



RAIN INDUSTRIES LIMITED

(formerly Rain Commodities Limited)

CIN : L26942TG1974PLC001693

Regd. Office: Rain Center, 34, Srinagar Colony, Hyderabad - 500 073, Telangana State, India.

Tel: +91 40 4040 1234, Fax: +91 40 4040 1214, Website: www.rain-industries.com

Email: secretarial@rain-industries.com

Dear Member,

August 14, 2014

POSTAL BALLOT NOTICE (NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013)

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 ("the **Act**") read with the Rules framed thereunder (Procedure to be followed for conducting business through postal ballot) under the Companies Act, 2013, that the Resolutions appended below are proposed to be passed by the Members by way of Postal Ballot by giving their assent/ dissent. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto alongwith a Postal Ballot Form.

E-Voting Option

We are pleased to offer e-voting facility also as an alternate for our Members, which would enable them to cast votes electronically, instead of through physical postal ballot form. E-voting is optional. Please carefully read and follow the instructions on e-voting printed in this notice.

The Scrutinizer will submit the report to the Chairman of the Company, upon completion of scrutiny of postal ballots in a fair and transparent manner, the result of the postal ballot will be announced on September 30, 2014 at the Registered Office of the Company. The result of the postal ballot will be posted on the Company's website: www.rain-industries.com besides communicating the same to the National Stock Exchange of India Limited, BSE Limited and Delhi Stock Exchange Limited. The result of the postal ballot shall also be announced through newspaper advertisement.

SPECIAL BUSINESS

1. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Clause 49 of the Listing Agreement, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mr. Dipankar Basu (DIN 00009653), as an Independent Director of the Company for a period of 2 years i.e., from September 30, 2014 to September 29, 2016 and he shall not be liable to retire by rotation, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Act."

2. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Clause 49 of the Listing Agreement, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mr. S. L. Rao (DIN 00005675), as an Independent Director of the Company for a period of 2 years i.e., from September 30, 2014 to September 29, 2016

and he shall not be liable to retire by rotation, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Act.”

3. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Clause 49 of the Listing Agreement, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mr. H. L. Zutshi (DIN 00041002), as an Independent Director of the Company for a period of 2 years i.e., from September 30, 2014 to September 29, 2016 and he shall not be liable to retire by rotation, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Act.”

4. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Clause 49 of the Listing Agreement, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mr. G. Krishna Prasad (DIN 00020179), as an Independent Director of the Company for a period of 2 years i.e., from September 30, 2014 to September 29, 2016 and he shall not be liable to retire by rotation, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Act.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and in modification of all earlier Resolutions passed in this regard, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for borrowing Rupee Loans, Foreign Currency Loans, Working Capital Facility and such other Financial Assistance from time to time, which together with the monies already borrowed by the Company (apart from Temporary Loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors shall not at any time exceed the limit of Rs.2,000 Crores.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary for giving effect to this resolution.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to Section 180 (1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and in modification of all earlier Resolutions passed in this regard, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages, pledge and hypothecations in addition to the

existing charges, mortgages, pledge and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of the Banks, Financial Institutions and other Parties to secure Rupee Loans, Foreign Currency Loans and Working Capital Facilities availed and also proposed to be availed and also to secure Corporate Guarantees and other obligations of the Company, provided that the total amount of loans, Corporate Guarantees and other obligations of the Company together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, Corporate Guarantees and other obligations, shall not, at any time exceed the limit of Rs.2,000 Crores.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to finalise the terms and conditions for creating the aforesaid Mortgage, charge, Pledge and Hypothecation and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013, other applicable provisions, if any, of the Companies Act, 2013 and Clause - 49 of the Listing Agreement, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to enter into following contracts/ arrangements/ transactions with Related Parties on Arm’s Length basis:

(Amount in Rs.)

