RAIN INDUSTRIES LIMITED

RIL/SEs/2016 March 31, 2016

The General Manager Department of Corporate Services **BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai-400 001	The Manager Listing Department **The National Stock Exchange of India Limited** Bandra Kurla Complex Bandra East Mumbai – 400 051

Dear Sir/ Madam,

Sub: 41st Annual Report of the Company - Reg
Ref : Scrip Code: 500339 (BSE) and Scrip code : RAIN (NSE)

With reference to the above stated subject, we bring to your kind notice that the 41st Annual General Meeting of the Company will be held on Friday, the May 6, 2016 at 11:00 A M at KLN Prasad Auditorium, Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State.

In this connection, please find enclosed herewith the following:

1. Form – A (Standalone) signed by the Managing Director, Chairman of the Audit Committee, Statutory Auditors and Chief Financial Officer;

2. Form – A (Consolidated) signed by the Managing Director, Chairman of the Audit Committee, Statutory Auditors and Chief Financial Officer; and

3. 41st Annual Report for the Financial Year ended 31st December, 2015.

This is for your information and records.

Thanking you,

Yours faithfully,
for Rain Industries Limited

S. Venkat Ramana Reddy
Company Secretary

Regd. Office: Rain Center
34, Srinagar Colony
Hyderabad 500073
India

Phone: +91 (40) 40401234
Fax: +91 (40) 40401214
Email: secretarial@rain-industries.com
Website: www.rain-industries.com
CIN: L26942TG1974PLC001693

FORM A

(Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015

1	Name of the company	**Rain Industries Limited**
2	Annual Standalone financial statements for the year ended	**31st December, 2015**
3	Type of Audit observation	**Un-Modified**
4	Frequency of observation	**Not Applicable**
5	Signed by-	
	Mr. N. Jagan Mohan Reddy Managing Director	
	Mr. T. Srinivasa Rao Chief Financial Officer	
	Statutory Auditors of the company B S R & Associates LLP Mr. Sriram Mahalingam Partner	For **B S R & ASSOCIATES LLP** *Chartered Accountants* (Firm Registration No. 116231W/W-100024) **Sriram Mahalingam** *Partner* Membership No. 049642 Hyderabad, Date : February 19, 2016
	Mr. S. L. Rao Chairman of Audit Committee	

Place: Hyderabad
Date: 19th February, 2016

FORM A

(Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015

1	Name of the company	**Rain Industries Limited**
2	Annual Consolidated financial statements for the year ended	**31st December, 2015**
3	Type of Audit observation	**Un-Modified**
4	Frequency of observation	**Not Applicable**
5	Signed by-	
	Mr. N. Jagan Mohan Reddy Managing Director	
	Mr. T. Srinivasa Rao Chief Financial Officer	
	Statutory Auditors of the company B S R & Associates LLP Mr. Sriram Mahalingam Partner	For **B S R & ASSOCIATES LLP** *Chartered Accountants* (Firm Registration No. 116231W/W-100024) **Sriram Mahalingam** *Partner* Membership No. 049642 Hyderabad, Date : February 19, 2016
	Mr. S. L. Rao Chairman of Audit Committee	

Place: Hyderabad
Date: 19th February, 2016

RAIN INDUSTRIES LIMITED

41st Annual Report 2015

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
Ms. Radhika Vijay Haribhakti	Independent Director
Mr. V. Narayanamurthy	Nominee Director, IDBI Bank Limited
Mr. G. Krishna Prasad	Independent Director

CHIEF FINANCIAL OFFICER
Mr. T. Srinivasa Rao

COMPANY SECRETARY
Mr. S. Venkat Ramana Reddy

STATUTORY AUDITORS
M/s. B S R & Associates LLP,
Chartered Accountants,
Reliance Humsafar, IV Floor,
Road No.11, Banjara Hills,
Hyderabad- 500 034.
Telangana State.

INTERNAL AUDITORS
M/s. Ernst & Young LLP,
The Oval Office,
18, iLabs Center, Madhapur,
Hyderabad - 500 081.
Telangana State.

SECRETARIAL AUDITORS
M/s. DVM Gopal & Associates,
Practising Company Secretaries
6-3-154-159, Flat No. 303,
3rd Floor, Royal Majestic,
Prem Nagar Colony,
Near Banjara Hills Care Hospital,
Khairtabad, Hyderabad - 500 004
Telangana State.

REGISTERED OFFICE
"Rain Center",
34, Srinagar Colony,
Hyderabad-500 073,
Telangana State, India.
Phone No.+ 91 (40) 40401234
Fax No. + 91 (40) 40401214
Email: secretarial@rain-industries.com
Website: www.rain-industries.com
CIN: L26942TG1974PLC001693

BANKS
IDBI Bank Limited
ICICI Bank Limited
Citibank

REGISTRARS & SHARE TRANSFER AGENTS
Karvy Computershare Private Limited
(Unit: Rain Industries Limited)
Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
Fax: +91 040 23420814
Phone: +91 040 67161566
e-mail: einward.ris@karvy.com/murthy.psrch@karvy.com

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Rain Industries Limited ("Rain Group")
is one of the world's leading producer of Carbon and Chemical Products
and is one of the leading producer of Cement in South India.

Business Vertical	Description of Business
Carbon Products Business	ı Carbon Products comprise Calcined Petroleum Coke ("CPC"), Green Petroleum Coke ("GPC"), Coal Tar Pitch ("CTP"), Co-generated Energy and other derivatives of Coal Tar distillation. ı Activities across the World with operating facilities spread across Africa, Belgium, Canada, Germany, India, Poland, Russia and United States of America. ı Co-generation facilities located in United States of America and India.
Chemicals Business	ı Chemicals include downstream operations of Coal Tar distillation and comprise of Resins, Modifiers, Super Plasticizers and other specialty products. ı Activities across the World with facilities in Germany, Canada and the Netherlands.
Cement Business	ı Production and Sale of Cement. ı Activities predominantly in South India. ı Entering new market regions viz. Maharashtra, Odisha and Kerala. ı Marketed under the brand name **"Priya Cement".**

- Rain Group has achieved a Compounded Annual Growth Rate ("CAGR") of 22% in Consolidated Revenues during the last six years.
- Rain Group has achieved a CAGR of 12% in Consolidated Operating Profits during the last six years.
- Consolidated Book Value per share is increased by 122% from Rs. 39 per share to Rs. 87 per share during the last six years.

Rain Group Operating Facilities

Business Vertical	Facility	Description
Carbon Products Business	Visakhapatnam - Andhra Pradesh, India(3)	• **Two rotary kilns to produce CPC** • **CPC Blending facility** • **Located in Visakhapatnam Port Area** • **Proximity to new Aluminum Smelter plants** • **Integrated with Co-generation facility**
	Lake Charles- Louisiana, USA	• **Two rotary kilns to produce CPC** • **Dedicated deep-water terminal** • **Integrated with Co-generation facility**
	Robinson - Illinois, USA	• **Two rotary kilns to produce CPC** • **Located adjacent to Marathon Oil refinery**
	Chalmette - Louisiana, USA(4)	• **One rotary kiln to produce CPC** • **Dedicated deep-water terminal** • **Integrated with Co-generation facility**
	Gramercy- Louisiana, USA	• **One rotary kiln to produce CPC** • **Dedicated deep-water terminal** • **Integrated with Co-generation facility**
	Norco - Louisiana, USA	• **One rotary kiln to produce CPC** • **Located adjacent to Motiva Oil refinery** • **Integrated with Co-generation facility**
	Purvis - Mississippi, USA	• **One rotary kiln to produce CPC** • **Focused on specialty applications** • **Direct rail or truck shipments to customers**
	Castrop - Rauxel, Germany	• **Coal tar distillation (largest single line Coal Tar distillation plant globally) with integrated downstream production operations** • **Dedicated river port and access via sea, rail and road**
	Zelzate, Belgium	• **Coal tar distillation with integrated downstream production operations** • **Transport access via sea and road**
	Hamilton, Canada	• **Serves as hub for North America and is the only coal tar distillation facility in Canada** • **Transport access via sea, rail and road**
	Adabeya - Suez, Egypt	• **Engaged in the production of Slag Foaming Carbon Materials and Recarbonizers**
	Kedzierzyn - Kozle, Poland	• **Soft pitch production** • **Serves as hub for Eastern Europe**
	Cherepovets, Russia(5)	• **Joint venture with PAO Severstal in Russia** • **Focused on pitch supply to the North Atlantic, Russia and the Middle East** • **Transport access via sea, rail and road**

Rain Group Operating Facilities (Contd.)

Business Vertical	Facility	Description
Chemicals Business	Duisburg, Germany	• **Downstream resins production** • **Dedicated river port**
	Uithoorn, The Netherlands	• **Downstream resins production** • **New heat polymerization technology for tailor-made products**
	Candiac, Canada	• **Downstream Superplasticizer production**
	Hanau, Germany	• **Downstream regional producer of impregnated wood products**
Cement Business *(Markets the product under the brand "Priya Cement")*	Nalgonda - Telangana State, India	• **One rotary kiln** • **Pit Head Lime Stone Mines**
	Kurnool - Andhra Pradesh, India	• **Two rotary kilns** • **Pit Head Lime Stone Mines** • **Integrated co-generation facility under construction**
	Bellary - Karnataka, India	• **Fly Ash Handling and Cement Packing Facility** • **Strategically located at the Karnataka Power Corporation Limited's ("KPCL") power plant**

(1) The Company partnered with SunE Solar B.V. ("SunEdision") (www.sunedison.com) to develop a 22 MW Solar Power Plant in Dharmavaram, Anantapur District, Andhra Pradesh, India ("the Solar SPV"). The Company owns 51% of the shares of the Solar SPV and the remaining 49% of the shares are owned by SunEdison. Due to delays in procurement of land, the Government of Andhra Pradesh has extended the Scheduled Commercial Operations Date for all such Solar Projects until March 2016.

(2) Certain of Rain Groups facilities are strategically located and have direct or indirect access to overseas distribution channels and to major logistic networks. Rain utilizes fully-leased specialty transportation assets including:

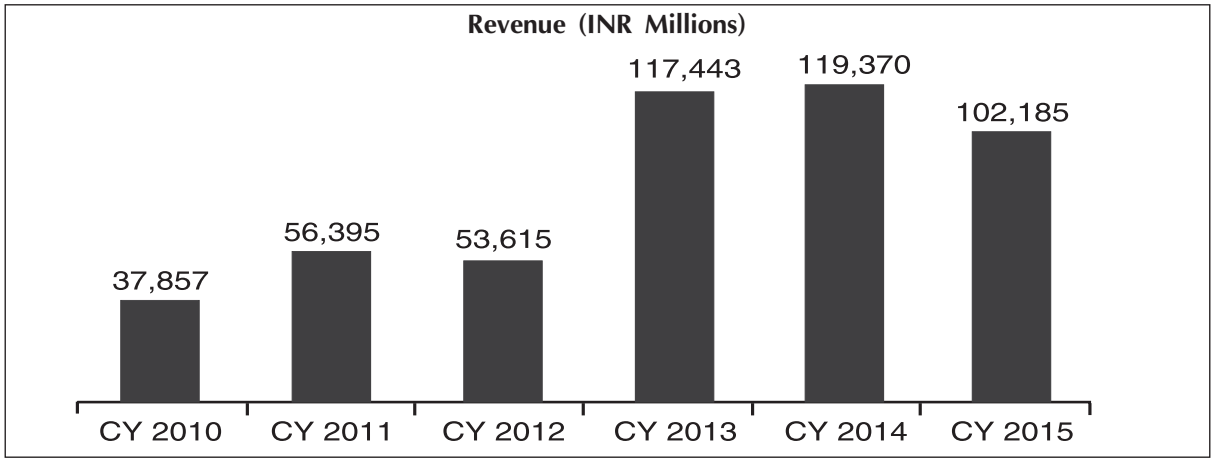
- *One icebreaker (deep sea) with 8,000 MT of capacity and secure year-round access to St. Lawrence, Canada and the Baltic Sea;*
- *Two barges with 2,000 MT of capacity each for in-land transportation in Europe; and*
- *Approximately 350 rail cars, with Rain's own terminals and connection of European sites with regional sourcing pools.*

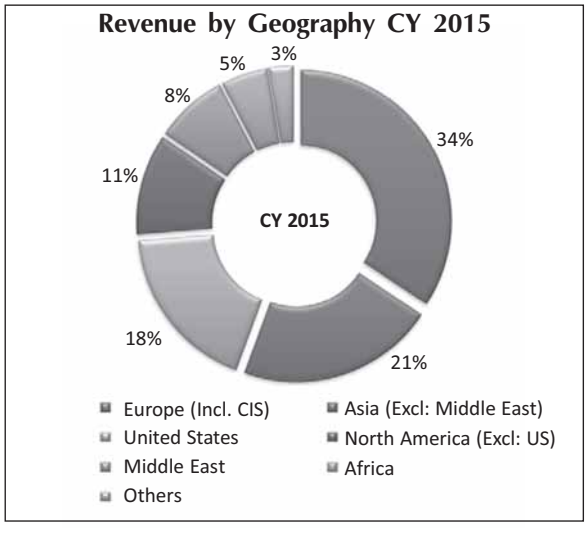
(3) During CY 2015, the Company commissioned a new CPC Blending Facility with a capacity of 200,000 metric tons per annum at its calcining plant in Vizag, India. The new CPC Blending Facility will enable the Company to optimize capacity utilization of its US CPC Plants to meet the increased demand for CPC from smelters in India and the surrounding regions.

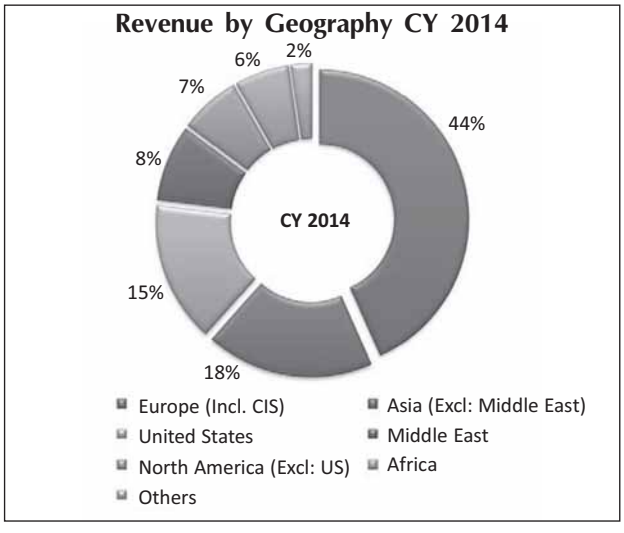
(4) During CY 2015, the Company has commissioned a new Flue Gas Desulfurization (FGD) Plant at its calcining plant in Chalmette, Louisiana, U.S. This FGD Plant enables the Company to use low grade GPC to produce CPC and restore its CPC capacity in Chalmette to 230,000 metric tons per annum.

(5) The Company has successfully completed the construction of its fourth Coal Tar Distillation Plant (CTP Plant) with a capacity of 300,000 metric tons per annum in Cherepovets, Russia on February 11, 2016 via a Joint Venture with PAO Severstal, Russia. The CTP Plant is expected to operate at about 70% of its capacity in the first year of its operation. The advanced technologies installed in this CTP Plant will enable production of vacuum-distilled CTP, which is a higher quality and higher margin product. The Joint Venture Partner, "PAO Severstal", has brought a long-term supply contract for the raw material - Coal Tar into this Joint Venture.

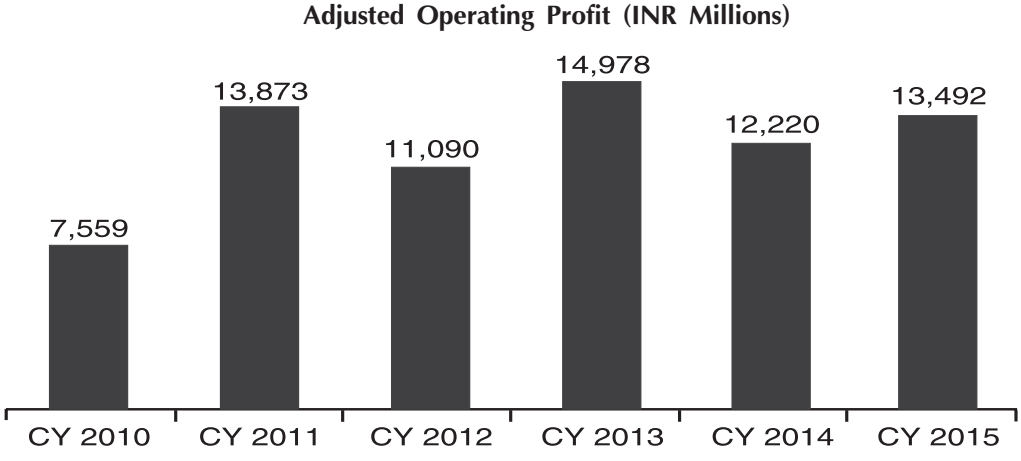
KEY FINANCIAL INDICATORS ON A CONSOLIDATED BASIS[1]







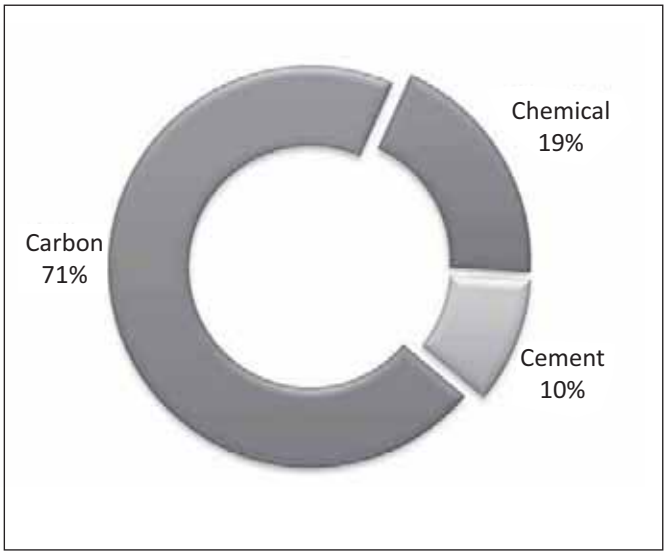
Note: Others include South America, Australia and Rest of the World



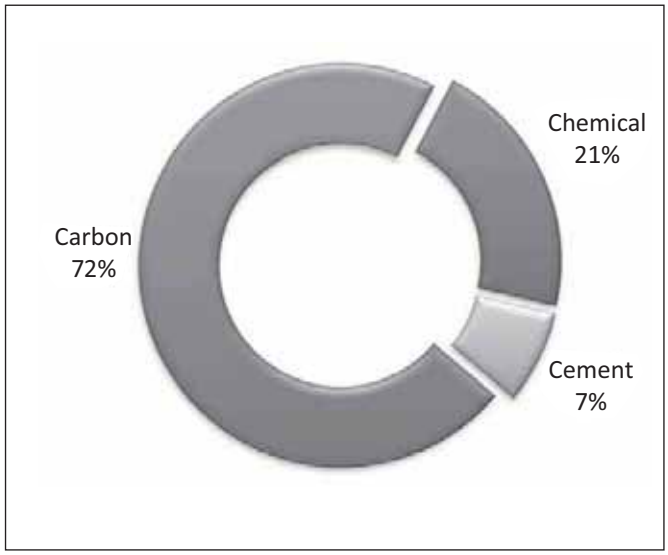
Adjusted Operating Profit is Profit before adjustment of Other Income, Foreign exchange (gain) / loss, Depreciation & amortization, Impairment loss, Interest and Taxation and Exceptional items.

