

Rain Industries Limited
Business Responsibility Report
for the
Financial year ended
December 31, 2016

**As per Regulation 34(2)(f) of Securities and Exchange
Board of India (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company :** L26942TG1974PLC001693
2. **Name of the Company:** Rain Industries Limited
3. **Registered address:** Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India.
4. **Website:** www.rain-industries.com
5. **E-mail id:** secretarial@rain-industries.com
6. **Financial Year reported:** January 1, 2016 to December 31, 2016.
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

Rain Industries Limited (Rain Group) along with its subsidiaries in India and outside India is engaged in the business of Manufacture and Sale of Cement, Carbon Products (Calcined Petroleum Coke, Green Petroleum Coke and Coal Tar Pitch), Electricity and Specialty Chemicals.

Industrial Group*	Product Description
191	Carbon Products (Calcined Petroleum Coke, Green Petroleum Coke and Coal Tar Pitch)
239	Manufacture of Cement
351	Electric power Generation, Transmission and Distribution
201	Chemicals

* As per National Industrial Classification, 2008 – Ministry of Statistics and Programme Implementation.

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

Rain Industries Limited along with its subsidiaries manufactures/sells the following products:

- i) Ordinary Portland and Portland Pozzolana Cement;
- ii) Carbon Products (Calcined Petroleum Coke, Green Petroleum Coke and Coal Tar Pitch);
- iii) Generation and distribution of Electricity; and
- iv) Chemicals.

9. **Total number of locations where business activity is undertaken by the Company**

Rain Industries Limited along with its subsidiaries undertakes business at the following locations:

a) Number of International Locations (Provide details of major 5):

Rain Industries Limited undertakes business activities in 5 International locations through its Subsidiaries on consolidated basis. Five major business activities undertaken at international locations are as follows:

- i) Europe
- ii) Asia (Excl: Middle East)
- iii) Africa
- iv) Middle East
- v) North America (including United States)

b) Number of National Locations:

Cement and Electricity: Cement Plants are situated in the state of Telangana, Andhra Pradesh. One Cement Packing Plant is situated in the state of Karnataka. Dealer networks and zonal marketing offices are located in the states of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Maharashtra, Odisha and Kerala. One co-generation power facility is in the state of Andhra Pradesh. The Cement Plant at Andhra Pradesh has a waste heat recovery based power production mechanism to generate upto 7 MW of electricity.

Calcined Petroleum Coke and Electricity: Calcined Petroleum Coke plant is in the State of Andhra Pradesh, India. The Plant has a waste heat recovery based power production mechanism to generate upto 49 MW of electricity.

10. Markets served by the Company – Local/State/National/International

Local	State	National	International
√	√	√	√

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (Rs.): Rs. 672,691,358/-
2. Total Turnover (Rs.): Rs.1,132.11 million/- (Standalone) and Rs. 94,378.09 million/- (Consolidated)
3. Total profit after taxes (Rs.): Rs. 313.41 million/- (Standalone) and Rs. 2,247.27 million/- (Consolidated)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit:
Rs. 1.40 million (i.e., 2.09% of average profits for the last three Financial Years i.e., 2015, 2014 and 2013)
5. List of activities in which expenditure in 4 above (CSR) has been incurred:

The Company through M/s. Pragnya Priya Foundation (Section 25 Company, under Companies Act, 1956/Section 8 Company, Companies Act, 2013) has been providing

Scholarships to economically backward students for pursuing Intermediate studies (10 +2).

During the period from 2012 to 2016, Pragnya Priya Foundation disbursed an amount of Rs. 48.18 Million towards Scholarships to 1,323 Students.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, Rain Industries Limited has 36 Subsidiary Companies.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Rain Industries Limited positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives. All the Company's subsidiaries are guided to conduct their business in an ethical, transparent and accountable manner. It encompasses suppliers, customers and other stakeholders. It also address key BR issues like quality, customer value, health & safety, environment, human rights and employee well-being.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business entity.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number: 00017633
2. Name : Mr. N. Jagan Mohan Reddy
3. Designation: Managing Director

b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00017633
2	Name	Mr. N. Jagan Mohan Reddy
3	Designation	Managing Director
4	Telephone number	040-40401245
5	e-mail id	secretarial@rain-industries.com

2. Principle-wise (as per NVGs) BR Policy / Policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (this forms part of the Code of Conduct).

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (the policy is part of Company's Environment, Health and Safety (EHS) Policy).

P3 - Businesses should promote the well-being of all employees (certain policies form part of the Code of Conduct for employees. There are various policies for the benefit of the employees which are issued by the Human Resources function from time to time. The policies include Maternity Leave Policy, Employee Safety Policy, Mediclaim Policy, etc.).