S. No.	Name of the Related Party with whom transactions are being undertaken & Nature of relationship	Particulars of Transaction	Quantity	Rate per Mt/KWH in Rs.*	Total amount of Transactions proposed for the Financial Year ending December 31, 2014*	Name of the Director or Key Managerial personnel who is related	Whether transaction is done at Arms’ length (Yes/No)
1.	Rain Cements Limited (Wholly owned Subsidiary)	Revenue from Shared Services	-	-	Rs. 6 Crores	Mr. N. Radhakrishna Reddy Mr. N. Jagan Mohan Reddy Mr. N. Sujith Kumar Reddy	Yes (At Cost plus markup not exceeding 10%)
2.	Rain CII Carbon (Vizag) Limited (step down wholly owned Subsidiary)	Revenue from Shared Services	-	-	Rs. 2.62 Crores	Mr. N. Radhakrishna Reddy Mr. N. Jagan Mohan Reddy Mr. N. Sujith Kumar Reddy	Yes (At Cost plus markup not exceeding 10%)
3.	Rain CII Carbon LLC, USA (step down wholly owned Subsidiary)	Revenue from Shared Services	-	-	Rs. 1.68 Crores	Mr. N. Radhakrishna Reddy Mr. N. Jagan Mohan Reddy Mr. N. Sujith Kumar Reddy	Yes (At Cost plus markup not exceeding 10%)

4.	Rain Global Services LLC (step down Subsidiary)	Purchase of Green Petroleum Coke	58,000 Mts.	Rs.12,100 per MT	Rs. 70.18 Crores	Mr. N. Radhakrishna Reddy Mr. N. Jagan Mohan Reddy Mr. N. Sujith Kumar Reddy	Yes
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*i) These are currently prevailing market rates used for determining the annual limit.

ii) Actual rates at which the transactions will be done will be at prevailing market price and at Arms length from time to time.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to finalise the terms and conditions of the contract/ arrangements/ transactions and to execute such other documents, agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded for substitution of existing Article No. 1 to 188 with new set of Articles No.1 to 318.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board):

- i) to invest/acquire from time to time by way of subscription, purchase or otherwise, the securities of any body corporate(s) whether in India or outside India, which may or may not be subsidiary of the Company; and/or
- ii) to make/give from time to time any loan to any person or body corporate, whether in India or outside, which may or may not be subsidiary of the Company or to any persons; and/or
- iii) to give from time to time any guarantee and/or provide any security to any person, body Corporate, Bank, Financial Institutions or any other Institution in India or outside India to secure any financial assistance of any nature availed or to be availed by any person or body Corporate whether in India or outside India which may or may not be subsidiary of the Company or any other Institution.

upto an amount, the aggregating of which should not exceed, at any given time Rs. 2,000 Crores notwithstanding that the aggregate loans, guarantees and securities to any bodies corporate and persons and investment in securities of any bodies corporate exceeds the limits specified under Section 186 of the Companies Act, 2013, read with the applicable rules, circulars or clarifications thereunder.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorised to negotiate and decide, from time to time, terms and conditions, execute necessary documents, papers, agreements etc. for investments to be made, loans/guarantees to be given and securities to be provided to any person and / or any body corporate, do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, settle any question, difficulty or doubt that it may arise in this regard and to delegate all or any of these powers to any Committee of Directors or Managing Director or Wholetime Director or Director or officer of the Company or any other person”.

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT in modification of resolution passed by the members of the Company at the Annual General Meeting held on May 12, 2011, the consent of the members of the Company be and is hereby accorded to the payment of Commission to the Non-Executive Directors of the Company pursuant to the provisions of Section 197 and 198 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, as may be decided by the Board of Directors (hereinafter referred to as the 'Board' which term shall include Committee of Directors) from time to time provided that the total commission payable to the Non-Executive Directors per annum shall not exceed 1% of the net profits of the Company as computed in the manner referred to under Section 198 of the Companies Act, 2013, with authority to the Board to determine the manner and proportion in which the amount be distributed among the Non-Executive Directors".