[1]In view of the acquisition of RÜTGERS effective January 4, 2013, the figures from 2013 to 2015 are not comparable with that of figures prior to 2013

Segment wise Revenue Mix CY 2015

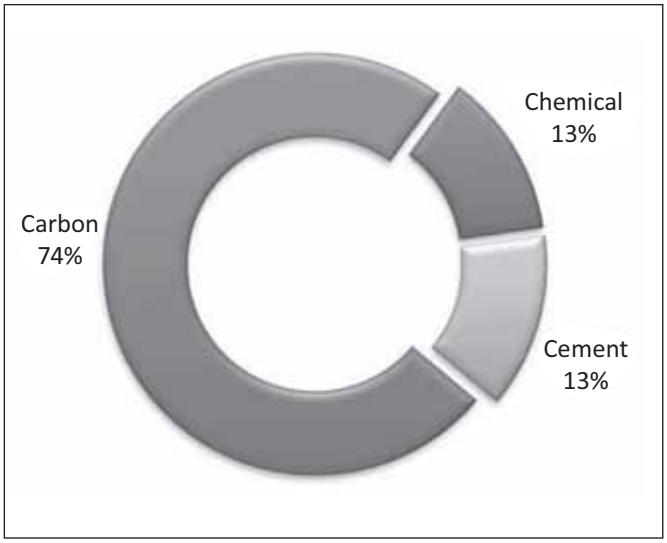


Segment wise Revenue Mix CY 2014

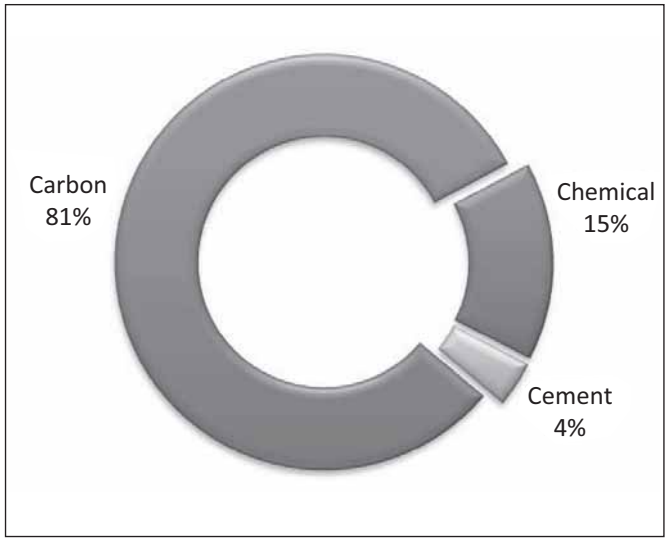


Segment wise Adjusted Operating profit Mix

CY 2015



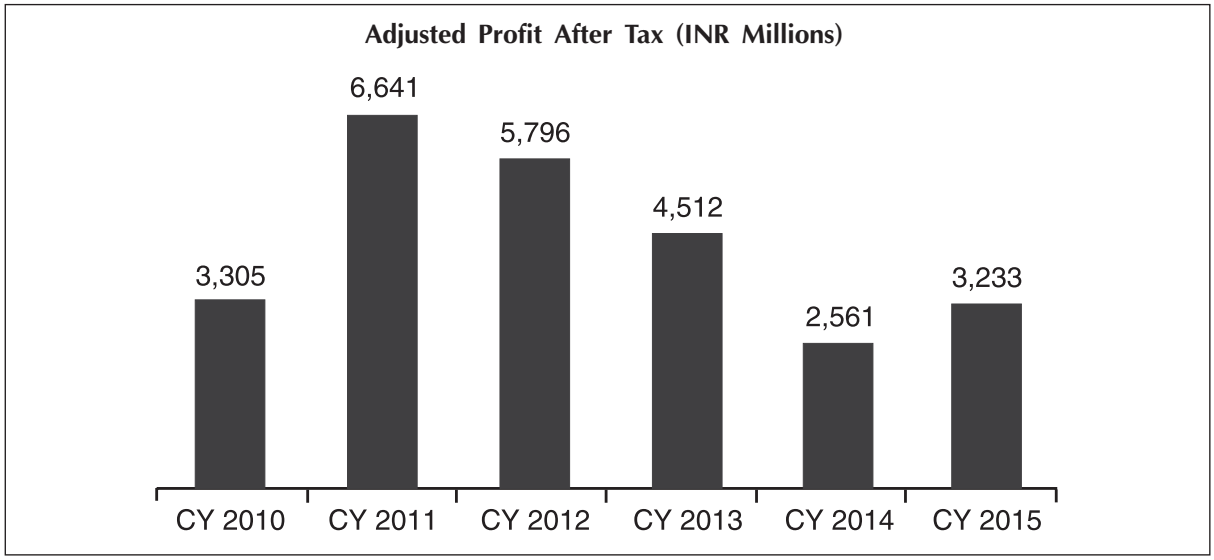
CY 2014

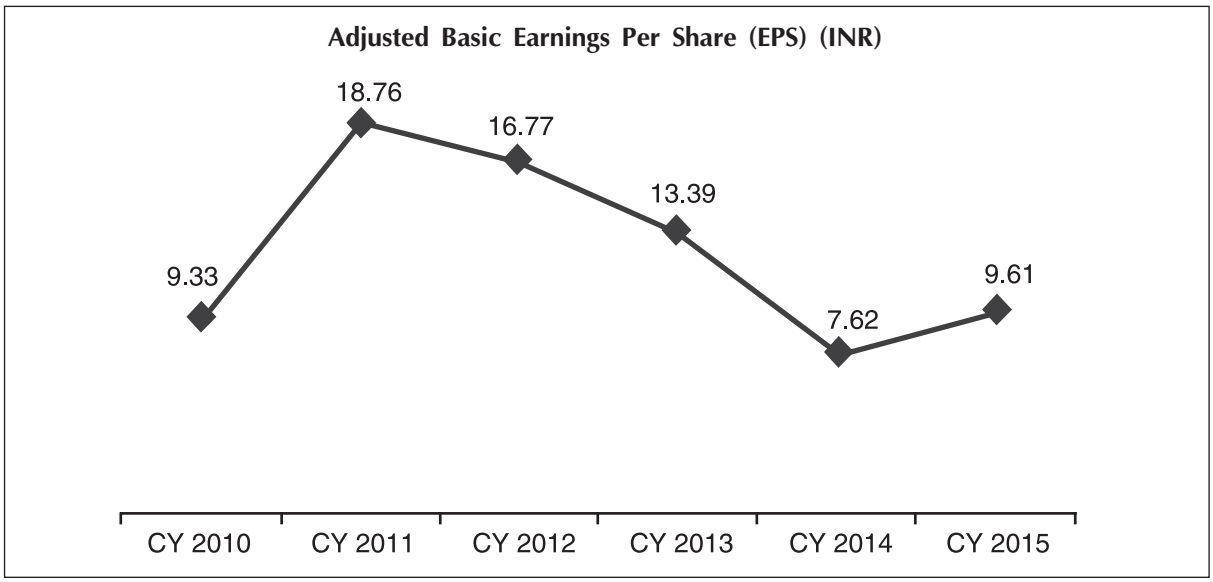


Notes:

(1) Revenue numbers for the previous years have been reclassified to correspond with the current year's classification / disclosure.

(2) Adjusted Operating Profit is Profit before adjustment of Other Income, Foreign exchange (gain)/ loss, Depreciation & amortization, Impairment loss, Interest and Taxation and Exceptional items.





Notes:

(1) EPS of the previous years have been recomputed to give effect to the share split (in the ratio of 1:5) in CY 2011.

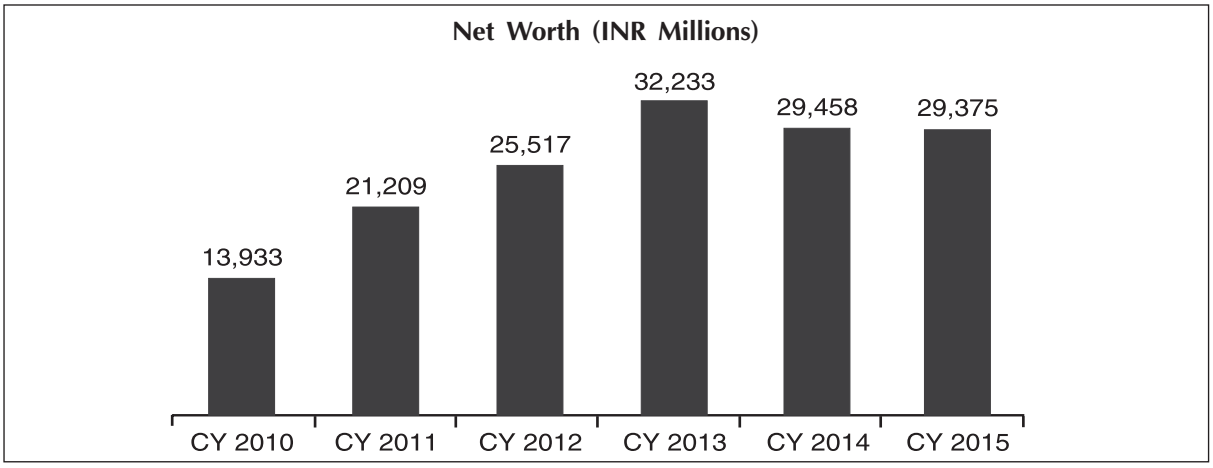
(2) Profit After Tax and EPS of CY 2010 adjusted for net exceptional expenditure of Rs. 1,249 million (net of tax Rs. 898 Million).

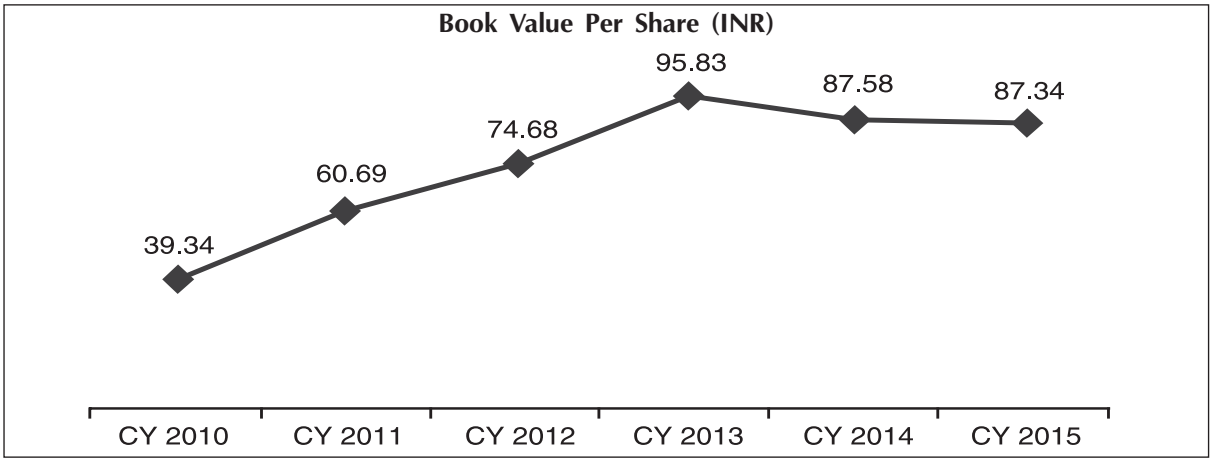
(3) Profit After Tax and EPS of CY 2012 adjusted for one time expenditure of Rs. 1,789 million (net of tax Rs. 1,219 Million) incurred in-connection with the acquisition of RÜTGERS.

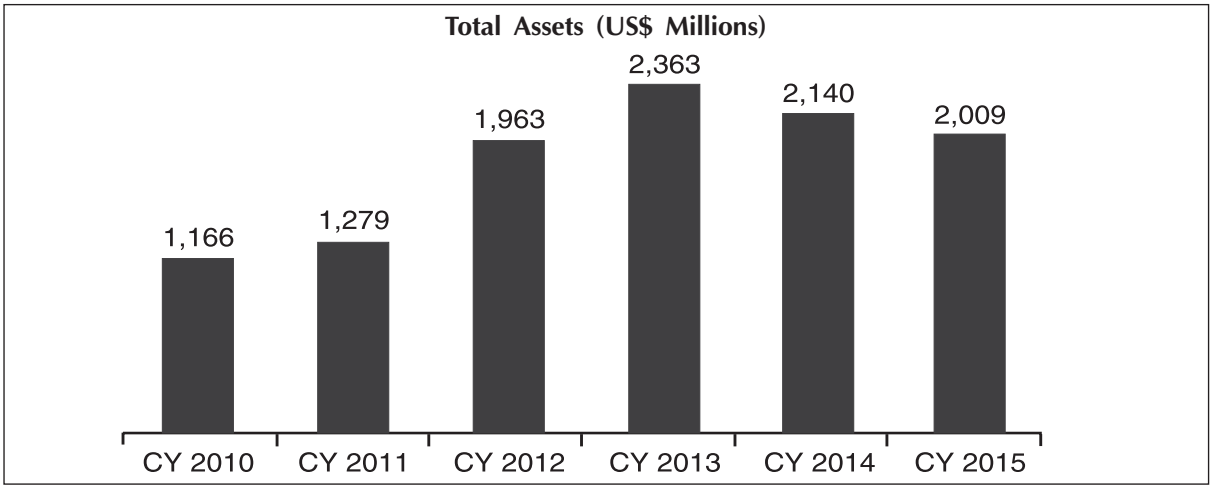
(4) Profit After Tax and EPS of CY 2013 is adjusted for costs incurred for acquisition of RÜTGERS of Rs. 142 million, impairment loss of Rs. 1,304 million offset by insurance claim receipts of Rs. 375 million and tax impact on all these items of Rs. 404 million.

(5) Profit After Tax and EPS of CY 2014 is adjusted for incremental pension liability from actuarial losses of Rs. 1,820 million, inventory write down due to fall in oil prices of Rs. 237 Million, Russian ruble currency devaluation impact Rs. 338 Million, impairment loss of Rs. 95 Million, and tax impact on all these items of Rs. 814 Million.

(6) Profit After Tax for CY 2015 is adjusted for actuarial gain of Rs. 697 million on pension liability, liquidated damages of Rs. 429 million to EPC contractor, provision for bad debts of Rs. 134 million, Russian Ruble & Canadian Dollar currency devaluation impact of Rs. 127 million (net of minority interest) and tax impact on all these items of Rs. 7 million (net of minority interest).





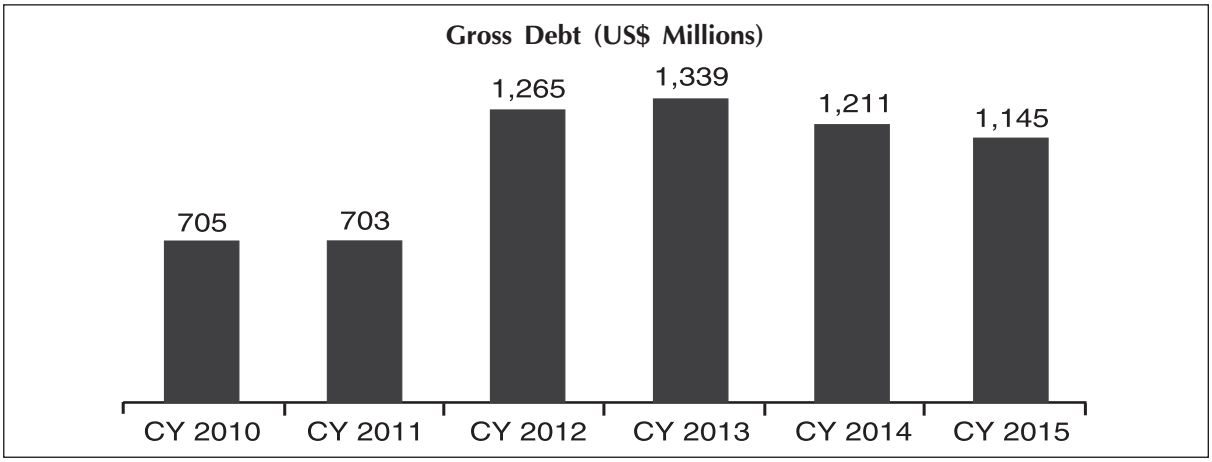


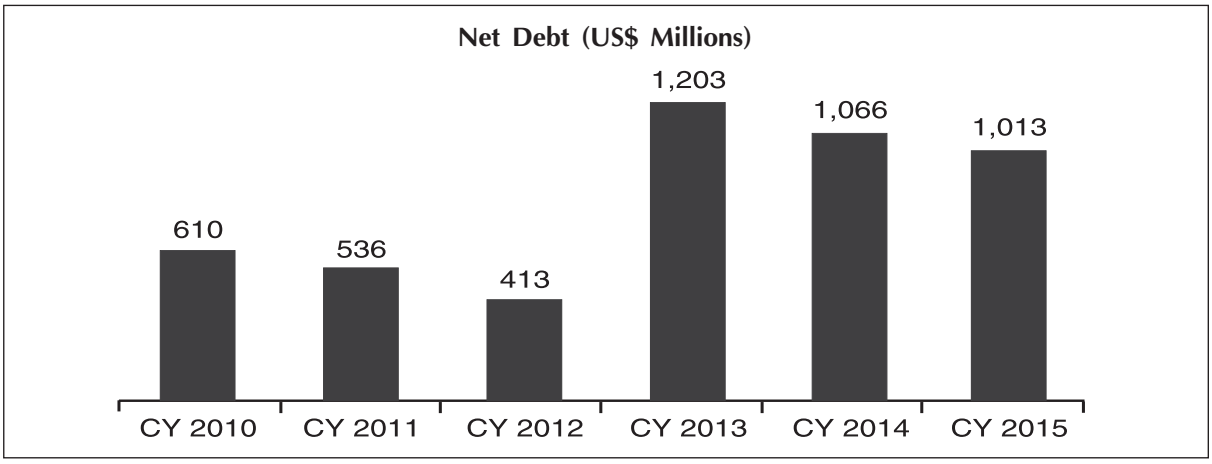
Notes:

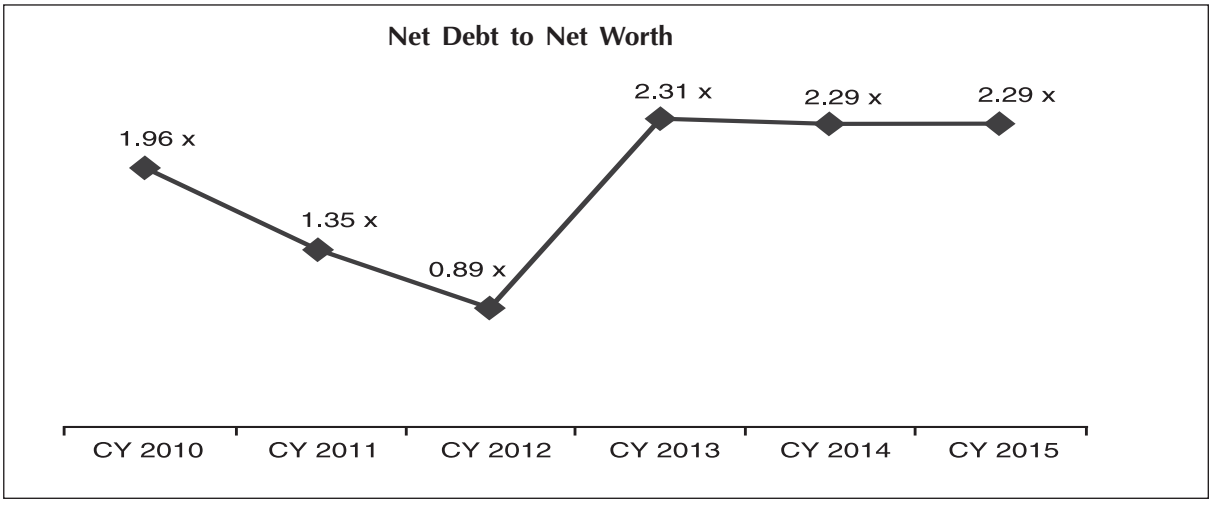
(1) Book Value Per share of the previous periods has been recomputed to give effect to the share split (in the ratio of 1:5) in CY 2011.

(2) The Total Assets as of December 31, 2012 includes US$ 677 Million of proceeds from issue of Senior Secured Notes. These proceeds are consigned to an Escrow Bank account and subsequently utilised for completion of RÜTGERS acquisition.

(3) In view of the acquisition of RÜTGERS effective January 4, 2013, the figures for 2013 to 2015 are not comparable with that of figures prior to 2013.







Notes:

(1) As majority of the debt is in USD 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.

(2) The Gross Debt as on December 31, 2012 includes US$ 677 Million of Senior Secured Notes issued in relation to the acquisition of RÜTGERS. The proceeds of Senior Secured Notes were held in Escrow Bank account (shown as part of Cash and Bank balances as at December 31, 2012) and subsequently utilised for completion of RÜTGERS acquisition.

NOTICE

Notice is hereby given that the 41st Annual General Meeting of the Members of Rain Industries Limited will be held on Friday, the 6th May, 2016 at 11:00 A M at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Stand alone Balance Sheet as at December 31, 2015, Statement of Profit and Loss for the Financial Year ended on December 31, 2015, Cash Flow Statement for the Financial Year ended December 31, 2015 and reports of Directors and Auditors thereon.

2. To receive, consider and adopt the Consolidated Balance Sheet as at December 31, 2015, Statement of Profit and Loss for the Financial Year ended on December 31, 2015, Cash Flow Statement for the Financial Year ended December 31, 2015 and Report of Auditors thereon.

3. To approve and ratify interim dividend.

4. To appoint a Director in place of Mr. N. Radhakrishna Reddy (DIN: 00021052) who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint a Director in place of Mr. N. Sujith Kumar Reddy (DIN: 00022383) who retires by rotation and being eligible offers himself for re-appointment.

6. To ratify the Appointment of Statutory Auditors:

   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 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the appointment of M/s. BSR & Associates LLP, Chartered Accountants (Firm Registration No- 116231W/W-100024), as Statutory Auditors of the Company for a term of three years i.e., till the conclusion of the 43rd Annual General Meeting to be held in the year 2018, which was subject to ratification at every Annual General Meeting, be and is hereby ratified to hold the office from the conclusion of this 41st Annual General Meeting till the conclusion of 42nd Annual General Meeting of the Company to be held in the year 2017.

   FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the Remuneration of the Auditors".

SPECIAL BUSINESS:

7. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to provisions of Section 2(54), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Schedule V thereto, the consent of the Members of the Company be and is hereby accorded for appointment of Mr. N. Jagan Mohan Reddy as the Managing Director of the Company for a period of 5 years with effect from 10th November, 2015 (i.e., from 10th November, 2015 to 9th November, 2020) on the following terms and conditions:

   A. Remuneration comprising of salary, commission and leave travel allowance shall be:

   i) Salary: Rs.10,00,000 per month. This will include dearness allowance and all other allowances not otherwise specified herein.

   ii) Commission: Such amount of commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors or a Committee of Directors which together with the salary and monetary value of perquisites shall not exceed the ceiling laid down in Section 197 of the Companies Act, 2013.

   iii) Leave Travel Allowance: For self and family equivalent to one month's salary in a year.

   B. Perquisites/Benefits:

   i) Residential Accommodation:

      a) Rent free accommodation of which 10% of the salary shall be recovered.

or

b) In case no accommodation is provided by the Company, house rent allowance at 20% of the salary, shall be paid. In addition, free use of the Company's owned furniture and other consumer durables, if required.

ii) Contribution to Provident Fund, Superannuation Fund and Gratuity:

a) Company's contribution to Provident Fund and Superannuation fund shall not exceed 25% of the Salary. The excess of such contribution over the maximum amount, either singly or put together, not taxable under the Income-tax Act, shall be considered and included for the purpose of calculating the ceiling on perquisites given in B (iii) below.

b) Gratuity shall be paid as per the payment of Gratuity Act or Company's Gratuity Scheme, whichever is higher.

iii) Other Perquisites:

a) Gas, electricity, water, house maintenance and furnishings, the monetary value of which shall be valued as per the Income Tax Rules, 1962 and subject to a ceiling of ten percent of the salary of the Managing Director.

b) Personal Accident Insurance shall not exceed Rs.10,000 per annum

c) Reimbursement of all Medical expenses incurred for self and family.

d) Fees of club, subject to a maximum of two clubs excluding admission and life membership fees.

e) Provision of a car with driver for use on Company's business and telephone/fax facility at residence.

f) The perquisites shall be evaluated at cost to the Company and where such evaluation is difficult, it shall be evaluated as per the Income Tax Rules.

C. Minimum Remuneration:

Where in any financial year, during the currency of tenure of Mr. N. Jagan Mohan Reddy, the Company has no profits or its profits are inadequate the Company shall pay to Mr. N. Jagan Mohan Reddy, remuneration by way of Salary and perquisites not exceeding the limits specified in Schedule-V of the Companies Act, 2013 including any statutory modifications thereof for the time being in force.

The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to take such steps and do other acts, deeds, matters and things as they may deem fit and appropriate and give such directions/ instructions as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for the matters connected therewith or incidental thereto."