P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (the Company does not have a specific policy, however certain aspect of this principle forms part of the CSR Policy).

P5 - Businesses should respect and promote human rights (this forms part of the Code of Conduct of the Company which is applicable to all employees).

P6 - Businesses should respect, protect and make efforts to restore the environment (this forms part of Company's EHS policy).

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (not applicable).

P8 – Businesses should support inclusive growth and equitable development (this forms part of the Company's CSR Policy).

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner (this forms part of the Subsidiary Companies Consumer Policy).

a) Details of compliance (Reply in Y/N)

[illegible]

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

[illegible]

3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year**

The Managing Director and top management periodically review the BR performance of the Company through Business Review Meetings.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

BR will be published annually along with the Annual Report.

Web link: www.rain-industries.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Yes. The policy of Code of Conduct, Ethics, Anti-Bribery and Anti-Corruption covers the Company and its subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company has received and resolved 178 complaints from Shareholders during the Financial Year ended 31st December, 2016 and all the complaints have been resolved satisfactorily.

With respect to other Stakeholders, the Company has formulated Whistle Blower Policy. However, the Company has not received any complaint under Vigil mechanism during the Financial Year ended 31st December, 2016.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- a) Ordinary Portland and Portland Pozzolana Cement;
- b) Carbon products (Calcined Petroleum Coke, Green Petroleum Coke and Coal Tar Pitch); and
- c) Chemicals

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain:**

The Company through its group Companies mainly Rain Cements Limited which is engaged in the business of manufacture and sale of Cement and Rain CII Carbon (Vizag) Limited which is engaged in the business of Carbon products and generation and distribution of electricity. Always strives for conserving natural resources and energy and improved efficiencies in plant operations.

Cement Plants consume alternate materials like fly-ash and pet-coke in manufacturing to substitute natural resources like coal & fuels. In the process of manufacture of Cement and Calcined Petroleum Coke, plants generate electricity through waste heat recovery based power plant which converts the heat generated into electricity. In the manufacture of cement, there is no solid or liquid waste arising from this process.

- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Cement, Coal tar Pitch and Electricity are used for variety of purposes by diverse consumers and Calcined Petroleum Coke is used by Aluminum and Steel manufacturers. As the products are used for variety of purposes by diversified consumers, it is not practical to measure the reduction in usage by consumers.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company and its Subsidiary Companies practices are targeted at seeking cost optimization, ensuring environment sustainability, societal interest and resource efficiency. The criteria used for selection of suppliers/ vendors go beyond cost relevance and include resource efficiency, product quality, life cycle, environment impact, etc. Company gives preference in selection of vendors which comply with the various principles of sustainability.

The criteria for procurement of equipment is based upon resource efficiency, mainly comprising of but not limited to energy efficiency, fuel efficiency, emission control, etc.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Rain Cements Limited, a wholly owned subsidiary Company is engaged in the business of manufacture and sale of cement. It procures lime stone from locally available resources.

The Company and subsidiary Companies accord priority to local suppliers in procurement of stores and spares and other consumables. Company's contractors who supply labour services for plant operations employ workmen from nearby communities. This workforce is educated and are provided training in occupational health and safety.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Subsidiary Companies in India are engaged in the business of manufacture and sale of Cement and Calcined Petroleum Coke. In the process of manufacture of Cement and Calcined Petroleum Coke, plants generate electricity through waste heat recovery based power plant which converts the heat generated into electricity. In the manufacture of cement, there is no solid or liquid waste arising from this process.

Principle 3

Businesses should promote the well-being of all employees

- 1. Please indicate the Total number of employees of Rain Industries Limited: 62**
- 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: Nil**
- 3. Please indicate the Number of permanent women employees: 6**
- 4. Please indicate the Number of permanent employees with disabilities: Nil**
- 5. Do you have an employee association that is recognized by management: No**
- 6. What percentage of your permanent employees are members of this recognized employee association: Nil**
- 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Particulars	Safety (%)	Skill-upgradation (%)
Permanent Employees	100 %	100 %
Permanent Women Employees	100 %	100 %
Casual/Temporary/Contractual Employees	Nil	Nil
Employees with Disabilities	N.A.	N.A.

Principle 4

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. The Company Rain Industries Limited has mapped its internal as well as external stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders

There are no disadvantaged, vulnerable and marginalized stakeholders identified by Rain Industries Limited.