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded for alteration of existing Main Object Clause i.e., Clause III(A) of the Memorandum of Association of the Company by deleting the existing Clauses 6 and 7 and replacing the same with the following Clauses 6 and 7 after the existing Clause 5 of Clause III(A) (Main Objects) of Memorandum of Association of the Company:

6. To carry on the business of Production, sale and trading of Carbon Compounds including calcined petroleum coke, carbon pitch, coal tar distillation, production of coal tar pitch, naphthalene oil, aromatic oils and other carbon chemicals that are related, ancillary or complementary to, or are reasonable extensions of, any of the businesses contemplated by the foregoing.
7. To carry on business of Shared Services, outstanding services, data services and Transaction services.

FURTHER RESOLVED THAT the other objects in the Memorandum of Association of the Company i.e., Clause III(C) be deleted.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 181 and other applicable provisions of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to the

Board of Directors of the Company to contribute by way of donation to bonafide Charitable funds, Charitable Institutions, Non-Profit Organizations, Non - Profit Companies (i.e., Companies formed under Section 25 of the Companies Act, 1956/ Section 8 of the Companies Act, 2013), Trusts and such other Funds up to a sum not exceeding Rs.5 Crores (Rupees Five Crores only)

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution and accept any alteration(s) or amendment(s) or corrections as they may deem fit and appropriate and give such directions/ instructions as may be necessary to settle any questions or doubts that may arise in this regard on behalf of the Company".

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

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

Place : Hyderabad
Date : August 14, 2014

NOTES:

1. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
2. The Company has appointed Mr. DVM Gopal, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
3. The Postal Ballot Form together with the self-addressed Business Reply Envelope is enclosed for the use of the Member.
4. The Notice is being sent to all the Members whose names appear in the Register of Members/ Record of Depositories as on 15th August, 2014. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on that date and time.
5. You are requested to carefully read the instructions printed on the back side of the Postal Ballot Form before exercising the vote and return the said form duly completed and signed in the enclosed self-addressed Business Reply Envelope, so as to reach the Scrutinizer on or before 5.00 p.m. on 26th September, 2014. The envelope may also be deposited personally at the address given thereon. Consent received thereafter shall be treated as if the reply from the Member has not been received. Also, no other Form or Photocopy thereof is permitted. However, an envelope containing postal ballot if sent by any other modes at the expenses of the registered Members will also be accepted.
6. **The Company is pleased to offer e-voting facility as an alternate, for all its Members to enable them to cast their vote electronically instead of dispatching the Postal Ballot.** E-voting is optional. In case a Member desires to exercise his vote by using e-voting facility then he has to carefully follow the instructions as given for E-Voting printed on the back side of the Postal Ballot Form. He/She can use the facility and log in any number of times till he/she has voted on the Resolution or till the end of the voting period (i.e., till the last date of receipt of Postal Ballots), whichever is earlier.

Members who have registered their e-mails for receipt of documents in electronic mode under the green initiative of Ministry of Corporate Affairs and who wish to vote through Postal Ballot Form can seek duplicate form from the Registered Office of the Company and send/submit the same by post to the -

Karvy Computershare Private Limited, Unit: Rain Industries Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, Telangana State, India.

7. If the Member has voted differently in both physical as well as electronic modes, votes cast by way of Physical Postal Ballot would be considered valid.
8. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the results of the Postal Ballot will be announced on 30th September, 2014 at the Registered Office of the Company, situated at Rain Center, 34, Srinagar Colony, Hyderabad – 500 073, Telangana State, India, and the Resolution will be taken as passed effectively on the date of announcement of the result by the Chairman, if the results of the Postal Ballots indicate that the requisite majority of the Members had assented to the Resolution. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

The result of the Postal Ballot will be hosted on the website of the Company, www.rain-industries.com besides being notified to the BSE Limited, National Stock Exchange of India Limited and Delhi Stock Exchange Limited. The results shall also be announced through a newspaper advertisement.