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

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

Place : Hyderabad
Date : February 19, 2016

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. **A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote instead of himself and such proxy need not be a member. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the meeting.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from April 29, 2016 to May 06, 2016 (both days inclusive).
4. Profile of Mr. N. Radhakrishna Reddy and Mr. N. Sujith Kumar Reddy, Directors being re-appointed is given in the Report on Corporate Governance.
5. Profile of Mr. N. Jagan Mohan Reddy re-appointed as Managing Director is given in the Explanatory Statement and Report on Corporate Governance.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and rules made there under (Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder) unclaimed dividend of Rs.2,319.83 thousands of the Company for the financial year ended December 31, 2007 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The dividend for the financial year ended December 31, 2008 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956 (Section 125 of the Companies Act, 2013).
7. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on June 11, 2015 (date of last Annual General Meeting) on the website of the Company (www.rain-industries.com) and also on the website of Ministry of Corporate Affairs.
8. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection Fund (IEPF) are given below:

Sl. No.	Name of the Company	For the Financial year ended	Percentage of Dividend	Date of Declaration	Due date for transfer to the Investor Education and Protection Fund
1	Rain Industries Limited	December 31, 2008	37%	June 17, 2009	July 17, 2016
2	Rain Industries Limited	December 31, 2009	37%	June 7, 2010	July 7, 2017
3	Rain Industries Limited	December 31, 2010	46%	May 12, 2011	June 11, 2018
4	Rain Industries Limited	December 31, 2011	55%	April 25, 2012	May 25, 2019
5	Rain Industries Limited	December 31, 2012	55%	April 27, 2013	May 27, 2020
6	Rain Industries Limited	December 31, 2013	50%	November 14, 2013	December 14, 2020
7	Rain Industries Limited	December 31, 2014	50%	November 6, 2014	December 7, 2021
8	Rain Industries Limited	December 31, 2015 (Interim dividend)	50%	August 14, 2015	September 13, 2022

Name of the Company was changed from Rain Commodities Limited to Rain Industries Limited with effect from July 8, 2013.

The Shareholders who have not encashed the aforesaid dividend are requested to make their claim to the Secretarial Department, Rain Industries Limited, Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana State, India, e-mail: secretarial@rain-industries.com.

9. Unclaimed Equity shares held in the suspense account are maintained with Karvy Stock Broking Limited, Banjara Hills, Hyderabad-500034 vide Client ID: 19074218 and DP ID:IN300394.

10. The Securities and Exchange Board of India ("SEBI") and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service ("ECS") facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders account, elimination of loss of instruments in transit or fraudulent encashment, etc.

    In view of the above:

    (i) Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete ECS form attached to this Annual Report and forward the same to the Company's Registrar and Share Transfer Agent M/s. Karvy Computershare Private Limited, (Unit: Rain Industries Limited), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana State, India.

    (ii) Shareholders holding shares in Dematerialized Form are requested to provide the Bank details to their Depository Participants for incorporation in their records.

11. The Company's equity shares are Listed at (i) BSE Limited, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai- 400 001; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai - 400051 and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2015 -16.

12. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at ***M/s. Karvy Computershare Private Limited (Unit: Rain Industries Limited), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana State, India.***

13. Voting through electronic means

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on April 29, 2016 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by M/s. Karvy Computershare Pvt. Ltd. (Karvy).

14. The instructions for voting are as under:

A. Procedure and instructions for e-voting

The procedure and instructions for E-voting are as follows:

1. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'.
2. Enter the login credentials (i.e., user-id & password). Your folio/DP and Client ID will be your User-ID.

   User - ID for Members holding shares in Demat Form:

   - For NSDL : 8 Character DP ID followed by 8 Digits Client ID.
   - For CDSL: 16 digits beneficiary ID.

   For Members holding shares in Physical Form:

   - EVENT No. followed by Folio Number registered with the Company.
   - Password : Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice.

   Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

3. Please contact our toll free No. [1800 3454 001] for any further clarifications.
4. Members can cast their vote online from 10.00 a.m. (IST) on May 03, 2016 to 5.00 p.m. (IST) on May 05, 2016.
5. After entering these details appropriately, click on "LOGIN".
6. Members will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for E-voting through Karvy Computershare Private Limited E-voting platform. System will prompt you to change your password and update any contact details like mobile no., email ID etc on 1st login. You may also enter the 'Secret Question' and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
7. You need to login again with the new credentials.
8. On successful login, system will prompt to select the 'Event' i.e. 'Rain Industries Limited'.
9. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company where the System Provider was Karvy Computershare Private Limited, then your existing login id and password given earlier are to be used.
10. On the voting page, you will see Resolution description and against the same the option FOR/AGAINST/ ABSTAIN for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member do not want to cast, select 'ABSTAIN' After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
11. Once you 'CONFIRM' your vote on the Resolution, you will not be allowed to modify your vote.
12. Members are requested to carefully read the instructions printed on the Postal Ballot Forms before exercising their vote on the resolution.
13. In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. April 29, 2016, may write to the Karvy on the email Id murthy.psrch@karvy.com or to Mr. Ramu, Contact No. 040- 67161566, at M/s. Karvy Computershare Private Limited [Unit: Rain Industries Limited], Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana State, India or Company Secretary, Rain Industries Limited, Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India, e-mail: secretarial@rain-industries.com, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(1) to (12) as mentioned in (A) above, to cast the vote.

B. Process and manner for members opting for voting through Postal Ballot

1. A Member desirous of exercising his/her vote by Postal Ballot may complete the Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. DVM Gopal, Company Secretary in Practice, C/o M/s. Karvy Computershare Private Limited, Unit: Rain Industries Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, in the attached self-addressed Business Reply Envelope so as to reach on or before 5.00 p.m. on May 5, 2016.
2. The postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if sent by courier or registered/speed post at the expense of the Member(s) will also be accepted.

3. The self-addressed Business Reply Envelope is addressed to the Scrutinizer appointed by the Company.
4. The Postal Ballot Form should be completed and signed by the Member (as per the specimen signature registered with the Company /Depository Participants). In case of joint holding, the Postal Ballot Form should be completed and signed by the first named Member and in his/her absence by the next named Member. In case, if the Postal Ballot Form is signed through a delegate, a copy of power of attorney attested by the Member should be annexed to the Ballot.
5. The consent must be accorded by recording the assent in the Column "FOR" and dissent in the Column"AGAINST" by placing a tick (P) mark in the appropriate column.
6. There will be only one Postal Ballot Form for each Folio/Client ID irrespective of the number of joint Member (s).
7. In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authority Letter.
8. A Member can request for duplicate Postal Ballot Form. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form i.e., May 5, 2016.
9. Member(s) are requested not to send any other paper along with the Postal Ballot Form in the enclosed self -addressed Business Reply Envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
10. A Member need not use all the votes, nor needs to cast all the votes in the same way.
11. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
12. Member(s) cannot appoint a proxy to exercise their voting powers through Postal Ballot.
13. Corporate/ institutional Members (Corporate/Fls/ foreign institutional investors/trust/mutual funds/banks, etc.) are required to send scan (PDF format) of the relevant resolution of the Board of Directors to the Scrutinizer through e-mail to **dvmgopal@gmail.com** with a copy marked to **evoting@karvy.com.** The file scanned image of the Board Resolution should be in the naming format "Corporate Name _EVENT No."
14. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny and results of the Postal Ballot would be announced on May 7, 2016 at 5.00 p.m.(IST) at the Registered Office of the Company situated at Rain Center, 34, Srinagar Colony, Hyderabad- 500 073 and the Resolution will be taken as passed effectively on the date of Annual General Meeting. The Scrutinizers decision on the validity of the Postal Ballot shall be final. As indicated earlier, the results will be published on the website of the Company, www.rain-industries.com besides being notified to BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed. The results shall also be announced through a newspaper announcement.
15. In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. April 29, 2016, may write to the Karvy on the email Id murthy.psrch@karvy.com or to Mr Ramu, Contact No. 040- 67161566, at [Unit: Rain Industries Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(1) to (12) as mentioned in (A) above, to cast the vote. In case the member would like to cast vote through Postal Ballot form, the same may be mentioned in the mail/ letter to enable us to send the Postal Ballot form.

C. General Instructions

(i) Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice.

(ii) Members may alternatively opt for e-voting, for which the USER ID and initial password are provided at the bottom of the Ballot Form. Please follow steps from Sl. No.(1) to (12) under heading A above to vote through e-voting platform.

(iii) In the event, a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

(iv) The E-voting period commences from 10.00 a.m. (IST) on May 3, 2016 and ends on 5.00 p.m. (IST) on May 5, 2016. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of April 29, 2016 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(v) The Company has appointed Mr. DVM Gopal, Practising Company Secretary (Membership No. 6280 CP No.6798), having address as 6-3-154-159, Flat No. 303, 3rd Floor, Royal Majestic, Prem Nagar Colony, Near Banjara Hills Care Hospital, Khairtabad, Hyderabad - 500 004 as the Scrutiniser to the voting process (e-voting, postal ballot and poll) in a fair and transparent manner.

(vi) The Scrutinizer shall, within a period not exceeding two (2) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(vii) In the event of a poll, please note that the members who have exercised their right to vote by electronic means/through ballot form as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).

(viii) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 41st Annual General Meeting of the Company scheduled to be held on May 6, 2016. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.rain-industries.com and on the website of Karvy, www.evoting.karvy.com , within 48 hours of conclusion of Annual General Meeting.

(ix) that the members who have cast their vote by remote e-voting or Postal Ballot prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

(x) To receive communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with Karvy Computershare Private Limited on murthy.psrch@karvy.com or contact Mr. Ramu, Contact No. 040- 67161566, at [Unit: Rain Industries Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.

Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")

Item No. 7

The Board of Directors appointed Mr. N. Jagan Mohan Reddy (DIN: 00017633) as a Managing Director of the Company for a period of 5 years with effect from November 10, 2015 (i.e., from November 10, 2015 to November 9, 2020) on the terms and conditions as set out in the resolution, subject to the approval of shareholders of the Company.

Profile of Mr. N. Jagan Mohan Reddy is given below:

Mr. N. Jagan Mohan Reddy (49 years) has a Bachelor of Science degree in Industrial Engineering from Purdue University, USA. He is the founder of Rain CII Carbon (Vizag) Limited (successor of Rain Calcining Limited) that has commenced operations in 1998. He was instrumental in the acquisition of (i) Rain CII Carbon LLC, USA (formerly CII Carbon LLC) engaged in the business of production and sale of Calcined Petroleum Coke (CPC) and generation of energy and (ii) RÜTGERS N.V., a Belgium-headquartered Coal Tar Pitch ("CTP") and Chemicals producer. He provides strategy and guidance to the Senior Management of Rain Group.

Mr. Reddy is presently the Managing Director of Rain Industries Limited and CEO of Rain Carbon, Inc., USA. He is also a Member of the Boards of Rain CII Carbon (Vizag) Limited, Rain Cements Limited, Renuka Cement Limited, Sujala Investments Private Limited, Rain Enterprises Private Limited, Rain Entertainments Private Limited, Pragnya Priya Foundation, Moonglow Company Business Inc, Rain Commodities (USA) Inc, Rain CII Carbon LLC, USA, Rain CTP Inc. and Rutgers N.V. He holds 100 equity Shares in the Company.

He is the member of Audit Committee and Nomination and Remuneration Committee of Rain Cements Limited and Rain CII Carbon (Vizag) Limited.

Mr. Reddy is the son of Mr. N. Radhakrishna Reddy, Chairman and brother of Mr. N. Sujith Kumar Reddy, Director. Other than the said Directors, he is not related to any other Director of the Company.

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 Manager or the key managerial personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution.

The Board of Directors recommends the resolution for approval of the members.

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

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

Place : Hyderabad
Date : February 19, 2016

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 41st Annual Report and the Audited Financial Statements for the Financial Year ended December 31, 2015.

FINANCIAL RESULTS

A) STANDALONE:

The Standalone performance for the Financial Year ended December 31, 2015 are as under:

The financial summary

(INR Million)

PARTICULARS	December 31, 2015	December 31, 2014
Total Revenue	**1423.10**	689.17
Profit before finance cost, depreciation and tax expense	**516.97**	566.69
Finance cost	**235.43**	221.56
Profit before depreciation and tax expense	**281.54**	345.13
Depreciation	**15.71**	5.16
Profit before tax expense	**265.83**	339.97
Tax expense	**4.96**	94.18
Net Profit for the year	**260.87**	245.79
Profit brought forward from earlier year	**923.99**	1,014.55
Profit available for appropriation	**1184.86**	1,260.34
Appropriations:		
Dividend (Including Tax on Dividend)	**336.35**	336.35
Transfer to general reserve	**26.09**	-
Depreciation as per Transitional provisions of Companies Act, 2013	**1.64**	-
Surplus in Statement of Profit and Loss	**820.78**	923.99

B) CONSOLIDATED :

The Consolidated performance for the Financial Year ended December 31, 2015 are as under:

The financial summary

(INR Million)

PARTICULARS	December 31, 2015	December 31, 2014
Total Revenue	**1,02,981.67**	120,143.37
Profit before finance cost, depreciation and amortization, impairment loss, exceptional items and tax expense	**14,288.37**	12,918.10
Finance cost	**5,964.47**	6,198.72
Profit before depreciation and amortization, impairment loss, exceptional items and tax expense	**8,323.90**	6,719.38
Depreciation and amortization	**3,278.16**	3,469.79
Profit before Impairment loss, exceptional items and tax expense	**5,045.74**	3,249.59
Impairment loss	**-**	95.23
Profit before exceptional items, tax expense, share of loss of Associates and Minority Interest	**5,045.74**	3,154.36
Exceptional items	**60.91**	2,577.42
Profit before tax expense, share of loss of Associates and Minority Interest	**4,984.83**	576.94
Tax expense/ (Profit)	**1,962.08**	(120.61)
Profit after tax and Before share of loss of Associates and Minority Interest	**3,022.75**	697.55
Share of loss of associates	**6.50**	1.24
Minority interest	**(217.14)**	(188.99)
Net profit for the year	**3,233.39**	885.30
Profit brought forward from earlier year	**25,072.11**	24,523.16
Profit available for appropriation	**28,305.50**	25,408.46
Appropriations:		
Dividend (Including Tax on Dividend)	**519.81**	336.35
Transfer to general reserve	**265.00**	-
Depreciation as per Transitional provisions of Companies Act, 2013	**21.17**	-
Surplus in Statement of Consolidated Profit and Loss	**27,499.52**	25,072.11

State of the Company's Affairs

During the period under review, the Company has achieved revenue of Rs.1,423.10 Million and net profit of Rs.260.87 Million on a standalone basis. During the same period, the Group has achieved revenue of Rs.102,981.67 Million and net profit of Rs.3,233.99 Million on a consolidated basis.

Overview of Carbon Products Business

Rain Group is one of the leading producers of Carbon products with Six operating facilities in North America, three operating facilities in Europe and one facility each in India, Canada, Russia and Egypt. Rain Group has expertise to co-generate Energy from waste heat recovered in the calcining process. Rain Group is co-generating Energy from four of its Carbon plants in the United States and one Carbon plant in India. In addition to the revenues generated from the sale of energy to third-parties, these co-generation facilities also reduce overall energy costs and dependence on third party suppliers for sourcing electricity.

Rain Group owns and operates dedicated deep-water vessel loading terminals at three of the Calcined Petroleum Coke (CPC) facilities (Lake Charles, Chalmette and Gramercy) and a barge dock at West Virginia CPC facility in the United States. Rain Group also operates two full-service petroleum coke laboratories.

The Group has recorded net revenue of Rs.71,814 million from the Carbon Products business during the financial year ended December 31, 2015 as compared to net revenue of Rs.83,972 million during the year ended December 31, 2014.

The Company has successfully completed the construction of its fourth Coal Tar Distillation Plant (CTP Plant) with a capacity of 300,000 metric tons per annum in Cherepovets, Russia on February 11, 2016 via a Joint Venture with PAO Severstal, Russia. The CTP Plant is expected to operate at about 70% of its capacity in the first year of its operation. The advanced technologies installed in this CTP Plant will enable production of vacuum-distilled CTP, which is of a higher quality vaccum in a higher margin product. The Joint Venture Partner, "PAO Severstal", has brought a long-term supply contract for the raw material - Coal Tar into this Joint Venture.

Outlook for Carbon Products Business

Calcined Petroleum Coke ("CPC") is produced from Green Petroleum Coke ("GPC"), a by-product of Crude Oil Refining process, through a process known as "Calcining" that removes moisture and volatile matter from GPC at high temperature. Similarly, the key raw material for Coal Tar Pitch ("CTP") is Coal Tar, a liquid by product produced in the coking process of converting coal into Metallurgical Coke.

Together, CPC and CTP constitute the critical component of Carbon Anodes used in the Aluminum smelting process. CPC and CTP are considered as essential materials for the Aluminum industry, as there are no known economically viable substitutes for these products.

As per the recent industry reports, approximately 77% of the world's CPC production and 79% of the world's CTP production is used in the production of Carbon Anodes in the Aluminum Smelting Process.

Production of primary Aluminum is one of the most important determinants of CPC and CTP demand. World production of primary Aluminum totaled approximately 57.6 million metric tons in 2015 and is expected to grow to approximately 68.4 million metric tons by 2020, representing a compounded annual growth rate of 3.5%. The growth in demand for Aluminum is expected to be driven by increasing use of lightweight materials in many key industries such as Automobiles, Aerospace, construction, packing and consumer electronics. This demand growth is expected to be met through the addition of new Aluminum smelters, largely in Asia and the Middle East.

From a medium to long term perspective, the performance of Rain Group, being one of the leading carbon producers with operating facilities across Globe is expected to be stable with continued demand from the growing Aluminum industry and the long term relationship with Aluminum Smelters, Crude Oil Refineries and Steel Producers.

Overview of Chemical Business

The Chemical products of Rain Group are derived from the downstream refining of primary coal tar distillates into chemical products such as aromatic chemicals, superplasticizers, resins and modifiers. These chemical products are used in a broad variety of end-markets including paints, coatings, construction, plastics, paper, tyres, rail ties, insulation and foam.

The Coal Tar distillation business of Rain can be grouped into two categories, the primary coal tar distillation business ("primary distillation") and the follow-on processing of selected co-products of primary distillation into chemicals ("downstream"). Therefore, the supply of Chemicals mostly depends on CTP production. Primarily the Chemicals business can be categorized into four sub product categories:

Superplasticizers: Superplasticizer business comprises of polymer-based products that are used especially as additives for concrete, gypsum and for other applications.

Resins & Modifiers: Resins business delivers specialty resins under the brand name NOVARES to niche markets with applications in the adhesives, coatings, rubber and printing ink industries as well as modifiers for high-performance coating systems, alternative environmental friendly substitutes for coatings applications and paper production applications.

Aromatic Chemicals: Aromatic Chemicals comprises aromatic hydrocarbons including anthracene, carbazole and other specialty chemicals that are used in a wide range of industries, such as paper, pharmaceutical, pigments and fragrance industries. They are even used in applications for growing high-tech industries including magnet wire for electrical motors.

Chemical Trading: ChemTrade business comprises the trading of crude benzene between coke operators and crude benzene processors as well as the trading of diverse chemical raw materials and products.

The Group has recorded net revenue of Rs.19,616 Million from the Chemical Business during the financial year ended December 31, 2015 as compared to net revenue of Rs. 24,629 Million during the year ended December 31, 2014.

Outlook for Chemical Business

With improving economic prospects, particularly through the development of the manufacturing sector, global annual growth in Chemicals is projected to be 3.3% in CY16 and 3.7% in CY17. The most significant growth will originate in the developing nations of Asia-Pacific, Africa and the Middle-East.

Due to competitive advantages from shale gas, which led to an increasing supply of cheap shale-derived raw materials like natural gas, North America is also expected to generate strong growth. According to the US chemical industry association, American Chemistry Council (ACC), chemical output in the US is expected to grow by 2.9% in CY16 and by 4.4% in CY17.

Growth is estimated to be moderate in Europe since reliable access to low-cost feedstock from shale gas is not available. But European chemical exports are expected to be supported by favorable Euro exchange rates. According to ACC chemical production in Western Europe is expected to grow by 2% and in Central/Eastern Europe by 3.1% and 3.7% in CY16 and CY17 respectively.

In general, the global chemical industry expects improvement for years to come through stronger global growth in both the manufacturing industry and by consumer demand.

Overview of Cement Business

Rain Industries Limited, through one of its wholly owned subsidiaries, is engaged in the business of production and sale of Cement.

Rain Group is operating one Cement plant in the state of Andhra Pradesh and another Cement plant in the state of Telangana and one Fly Ash Handling and Cement Packing facility in the state of Karnataka.

Rain Group through its vast chain of dealer network sells Cement, under the brand name "**Priya Cement**", in the states of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Maharashtra, Odisha and Kerala.

The Group has recorded net revenue of Rs.10,288 Million from Cement Business during the Financial Year ended December 31, 2015 compared to net revenue of Rs. 8,735 Million during the year ended December 31, 2014.

Outlook for Cement Industry

The Indian cement industry has witnessed a massive capacity addition of over approximately 197 million metric tons during last 7 years. This capacity addition is disproportionately high in South India. During the same period, South Indian cement capacity alone has increased by approximately 78 million tons. This has resulted in significant pressure on capacity utilization and price realization, as well.

India's cement industry's average utilization has come down drastically from approximately 95% in CY08 to approximately 71% in CY15, led by weak demand and an oversupply in the industry. Cement demand and capacity utilization are expected to improve, led by a slower pace in capacity addition and better demand prospects.

Until CY14, the Southern region (especially Andhra Pradesh) was facing demand issues due to political instability and delays in projects across the sectors. However, with the split of Andhra Pradesh into two states, which required the establishment of a new government in the new state of Telangana, we expect demand to pick up and utilization to improve on the back of fresh demand for housing, urban and infrastructure development from the new states. Telangana is undertaking major irrigation projects and Andhra Pradesh is committed to building a new capital city by CY18.

Listing of Equity Shares

The Company's Equity shares are listed at the following Stock Exchanges:

(i) BSE Limited, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai-400 001; and

(ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2015-16.

Subsidiary Companies

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the Subsidiary Companies/ Associate Companies/Joint Ventures in Form AOC-1 is enclosed as Annexure- 1 to this Report.

Performance and financial position of each of the subsidiaries, associates and joint ventures

As per Rule 8 of Companies (Accounts) Rules, 2014, a Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies of the Company is enclosed as Annexure - 1A to this Report.