However, subsidiaries of the Company in India namely Rain Cements Limited and Rain CII Carbon (Vizag) Limited have identified the Communities around Company's manufacturing units and its contractors/ workers as disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company and its subsidiaries endeavor to bring meaningful difference in the lives of its associated stakeholders in thrust areas like healthcare, infrastructure support and education. Several initiatives towards healthcare, education, sanitation, safe drinking water, integrated rural development, creation of sustainable livelihoods, etc. have been taken under Corporate Social Responsibility activities of the Company and its Subsidiaries.

Principle 5

Businesses should respect and promote Human Rights

- 1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

All aspects of human rights are inbuilt and covered under the Company's Code of Business Conduct as well in various human resource practices / policies.

- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaints with respect to Human Rights was reported for the Financial Year ended 31st December, 2016.

Principle 6

Businesses should respect, protect and make efforts to restore the environment.

- 1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company and its subsidiary Companies adheres to all the Statutory Environmental Regulatory requirements. The subsidiary Companies in India have adopted Environment, Health and Safety policy.

- 2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

-No-

- 3. Does the company identify and assess potential environmental risks? Y/N**

-Yes-

The Company and its subsidiary Companies have Risk Management mechanisms in place to identify and assess existing and potential risks across its operations.

- 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

- Waste Heat Recovery based Power Generation plant is set up at Cement Plant situated at Kurnool, Andhra Pradesh, India to generate upto 7 MW Electricity; and
- Rain CII Carbon (Vizag) Limited, subsidiary of the Company has Waste Heat Recovery based Power Generation facility to generate upto 49 MW Electricity

situated at Visakhapatnam, Andhra Pradesh, India with Clean Development Mechanism.

- iii. Rain CII Carbon (Vizag) Limited has registered its Waste Heat Recovery based Power Generation plant with United Nations Framework Convention on Climate Change (UNFCCC) under Clean Development Mechanism (CDM).

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company and its subsidiaries through its dedicated team of engineers, has been monitoring performance of various plants and equipment's to reduce energy consumption. The significant energy conservation measures initiated during the year are given in the statement under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, which is made part of Annual Report as an annexure to Boards' Report of the Company and Subsidiary Companies. The web link for the same is <http://www.rain-industries.com/Investors.html>.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions/waste generated by the subsidiary Companies are within the permissible limits specified by Central or State Pollution Control Board (CPCB/SPCB) for the financial year being reported.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no show cause/legal notices from CPCB/SPCB which are pending as at the end of the financial year.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The Company is a member of Federation of Telangana and Andhra Pradesh Chamber of Commerce and Industry (FTAPCCI), Telangana State, India.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

-No-

Principle 8

Businesses should support inclusive growth and equitable development.

- 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has adopted CSR Policy, the key areas of focus of CSR Policy are:

- Eradicating hunger, poverty and malnutrition, promoting sanitation and making available safe drinking water;
- Providing health care, maintaining hospitals, ambulances and conducting medical camps;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
- Rural development projects.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The above mentioned initiatives are implemented through its in-house team and through own Foundation named Pragnya Priya Foundation. It is a not-for-profit company registered under Section 8 of the Companies Act, 2013 (Section 25 of the Companies Act, 1956).

- 3. Have you done any impact assessment of your initiative?**

Yes, the Company has conducted impact assessments of its CSR initiatives.

- 4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

The Company along with its subsidiaries in India have spent an amount of Rs. 62.31 million on its CSR activities during Financial year ended December 31, 2016.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Company through Pragnya Priya Foundation is providing Scholarships to economically backward students from Government schools from Kurnool, Visakhapatnam, Vizianagaram and Nalgonda districts of Andhra Pradesh and Telangana States for pursuing Intermediate studies.

Education

In order to provide better educational facilities, Rain Cements Limited, a wholly owned subsidiary Company is maintaining schools at plant location and imparting education in English medium. The school provides education from LKG to 10th Standard to the children of the employees and also the students of surrounding Villages near the plant.

Health

In order to provide good health facilities, Rain Cements Limited, a wholly owned subsidiary Company is maintaining Hospitals at plant locations. The Hospitals provide medical treatment to the employees and their families and also to people living in surrounding villages near the plant locations.

The Subsidiary Company has ambulance service facilities at both plant locations. They also conduct medical camps regularly.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No complaints/consumer cases are pending as on the end of financial year.

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

The Company and its subsidiary Companies displays product information on the product label as per the requirement of law.

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No case was filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

The Company has not carried out any formal consumer survey/consumer satisfaction trends. However, the Company keeps track of responses/comments from various stakeholders.

On behalf of the Board of Directors
for **Rain Industries Limited**

Place: Hyderabad
Date: February 23, 2017

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383