9. Members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution Nos. 1 to 12.

Item No.1

In accordance with the provisions of Companies Act, 1956, Mr. Dipankar Basu was appointed as an Independent Director of the Company w.e.f. July 29, 2011. The provisions of the Companies Act, 2013 with respect to appointment and tenure of Independent Directors have come into effect from April 1, 2014. Further SEBI has amended Clause 49 of the Listing Agreement with respect to appointment and tenure of Independent Directors which shall come into force with effect from October 1, 2014. As per the said provisions, an Independent Director shall be appointed for not more than five years in each term and shall not be liable to retire by rotation.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of the Independent Directors which is consistent with the Companies Act, 2013.

The Nomination and Remuneration Committee at their meeting held on August 13, 2014 and Board of Directors at their meeting held on August 14, 2014 have recommended the appointment of Mr. Dipankar Basu as an Independent Director for a period of 2 years i.e., from September 30, 2014 to September 29, 2016.

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

In the opinion of the Board, Mr. Dipankar Basu fulfills the conditions specified in the Act and the Rules framed thereunder and Clause 49 of the Listing Agreement for appointment as an Independent Director and he is independent of the management.

The Resolution set out at Item No.1 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Mr. Dipankar Basu as an Independent Director.

The terms and conditions of appointment of Mr. Dipankar Basu shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

● **Brief Resume of Mr. Dipankar Basu**

Mr. Dipankar Basu (78 Years) was previously the Chairman of State Bank of India until his retirement in August 1995. While serving as Chairman of State Bank of India, he served concurrently on the Boards of a number of SBI subsidiaries including those engaged in investment banking and fund management. Between 1996 and 1999, Mr. Basu served as a member of the Disinvestment Commission set up to advise the Government of India on public sector disinvestments. During 1997-98, Mr. Basu was a member of the Narasimham Committee on Banking Sector Reforms. Later, during 2004-06, he was a member of the Appointments Board constituted by Government of India for selection of Chairman and Executive Directors of Public Sector Banks. Mr. Basu brings with him long experience and wide knowledge of financial markets in India. He has several years of Board level experience in companies engaged in a wide spectrum of businesses – both financial and non-financial. He is currently on the Boards of Chambal Fertilizers & Chemicals Ltd, The Peerless General Finance & Inv. Co. Ltd, SBI Cards and Payment Services Pvt Ltd, Asian Paints Ltd, Deepak Fertilizers & Petrochemicals Corp. Ltd, Peerless Securities Limited and Rain CII Carbon (Vizag) Limited. He is at present a member of the Investment Advisory Committee of Army Group Insurance Fund and of the Empowered Committee on External Commercial Borrowings of Reserve Bank of India. He is the Chairman of Shareholders' Grievance Committee of Deepak Fertilisers & Petrochemicals Corp. Ltd., Chairman of Audit Committee and Member of Remuneration Committee of Asian Paints Limited and Member of Audit Committee and Nomination and Remuneration Committee of Rain CII Carbon (Vizag) Limited. Mr. Basu received his Master of Arts (Economics) degree from Delhi University.

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

Except Mr. Dipankar Basu, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 1 of the Notice.

Your Directors recommend the resolution for your approval.

Item No.2

In accordance with the provisions of Companies Act, 1956, Mr. S.L.Rao was appointed as an Independent Director of the Company w.e.f. May 13, 2011. The provisions of the Companies Act, 2013 with respect to appointment and tenure of Independent Directors have come into effect from April 1, 2014. Further SEBI has amended Clause 49 of the Listing Agreement with respect to appointment and tenure of Independent Directors which shall come into force with effect from October 1, 2014. As per the said provisions, an Independent Director shall be appointed for not more than five years in each term and shall not be liable to retire by rotation.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of the Independent Directors which is consistent with the Companies Act, 2013.

