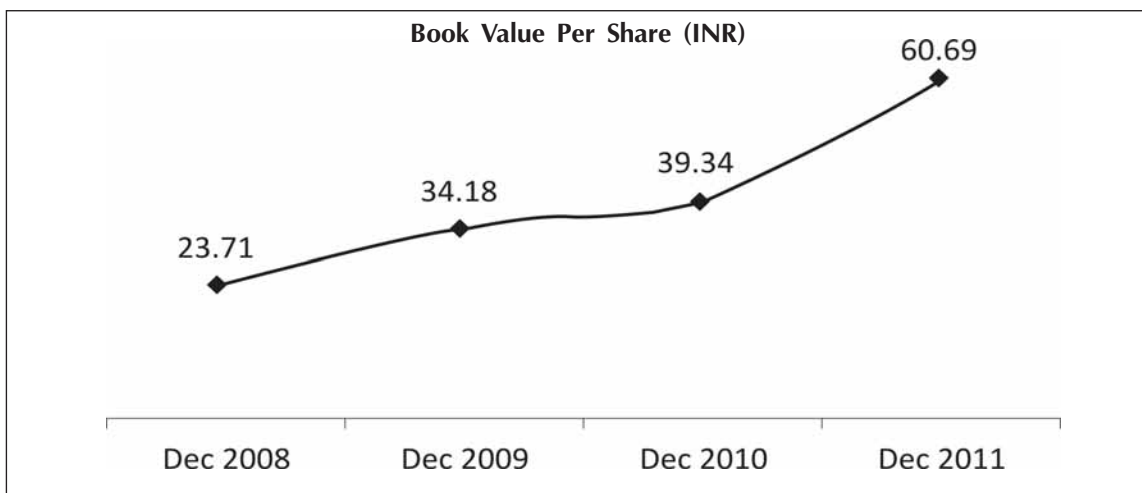
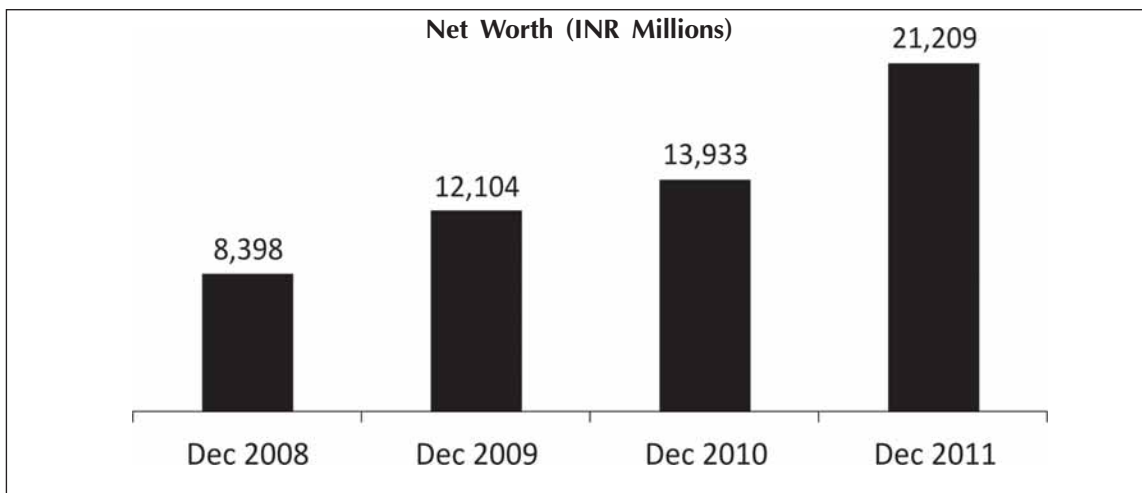
Adjusted Profit After Tax (INR Millions)