Consolidated Financial Statements

The consolidated financial statements prepared and annexed in accordance with the Accounting Standards 21 and 23 as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and Guidelines issued by Securities and Exchange Board of India ("SEBI") also forms part of this Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website www.rain-industries.com and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders at their request.

Share Capital

The Paid-up Share Capital of the Company as on 31st December, 2015 is Rs. 672,691,358.

Number of Meetings of the Board of Directors

During the year under review, six Board Meetings were held.

The dates on which the Board meetings were held are 27th February, 2015, 5th May, 2015, 11th June, 2015, 14th August, 2015, 10th November, 2015 and 30th December, 2015.

The details of the attendance of the Directors at the Board meetings held during the year ended December 31, 2015 are given below:

Name of the Director	Number of Board Meetings	
	Held	Attended
Mr. N. Radhakrishna Reddy	6	5
Mr. N. Jagan Mohan Reddy	6	6
Mr. N. Sujith Kumar Reddy	6	4
Mr. G. Krishna Prasad	6	5
Mr. V. Narayanamurthy	6	1
Mr. S L Rao	6	5
Mr. Dipankar Basu	6	4
Mr. H L Zutshi	6	6
Ms. Radhika Vijay Haribhakti	6	6

Management Discussion And Analysis

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's various businesses viz., Carbon Products, Chemicals, Cement, internal controls and their adequacy, risk management systems and other material developments during the financial year.

Directors Responsibility Statement as required under Section 134 of the Companies Act, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;

ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31, 2015 and of Profit and Loss Account of the Company for that period;

iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors have prepared the Annual Accounts for the Financial Year ended December 31, 2015 on a going concern basis;

v) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on Declaration given by Independent Directors under Sub-Section (6) of Section 149

The independent directors have submitted the declaration of independence, as required pursuant to sub-section (7) of section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6) of Section 149.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following Directors namely Mr. H. L. Zutshi,

Chairman, Mr. S. L. Rao, Mr. Dipankar Basu, Mr. V. Narayanamurthy and Ms. Radhika Vijay Haribhakti.

Brief description of terms of reference:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
- Carry on the evaluation of every director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees; and
- Formulation of criteria for evaluation of Independent Directors and the Board.

Nomination and Remuneration policy

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Nomination and Remuneration Committee meetings

- During the period from January 1, 2015 to December 31, 2015, Nomination and Remuneration Committee Meetings were held on February 27, 2015, November 9, 2015 and December 30, 2015.

Attendance at the Nomination and Remuneration Committee Meeting

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. H L Zutshi	Chairman	3	3
Mr. Dipankar Basu	Member	3	1
Mr. S L Rao	Member	3	2
Mr. V. Narayanamurthy	Member	3	1
Ms. Radhika Vijay Haribhakti	Member	3	3
Mr. G. Krishna Prasad[1]	Member	3	1

[1]Mr. G. Krishna Prasad is ceased to be member of Nomination and Remuneration Committee with effect from February 28, 2015.

Particulars of Loans, Guarantees or Securities or Investments under Section 186

The details of Loans, Guarantees, Securities and Investments made during the Financial Year ended December 31, 2015 are given in Annexure - 2 in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties in Form No. AOC-2 are enclosed as Annexure - 3 to this Report.

Transfer of Amount to Reserves

The Company proposes to transfer 10% of its Net Profits for the Financial Year ended 31st December, 2015 i.e., Rs. 26.09 Million to the general reserve for the Financial Year ended 31st December, 2015.

Dividend

The Board of Directors of the Company at its meeting held on August 14, 2015 have declared interim dividend @ 50% on the paid up Equity share capital of the Company i.e., Rs.1.00 per Equity share on face value of Rs.2 each.

The Board of Directors of the Company now recommend that the Interim Dividend be the Final Dividend for the financial year ended December 31, 2015.

Extracts of Annual Return

The Extracts of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 in Form MGT-9 are enclosed as Annexure - 4 to this Report.

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is enclosed as Annexure - 5 to this Report.

Risk Management Committee

Risk Management Committee consists of the following persons namely Mr. N. Jagan Mohan Reddy, Managing Director, Mr. N. Sujith Kumar Reddy, Director and Mr. T. Srinivasa Rao, Chief Financial Officer.

Mr. T. Srinivasa Rao is the Chief Risk Officer and Mr. S. Venkat Ramana Reddy acts as Secretary to the Committee.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.

During the Financial Year, Risk Management Committee Meeting was held on November 7, 2015.

Attendance at the Risk Management Committee Meeting:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. N. Jagan Mohan Reddy	Chairman	1	1
Mr. N. Sujith Kumar Reddy	Member	1	1
Mr. T. Srinivasa Rao	Chief Risk Officer	1	1

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

The Board of Directors of the Company have constituted Corporate Social Responsibility Committee consisting of following persons namely Mr. N. Jagan Mohan Reddy, Chairman, Mr. N. Sujith Kumar Reddy, Member and Mr. G. Krishna Prasad, Member (Independent Director) and adopted policy for Corporate Social Responsibility.

Corporate Social Responsibility policy was adopted by the Board of Directors on the recommendation of Corporate Social Responsibility Committee.

Report on Corporate Social Responsibility as Per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as Annexure - 6 to this Report.

During the Financial Year, Corporate Social Responsibility Committee Meeting was held on November 9, 2015.

Attendance at the Corporate Social Responsibility Committee Meeting

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. N. Jagan Mohan Reddy	Chairman	1	1
Mr. N. Sujith Kumar Reddy	Member	1	1
Mr. G. Krishna Prasad	Member	1	1

Mechanism for Evaluation of Board

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The criteria covered various aspects for evaluation of Independent Directors such as Participation at the Board/Committee meetings, Commitment (including guidance provided to senior management outside of Board/Committee meetings), Effective deployment of knowledge and expertise, Effective management of relationship with stakeholders, Integrity and maintaining of confidentiality, Independence of behaviour and judgment, Impact and influence, Exercise of objective independent judgment in the best interest of the Company, Ability to contribute to and monitor corporate governance practice and Adherence to the code of conduct for independent directors, for Evaluation of the Board aspects such as Development of suitable strategies and business plans at appropriate time and its effectiveness, Implementation of robust policies and procedures and Size, structure and expertise of the Board were considered, for Evaluation of the Whole Time Director aspects such as Achievement of financial/business targets prescribed by the Board, Developing and managing/executing business plans, operational plans, risk management and financial affairs of the organization and Development of policies and strategic plans aligned with the vision and mission of Company and which harmoniously balance the needs of shareholders, clients, employees and other stakeholders were considered, for evaluation of Non-Executive Directors aspects such as Participation at the Board/Committee meetings, Effective deployment of knowledge and expertise; Independence of behaviour and judgment were considered, for evaluation of the Committees aspects such as Discharge of its functions and duties as per its terms of reference, Process and procedures followed for discharging its functions, Effectiveness of suggestions and recommendations received were considered, for evaluation of Chairperson of the Board aspects such as Managing relationship with the members of the Board and management, Providing ease of raising of issues and concerns by the Board members and Promoting constructive debate and effective decision making at the board were considered.

Directors

Mr. N. Radhakrishna Reddy and Mr. N. Sujith Kumar Reddy, Directors of the Company retires by rotation and being eligible offer themselves for re-appointment.

The Board of Directors of the Company at their meeting held on November 10, 2015 re-appointed Mr. N. Jagan Mohan Reddy (DIN: 00017633) as a Managing Director of the Company for a period of 5 years with effect from November 10, 2015 (i.e., from November 10, 2015 to November 9, 2020) subject to the approval of shareholders of the Company.

Except Mr. N. Jagan Mohan Reddy, Managing Director no other Director or Key Managerial Personnel were Appointed or have resigned during the Year.

Deposits

The Company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Statutory Auditors

The shareholders of the Company at the 40th Annual General Meeting held on 11th June, 2015 approved the appointment of M/s. B S R & Associates LLP, Chartered Accountants, (ICAI Regn. No.116231W/W-100024) as Statutory Auditors of the Company to hold office till the conclusion of 43rd Annual General Meeting subject to ratification of shareholders at every Annual General Meeting.

M/s. B S R & Associates LLP, Chartered Accountants (ICAI Regn. No.116231W/W-100024) have confirmed that their appointment, if made, shall be in accordance with the provisions of Section 139 of the Companies Act, 2013.

Accordingly, a resolution seeking Members' ratification on appointment of M/s. B S R & Associates LLP, Chartered Accountants, as the Statutory Auditors of the Company for the financial year ending 31st December, 2016 is included at Item No.6 of the Notice convening the Annual General Meeting.

Auditors Report

There are no qualifications, reservations or adverse remarks made by M/s. B S R & Associates LLP, Chartered Accountants (ICAI Regn. No.116231W/W-100024) Statutory Auditors in their report for the Financial Year ended December 31, 2015.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Internal Auditors

The Board of Directors of the Company have appointed M/s. Ernst & Young LLP as Internal Audtiors to conduct Internal Audit of the Company for the Financial Year ended 31st December, 2015.

Audit Committee

Audit Committee consists of the following Directors namely Mr. S. L. Rao, Chairman, Mr. Dipankar Basu, Mr. H. L. Zutshi, Ms. Radhika Vijay Haribhakti and Mr. V. Narayanamurthy.

Except Mr. V. Narayanamurthy, Nominee Director, IDBI Bank Limited, all the members of the Audit Committee are Independent Directors.

There is no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

Six Audit Committee Meetings were held during the Financial year ended December 31, 2015. The maximum time gap between any of the two meetings was not more than one Hundred and Twenty days.

The Audit Committee meetings were held on February 26, 2015, May 4, 2015, June 11, 2015, August 13, 2015, November 9, 2015 and December 30, 2015.

- **Attendance at the Audit Committee Meetings:**

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. S L Rao	Chairman	6	5
Mr. Dipankar Basu	Member	6	4
Mr. H L Zutshi	Member	6	6
Mr. V. Narayanamurthy	Member	6	1
Ms. Radhika Vijay Haribhakti	Member	6	5
Mr. G. Krishna Prasad[1]	Member	6	1

[1]Mr. G. Krishna Prasad is ceased to be member of Audit Committee with effect from February 28, 2015.

Corporate Governance

A separate report on Corporate Governance and Management Discussion and Analysis is annexed as part of the Annual Report along with the Auditor's Certificate on its compliance.

Vigil Mechanism

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website

The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

Secretarial Auditor Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. DVM Gopal & Associates, Practising Company Secretaries as Secretarial Auditors to conduct Secretarial audit of the company for the Financial year ended December 31, 2015.

The Secretarial Audit Report issued by M/s. DVM Gopal & Associates, Practising Company Secretaries in Form MR-3 is enclosed as Annexure - 7 to this Annual Report.

The Secretarial Audit Report does not contains any qualifications, reservation or adverse remarks.

Statement of particulars of appointment and remuneration of managerial personnel

The Statement of particulars of Appointment and Remuneration of Managerial personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure - 8 to this Annual Report.

Insurance

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements

1. The Company maintains all its records in SAP System and the work flow and approvals are routed through SAP;
2. The Company has appointed Internal Auditors to check the Internal Controls and also check whether the workflow of the organization is in accordance with the approved policies of the Company. In every Quarter, during approval of Financial Statements, Internal Auditors will present to the Audit Committee, the Internal Audit Report and Management Comments on the Internal Audit observations; and
3. The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Whistle Blower Policy, Material Subsidiaries Policy, Corporate Social Responsibility Policy, Anti corruption and Anti Bribery policy, Risk Management Policy, Dissemination of Material Events Policy, Documents preservation policy, Monitoring and Reporting of Trading by Insiders, Code of Internal Procedures and Conduct for Regulating, Code of Practices and Procedures for Fair Disclosures, policy on prevention of fraud and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The names of companies which have become or ceased to be Company's Subsidiaries, joint ventures or associate companies during the year:

During the Financial Year, Zhenjiang Xin Tian Tansu Co. Ltd ceased to be subsidiary of the Company and Rain RÜTGERS CTP LLC, Rain Holding Germany GmbH, RÜTGERS Wohnimmobilien GmbH & Co. KG and RÜTGERS Gewerbeimmobilien GmbH & Co. KG have become Subsidiaries of the Company.

Change in the nature of business

There is no change in the nature of business of the Company.

The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

There are no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

Material changes and commitments

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31st December, 2015 to which the financial statements relates and the date of signing of this report.

Scheme of Arrangement between the Company, Rain Cements Limited (Wholly Owned Subsidiary Company) and Moonglow Business Inc., (Step down Wholly Owned Subsidiary Company).

The Company made an application with the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh for approval of the Scheme of Arrangement between the Company, Rain Cements Limited (Wholly Owned Subsidiary Company) and Moonglow Business Inc., (Step down Wholly Owned Subsidiary Company) and their respective Shareholders and Creditors under Section 391 to 394 of the Companies Act, 1956.

The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh vide its order dated November12, 2015, directed the Company to convene Meeting of the Shareholders of the Company on January19, 2016 at 11.00 a.m. at K L N Prasad Auditorium, FTAPCCI, Red Hills, Hyderabad for obtaining approval for the Scheme of Arrangement between the Company, Rain Cements Limited, Moonglow Company Business Inc., and their respective shareholders and creditors.

The Company has duly convened the meeting of the Shareholders and obtained approval for the Scheme of Arrangement with the requisite majority.

The Company has filed a Petition with the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh for approval of the Scheme of Arrangement.

Company Law Board Order allowing Company to follow calendar year as financial year

As per the provisions of Section 2(41) of the Companies Act, 2013, every Company is required to follow a uniform financial year i.e., from 1st April to 31st March.

The Company follows financial year which is from 1st January to 31st December.

As per the provisions of Section 2(41) of the Companies Act, 2013, a Company is allowed to have financial year different from the financial year prescribed under Companies Act, 2013, provided such Company takes approval from Company Law Board.

The Company made an application to Company Law Board to seek its approval to follow the financial year from 1st January to 31st December.

The Company Law Board vide its order dated 16th October, 2015 permitted the Company to follow the Financial year from 1st January to 31st December.

Human Resources

The industrial relations of the Company continued to be harmonious during the year under review.

Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st December, 2015, the Company has not received any Complaints pertaining to Sexual Harassment.

Acknowledgement

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

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

	N. Jagan Mohan Reddy	**N. Sujith Kumar Reddy**
Place: Hyderabad	Managing Director	Director
Date : February 19, 2016	DIN: 00017633	DIN: 00022383

Annexure-1

FORM NO. AOC -1 (Pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part- A- Subsidiaries (INR Million)

Sl. No.	Name of the Subsidiary Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries (Refer Note 1 below)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments (Refer note 4 below)	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Share-holding
1	Rain Cements Limited	31.12.2015	INR	298.05	7,400.99	11,632.79	11,632.79	151.75	10,346.81	1,508.18	443.61	1,064.57	336.80	100
2	Rain Commodities (USA) Inc.	31.12.2015	US$	7,395.07	6,286.87	19,210.53	19,210.53	-	1,181.48	1,791.62	(40.17)	1,831.79	-	100
3	Rain Coke Limited	31.12.2015	INR	132.60	(3.09)	463.08	463.08	-	-	(2.86)	-	(2.86)	-	51
4	Moonglow Company Business Inc.	31.12.2015	US$	3,902.18	2,584.94	6,487.17	6,487.17	-	-	(0.01)	-	(0.01)	-	100
5	Renuka Cement Limited	31.12.2015	INR	10.01	(7.23)	2.93	2.93	-	-	(1.64)	-	(1.64)	-	100
6	Rain Carbon Inc.	31.12.2015	US$	12,804.47	4,371.94	17,222.75	17,222.75	-	-	2,135.18	-	2,135.18	1,972.23	100
7	Rain Global Holdings, LLC	31.12.2015	US$	12,804.48	4,230.50	17,035.00	17,035.00	-	-	1,972.23	-	1,972.23	1,972.23	100
8	Rain Carbon Holdings, LLC	31.12.2015	US$	12,804.48	4,240.12	17,060.94	17,060.94	-	495.91	1,982.05	-	1,982.05	1,972.23	100
9	Rain Global Services LLC	31.12.2015	US$	0.25	(106.21)	1,125.99	1,125.99	-	3,230.59	(192.58)	-	(192.58)	-	100
10	RGS Egypt Limited Company L.L.C	31.12.2015	US$	55	327.29	927.06	927.06	-	942.33	(102.15)	-	(102.15)	-	51
11	Rain CII Carbon (Vizag) Limited	31.12.2015	INR	81.80	5,717.45	8,902.71	8,902.71	-	11,886.08	2,018.24	703.72	1,314.52	564.42	100
12	Rain CII Carbon LLC	31.12.2015	US$	11,616.03	11,735.48	98,083.10	98,083.10	-	21,398.93	(1,350.52)	(532.22)	(818.30)	1,972.23	100
13	CII Carbon Corp.	31.12.2015	US$	-	-	-	-	-	-	-	-	-	-	100
14	Rain CII Carbon Mauritius Limited	31.12.2015	US$	23.34	(111.14)	8.02	8.02	-	-	(102.39)	-	(102.39)	-	100
15	Zhenjiang Xin Tian Tansu Co. Ltd[5]	31.12.2015	RMB Yuan / CNY	-	-	-	-	-	-	(3.16)	-	(3.16)	-	-
16	Rain CTP Inc.	31.12.2015	EURO	25,405.59	1,139.74	42,752.07	42,752.07	-	0.38	(596.60)	(119.46)	(477.14)	-	100
17	RÜTGERS N.V.	31.12.2015	EURO	4,086.71	136.98	5,041.47	5,041.47	-	69.88	(100.51)	-	(100.51)	702.50	100
18	RÜTGERS Polymers Ltd.	31.12.2015	CAD	638.40	479.49	2,203.76	2,203.76	-	2,672.79	525.59	153.89	371.70	-	100
19	RÜTGERS Canada Inc.	31.12.2015	CAD	2,027.94	(279.82)	7,780.62	7,780.62	-	11,791.88	(194.29)	(18.72)	(175.57)	-	100
20	Handy Chemicals (U.S.A.) Ltd.	31.12.2015	US$	0.01	(4.57)	289.33	289.33	-	1,921.62	34.64	11.75	22.89	-	100
21	RÜTGERS Holding Belgium BVBA	31.12.2015	EURO	7,007.61	1,855.39	8,863.16	8,863.16	-	0.07	1,426.22	-	1,426.22	-	100
22	RÜTGERS Belgium N.V.	31.12.2015	EURO	2,174.40	15,105.78	21,310.78	21,310.78	-	18,496.43	2,311.95	741.11	1,570.84	1,425.00	100
23	VFT France S.A	31.12.2015	EURO	797.28	140.51	943.22	943.22	-	216.87	21.66	0.21	21.45	-	100
24	VFT Trading N.V.	31.12.2015	EURO	761.04	165.64	926.81	926.81	-	-	17.33	-	17.33	-	100
25	Rumba Invest BVBA & Co. KG	31.12.2015	EURO	-	(1.69)	1,171.16	1,171.16	-	-	73.27	(0.06)	73.33	-	94.9
26	RÜTGERS Holding Germany GmbH[6]	31.12.2015	EURO	2.17	10,369.88	21,142.99	21,142.99	-	494.84	451.28	54.16	397.12	-	100
27	RÜTGERS Germany GmbH[6]	31.12.2015	EURO	2,226.59	6,004.70	16,598.71	16,598.71	42.64	653.51	1,953.64	914.21	1,039.43	-	99.7

Annexure-1 (Contd.)

FORM NO. AOC -1 (Pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part- A- Subsidiaries (INR Million)

Sl. No.	Name of the Subsidiary Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries (Refer Note 1 below)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments (Refer note 4 below)	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Share-holding
28	RÜTGERS Aromatic Chemicals GmbH (6)	31.12.2015	EURO	7.32	730.01	1,564.72	1,564.72	-	3,828.92	(104.24)	(85.94)	(18.30)	-	100
29	RÜTGERS InfraTec GmbH(6)	31.12.2015	EURO	1.88	314.92	4,745.71	4,745.71	-	5,496.94	(276.84)	(31.50)	(245.34)	-	100
30	RÜTGERS ChemTrade GmbH(6)	31.12.2015	EURO	37.11	(6.41)	449.41	449.41	-	2,310.04	36.72	(1.75)	38.47	-	100
31	RÜTGERS Basic Aromatics GmbH(6)	31.12.2015	EURO	1.88	1,134.67	6,581.55	6,581.55	-	15,815.79	1,765.53	(157.06)	1,922.59	-	100
32	RÜTGERS Novares GmbH(6)	31.12.2015	EURO	166.85	213.78	5,590.33	5,590.33	-	13,053.81	1,502.14	(49.63)	1,551.77	-	100
33	RÜTGERS Resins BV	31.12.2015	EURO	74.20	(373.19)	1,867.06	1,867.06	-	2,911.43	(234.67)	(1.08)	(233.59)	-	100
34	Severtar Holding Ltd.	31.12.2015	EURO	10.23	779.65	791.30	791.30	-	-	(2.38)	-	(2.38)	-	65.3
35	OOO RÜTGERS Severtar	31.12.2015	RUB	286.65	(951.59)	2,637.60	2,637.60	-	16.31	(658.52)	(133.34)	(525.18)	-	100
36	RÜTGERS Poland Sp. z o.o	31.12.2015	PLN	195.70	55.35	276.71	276.71	-	810.45	25.75	5.21	20.54	38.52	100
37	RÜTGERS (Shanghai) Trading Co. Ltd.	31.12.2015	PLN	12.36	7.51	111.33	111.33	-	150.37	5.83	1.64	4.19	-	100
38	RÜTGERS Wohnimmobilien GmbH & Co(7)	31.12.2015	EURO	0.14	145.31	213.59	213.59	-	49.05	2.11	52.69	(50.58)	-	100
39	RÜTGERS Gewerbeimmobilien GmbH & Co(7)	31.12.2015	EURO	0.14	365.48	451.96	451.96	-	22.58	(12.59)	44.22	(56.81)	-	100
40	RAIN Holding Germany GmbH(7)	31.12.2015	EURO	1.81	(0.01)	1.80	1.80	-	-	(0.01)	-	(0.01)	-	100

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates as at December 31, 2015. Exchange rates as on the last date of the financial year are INR/USD - 66.33; INR/EURO - 72.50; INR/RUB - 0.90; INR/CNY - 10.18; INR/PLN - 16.89; INR/CAD - 47.67.
2. Refer Note 2(d) of Consolidated Financial Statements to see relation with the subsidiary, percentage equity holding and Country of incorporation for each of subsidiary.
3. Financial information is based on Audited Results of the subsidiaries. The reporting period of the subsidiary is same as that of holding Company.
4. Investments except in case of investments in subsidiaries.
5. Dissolved during the year.
6. Controlled companies in German fiscal unity, income according to local GAAP transferred to RÜTGERS Holding Germany GmbH and taxed on consolidated basis.
7. Incorporated during the year.