The Nomination and Remuneration Committee at their meeting held on August 13, 2014 and Board of Directors at their meeting held on August 14, 2014 have recommended the appointment of Mr. S. L. Rao as an Independent Director for a period of 2 years i.e., from September 30, 2014 to September 29, 2016.

A notice along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 has been received from one of the member of the Company proposing candidature of Mr. S. L. Rao, who has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 of the Act.

In the opinion of the Board, Mr. S. L. Rao fulfills the conditions specified in the Act and the Rules framed thereunder and Clause 49 of the Listing Agreement for appointment as an Independent Director and he is independent of the management.

The Resolution set out at Item No.2 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Mr. S. L. Rao as an Independent Director.

The terms and conditions of appointment of Mr. S. L. Rao shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

● **Brief Resume of Mr. S.L.Rao**

Mr. S. L. Rao (78 Years) is an economist, Distinguished Fellow, Emeritus at The Energy & Resources Institute (TERI), New Delhi, Board Member, Institute for Social and Economic Change, Bangalore, IIM Kozikode, CIRC-CUTS Institute of Regulation and Competition and Trustee, Bangalore International Centre and Aga Khan Foundation, India. He is Member of Advisory Committees including the Competition Commission of India, the Indian Energy Exchange. He has served for many years on other corporate and institutional Boards.

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

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

Mr. S.L. Rao brings with him long experience and wide knowledge of management, consumer markets, Economy and energy issues.

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

Except Mr. S. L. Rao, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

Your Directors recommend the resolution for your approval.

Item No.3

In accordance with the provisions of Companies Act, 1956, Mr. H.L. Zutshi was appointed as an Independent Director of the Company w.e.f. July 29, 2011. The provisions of the Companies Act, 2013 with respect to appointment and tenure of Independent Directors have come into effect from April 1, 2014. Further SEBI has amended Clause 49 of the Listing Agreement with respect to appointment and tenure of Independent Directors which shall come into force with effect from October 1, 2014. As per the said provisions, an Independent Director shall be appointed for not more than five years in each term and shall not be liable to retire by rotation.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of the Independent Directors which is consistent with the Companies Act, 2013.

The Nomination and Remuneration Committee at their meeting held on August 13, 2014 and Board of Directors at their meeting held on August 14, 2014 have recommended the appointment of Mr. H. L. Zutshi as an Independent Director for a period of 2 years i.e., from September 30, 2014 to September 29, 2016.

A notice along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 has been received from one of the member of the Company proposing candidature of Mr. H. L. Zutshi, who has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 of the Act.

In the opinion of the Board, Mr. H. L. Zutshi fulfills the conditions specified in the Act and the Rules framed thereunder and Clause 49 of the Listing Agreement for appointment as an Independent Director and he is independent of the management.

The Resolution set out at Item No.3 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Mr. H. L. Zutshi as an Independent Director.

The terms and conditions of appointment of Mr. H. L. Zutshi shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

● **Brief Resume of Mr. H.L.Zutshi**

Mr. H. L. Zutshi (71 Years) was the Chairman & Managing Director of Hindustan Petroleum Corporation Ltd.(HPCL). HPCL is engaged in petroleum refining, marketing and exploration activities and has an annual turnover of over USD 20 billion. He retired from HPCL in May 2002 after serving as CMD for seven years. HPCL was the successor company of ExxonMobil in India, after the latter's activities was taken over by the Government of India in 1974.

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

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

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

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

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

Except Mr. H. L. Zutshi, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

Your Directors recommend the resolution for your approval.

Item No.4

In accordance with the provisions of Companies Act, 1956, Mr. G. Krishna Prasad was appointed as an Independent Director of the Company w.e.f. February 14, 2005. The provisions of the Companies Act, 2013 with respect to appointment and tenure of Independent Directors have come into effect from April 1, 2014. Further SEBI has amended Clause 49 of the Listing Agreement with respect to appointment and tenure of Independent Directors which shall come into force with effect from October 1, 2014. As per the said provisions, an Independent Director shall be appointed for not more than five years in each term and shall not be liable to retire by rotation.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of the Independent Directors which is consistent with the Companies Act, 2013.