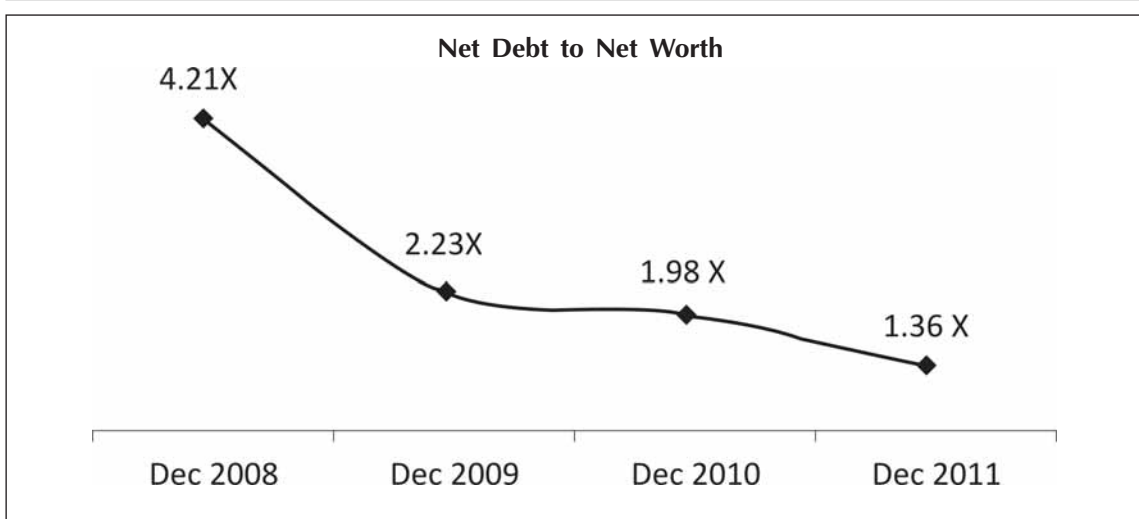
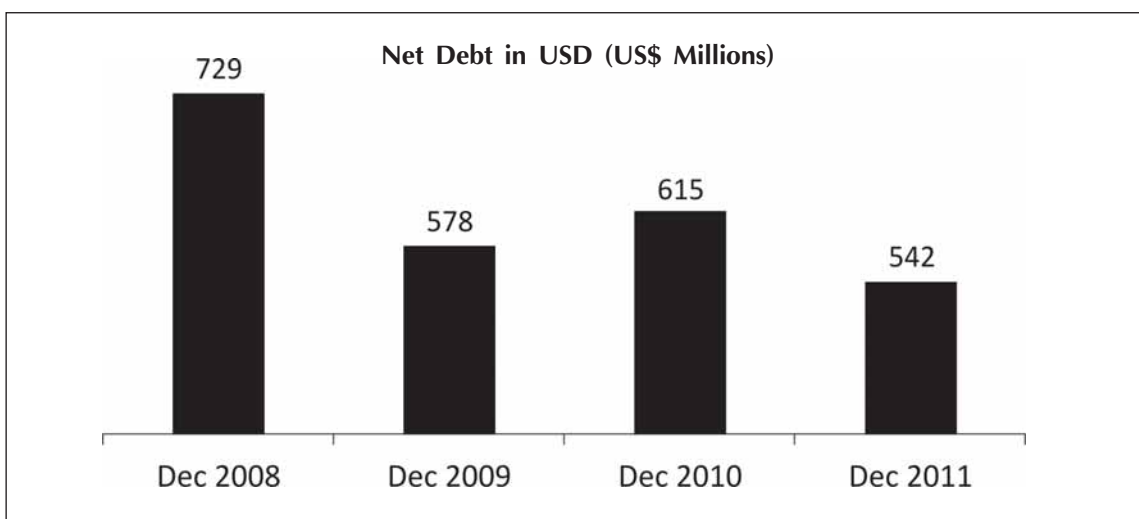
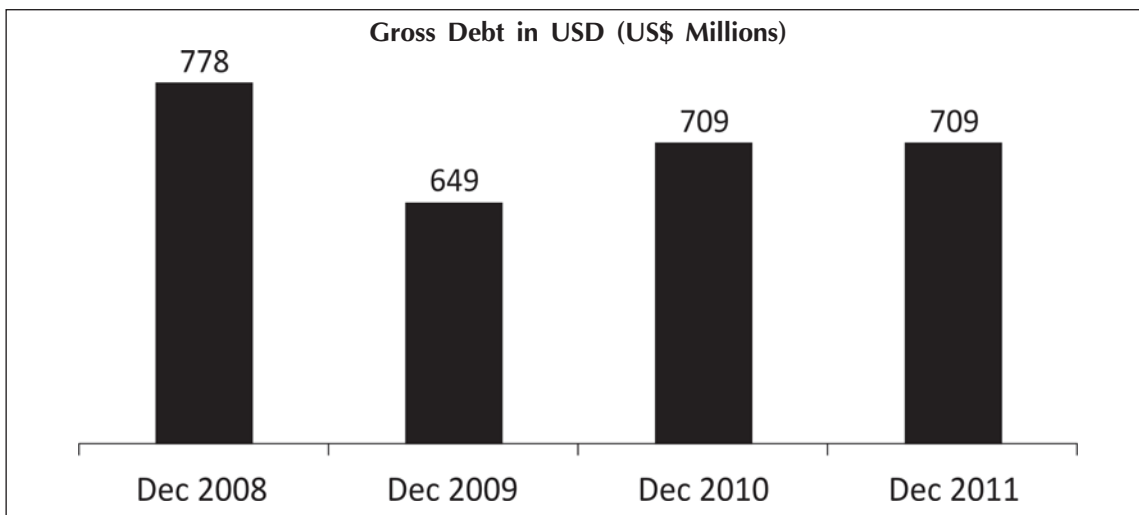
Adjusted Basic Earnings Per Share (EPS) (INR)

**Note:**

- (1) EPS of the previous periods have been recomputed to give effect to the share split (in the ratio of 1:5) in the current financial year.
- (2) Profit After Tax and Basic EPS of CY 2009 adjusted for exceptional profit of Rs. 513 Million (net of tax Rs. 418 Million) on sale of Investment in Petroleum Coke Industries Company, Kuwait.
- (3) Profit After Tax and Basic EPS of CY 2010 adjusted for net exceptional expenditure of Rs. 1,249 million (net of tax Rs. 898 Million).

**Notes:**

- (1) Book Value Per share of the previous periods have been recomputed to give effect to the share split (in the ratio of 1:5) in the current financial year.
- (2) Total Assets include Written Down Value of Fixed Assets, Investments and Net Current Assets.
- (3) As majority of the assets are in Dollar terms, we have converted the reported Indian Rupees into US Dollars applying the RBI's reference rate at the end of the respective financial years.

**Notes:**

- (1) As majority of the debt is in Dollar terms, we have converted the reported Indian Rupees into US Dollars applying the RBI's reference rate at the end of the respective financial years.