1. Names of subsidiaries which are yet to commence operations

S.No.	Name of the Company and Address
1	OOO RÜTGERS Severtar Mira Street 30, 162608 Cherepovets, Vologda Region, Russia (See Note below)

Note: Started commissioning tests of the facilities on February 11, 2016

2. Names of subsidiaries which have been liquidated or sold during the year.

S.No.	Name of the Company and Address
1	Zhenjiang Xin Tian Tansu Co. Ltd. Funiushan Mine, Dantu District, Zhenjiang, China

Annexure-1 (Contd.)

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part B- Associates and Joint Ventures

(INR Million)

S. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet date	Shares of Associate / Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	InfraTec Duisburg GmbH (IDGmbH)	31.12.2014	7,500	17.93	30	Based on the percentage of holding over these investees	As the group has only ability to exercise signifcant influence but not control over these investees	17.93	(6.38)	(14.89)
2	Tarlog GmbH (Tarlog)	31.12.2015	50,000	-	50			(12.04)	3.57	3.57

1 Names of associates or joint ventures which are yet to commence operations

S.No.	Name of the Company and Address
	- NIL -

2 Names of associates or joint ventures which have been liquidated or sold during the year.

S.No.	Name of the Company and Address
	- NIL -

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

Place : Hyderabad
Date : February 19, 2016

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Annexure-2

Particulars of Loans, Guarantees or Investments under Section 186							
Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/ acquisition / giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities)	Amount of loan/ security/ acquisition / guarantee	Time period for which it is made/ given	Date of passing Board resolution	For loans	
						Rate of interest	Date of maturity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Loan	3rd November, 2015	Rain Commodities (USA) Inc. (A wholly owned Subsidiary Company) Corp.Off: 10 Signal Road, Stamford, Forfiled, USA-06902.	Loan of USD 20 Million (Rs. 129.91 crores).	3 Years	14th August, 2015	3 months USD LIBOR + Margin 2.60% p.a.	Repayment on November 2, 2018 (3 Years).

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

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad
Date : February 19, 2016

Annexure- 3

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. There are no contracts/arrangements entered into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are not at arms length basis.

2. Contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are at arms length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Justification for entering into contracts
1	Rain Cements Limited (Wholly owned Subsidiary)	Shared Services	27th February, 2015 to 31st December, 2015.	Rs. 36.72 Million	27th February, 2015	NIL	Rain Industries Limited (The Company) has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to its Subsidiary Companies in India and outside India, as required.
		Sale of Investment held in Rain Coke Limited (Wholly owned Subsidiary Company)	17th March, 2015	Rs. 0.60 Million	27th February, 2015	NIL	Rain Industries Limited (the Company) holds 60,000 (100%) equity shares in Rain Coke Limited. Due to internal re-organization, 60,000 equity shares held in Rain Coke Limited were sold to Rain Cements Limited (Wholly Owned Subsidiary).
		Purchase of Investment held in Rain CII Carbon (Vizag) Limited (Step-down wholly owned Subsidiary)	1st July, 2015	Rs. 13.00 Million	5th May, 2015	NIL	Rain Cements Limited (A wholly owned Subsidiary Company) holds 10,00,000 equity shares in Rain CII Carbon (Vizag) Limited (A Step down wholly owned subsidiary Company). Due to internal re-organization 10,00,000 equity shares held by Rain Cements Limited in Rain CII Carbon (Vizag) Limited were purchased by the Company.
2	Rain CII Carbon (Vizag) Limited (step down wholly owned Subsidiary)	Shared Services	27th February 2015 to 31st December, 2015.	Rs. 17.23 Million	27th February, 2015	NIL	Rain Industries Limited (The Company) has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to its Subsidiary Companies in India and outside India, as required.

(Contd.)

Form No. AOC-2 (Contd.)

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Justification for entering into contracts
		Sale of Green Petroleum Coke	27th February, 2015 to 31st December, 2015.	Rs. 775.57 Million	27th February, 2015	Nil	Rain Industries Limited (the Company) inter-alia is engaged in the business of trading of Green Petroleum Coke. Rain CII Carbon (Vizag) Limited (A Step Down Wholly owned subsidiary Company) is engaged in the business of manufacture and sale of Calcined Petroleum Coke (CPC). Green Petroleum Coke (GPC) is a Raw Material for manufacture of CPC. As the transaction is done at Arm's length and at prevailing market price it is thought appropriate to sell Green Petroleum Coke to Rain CII Carbon (Vizag) Limited (A Step down wholly owned Subsidiary Company).
3	Rain CII Carbon LLC, USA (step down wholly owned Subsidiary)	Shared Services	27th February, 2015 to 31st December, 2015.	Rs. 20.16 Million	27th February, 2015	NIL	Rain Industries Limited (the Company) has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to its Subsidiary Companies in India and outside India, as required.
		Reimburse-ment of ocean freight and other Expenses	27th February, 2015 to 31st December, 2015.	Rs. 81.40 Million	27th February, 2015	NIL	Rain CII Carbon LLC, USA (RCC) (Fellow Subsidiary) is engaged in the business of manufacture and sale of Calcined Petroleum Coke (CPC) and it has expertise in Chartering of Ships. Hence, it is thought appropriate to avail services from RCC to get better terms from the third parties.
4	Ruetgers NV (stepdown wholly owned Subsidiary)	Shared Services	27th February, 2015 to 31st December, 2015.	Rs. 12.40 Million	27th February, 2015	NIL	The Company has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to its Subsidiary Companies in India and outside India, as required.

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

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad
Date : February 19, 2016

Annexure-4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on December 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L26942TG1974 PLC001693
ii)	Registration Date	15th March, 1974
iii)	Name of the Company	Rain Industries Limited
iv)	Category/Sub-Category of the Company	Company Limited by Shares / Public Company
v)	Address of the Registered Office and contact details	Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana; Ph.No.040-40401234, Fax:040-40401214; email: secretarial@rain-industries.com; www.rain-industries.com
vi)	Whether listed Company	YES BSE Limited National Stock Exchange of India Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana. Phone: +91 040 67161566 Fax: +91 040 23420814 Email: einward.ris@karvy.com; CIN: U74140TG2003PTC041636

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover (Consolidated) of the company shall be stated:-

Sl.No.	Name and Description of main products/services	NIC Code of the Product/service *	% to total turnover of the company
1	Carbon	19209	69
2	Chemical	20119	21
3	Cement	23941	10

* As per NIC code 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Rain Cements Limited Rain Center, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India	U23209TG1999 PLC031631	Subsidiary Company	100.00	Section 2 (87)
2	Rain Coke Limited Rain Center, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India	U74900TG2012 PLC079823	Subsidiary Company	51.00	Section 2 (87)
3	Rain CII Carbon (Vizag) Ltd Rain Center, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India	U11100TG2008 PLC058785	Subsidiary Company	100.00	Section 2 (87)
4	Renuka Cement Limited Rain Center, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India	U26942TG1996 PLC025831	Subsidiary Company	100.00	Section 2 (87)
5	Moonglow Company Business Inc Mesea Estate, Road Town, Tortola, British Virgin Islands	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
6	Rain Commodities (USA) Inc. Corporate Office: 10, Signal Road, Stamford, Fairfield, USA-06902.	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
7	Rain Global Services LLC 10, Signal Road, Stamford, Fairfield, USA-06902	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
8	RGS Egypt Limited Company LLC 71 Mossadak Street, Dokki, 12311 Giza, Cairo, Egypt	Not Applicable	Subsidiary Company	51.00	Section 2 (87)
9	Rain Carbon Inc. 10, Signal Road, Stamford, Fairfield, USA-06902	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
10	Rain Global Holdings, LLC 10, Signal Road, Stamford, Fairfield, USA-06902	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
11	Rain Carbon Holdings, LLC 10, Signal Road, Stamford, Fairfield, USA-06902	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
12	Rain CII Carbon LLC 10, Signal Road, Stamford, Fairfield, USA-06902	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
13	Rain CII Carbon Mauritius Limited 19 Church Street, Port Louis, Mauritius	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
14	CII Carbon Corp 10, Signal Road, Stamford, Fairfield, USA-06902	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
15	Rain CTP Inc. 10, Signal Road, Stamford, Fairfield, USA-06902	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
16	RUETGERS Canada Inc. 725 Strathearne Ave. North, Hamilton, Ontario L8H 5L3, Canada	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
17	RUETGERS Polymers Limited 120 de L'Industrie Blvd., Candiac, Qc J5R 1J2, Canada	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
18	Handy Chemicals (USA) Ltd., Corporate Trust Center, 1209 Orange Street, Wilmington, Delaware, USA	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
19	RÜTGERS N.V. [RNV] Vredekaai 18, B-9060 Zelzate, Belgium	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
20	RÜTGERS Holding Belgium BVBA Vredekaai 18, B-9060 Zelzate, Belgium	Not Applicable	Subsidiary Company	100.00	Section 2 (87)

(Contd.)

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
21	RÜTGERS Belgium N.V., Vredekaai 18, B-9060 Zelzate, Belgium	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
22	VFT Trading NV Vredekaai 18, B-9060 Zelzate, Belgium	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
23	VFT France SA Avenue du Bord des Eaux, 62251 Henin Beaumont Cedex	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
24	RÜTGERS Holding Germany GmbH Varziner Str. 49, 47138 Duisburg, Germany	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
25	RÜTGERS Germany GmbH Kekuléstr. 30, 44579 Castrop-Rauxel, Germany	Not Applicable	Subsidiary Company	99.70	Section 2 (87)
26	RÜTGERS Aromatic Chemicals GmbH Kekuléstr. 30, 44579 Castrop-Rauxel, Germany	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
27	RÜTGERS ChemTrade GmbH Kekuléstr. 30, 44579 Castrop-Rauxel, Germany	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
28	RÜTGERS Basic Aromatics GmbH Kekuléstr. 30, 44579 Castrop-Rauxel, Germany	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
29	RÜTGERS Poland Sp. z o.o., ul. Szkolna 15, PL-47-225 Kedzierzyn-Kozle, Poland	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
30	RÜTGERS InfraTec GmbH Kekuléstr. 30, 44579 Castrop-Rauxel, Germany	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
31	RÜTGERS Novares GmbH Varziner Str. 49, 47138 Duisburg, Germany	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
32	Rütgers Resins BV Molenlaan 30, 1422 ZA Uithoon, The Netherlands	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
33	OOO RUETGERS Severtar Mira Street 30, 162608 Cherepovets, Vologda Region, Russia	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
34	Severtar Holding Ltd 48 Themistokli Dervi Athienitis, Centennial Building 1st floor office 104, 1066 Nicosia, Cyprus	Not Applicable	Subsidiary Company	65.30	Section 2 (87)
35	Rumba Invest BVBA & Co. KG Varziner Str. 49, 47138 Duisburg, Germany	Not Applicable	Subsidiary Company	94.90	Section 2 (87)
36	RÜTGERS (Shangai) Trading Co. Ltd Suite 706, Office Block, Hotel Equatorial, No. 65 Yan An Road (West), Shanghai 200040, P.R. China	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
37	Rain RÜTGERS CTP LLC Corporate Trust Center, 1209, Orange Street, Wilmington, Delaware, USA	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
38	Rain Holding Germany GmbH Kekulestr.30, 44579 Castrop-Rauxel, Germany	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
39	RÜTGERS Wohnimmobilien GmbH & Co. KG Kekulestr.30, 44579 Castrop-Rauxel, Germany	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
40	RÜTGERS Gewerbeimmobilien GmbH & Co. KG Kekulestr.30, 44579 Castrop-Rauxel, Germany	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
41	InfraTec Duisburg GmbH Varziner Str.49, 47138, Duisburg, Germany	Not Applicable	Associate Company	30	Section 2(6)
42	Tarlog GmbH Kekulestr.30, 44579 Castrop-Rauxel, Germany	Not Applicable	Associate Company	50	Section 2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individuals / HUF	38,521,350	-	38,521,350	11.45	56,961,651	-	56,961,651	16.94	5.48
(b)	Central Government		-	-	-		-	-	-	
(c)	State Government(s)		-	-	-		-	-	-	
(d)	Bodies Corporate	81,268,885	-	81,268,885	24.16	81,268,885	-	81,268,885	24.16	-
(e)	Banks/FI		-	-	-		-	-	-	
(f)	Any Other		-	-	-		-	-	-	-
	Sub - Total (A) (1):-	**119,790,235**	**-**	**119,790,235**	**35.62**	**138,230,536**	**-**	**138,230,536**	**41.10**	**5.48**
(2)	**Foreign**	-								
(a)	NRIs-Individuals	17,673,225	-	17,673,225	5.25	-	-	-	-	-5.25
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporates	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub - Total (A) (2):-	**17,673,225**	**-**	**17,673,225**	**5.25**	**-**	**-**	**-**	**-**	**-5.25**
	Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	**137,463,460**	**-**	**137,463,460**	**40.87**	**138,230,536**	**-**	**138,230,536**	**41.10**	**0.23**
B.	**Public Shareholding**									
1	**Institutions**									
(a)	Mutual Funds	55,704,114	23,210	55,727,324	16.57	40,839,268	2,425	40,841,693	12.14	-4.43
(b)	Banks/FI	77,543	42,070	119,613	0.04	161,226	37,000	198,226	0.06	0.02
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIs	52,702,701	5,500	52,708,201	15.67	60,366,586	1,500	60,368,086	17.95	2.28
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (Specify)	-	-	-	-	-	-	-	-	-
	Sub - Total (B) (1):	**108,484,358**	**70,780**	**108,555,138**	**32.27**	**101,367,080**	**40,925**	**101,408,005**	**30.15**	**-2.12**

i) Category-wise Shareholding (Contd.)

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	**Non-Institutions**									
a)	Bodies Corp.	-	-	-	-	-	-	-	-	-
i)	Indian	31,468,928	205,150	31,674,078	9.42	30,202,316	179,600	30,381,916	9.03	-0.38
ii)	Overseas	-	68,425	68,425	0.02	-	66,425	66,425	0.02	-0.00
b)	Individuals									-
i)	Individual Shareholders holding nominal share capital up to Rs.1 lakh.	26,989,090	7,721,115	34,710,205	10.32	31,875,047	5,421,435	37,296,482	11.09	0.77
ii)	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh.	11,065,582	307,130	11,372,712	3.38	16,200,781	307,130	16,507,911	4.91	1.53
c)	Others (Specify)									
i.	Non Resident Individuals	7,548,579	4,789,850	12,338,429	3.67	8,096,906	3,864,405	11,961,311	3.56	-0.11
ii.	Trusts	16,750	-	16,750	0.00	6,750	-	6,750	0.00	0.00
iii.	Clearing Members	146,482	-	146,482	0.04	486,343	-	486,343	0.14	0.10
	Sub - Total (B) (2):-	**77,235,411**	**13,091,670**	**90,327,081**	**26.86**	**86,868,143**	**9,838,995**	**96,707,138**	**28.75**	**1.90**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**185,719,769**	**13,162,450**	**198,882,219**	**59.13**	**188,235,223**	**9,879,920**	**198,115,143**	**58.90**	**-0.23**
C	Shares held by Custodian for GDRs & ADRs	-	-	-		-	-	-	-	-
	Grand Total (A+B+C)	**323,183,229**	**13,162,450**	**336,345,679**	**100**	**326,465,759**	**9,879,920**	**336,345,679**	**100**	**-**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	Mr. N. Radhakrishna Reddy	10,383,730	3.09	-	10,383,730	3.09	-	-
2	Mr. N. Sujith Kumar Reddy	10,028,770	2.98	-	10,028,770	2.98	-	-
3	Mr. N. Jagan Mohan Reddy	8,586,740	2.55	-	100	0.00	-	2.55
4	Mrs. N. Indira Reddy	7,513,100	2.23	-	7,513,100	2.23	-	-
5	Mrs. N. Anupama Reddy	125,410	0.04	-	27,152,351	8.07	-	8.04
6	Mrs.N Akhila Reddy	362,065	0.11	-	1,869,315	0.56	-	0.45
7	Mrs. K. Arundhathi Reddy	14,285	0.00	-	14,285	0.00	-	-
8	Nivee Holdings Private Limited	8,143,250	2.42	-	8,143,250	2.42	-	-
9	Arunachala Holdings Private Limited	5,272,500	1.57	-	5,272,500	1.57	-	-
10	PCL Financial Services Pvt. Limited	3,780,750	1.12	-	3,780,750	1.12	-	-
11	Arunachala Logistics (P) Limited	989,245	0.29	-	989,245	0.29	-	-
12	Sujala Investments Private Limited	37,766,675	11.23	-	37,766,675	11.23	-	-
13	Rain Enterprises Private Limited	25,316,465	7.53	7.53	25,316,465	7.53	7.53	-
14	Mrs. N. Swarnalatha Reddy	1,042,000	0.31	-	-	-	-	-0.31
15	Mr. N. Lakshminarasa Reddy	465,250	0.14	-	-	-	-	-0.14
16	Mrs. Anantha A L Reddy	17,673,225	5.25	-	-	-	-	-5.25
	Total	**137,463,460**	**40.87**	**7.53**	**138,230,536**	**41.10**	**7.53**	**0.23**

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the Year	**137,463,460**	**40.87**	**-**	**-**
	Date wise Increase/Decrease in Promoters Share holding during the year				
1	purchased on 07.04.2015	158,873	0.05	137,622,333	40.92
2	purchased on 08.04.2015	136,400	0.04	137,758,733	40.96
3	purchased on 10.04.2015	202,111	0.06	137,960,844	41.02
4	purchased on 15.04.2015	125,692	0.04	138,086,536	41.05
5	purchased on 17.04.2015	144,000	0.04	138,230,536	41.10
	At the end of the year			138,230,536	41.10

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Reliance Capital trustee Co., Ltd. (including all managed funds)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**At the beginning of the Year**	28,544,414	8.49	-	-
	Date wise Increase / Decrease in Share holding during the year				
	09.01.2015	200,000	0.06	28,744,414	8.55
	16.01.2015	43,500	0.01	28,787,914	8.56
	23.01.2015	93,000	0.03	28,880,914	8.59
	30.01.2015	342,700	0.10	29,223,614	8.69
	06.02.2015	164,000	0.05	29,387,614	8.74
	13.02.2015	417,000	0.12	29,804,614	8.86
	27.02.2015	67,300	0.02	29,871,914	8.88
	06.03.2015	294,000	0.09	30,165,914	8.97
	27.03.2015	271,900	0.08	30,437,814	9.05
	08.05.2015	(3,495,336)	(1.04)	26,942,478	8.01
	15.05.2015	(1,990,000)	(0.59)	24,952,478	7.42
	29.05.2015	(165,300)	(0.05)	24,787,178	7.37
	05.06.2015	(268,500)	(0.08)	24,518,678	7.29
	12.06.2015	(45,450)	(0.01)	24,473,228	7.28
	26.06.2015	(222,134)	(0.07)	24,251,094	7.21

(Contd.)

Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No.	Reliance Capital trustee Co., Ltd. (including all managed funds)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	30.06.2015	(45,470)	(0.01)	24,205,624	7.20
	24.07.2015	(796,716)	(0.24)	23,408,908	6.96
	31.07.2015	(100,000)	(0.03)	23,308,908	6.93
	07.08.2015	(1,092,727)	(0.32)	22,216,181	6.61
	14.08.2015	(216,181)	(0.06)	22,000,000	6.54
	21.08.2015	(647,770)	(0.19)	21,352,230	6.35
	30.10.2015	(87,378)	(0.03)	21,264,852	6.32
	27.11.2015	(653,000)	(0.19)	20,611,852	6.13
	04.12.2015	(567,669)	(0.17)	20,044,183	5.96
	31.12.2015	(129,198)	(0.04)	19,914,985	5.92
At the end of the year				19,914,985	5.92

Sl. No.	ICICI Prudential (including all managed funds)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2	At the beginning of the Year	27,130,440	8.07	-	-
	Date wise Increase / Decrease in Share holding during the year				
	09.01.2015	(182,964)	(0.05)	26,947,476	8.01
	13.02.2015	448,439	0.13)	27,395,915	8.15
	08.05.2015	(3,636,117)	(1.08)	23,759,798	7.06
	15.05.2015	(18,000)	(0.01)	23,741,798	7.06
	22.05.2015	(52,119)	(0.02)	23,689,679	7.04
	29.05.2015	(920)	(0.00)	23,688,759	7.04
	12.06.2015	(13,441)	(0.00)	23,675,318	7.04
	10.07.2015	(5,632)	(0.00)	23,669,686	7.04
	17.07.2015	(1,031)	(0.00)	23,668,655	7.04
	24.07.2015	(38,095)	(0.01)	23,630,560	7.03
	31.07.2015	(218,389)	(0.06)	23,412,171	6.96
	07.08.2015	(8,445)	(0.00)	23,403,726	6.96
	14.08.2015	(220,060)	(0.07)	23,183,666	6.89
	04.12.2015	(30,172)	(0.01)	23,153,494	6.88
	11.12.2015	(29,160)	(0.01)	23,124,334	6.88
	18.12.2015	(435,798)	(0.13)	22,688,536	6.75
	25.12.2015	(322,195)	(0.10)	22,366,341	6.65
	31.12.2015	(1,470,791)	(0.44)	20,895,550	6.21
At the end of the year				20,895,550	6.21

Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No.	Meghamala Enterprises Pvt Ltd	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3	At the beginning of the Year	17,404,110	5.17	0.00	0.00
	Date wise Increase / Decrease in Share holding during the year				
	06.03.2015	(500)	(0.00)	17,403,610	5.17
At the end of the year				17,403,610	5.17

Sl. No.	The Pabrai Investment Fund IV, LP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4	At the beginning of the Year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year				
	17.04.2015	9,000	0.00	9,000	0.00
	15.05.2015	2,700,000	0.80	2,709,000	0.81
At the end of the year				2,709,000	0.81

Sl. No.	Goldman Sachs Investments (Mauritius) I Ltd	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	At the beginning of the Year	15,083,319	4.48	-	-
	Date wise Increase / Decrease in Share holding during the year				
	30.10.2015	(55,907)	(0.02)	15,027,412	4.47
	06.11.2015	(86,893)	(0.03)	14,940,519	4.44
	13.11.2015	(59,219)	(0.02)	14,881,300	4.42
	20.11.2015	(835,964)	(0.25)	14,045,336	4.18
	27.11.2015	(122,292)	(0.04)	13,923,044	4.14
At the end of the year				13,923,044	4.14

Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No.	Pabrai Investment Fund 3, Ltd.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6	At the beginning of the Year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year				
	17.04.2015	18,000	0.01	18,000	0.01
	24.04.2015	6,341,859	1.89	6,359,859	1.89
	01.05.2015	1,828,200	0.54	8,188,059	2.43
	08.05.2015	5,977,409	1.78	14,165,468	4.21
	15.05.2015	3,304,000	0.98	17,469,468	5.19
	27.11.2015	(485,238)	(0.14)	16,984,230	5.05
	04.12.2015	(389,646)	(0.12)	16,594,584	4.93
	11.12.2015	(157,883)	(0.05)	16,436,701	4.89
	18.12.2015	(181,986)	(0.05)	16,254,715	4.83
At the end of the year				16,254,715	4.83

Sl. No.	Bridge India Fund	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7	At the beginning of the Year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year				
	17.04.2015	2,660,342	0.79	2,660,342	0.79
At the end of the year				2,660,342	0.79

Sl. No.	The Pabrai Investment Fund II, LP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	At the beginning of the Year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year				
	17.04.2015	3,191,700	0.95	3,191,700	0.95
	24.04.2015	7,067,015	2.10	10,258,715	3.05
	01.05.2015	2,441,285	0.73	12,700,000	3.78
	08.05.2015	58,000	0.02	12,758,000	3.79
At the end of the year				12,758,000	3.79

Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No.	Nordea 1 Sicav - Indian Equity Fund	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9	At the beginning of the Year	2,773,054	0.82	-	-
	Date wise Increase / Decrease in Share holding during the year				
	13.02.2015	339,853	0.10	3,112,907	0.93
	20.02.2015	161,161	0.05	3,274,068	0.97
	31.03.2015	(20,170)	(0.01)	3,253,898	0.97
	10.04.2015	(340,199)	(0.10)	2,913,699	0.87
	01.05.2015	(481,981)	(0.14)	2,431,718	0.72
	04.09.2015	(180,424)	(0.05)	2,251,294	0.67
	09.10.2015	(72,156)	(0.02)	2,179,138	0.65
At the end of the year				2,179,138	0.65

Sl. No.	The Master Trust Bank of Japan, Ltd. As Trustee of Nissay India Equity Selection Mother Fund	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10	At the beginning of the Year	2,095,431	0.62	-	-
	Date wise Increase / Decrease in Share holding during the year				
	09.01.2015	62,745	0.02	2,158,176	0.64
	23.01.2015	445,385	0.13	2,603,561	0.77
	30.01.2015	222,676	0.07	2,826,237	0.84
	06.02.2015	307,560	0.09	3,133,797	0.93
	13.02.2015	332,900	0.10	3,466,697	1.03
	20.02.2015	13,292	0.00	3,479,989	1.03
	27.02.2015	309,816	0.09	3,789,805	1.13
	06.03.2015	137,684	0.04	3,927,489	1.17
	13.03.2015	390,704	0.12	4,318,193	1.28
	20.03.2015	383,466	0.11	4,701,659	1.40
	27.03.2015	261,782	0.08	4,963,441	1.48
	31.03.2015	126,987	0.04	5,090,428	1.51
	10.04.2015	329,602	0.10	5,420,030	1.61
	01.05.2015	(1,508,832)	(0.45)	3,911,198	1.16
	08.05.2015	(500,000)	(0.15)	3,411,198	1.01
	15.05.2015	131,699	0.04	3,542,897	1.05
	22.05.2015	474,195	0.14	4,017,092	1.19
	05.06.2015	22,713	0.01	4,039,805	1.20

(Contd.)

Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No.	The Master Trust Bank of Japan, Ltd. As Trustee of Nissay India Equity Selection Mother Fund	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	12.06.2015	54,256	0.02	4,094,061	1.22
	19.06.2015	43,482	0.01	4,137,543	1.23
	26.06.2015	51,402	0.02	4,188,945	1.25
	07.08.2015	(140,000)	(0.04)	4,048,945	1.20
	21.08.2015	(192,449)	(0.06)	3,856,496	1.15
	28.08.2015	(243,821)	(0.07)	3,612,675	1.07
	04.09.2015	(209,950)	(0.06)	3,402,725	1.01
	11.09.2015	(131,731)	(0.04)	3,270,994	0.97
	18.09.2015	(395,387)	(0.12)	2,875,607	0.85
	30.09.2015	(10,018)	(0.00)	2,865,589	0.85
	02.10.2015	(20,309)	(0.01)	2,845,280	0.85
	09.10.2015	(107,985)	(0.03)	2,737,295	0.81
	16.10.2015	(104,167)	(0.03)	2,633,128	0.78
	20.11.2015	(129,935)	(0.04)	2,503,193	0.74
	27.11.2015	(88,253)	(0.03)	2,414,940	0.72
At the end of the year				2,414,940	0.72

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Directors			-	
1	**Mr. N. Radhakrishna Reddy**				
	At the beginning of the Year	10,383,730	3.09	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			10,383,730	3.09
2	**Mr. N. Sujith Kumar Reddy**				
	At the beginning of the Year	10,028,770	2.98	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	10,028,770	2.98
3	**Mr. N. Jagan Mohan Reddy**				
	At the beginning of the Year	8,586,740	2.55	-	-
	Date wise Increase/Decrease in Shareholding during the year				
	Equity shares transferred by way of Gift	(8,586,640)	(2.55)	100	0.00
	At the end of the Year			100	0.00

(Contd.)

Shareholding of Directors and Key Managerial Personnel (Contd.)

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4	**Mr. Dipankar Basu**				
	At the beginning of the Year	140	0.00	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	140	0.00
5	**Mr. S.L. Rao**				
	At the beginning of the Year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	-	-
6	**Mr. H.L. Zutshi**				
	At the beginning of the Year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	-	-
7	**Mr. V. Narayanamurthy**				
	At the beginning of the Year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	-	-
8	**Mr. G. Krishna Prasad**				
	At the beginning of the Year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	-	-
9	**Ms. Radhika Vijaya Haribhakti**				
	At the beginning of the Year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	-	-
	Key Managerial Personnel				
1	**Mr. T. Srinivasa Rao** Chief Financial Officer				
	At the beginning of the Year	90,000	0.03	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	90,000	0.03
2	**Mr. S. Venkat Ramana Reddy** Company Secretary	-	-	-	-
	At the beginning of the Year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the Year	-	-	-	-

V. INDEBTEDNESS

INR Million

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the Beginning of the Financial Year				
i) Principal Amount	2,786.52	-	-	2,786.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**2,786.52**			**2,786.52**
Change in Indebtedness during the financial year				
Addition	1,314.00	-	-	1,314.00
Reduction	810.55	-	-	810.55
Net Change	503.45			503.45
Indebtedness at the end of the Financial year				
i) Principal Amount	3,289.97	-	-	3,289.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.64	-	-	5.64
Total (i+ii+iii)	**3,295.61**			**3,295.61**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Directors and / or Manager:

INR Million

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager Mr. N. Jagan Mohan Reddy Managing Director	Total Amount
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	13.47	13.47
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0
2	Stock option	0	0
3	Sweat Equity	0	0
4	Commission		0
	- as % of profit	0	0
	- others, specify…	0	0
5	Others, Please specify		0
	Total (A)	**13.47**	**13.47**
	Ceiling as per the Act	14.19	14.19

B. Remuneration to other directors:

INR Million

Sl. No.	Particulars of Remuneration	Name of Directors					
		Mr. Dipankar Basu	Mr. S.L.Rao	Mr. H.L. Zutshi	Ms. Radhika Vijay Haribhakti	Mr. G. Krishna Prasad	Total Amount
1	Independent Directors Fee for attending board/ committee meetings	0.70	0.81	1.03	0.97	0.51	4.02
	Commission	0.55	0.55	0.55	0.55	0.20	2.40
	Others, please specify	-	-	-	-	-	-
	Total (1)	**1.25**	**1.36**	**1.58**	**1.52**	**0.71**	**6.42**
2	Other Non-Executive Directors	Mr. N. Radhakrishna Reddy	Mr. N. Sujith Kumar Reddy	Mr. V. Narayana murthy, Nominee Director, IDBI Bank Limited			
	Fee for attending board/ committee meetings	0.45	-	0.11			
	Commission	-	-	0.20			
	Others, please specify	-	-	-			
	Total (2)	**0.45**	**0**	**0.31**			**0.76**
	Total (B)=(1+2)						**7.18**
	Total Managerial Remuneration to Non-Executive Directors						2.60
	Overall Celing as per the Act for Directors who are neither Managing Director/Wholetime Director (1% of Net Profits Calculated in accordance with the Provisions of Section 198 of the Companies Act, 2013)						2.84

C Remuneration to Key Managerial personnel other than MD/Manager/WTD

INR Million

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total Amount
		Mr. S. Venkat Ramana Reddy	Mr. T. Srinivasa Rao	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3.19	10.47	13.66
	b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	-	0.03	0.03
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, Please specify	-	-	-
	Total	**3.19**	**10.50**	**13.69**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

A. COMPANY

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

B. DIRECTORS

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

C. OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad
Date : February 19, 2016

Annexure- 5

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY:

1) The steps taken or impact on conservation of energy: -N.A.-

2) The steps taken by the Company for utilizing alternate sources of energy: -N.A.-

3) The Capital investment on energy conservation equipments: -N.A.-

B. TECHNOLOGY ABSORPTION:

i. The Efforts made towards technology absorption:

NIL

ii. The Benefits derived like product improvement, cost reduction, product development or import substitution:

NIL

iii. In case of imported technology (Imported during the last three years reckoned from the begining of the financial year)

No technology has been imported during the last three years.

iv. The expenditure incurred on Research and Development: -N.A.-

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

1) The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(INR Million)

Particulars	**December 31, 2015**	December 31, 2014
Used	**3,126.58**	925.65
Earned	**2,009.61**	841.68

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

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad
Date : February 19, 2016

Annexure- 6

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
   - Promotion of 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; and
   - Rural development projects.
   - Web link: www.rain-industries.com / www.pragnyapriya.com
2. Composition of CSR Committee:

S.No.	Name	Designation
1	Mr. N. Jagan Mohan Reddy	Chairman
2	Mr. N. Sujith Kumar Reddy	Member
3	Mr. G. Krishna Prasad	Member (Independent Director)

3. Average Net profit of the Company for the last three financial years:

Net Profit	For the Financial Year ended 31st December (INR Million)		
	2014	2013	2012
	(29.150)	**(36.253)**	**424.587**
Average Net Profit for the preceding three Financial Years	**119.728**		

4. Prescribed CSR expenditure (2% of the amount as in item 3 above) : INR 2.39 Million
5. Details of CSR spent for the financial year:
   a. Total amount to be spent for the financial year: INR 2.4 Million
   b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Scholarships to students for pursuing Intermediate Education i.e., 11th and 12th Standard	Promotion of education	Scholarships to students for pursuing Intermediate Education i.e., 11th and 12th Standard are given to economically backward students in the state of Andhra Pradesh and Telangana. In the Districts of Adilabad, Nalgonda, Karimnagar, Kurnool, Srikakulam and Vijayanagaram	The Company has donated INR 2.40 Million to M/s. Pragnya Priya Foundation, a Company established under Section 25 of Companies Act, 1956 (Section 8 as per Companies Act, 2013) by the Group	INR 2.40 Million	INR 2.40 Million	The amount was spent through M/s. Pragnya Priya Foundation a Section 25 Company under Companies Act, 1956 (Section 8 of Companies Act, 2013).
	Total			INR 2.40 Million	INR 2.40 Million	INR 2.40 Million	-

6. The Company has spent two percent of average net profits of the last three financial years.

7. We hereby confirms that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of Corporate Social Responsibility Committee

N. Jagan Mohan Reddy
Chairman of the Committee and
Managing Director

N. Sujith Kumar Reddy
Member

G. Krishna Prasad
Member

Place : Hyderabad
Date : February 19, 2016

Annexure- 7

FORM NO MR 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.12.2015

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members,
M/s. Rain Industries Limited
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **M/s. Rain Industries Limited** (hereinafter called as "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended on **31st December 2015** complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Rain Industries Limited** (hereinafter called as "**the Company")** for the financial year from 1st January, 2015 and ended with 31st December, 2015 ("Audit Period") according to the provisions of:

(i) The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the National Stock Exchange of India Limited and the BSE Limited.

e) Secretarial Standards on the Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.

We further report that the Company is engaged in the Business of trading in Carbon Products, providing shared services to its Subsidiary Companies and holding investments in its Subsidiary Companies, there are no industry Specific laws applicable to the Company.

It is to be noted that for the Audit Period the following acts are not applicable:

i) SEBI (ICDR) Regulations, 2009.

ii) SEBI (ESOS & ESOP) Guidelines, 1999.

iii) SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

iv) SEBI (Delisting of Equity Shares) Regulations, 2009.

v) SEBI (Buyback of Securities) Regulations, 1998.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., as mentioned above.

We further report that:

a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

b. Adequate Notice is given to all the Directors to schedule the Board Meetings were sent at least 7 days in advance.

c. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

d. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.

e. It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.

f. There exists adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **dvmgopal & associates**
Company Secretaries

Place: **Hyderabad**
Date: **19.02.2016**

DVM Gopal
Proprietor
M No: F6280
CP No: 6798

Note: This letter is to be read with our letter of even date which is annexed and form an integral part of this report.

ANNEXURE

To
The Members,
M/s. Rain Industries Limited
Hyderabad.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **dvmgopal & associates**
Company Secretaries

Place: **Hyderabad**
Date: **19.02.2016**

DVM Gopal
Proprietor
M No: F6280
CP No: 6798

Annexure-8

Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

The remuneration and perquisites provided to the employees and Management are at par with the industry levels. The remunerations paid to the Managing Director and senior executives are reviewed and recommended by the Nomination and Remuneration Committee.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

S.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. N. Radhakrishna Reddy (Chairman)	NIL
2	Mr. N. Jagan Mohan Reddy (Managing Director)	16.55:1
3	Mr. N. Sujith Kumar Reddy (Director)	0.68:1
4	Mr. Dipankar Basu (Independent Director)	0.68:1
5	Mr. S.L. Rao (Independent Director)	0.68:1
6	Mr. H.L. Zutshi (Independent Director)	0.68:1
7	Mr. G. Krishna Prasad (Independent Director)	0.25:1
8	Ms. Radhika Vijay Haribhakti (Independent Director)	0.68:1
9	Mr. V. Narayanamurthy (Nominee Director - IDBI Bank)	0.25:1

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year:

S.No.	Name of the Director	Percentage increase in remuneration
1	Mr. N. Radhakrishna Reddy (Chairman)	NIL
2	Mr. N. Jagan Mohan Reddy (Managing Director)*	25%
3	Mr. N. Sujith Kumar Reddy (Director)	NIL
4	Mr. Dipankar Basu (Independent Director)	NIL
5	Mr. S.L. Rao (Independent Director)	NIL
6	Mr. H.L. Zutshi (Independent Director)	NIL
7	Mr. G. Krishna Prasad (Independent Director)	NIL
8	Ms. Radhika Vijay Haribhakti (Independent Director)	NIL
9	Mr. V. Narayanamurthy (Nominee Director - IDBI Bank)	NIL
10	Mr. T. Srinivasa Rao (Chief Financial Officer)	14.82%
11	Mr. S. Venkat Ramana Reddy (Company Secretary)	14.00%

*Mr. N. Jagan Mohan Reddy was re-appointed as Managing Director of the Company for a period of 5 years i.e., w.e.f. 10th November, 2015 at the Board Meeting held on 10th November, 2015.

(iii) The percentage increase in the median remuneration of employees in the financial year.

10%

(iv) The number of permanent employees on the rolls of Company.

There are 42 permanent employees on the rolls of the Company.

(v) The explanation on the relationship between average increase in remuneration and Company performance:

S.No.	Average increase in remuneration	Company performance
1	11.80%	Net profit of the Company is increased by 6.14%

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

S.No.	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st December, 2015
1	Rs. 27.16 Million	Rs. 260.87 Millions (Net Profit)

(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.

S.No.	Particular	As at December 31, 2015		As at December 31, 2014	
1	Market Capitalisation	BSE	Rs.12,697.05 Million	BSE	Rs.14,916.93 Million
		NSE	Rs.12,680.23 Million	NSE	Rs.14,866.47 Million
2	Price Earnings Ratio (Considering consolidated EPS)	BSE	3.93	BSE	16.86
		NSE	3.92	NSE	16.81

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The Company came with an Initial Public Offer in 1985 at the price of Rs.10/- per equity share. As on 31st December, 2015 the Market Quotation of the Company Share Price (Closing Price) is as follows:

- BSE Limited: Rs. 37.75
- The National Stock Exchange of India Limited: Rs. 37.70

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentile increase already made in the salaries of employees is 11.80 %

There is only one Whole Time Director i.e., Managing Director. He was re-appointed at the Board Meeting held on 10th November, 2015 with revision in Remuneration during the Financial Year ended 31st December, 2015.

Increase in the managerial remuneration was 25% for the financial year. The higher increase in managerial remuneration is justified considering the fact that there was no increase in the remuneration of managerial personnel in previous 5 years.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

S.No.	Name	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st December, 2015
1	Mr. N. Jagan Mohan Reddy, Managing Director	Rs.13.47 Million	Rs. 260.87 Million (Net Profit)
2	Mr. T. Srinivasa Rao Chief Financial Officer	Rs. 10.50 Million	Rs. 260.87 Million (Net Profit)
3	Mr. S. Venkat Ramana Reddy Company Secretary	Rs. 3.19 Million	Rs. 260.87 Million (Net Profit)

(x) The key parameters for any variable component of remuneration availed by the directors:

Only Commission is payable in addition to monthly Remuneration. During the Financial Year ended 31st December, 2015, no commission was paid to Managing Director of the Company. However, Commission was paid to all the Non-Executive Directors other than Mr. N. Radhakrishna Reddy and Mr. N. Sujith Kumar Reddy.

(xi) During the year ended December 31, 2015, there was no employee, who is not a Director of the Company and received remuneration in excess of highest paid director of the Company.

(xii) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

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

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad
Date : February 19, 2016

Statement of Particulars of Employees Pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name & Designation	Remuneration received	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the Company
1	Mr. N. Jagan Mohan Reddy (Managing Director)	Rs.13.47 Million	Contractual	B.S.I.E. (U.S.A) 23 years	August 10, 1994	49 years	Managing Director of Rain Calcining Ltd	N.A.	Son of Mr. N. Radhakrishna Reddy, Chairman Brother of Mr. N. Sujith Kumar Reddy, Director
2	Mr. T. Srinivasa Rao (Chief Financial Officer)	Rs.10.50 Million	Contractual	B.Com, FCA 25 years	April 1, 2012	49 years	Vice President (Finance) of Rain CII Carbon (Vizag) Ltd	N.A.	N.A.

Notes:

1. Board of Directors of the Company at their meeting held on November 10, 2015 have Re-appointed Mr. N. Jagan Mohan Reddy as Managing Director of the Company for a term of 5 years with effect from November 10, 2015 (i.e., from November 10, 2015 to November 09, 2020) subject to the approval of Shareholders.

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

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place : Hyderabad
Date : February 19, 2016

MANAGEMENT DISCUSSION AND ANALYSIS - 2015

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Group's objectives, projections, estimates, and expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Group's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Group operates, changes in the Government regulations, tax laws, statutes and other incidental factors.

Overview

The following operating and financial review is intended to convey the management's perspective on the financial and operating performance of Rain Industries Limited ("The Company") and its Subsidiaries (together referred as "RAIN Group") for the year ended December 31, 2015. This should be read in conjunction with the Company's Stand-alone and Consolidated Financial Statements, the schedules and notes thereto and the other information included elsewhere in the Annual Report. The Company's Financial Statements have been prepared in compliance with the requirements of the Companies Act, 2013, the guidelines issued by the Securities and Exchange Board of India ("SEBI") and the Generally Accepted Accounting Principles ("GAAP") in India.

I. INDUSTRY STRUCTURE

1. Carbon Products

RAIN Group is engaged in manufacturing and trading of Carbon Products. Carbon Products include Calcined Petroleum Coke ("CPC"), Coal Tar Pitch ("CTP"), Green Petroleum Coke ("GPC"), Other Derivatives of Coal Tar Distillation and co-generated energy.

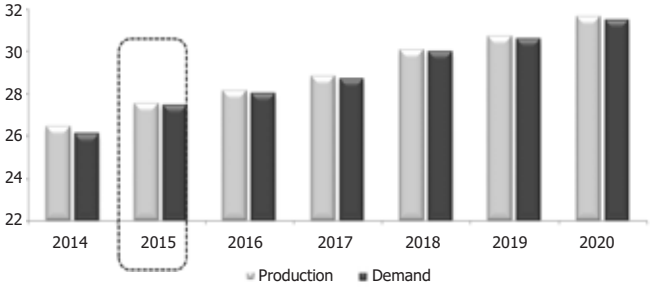
1.1. Calcined Petroleum Coke ("CPC") and Green Petroleum Coke ("GPC")

RAIN Group carries-on the business of manufacturing of CPC through its Wholly Owned Subsidiaries in India and the US.

CPC is produced from GPC, a by-product of the crude oil refining process, through a process known as "calcining", which removes moisture and volatile matter from GPC at a high temperature. CPC is produced in two primary forms:(i) Anode Grade CPC (for use in the Aluminum smelting process), and (ii) Industrial Grade CPC (for use in the manufacturing of Titanium Dioxide and other industrial applications). Anode Grade CPC represents approximately 77% of Global CPC production and Industrial Grade CPC represents the remaining 23%. For every metric ton of primary Aluminum produced, approximately 0.4 metric tons of CPC is consumed.

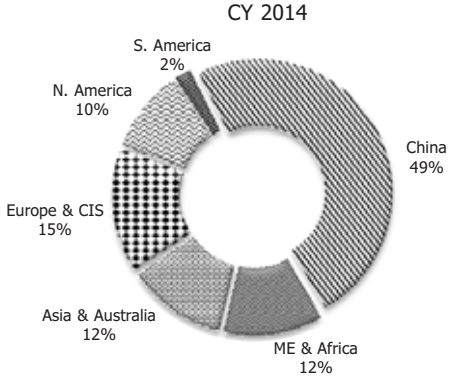
Worldwide CPC production for CY15 is estimated to be 27.5 million metric tons, 74% of which was produced in China and North America. China continues to play a key role in the CPC industry and its share of the world's CPC production is estimated to remain at 54%in the near term.