The Nomination and Remuneration Committee at their meeting held on August 13, 2014 and Board of Directors at their meeting held on August 14, 2014 have recommended the appointment of Mr. G. Krishna Prasad as an Independent Director for a period of 2 years i.e., from September 30, 2014 to September 29, 2016.

A notice along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 has been received from one of the member of the Company proposing candidature of Mr. G. Krishna Prasad, who has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 of the Act.

In the opinion of the Board, Mr. G. Krishna Prasad fulfills the conditions specified in the Act and the Rules framed thereunder and Clause 49 of the Listing Agreement for appointment as an Independent Director and he is independent of the management.

The Resolution set out at Item No.4 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Mr. G. Krishna Prasad as an Independent Director.

The terms and conditions of appointment of Mr. G. Krishna Prasad shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

● Brief Resume of Mr. G. Krishna Prasad

Mr. G. Krishna Prasad (44 Years) holds a Bachelor's degree in Electronics Engineering from India and a Masters degree in Computer Science from Wayne State University, Detroit. He worked earlier with Ford Motor Company in Detroit prior to starting his companies in India. Mr. G. Krishna Prasad is at present Managing Director in Tecra Systems Private Limited and Emergency Dictation Software Services Private Limited and Director in Srinija Infrastructure Private Limited and Rain Cements Limited. He is the Chairman of Audit Committee and Nomination and Remuneration Committee of Rain Cements Limited.

Mr. G. Krishna Prasad has wide knowledge of Relational Database Management Systems, Data Security, Cyber Security systems, Cyber Security Risk assessments, Information Technology Vision and Strategy, Information Technology Governance, planning and implementing security measures on all information

systems and networks, includes establishing network security policies and procedures, regulating access to information, guiding on proper use of information systems, guiding on monitoring systems for security gaps and designing effective solutions.

All the business processes of the Company are being run on the Information Technology systems. The up-gradation and security of the systems is of utmost importance.

Hence, it is necessary to have a Director who has expertise in dealing with the Information Technology aspects.

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

Except Mr. G. Krishna Prasad, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Your Directors recommend the resolution for your approval.

Item No.5

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Company cannot borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up share Capital and Free Reserves (not set apart for any specific purposes) without the consent of the members in the General Meeting.

The Company for its day to day operations and also for long term projects, proposes to avail loan from Banks, Financial institutions and other entities from time to time, hence, it is considered necessary to enhance the borrowing limit of the Board of Directors to Rs.2,000 Crores.

The Resolution set out at item No.5 of the notice is put forth for consideration of the members as a special resolution pursuant to Section 180(1)(c) of the Companies Act, 2013, authorizing the Board of Directors to borrow upto a sum not exceeding Rs.2,000 Crores.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Directors recommend the resolution for your approval.

Item No.6

As per the provisions of Section 180 (1)(a) of the Companies Act, 2013, the Board of Directors of a Company cannot Sell, Lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking without the consent of the members in the General Meeting.

The Company has availed and proposes to avail Term Loans and Working Capital facilities from Financial Institutions, Banks and other entities and the Company has also given and proposes to give Corporate Guarantees and take up other obligations on behalf of other Companies and the financial assistance and Corporate Guarantees are to be secured by way of Mortgage/Charge/Hypothecation/Pledge of the Movable and Immovable Assets of the Company.

As the creation of mortgage/Charge/Hypothecation/Pledge by the Company on its Assets as aforesaid in favour of the Banks, Financial institutions and other entities may be regarded as disposal of the Company's properties/undertaking in certain events of default, it is necessary for the members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of said Charge/Mortgage/Hypothecation/Pledge.

The Resolution set out at item No.6 of the notice is put forth for consideration of the members as a special resolution pursuant to Section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors for creation of said Charge/Mortgage/Hypothecation/Pledge.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Directors recommend the resolution for your approval.

Item No.7

As per the provisions of Section 188 of the Companies Act, 2013, Rules framed thereunder and other applicable provisions if any, the Board of Directors of a Company cannot enter into transactions with Related Party(ies) for sale, purchase or supply of any goods or materials directly or through appointment of agents exceeding Twenty Five percent of the annual turnover of Audited Financial Statement of the preceding Financial year of the Company and selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents, leasing of property of any kind, availing or rendering of any services directly or through appointment of agents exceeding ten percent of the net worth of the Audited Financial Statement of the preceding Financial year of the Company and further as per Clause 49 of the Listing Agreement with Stock Exchanges, the Board of Directors cannot enter into transactions with Related Party(ies) individually or taken together with previous transactions during a financial year, exceeding five percent of the annual turnover or twenty percent of the net worth of the Company as per the last audited Financial Statements of the Company, whichever is higher, except with the prior approval of the Shareholders of the Company by a Special Resolution.

The details of the Related Party transactions proposed by the Company are given below:

(Amount in Rs.)

S. No.	Name of the Related Party with whom transactions are being undertaken & Nature of relationship	Particulars of Transaction	Quantity	Rate per Mt/KWH in Rs.*	Total amount of Transactions proposed for the Financial Year ending December 31, 2014*	Name of the Director or Key Managerial personnel who is related	Whether transaction is done at Arms' length (Yes/No)
1.	Rain Cements Limited (Wholly owned Subsidiary)	Revenue from Shared Services	-	-	Rs. 6 Crores	Mr. N. Radhakrishna Reddy Mr. N. Jagan Mohan Reddy Mr. N. Sujith Kumar Reddy	Yes (At Cost plus markup not exceeding 10%)
2.	Rain CII Carbon (Vizag) Limited (step down wholly owned Subsidiary)	Revenue from Shared Services	-	-	Rs. 2.62 Crores	Mr. N. Radhakrishna Reddy Mr. N. Jagan Mohan Reddy Mr. N. Sujith Kumar Reddy	Yes (At Cost plus markup not exceeding 10%)
3.	Rain CII Carbon LLC, USA (step down wholly owned Subsidiary)	Revenue from Shared Services	-	-	Rs. 1.68 Crores	Mr. N. Radhakrishna Reddy Mr. N. Jagan Mohan Reddy Mr. N. Sujith Kumar Reddy	Yes (At Cost plus markup not exceeding 10%)
4.	Rain Global Services LLC (step down Subsidiary)	Purchase of Green Petroleum Coke	58,000 Mts.	Rs.12,100 per MT	Rs. 70.18 Crores	Mr. N. Radhakrishna Reddy Mr. N. Jagan Mohan Reddy Mr. N. Sujith Kumar Reddy	Yes

- *i) These are currently prevailing market rates used for determining the annual limit.
- ii) Actual rates at which the transactions will be done will be at prevailing market price and at Arms length from time to time.

The Audit Committee of the Company at their meeting held on August 13, 2014 and the Board of Directors of the Company at their meeting held on August 14, 2014 have approved the proposed Related Parties transactions.

The transactions are between Holding Company and Subsidiary Companies. Mr. N. Radhakrishna Reddy, Chairman, Mr. N. Jagan Mohan Reddy, Managing Director and Mr. N. Sujith Kumar Reddy, Director are interested in the above transactions, because they are common Directors in Holding and Subsidiary Company and further they are members/promoters of Holding Company.

The Resolution set out at item No.7 of the notice is put forth for consideration of the members as a special resolution pursuant to Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement authorizing the Board of Directors for entering into transactions with Related Party(ies).

Except Mr. N. Radhakrishna Reddy, Chairman, Mr. N. Jagan Mohan Reddy, Managing Director and Mr. N. Sujith Kumar Reddy, Director and their relatives, no other Director on the Board or the Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution.