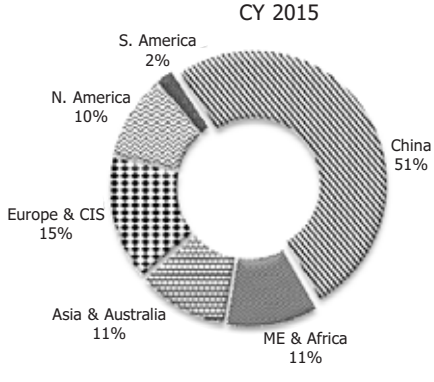
World CPC - Production & Demand (in Million Tons):



Source: Management Estimate and Industry

World CPC - Geographical Demand Mix:

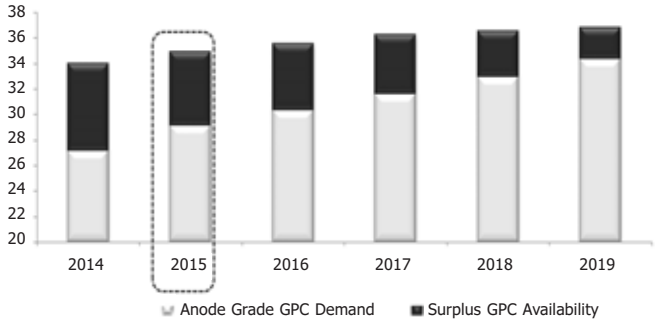




Source: Management Estimate and Industry

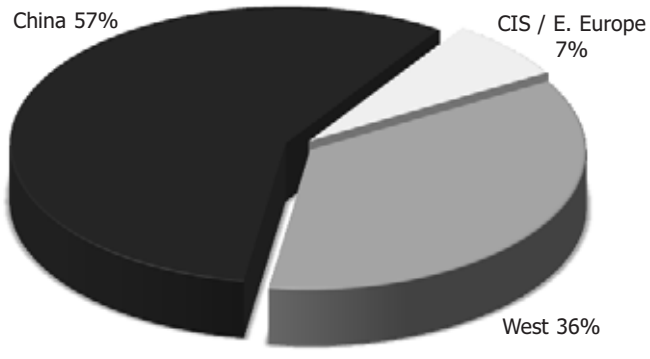
RAIN Group estimates that over 130 oil refineries worldwide produce and sell GPC in varying forms and qualities. Generally, the sale of GPC does not constitute a material portion of oil refineries' revenues. The price of GPC varies depending on the quality and the market in which it will be used and is largely driven by demand and supply conditions in such market. A refinery typically realizes higher prices for GPC used in Anode Grade CPC production than in Industrial Grade CPC production. However the quality of GPC (whether Anode Grade or Industrial Grade) cannot be modified by a refinery; as the quality is determined by the type of crude oil being refined.

World Anode Grade GPC - Demand & Supply (in Million Tons):



Source: Management Estimate and Industry

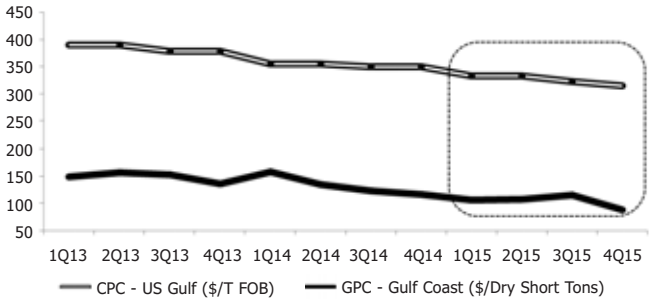
World GPC Supply - Geographical Mix in CY 2015:



Source: Management Estimate and Industry

In general, CPC and GPC prices move in parallel. Consequently, CPC producers typically pass on GPC cost increases or decreases to their customers. However, there may be a time lag of one or two quarters for such an adjustment.

US Gulf Coast CPC & GPC Price Trend from CY 2013 to CY 2014 (in USD / Ton):



Source: Management Estimate and Industry

Threats & Challenges

The main threat to the supply of CPC is the availability of suitable quality GPC. GPC is a by-product of the oil refining process and is not produced to meet the supply or quality needs of the World's CPC or Aluminum producers. Changes in the economics of oil refineries over the past 15 - 20 years have resulted in a trend towards refining heavier and sour crude oil. While petroleum refineries continue to build refining capacity (and, therefore, indirectly GPC production capacity), the Worldwide supply of Traditional Anode Grade GPC is expected to grow at a slower pace as refineries are processing more sour crude oil, which results in lower quality (Fuel Grade) GPC.

As a result, global CPC producers have experienced, and may continue to experience, decline in the availability of Anode Grade GPC that they require. To economically and efficiently support growth in the Aluminum industry, RAIN Group believes that Aluminum Smelters and CPC manufacturers need to work together to expand existing quality specifications for Anode Grade CPC, and allow for use of more Non-Traditional Anode Coke ("NTAC") blends in the production of Anode Grade CPC. A decline in US Fuel Grade GPC prices was observed during CY15 and is expected to continue. This will provide some cost relief for US Calciners as Fuel Grade GPC prices set the price floor for Anode Grade GPC.

RAIN Group's patented Isotropic Coke Experiment ("ICE") technology is one method of utilizing inferior grades of GPC to produce CPC without materially compromising the product quality. Additionally, RAIN Group's infrastructure is uniquely placed in the industry to be able to quickly realign its customer mix to competitively meet the increased demand for CPC in the Middle-East, Russia and India. Furthermore, RAIN Group has set-up a new CPC Blending Facility in India to substantially increase its CPC sales to the Aluminum Smelters in India and the region around India. Recent strategic investments in FGD

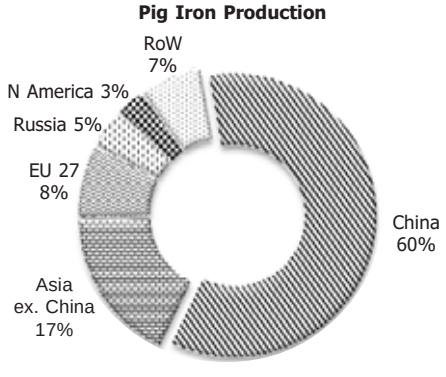
Plants in Lake Charles, Louisiana, US and Chalmette, Louisiana, US allow RAIN Group to unlock an unmatchable advantage in serving the Aluminum Smelters in India and the region around India.

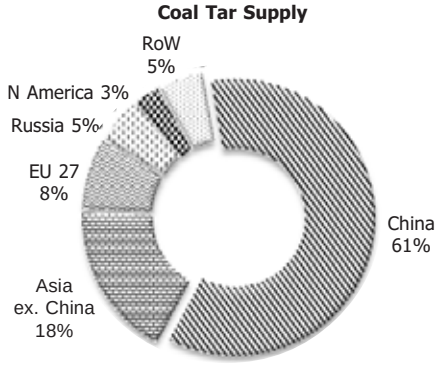
1.2. Coal Tar Pitch ("CTP") and Other Carbon products

RAIN Group has four Coal Tar Distillation Facilities in Belgium, Canada, Germany and Russia. Coal Tar Distillation is carried-out in Belgium, Canada and Germany through wholly owned subsidiaries, and Tar Distillation is carried-out in Russia through a Joint Venture with PAO Severstal, Russia.

Coal Tar is a liquid by-product derived in the conversion process of coal into metallurgical coke. During this conversion process, approximately 80% of the coal volume is processed into metallurgical coke. Metallurgical coke is used as an important reducing agent and energy source in blast furnaces for the production of pig iron and steel. Consequently, the supply of Coal Tar is correlated to pig iron production, which, in turn, is driven by steel production. Asia (including 60% from China) contributes approximately 77% of total World pig iron production and the European Union's 27 Countries (including 2% from Germany) contribute about 8% of total world pig iron production.

World Pig Iron Production and Coal Tar Supply in CY 2015 - Geographical Mix:





Source: Management Estimate and Industry

According to recent industry estimates, global metallurgical coke supply will increase from 715.0 million metric tons in CY15 to 743.1 million metric tons by CY20 representing a Compound Annual Growth Rate ("CAGR") of +0.8%. However, lately there has been a decrease in demand for hot metal, especially in China, related to slowing growth in steel demand and lack of production gains. This has reduced demand and therefore production of metallurgical coke during CY15. The aforementioned, long-term growth is expected to be supported through a recovery of coke production in Europe and production gains in Japan and Korea. Nevertheless, demand for and production of steel in China will remain the single most determining factor for the global metallurgical coke market.

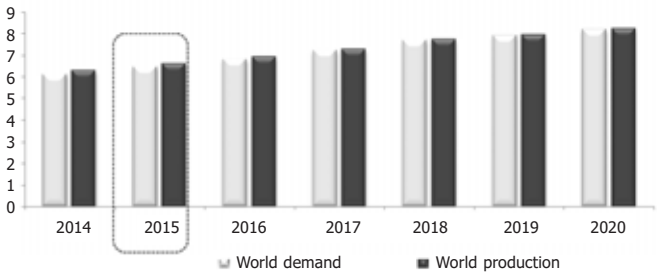
Every metric ton of metallurgical coke produced yields, on average, 0.04 metric tons of Coal Tar. As per the latest industry estimates, World Coal Tar supply will increase from 23.0 million metric tons in CY15 to 24.1 million metric tons in CY20, which corresponds to a CAGR of +0.9%.

Coal Tar is the main raw material in Coal Tar Distillation process. The Coal Tar Distillation business can be categorized into two stages: (i) The primary Coal Tar Distillation business ("Primary Distillation") and (ii) the downstream processing of selected products of Primary Distillation into refined products ("Downstream"). Primary Distillation products include CTP, naphthalene oil and aromatic oils.

With a distillation yield of 48%, CTP is the main end product in Coal Tar Distillation business and therefore crucial for its success and development. While the consumption of CTP in the rest of the world was shrinking, consumption of CTP in Asia (including China and Middle East) and in Europe has increased by 9% and 2%, respectively.

According to recent industry estimates, World-wide demand for CTP aggregated to approximately 6.5 million metric tons in CY15.It is expected to grow to approximately 8.2 million metric tons by CY20, representing a CAGR of +4.8%.Worldwide production of CTP aggregated to approximately 6.6 million metric tons in CY15 and is expected to grow to approximately 8.2 million metric tons by CY20, representing a CAGR of +4.5%.

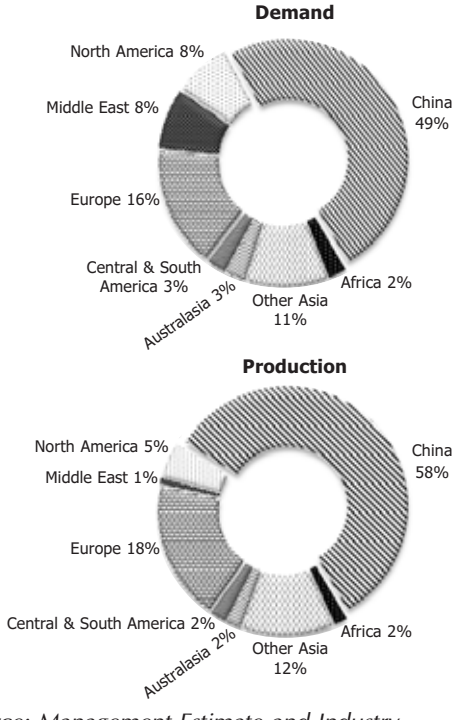
World CTP - Production & Demand (in Million Tons):



Source: Management Estimate and Industry

Geographically, CTP production is led by China, rest of Asia and Europe with an aggregate share of 89% in CY15. These are the only regions with positive demand-production-balance before imports and exports. In this context, Europe is forecasted to be the only region to expand this positive balance ratio through CY20 with a CAGR of +16.8%, while demand-production-balances for CTP in China and the remaining Asian countries are expected to decline in future years

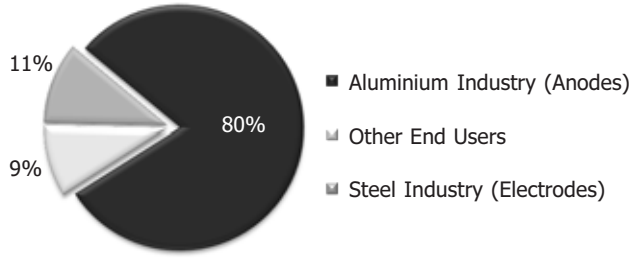
World CTP - Geographical Demand & Production Mix CY 2015:



Source: Management Estimate and Industry

Eighty percent of the world's CTP production is primarily used to produce carbon anodes for the Aluminum smelting process. For every metric ton of Primary Aluminum, approximately 0.1 metric ton of CTP is consumed. Therefore production of Primary Aluminum is one of the most important determinants of CTP demand. The second largest CTP end-user, consuming approximately 11% of the World's production, is Graphite Electrode producers. Graphite Electrodes are used in the manufacturing of steel in electric arc furnaces.

CTP Consumption by End-Use Sector CY 2015



Source: Management Estimate and Industry

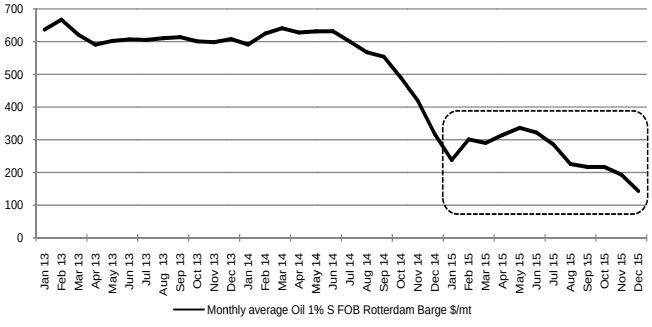
Aluminum industry consumed about 5.2 million metric tons of CTP in CY15. During CY15, approximately 54% of total global primary Aluminum production was in China, 14% in Europe (including Russia) and 8% in North America. According to recent industry forecasts, the demand for CTP by Aluminum industry will increase from 5.2 million metric tons in CY15 to 6.6 million metric tons in CY20, representing a CAGR of over 5.0%.Further, world demand for primary Aluminum aggregated to approximately 56.3 million metric tons in CY15 and is expected to grow to approximately 69.3 million metric tons by CY20, representing a CAGR of 4.3%.Of the total demand for primary Aluminum in CY15, 51% was from China, 15% from Europe (including Russia) and 11% from North America. As observed earlier, it is expected that China will increase its share in Aluminum consumption to about 54% of total demand for primary Aluminum by CY20. The said demand will be driven by electrical conductors and excellent growth in packaging demand. Western Europe is expected to see an increase in Aluminum consumption of about 0.9% CAGR, which will be mainly driven by the transportation and packaging industries.

Naphthalene, as a chemical intermediate, is mainly used as a precursor to other chemicals or as a solvent for a chemical reaction. Naphthalene is used both in the production of dispersants, used in the construction industry, and as super plasticizers for the production of concrete and gypsum. Therefore, demand for naphthalene is correlated to the building materials industry. According to current industry estimates, world building materials output increased at about 2.2% during CY15. Developed economies had a growth rate of 1.5% for building materials, while emerging economies had a growth rate of about 3.1% in CY15. Naphthalene is also used in the

production of Phthalic Anhydride as a substitute for Ortho-xyleneas it is more cost-effective. Phthalic Anhydride is used in the manufacturing of plastics, polyester resins and alkyd resins. Additionally, phthalate esters made from Phthalic Anhydride are used as plasticizers in the production of several PVC products.

Aromatic oils, such as Creosote Oil and Carbon Black Oil, are sold to a variety of industries. Creosote Oil is used by the wood treatment industry for the impregnation of wood. Carbon Black Oil is primarily used by the rubber and automobile tyre industries. Prices for Aromatic Oils are highly correlated to the price of fuel oil. Although fuel oil prices increased during the second quarter of CY15, they declined by the end of the year.

Prices of Fuel Oil:



Source: Management Estimate and Industry

After industrial processing, the down streamproducts made from Naphthalene and Aromatic Oils are indispensable constituents of many articles of daily life. For example, they are used in the leather, construction, car tyres and pharmaceutical industries, as a key raw material.

Threats & Challenges

World Coal Tar production for CY16 is estimated to be about 23.2 million metric tons slightly higher than in CY15by approximately 0.20 million metric tons. With approximately 8% of total Coal Tar production in EU's 27 countries, supply of Coal Tar for most of RAIN Group's Coal Tar Distillation capacity (which also is located predominantly in Europe) is currently not subject to downside risk. In addition, RAIN Group strengthened its Coal Tar sourcing, by about 20%, through Russian Joint Venture. With approximately 5% of Global Coal Tar production, Russia will be an important hedge for Coal Tar supply in the future.

Although the Aluminum industry has experienced production and consumption growth on a long-term basis, there may be cyclical periods of weak demand which could result in decreased primary Aluminum production. RAIN Group's sales have historically declined during such cyclical periods of weak global demand for Aluminum.

Naphthalene and Aromatic Oils (other by-products in Primary Distillation) are subject to the demand-supply dynamics of the construction industry and the development of prices of correlated commodities. Decreasing prices of Fuel oil and Ortho-xylene could reduce margins and competiveness of Naphthalene and Aromatic Oils.

1.3. Co-generated Energy

RAIN Group is able to co-generate energy through waste heat recovered in calcining process. Currently RAIN Group co-generates energy at five out of eight CPC plants with a combined generation capacity of approximately 125MW.

RAIN Group is committed to a clean and efficient industry that works in harmony with the environment. As part of this commitment, RAIN Group has made a significant investment in waste-heat recovery systems at our petroleum coke calciners. Heat recovery process reduces greenhouse gas emissions and EPA criteria pollutants, and result in the more carbon-neutral co-generation of energy. Further, RAIN Group made substantial investments in Flue Gas Desulfurization plants in its CPC Plants in India and US to minimize the emissions.

2. Chemicals

The Company's Chemical products are produced in two parallel production streams. One stream is derived from the downstream refining of primary coal tar distillates, while the other stream from petroleum derivatives, such as C9 and C10 fractions as its raw material. The Chemicals produced include aromatic chemicals, super plasticizers and resins & modifiers. Consequently the production of RAIN Group's Chemicals depends on the Coal Tar Distillation process and on the proximity to petroleum refineries and their availability of suitable-quality petroleum derivatives, like C9 and C10. These chemical products are used in a broad variety of end-markets including paints, coatings, construction, plastics, paper, tyres, rail ties, insulation and foam. RAIN Group's Chemicals business can be broken down into three sub-product categories:

2.1. Resins & Modifiers

The Resins & Modifiers business produces specialty resins, with a wide range of softening points and compatibilities for use in the adhesive, coating, rubber and printing ink industries. In addition, it produces modifiers for high-performance coating systems and environmentally friendly applications for the paper industry. Products are derived

from a variety of raw materials, such as Carboindene, (produced in RAIN Group's distillation process) and C9 and C10 fractions, which are externally sourced.

2.2. Superplasticizers

The Superplasticizer business is comprised of naphthalene and polymer-based products that are used as additives for gypsum and concrete, such as polymeric dispersants, which are used in the formulation of superplasticizers for the concrete industry. RAIN Group's Superplasticizer business is a leading supplier of dispersing agents for a wide range of uses, including gypsum wallboards, textiles, leather tanning agents, pulp, paper, agricultural chemicals, ceramics, dyes, polymer emulsions, lead storage batteries, electroplating and pigment slurries.

2.3. Aromatic Chemicals

The Aromatic Chemicals business extracts pure products derived from Coal Tar and other sources. These products comprise of aromatic hydrocarbons such as Phenols, Cresols, Xylenols, Carbazole and Anthracene as well as 3.5-Xylenol and Acetophenone. The aforementioned products are used in a wide range of industries, such as paper, pharmaceutical, pigments and fragrance and are essential in the manufacturing of many products, including paints, drugs, agrochemicals, fragrances, disinfectants, paper and dyestuffs. They are also used in applications in high-tech industries, including magnetic wire for electrical motors.

Global chemical production volumes in CY15 were affected by geopolitical uncertainty, recessions in Russia, Brazil and other countries, as well as a distinct slowdown in China. Due to these factors, the global chemical production increased only by 2.8% in CY15, as compared to increase of 3% in CY14. The US reached an annual growth rate of 3.6%, Western Europe 2.4%, and Central/ Eastern Europe 4.7%. The growth in demand for Chemicals primarily depends on the manufacturing sector, which represents the primary customer base for the Chemical Industry. After Global Annual Growth of 1.7% in regards to industrial production output in CY15, Annual Growth is projected to be 3.1% in CY16 and 3.3% in CY17. Such growth will be led by Asia (especially China, India and South Korea), US, Mexico and parts of Europe (especially Germany and Spain).

With improving economic prospects, particularly through the development of the manufacturing sector, global annual growth in Chemicals is projected to be 3.3% in CY16 and 3.7% in CY17. The most significant growth is expected to originate in the developing nations of Asia-Pacific, Africa and the Middle-East. Due to competitive advantages from shale gas, which led to an increased supply of cheap shale-derived raw materials like natural gas, North America is also expected to generate strong growth. According to the US chemical industry association, American Chemistry Council (ACC), chemical output in the US is expected to grow by 2.9% in CY16 and by 4.4% in CY17.

Growth is estimated to be moderate in Europe since reliable access to low-cost feedstock from shale gas is not available. However, European chemical exports are expected to be supported by favorable Euro exchange rates. According to recent industry reports, chemical production in Western Europe is expected to grow by 2%; Central/Eastern Europe by 3.1% and 3.7% in CY16 and CY17 respectively.

Overall, the Global chemical industry expects to see improvement for years to come through stronger global growth in manufacturing industry driven by consumer demand.

Threats& Challenges

Key threats for RAIN Group's Chemical business are volatility in commodity prices, exchange rate fluctuations and the availability of competitive raw material supplies. The price of benzene and C9 and C10 fractions depend especially on exchange rates and the price of crude oil and fuel oil.

RAIN Groupis reducing pricing and procurement risks through the integrated worldwide management of sales and supply procurement, optimized processes, and long term agreements to ensure reliable sourcing of raw material required.