Your Directors recommend the resolution for your approval.

Item No.8

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association ("AoA") of the Company need to be re-aligned as per the provisions of the new Act. The Board of Directors at its meeting held on 14th August, 2014 have decided to adopt a new set of Articles of Association from Articles No. 1 to 318 in place of and in exclusion to the existing Articles of Association of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Sundays.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Directors recommend the resolution for your approval.

Item No.9

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty percent of the aggregate of the paid-up capital and free reserves and securities premium account; or ii) Hundred percent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment, providing loans or give guarantee or provide security for an amount not exceeding Rs. 2,000 crore.

The investment(s), loan(s), guarantee(s) and security (ies), as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Directors recommend the resolution for your approval.

Item No.10

In the current competitive business environment, the Directors are required to take far more complex business decisions than before and are required to commit their time and provide expertise for the Company business. In addition, with the more stringent Accounting Standards and Corporate Governance norms, the Board of Directors not only has to ensure compliance with various statutory requirements but also enhance the level and quality of Corporate Governance. It is accordingly proposed to pay the Non-Executive Directors a Commission. The Board of Directors or Committee of Directors will determine each year, the specific amount to be paid as commission to the Non-Executive Directors which shall not exceed 1% of the net profits of the Company as computed in the manner referred to in Section 198 of the Companies Act, 2013. Members are requested to approve the payment of commission to the Non-Executive Directors and to authorize the Board to determine the manner and proportion in which the amounts be distributed to the said Non-Executive Directors. The payment of Commission would be in addition to the sitting fee payable for attending Board/ Committee Meetings.

Except Key Managerial Personnel or their relatives of the Company, all other Directors on the Board and their relatives are concerned or interested financially or otherwise in the above Resolution.

Your Directors recommend the resolution for your approval.

Item No. 11

The Company and its subsidiaries are engaged in the business of manufacturing and sale of Calcined Petroleum Coke, Carbon Pitch, Chemicals, Cement and generation of Electricity.

The existing Clause 6 of the main objects is restricted in scope with respect to Carbon business. Hence, it is proposed to amend to cover a wide range of activities in Carbon and Chemical businesses.

The Company provides certain shared services like Information Technology, Legal and Human Resources Services to its subsidiary Companies. Hence, it is thought appropriate to include the objects relating to shared services in main objects of the Memorandum of Association.

In order to comply with the provisions of Section 4(1)(c), 13 and other applicable provisions, if any, of the Companies Act, 2013, the Company needs to delete the Other Objects i.e., Clause III(C) from the Memorandum of Association. The modification in the Memorandum of Association is carried out to give effect to the provisions of the Companies Act, 2013.

In terms of Section 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required to amend the Memorandum of Association of the Company.

A copy of the proposed set of new Memorandum of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Sundays.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Directors recommend the resolution for your approval.

Item No.12

As per the provisions of Section 181 of the Companies Act, 2013, the Board of Directors of a Company cannot contribute to bonafide Charitable funds, Charitable Institutions, Non-Profit Organizations, Trusts and such other Funds in excess of 5% of the Company's average net profit during the three immediately preceding financial years without the consent of the shareholders in the General Meeting.

The Resolution set out at item no.12 of the notice is put forth for consideration of the members as an Ordinary Resolution pursuant to Section 181 of the Companies Act, 2013, authorizing the Board of Directors to contribute by way of donation to bonafide Charitable Funds, Charitable Institutions, Non-Profit Organizations, Non - Profit Companies (the Companies formed under Section 25 of the Companies Act, 1956/ Section 8 of the Companies Act, 2013), Trusts and such other Funds up to a sum not exceeding Rs.5 Crores (Rupees Five Crores), which is in excess of 5% of the Company's average net profit during the three immediately preceding Financial Years.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Directors recommend the resolution for your approval.

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

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

Place : Hyderabad
Date : August 14, 2014