At the end of CY15, RAIN Group also witnessed some seasonality in the Chemical business mainly due to weather conditions in geographies where its plants and/ or end-use customers are located. This has led to general de-stocking and reduced customer production at the end of CY15.

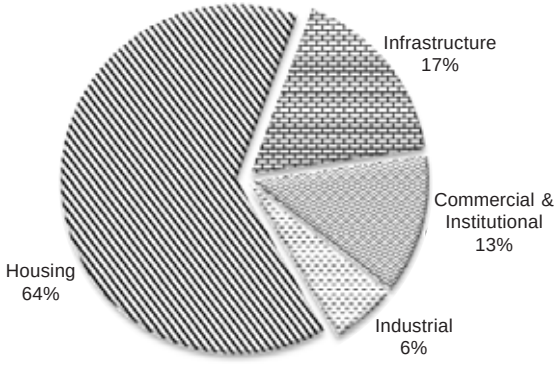
3. Cement

RAIN Group has two integrated Cement Plants, one each in the states of Telangana and Andhra Pradesh. RAIN Group also has a Cement packing unit in Karnataka.

The Indian cement industry is the second largest national market after China andit accounts for about 8% of total global production. The Indian cement industry had a total production capacity of over 380 million metric tons during CY15,which is expected to increase to around 411 million metric tons by CY18.Cement is a cyclical commodity with a high correlation to GDP. The Indian housing sector is the biggest demand driver of cement, accounting for about

64% of total consumption. The other major consumers of cement include infrastructure (17%), commercial construction (13%) and industrial construction (6%).During the last few years, low capacity utilization coupled with weak prices and increasing input costs have impacted the performance of Cement industry in India. Subdued operating profits and high debt service obligations have even led some Indian cement producers to defer expansion plans. With improved demand resulting from infrastructure and housing sectors coupled with limited capacity additions, the cement capacity utilization on a Pan India basis is expected to gradually improve during CY16.

Cement Consumption by Sector:



Source: Management Estimate and Industry

Indian Cement industry grew at a commendable rate in the previous decade, registering a CAGR of approximately 8%.However, the growth slowed from 2011 to 2013 when cement consumption grew at an average rate of 4%.Moreover, the per capita consumption of cement in India still remains substantially low at about 192 kg when compared with the world average of about 365 kg (excluding China).This underlines the tremendous scope for growth in the Indian cement industry in the long term.

Cement, being a bulk commodity, is a freight intensive industry and transporting it over long distances can be uneconomical. This has resulted in cement being largely a regional play with the industry divided into five main regions in India: North, South, West, East and the Central region. The Southern region of India has the highest installed capacity, accounting for about 33% of the Country's total installed cement capacity.

Current Position

During CY15, demand in India's cement industry grew by 6% year-on-year ("YoY").The subdued growth was mainly attributable to a slowdown in construction activities, regulatory delays in infrastructure projects, high interest rates, prolonged monsoons, and natural disasters in some parts of India. The industry witnessed high operating costs, which included all major cost heads such as raw materials, energy and freight.

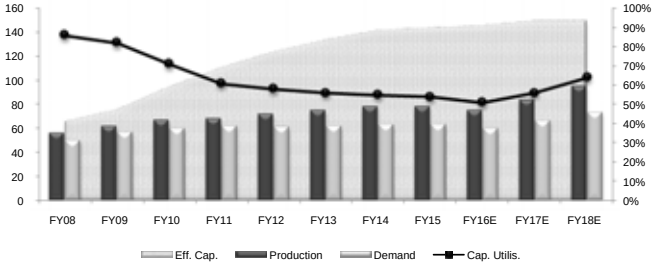
Near Future

As stated earlier, cement demand is closely linked to the overall economic growth, particularly the housing and infrastructure sectors. With Indian Government's thrust on housing and infrastructure development, cement demand is expected to increase in the near future. The weakness in international crude oil prices and other commodities should help bring costs under control and improve profitability of the sector. Once inflation declines, the likely lowering of interest rates would also positively impact the cement sector.

While temporary challenges remain in the form of excess capacity, slowing the pace of capacity additions will improve the overall utilization levels. Also, long term drivers for demand for cement remain intact. Higher government spending on infrastructure, robust growth in rural housing and rising per capita incomes will continue to contribute to the growth of the industry.

Historically, positive incremental demand over supply has resulted in higher cement prices and vice versa. Levels of capacity utilization aggravate the quantum of increase or decrease in cement prices. Hence, profitability of Southern-based cement companies will remain positive in the short-term due to stable cement prices. Rebound in demand growth from CY17is expected to support prices in the Southern region.

Trend in Southern Region Cement Capacity Utilization Levels in India



Source: Management Estimate and Industry

Threats & Challenges

The Indian cement industry has witnessed a massive capacity addition of over approximately 197 million metric tons during last 7 years. This capacity addition is disproportionately high and concentrated in South India. During the same period, South Indian cement capacity alone has increased by approximately 78 million tons.

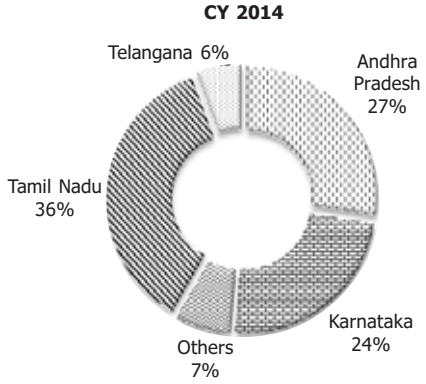
This has resulted in significant pressure on capacity utilization and price realization, as well.

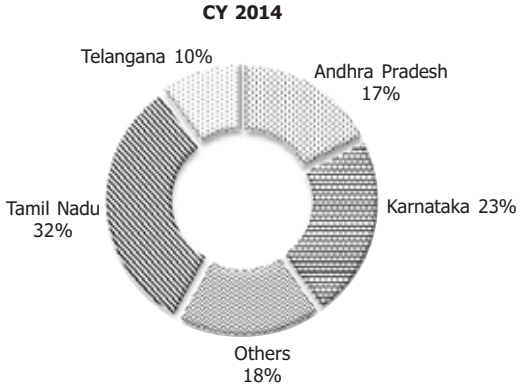
India's cement industry's average utilization has come down drastically from approximately 95% in CY08 to approximately 71% in CY15, led by weak demand and an oversupply in the industry. Cement demand and capacity utilization are expected to improve, led by a slower pace in capacity addition and better demand prospects.

Until CY14, the Southern region (especially Andhra Pradesh) faced demand issues due to political instability and delays in sanctioning projects across the sectors. However, with the split of Andhra Pradesh into two states, which required the installation of a new government in the new state of Telangana, we expect demand to pick up and utilization to improve on the back of fresh demand for housing, urban and infrastructure development from the new states. Telangana is undertaking major irrigation projects, and Andhra Pradesh is committed to build a new Capital City by CY18.More than 90% of RAIN Group's cement sales volumes are in the Southern region, almost 33% of which is sold in Andhra Pradesh and Telangana. Hence, the above developments planned for these two states will contribute to the growth in the Cement Business of RAIN Group.

In addition to the above, there is a lack of cement capacity in the state of Maharashtra, where approximately 50% of its demand is met by the Southern region's cement facilities. With no new capacity additions coming online in Maharashtra during the next 3 years, rising utilization of the Southern region's cement facilities will lead to an increase in performance. Volume growth will benefit most Southern-based companies due to their high operating / financial leverage. RAIN Group has already spread its new market such Maharashtra, Odisha, Kerala, Goa and Pondicherry during CY15. These new markets contributed 18% of Cement Sales during CY15, as compared to 7% in CY14.

Rain Cements - Change in Market Mix:





Note: Others Include: Maharashtra, Odisha, Kerala, Goaand Pondicherry.

Source: Company Data

2. DISCUSSION ON FINANCIAL PERFORMANCE

During CY15, the Company has achieved revenue from operations of INR 862.08 million and net profit of INR 260.87 million on a standalone basis. During the same period, RAIN Group has achieved net revenue from operations of INR 102,185.31 million and net profit of INR 3,233.39 million on a consolidated basis.

The Basic and Diluted Earnings Per Share of the Company as on December 31, 2015 is INR 0.78 on a standalone basis and of the RAIN Group is INR 9.61 on a consolidated basis.

The Paid up Share Capital of the Company as on December 31, 2015 is INR 672,691,358 comprising of 336,345,679 Equity Shares of INR 2/- each fully paid-up.

3. OVERALL BUSINESS AND GROWTH STRATEGIES

RAIN's Group-wide strategy is to support process improvement and the development of new, higher- margin products and technologies through research and development initiatives, with a focus on performance, sustainability and utilization of alternative raw materials. RAIN Group intends to maximize efficiencies and minimize costs by combining the purchasing, trading and Research and Development ("R&D") functions across all business segments and executing cost reduction initiatives.

RAIN Group believes that the scale of its vertically integrated organization will provide a platform to continue to develop higher-margin downstream products. The size and excellent logistic networks of its plants allow RAIN Group to realize economies of scale. RAIN Group has integrated its Coal Tar Distillation operations with its downstream operations that efficiently use the products derived from its Primary Distillation process and allow it to generate incremental margins in excess of the margins

that it generates through the sale of its Primary Distillation products. RAIN Group believes it is one of the few global operators to have implemented a fully integrated downstream production process in Coal Tar Distillation. In addition to providing a long-term and reliable source of Coal Tar supply, the Severtar project offers the flexibility to increase the volume of co-products resulting from primary Coal Tar Distillation, which RAIN Group plans to use to increase the production of downstream products.

Certain facilities of RAIN Group are strategically located and have direct or indirect access to overseas distribution channels and to major logistic networks. RAIN Group utilizes fully-leased specialty transportation assets including, One icebreaker (deep sea) with 8,000 MT of capacity and secure year-round access to St. Lawrence, Canada and the Baltic Sea; Two barges with 2,000 MT of capacity each for in-land transportation; and approximately 350 rail cars, with RAIN's own terminals and connection of European sites with regional sourcing pools.

RAIN Group is also focused on expanding its customer base in high growth areas such as Asia and the Middle-East, where it can maximize its capacity utilization and performance and further envisages optimal product mix by shifting to the production of high-margin chemicals.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

RAIN Group has optimal internal control systems and procedures in place with regards to the purchasing of stores and other raw materials including components, plant and machinery equipment, and for sale of goods and other assets.

RAIN Group has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled effectively.

5. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

RAIN Group employs more than 2,500 employees directly and indirectly through its subsidiaries across the world. RAIN Group believes that the quality of these employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

Industrial relations during the year continued to be cordial and the RAIN Group is committed to maintaining good industrial relations through effective communication, meetings and negotiation.

6. STATUTORY COMPLIANCE

The Managing Director makes a declaration at each Board Meeting regarding compliance with provisions of various statutes after obtaining confirmation from all the units of the RAIN Group. The Company Secretary ensures compliance with the SEBI regulations and provisions of the Listing Agreement. The Company Secretary, as the Compliance Officer, ensures compliance with the guidelines on insider trading for prevention of the same.

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

	N. Jagan Mohan Reddy	**N. Sujith Kumar Reddy**
Place: Hyderabad	Managing Director	Director
Date : February 19, 2016	DIN: 00017633	DIN: 00022383

REPORT ON CORPORATE GOVERNANCE

Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:

A. RELATED PARTY DISCLOSURE

Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report all the transactions with related parties are at arms' length and in compliance with transfer pricing regulations and consideration will be paid/received through cheque.

The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly. All Related Party Transactions are entered in to by the Company only after the prior approval of Audit Committee and Board of Directors.

In terms of the Companies Act, 2013 and Listing Agreement entered with the Stock Exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

The policy is placed on the Company's website at: www.rain-industries.com

B. MANAGEMENT DISCUSSION AND ANALYSIS (MDA) REPORT

1. The report on MDA is annexed to the Directors' Report and forms part of this Annual Report.
2. Disclosure of Accounting Treatments:

   The Company has followed the Accounting Standards in preparation of its Financial Statements.

C. CORPORATE GOVERNANCE:

1. Company's Philosophy on Code of Governance

Rain Industries Limited ("RIL"/the "Company") is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

2. Board of Directors :

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at December 31, 2015, the Board of Directors ("Board") comprises of Nine Directors, of which eight are Non-Executive Directors. The Company has a Non-Executive Chairman and five Independent Directors, Independent Directors comprise more than half the total strength of the Board.

a. The composition and category of the Board of Directors is as follows

Sl. No.	Name of the Director	Designation	Category
1	Mr. N. Radhakrishna Reddy	Chairman	Non - Executive Director (Promoter)
2	Mr. N. Jagan Mohan Reddy	Managing Director	Executive Director (Promoter)
3	Mr. N. Sujith Kumar Reddy	Director	Non - Executive Director (Promoter)
4	Mr. S.L. Rao	Director	Independent Director
5	Mr. Dipankar Basu	Director	Independent Director
6	Mr. H.L. Zutshi	Director	Independent Director
7	Mr. G. Krishna Prasad	Director	Independent Director
8	Ms. Radhika Vijay Haribhakti	Director	Independent Director
9	Mr. V. Narayanamurthy	Nominee Director	Non-Executive Director -Nominee of IDBI Bank

b. Attendance of Directors at the meetings

The details of the attendance of the Directors at the Board meetings held during the year ended December 31, 2015 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	Number of Board Meetings		Attendance at AGM Held
	Held	Attended	June 11, 2015
Mr. N. Radhakrishna Reddy	6	5	Yes
Mr. N. Jagan Mohan Reddy	6	6	Yes
Mr. N. Sujith Kumar Reddy	6	4	Yes
Mr. G. Krishna Prasad	6	5	No
Mr. V. Narayanamurthy	6	1	No
Mr. S L Rao	6	5	Yes
Mr. Dipankar Basu	6	4	Yes
Mr. H L Zutshi	6	6	Yes
Ms. Radhika Vijay Haribhakti	6	6	Yes

c. Other Directorships

The number of directorships and memberships in the Committees of Other Companies held by the Directors as on December 31, 2015 are as under:

Name of the Director	No. of Other Directorships*	In Other Companies**	
		Membership	Chairmanship
Mr. N. Radhakrishna Reddy	9	-	-
Mr. N. Jagan Mohan Reddy	7	4	-
Mr. N. Sujith Kumar Reddy	9	-	-
Mr. S.L. Rao	4	1	2
Mr. Dipankar Basu	2	1	3
Mr. H.L. Zutshi	-	-	-
Mr. G. Krishna Prasad	5	2	2
Ms. Radhika Vijay Haribhakti	6	7	1
Mr. V. Narayanamurthy	1	-	-

* Includes directorships in the Companies incorporated under the Companies Act, 1956/2013.

** Includes only Audit, Nomination and Remuneration and Stakeholders Relationship Committee

None of the Directors hold Directorships in more than 20 Companies.

d. Number of Board Meetings

During the year ended December 31, 2015, Six Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed One Hundred and Twenty days.

The dates on which the Board meetings were held are February 27, 2015, May 5, 2015, June 11, 2015, August 14, 2015, November 10, 2015 and December 30, 2015.

e. Disclosure of relationship between directors inter-se

Mr. N. Radhakrishna Reddy, Chairman is the father of Mr. N. Jagan Mohan Reddy, Managing Director and Mr. N. Sujith Kumar Reddy, Director. Other than Mr. N. Radhakrishna Reddy, Chairman, Mr. N. Jagan Mohan Reddy, Managing Director and Mr. N. Sujith Kumar Reddy, Director, none of the Directors are related to any other Director.

f. Shares held by Non-Executive Directors

The number of equity shares of the Company held by Non-Executive Directors, as on December 31, 2015 are as follows:

Name of the Director	No. of Equity Shares (face value Rs. 2 each) held in the Company
Mr. N. Radhakrishna Reddy	10,383,730
Mr. N. Sujith Kumar Reddy	10,028,770
Mr. G. Krishna Prasad	-NIL -
Mr. V. Narayanamurthy	-NIL -
Mr. S. L. Rao	-NIL -
Mr. DipankarBasu	140
Mr. H. L.Zutshi	-NIL -
Ms. Radhika Vijay Haribhakti	-NIL-

g. The details of familiarization programmes imparted to independent directors is given below

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events, Policy on material subsidiaries, Whistle blower policy, Risk Management Policy and Corporate Social Responsibility policy.

The Statutory Auditors and Internal Auditors of the Company have made a presentation to the Board of Directors with regard to provisions of Companies Act, 2013 and Clause 49 of the Corporate Governance of the Listing Agreement Agreement and Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and its impact on the Company. Further Statutory Auditors and Senior Management will make a presentation to the Board of Directors on regulatory changes while approving the Quarterly Financial Results.

The details of familiarization programme is available on the website:http://www.rain-industries.com/Investors.html

Profile of Board of Directors

Brief resume of the Directors, nature of their expertise in specific functional areas and name of Companies in which they hold directorship and the membership of the Committees of the Board are furnished hereunder:

- **Mr. N. Radhakrishna Reddy**

  Mr. N. Radhakrishna Reddy (73 years) is the Chairman of Rain Industries Limited. He has more than 45 years of experience in Construction and Cement Industry. He has been a Director of the Company since 1984. Currently, he is also on the Board of Rain Cements Limited, Renuka Cement Limited, PCL Financial Services Private Limited, Arunachala Holdings Private Limited, PR Cement Holdings Limited, Apeetha Enterprises Private Limited, Lakshmi Sea Foods Limited, Rain Entertainments Private Limited and Pragnya Priya Foundation.

  Mr. N. Radhakrishna Reddy holds 10,383,730 equity shares in the Company.

  Mr. N Radhakrishna Reddy, Chairman is the father of Mr. N. Jagan Mohan Reddy, Managing Director and Mr. N. Sujith Kumar Reddy, Director. Other than the said Directors, he is not related to any other Director.

- **Mr. N. Jagan Mohan Reddy**

  Mr. N. Jagan Mohan Reddy (49 years) has a Bachelor of Science degree in Industrial Engineering from Purdue University, USA. He is the founder of Rain CII Carbon (Vizag) Limited (successor of Rain Calcining Limited) that has commenced operations in 1998. He was instrumental in the acquisition of (i) Rain CII Carbon LLC, USA (formerly CII Carbon LLC) engaged in the business of production and sale of Calcined Petroleum Coke (CPC) and generation of energy and (ii) RÜTGERS N.V., a Belgium-headquartered Coal Tar Pitch ("CTP") and Chemicals producer. He provides strategy and guidance to the Senior Management of Rain Group.

  Mr. Reddy is presently the Managing Director of Rain Industries Limited and CEO of Rain Carbon, Inc., USA. He is also a Member of the Boards of Rain CII Carbon (Vizag) Limited, Rain Cements Limited, Renuka Cement Limited, Sujala Investments Private Limited, Rain Enterprises Private Limited, Rain Entertainments Private Limited, Pragnya Priya Foundation, Moonglow Company Business Inc, Rain Commodities (USA) Inc, Rain CII Carbon LLC, USA, Rain CTP Inc. and Rutgers N.V. He holds 100 equity Shares in the Company.

  He is the member of Audit Committee and Nomination and Remuneration Committee of Rain Cements Limited and Rain CII Carbon (Vizag) Limited.

  Mr. Reddy is the son of Mr. N. Radhakrishna Reddy, Chairman and brother of Mr. N. Sujith Kumar Reddy, Director. Other than the said Directors, he is not related to any other Director of the Company.

- **Mr. N. Sujith Kumar Reddy**

  Mr. N. Sujith Kumar Reddy (44 Years) holds a Bachelor's degree in Commerce. He has more than 24 years of experience in manufacturing and Construction Industry. He is the Managing Director of Rain Cements Limited, which manufactures and sells Cement under the brand name "Priya Cement". He is also Director of Renuka Cement Limited, PCL Financial Services Private Limited, Arunachala Holdings Private Limited, Apeetha Enterprises Private Limited, Nivee Holdings Private Limited, Nivee Property Developers Private Limited, Rain Entertainments Private Limited and PragnyaPriya Foundation.

  Mr. N. Sujith Kumar Reddy holds 10,028,770 equity shares in the Company.

  Mr. N. Sujith Kumar Reddy, Director is son of Mr. N. Radhakrishna Reddy, Chairman and brother of Mr. N. Jagan Mohan Reddy, Managing Director. Other than the said Directors, he is not related to any other Director.

- **Mr. Dipankar Basu**

  Mr. Dipankar Basu (80 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 Asian Paints Ltd and Deepak Fertilizers & Petrochemicals Corp. Ltd. 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 Stakeholders Relationship Committee and Nomination and Remuneration Committee of Deepak Fertilisers& Petrochemicals Corp. Ltd., Chairman of Audit Committee and Member of Nomination and Remuneration Committee of Asian Paints Limited. Mr. Basu received his Master of Arts (Economics) degree from Delhi University.

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

- **Mr. S. L. Rao**

Mr. S. L. Rao (80 Years) is an Economist, Distinguished Fellow, Emeritus at The Energy & Resources Institute (TERI), New Delhi, Board Member, 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 of Competition Commission of India and 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 and "Financial Express". He is a widely read commentator on policy issues in many national and international publications. He has authored or edited 16 books; the last 4 were "Managing India" (Academic Foundation, 2015), "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 Kanoria Chemicals and Industries Ltd, Global Trust Capital Finance Pvt Ltd and Insight Alpha Pvt Ltd. He is Chairman of Nomination and Remuneration Committee of Kanoria Chemicals and Industries Limited.

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

- **Mr. H. L. Zutshi**

Mr. H. L. Zutshi (73 Years) was the Chairman & Managing Director of Hindustan Petroleum Corporation Ltd. (HPCL). HPCL is engaged in petroleum refining, marketing and exploration activities and presently has an annual turnover of USD 32 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 PSUs. 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 Trust, New Delhi and Ishwar Charitable Trust Eye Hospital - ICARE. He is a member of India International Centre, New Delhi.

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

- **Mr. G. Krishna Prasad**

Mr. G. Krishna Prasad (46 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, Rain CII Carbon (Vizag) Limited and Rain Cements Limited. He is the Chairman of Audit Committee and Nomination and Remuneration Committee of Rain Cements Limited and Member of Audit Committee and Nomination and Remuneration Committee of Rain CII Carbon (Vizag) Limited.

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

- **Ms. Radhika Vijay Haribhakti**

Ms. Radhika Haribhakti (58 years) has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch. She has advised several large corporates and led their Equity and Debt offerings in domestic as well as international capital markets. She now heads RH Financial, a boutique Advisory Firm focused on M&A and Private Equity.

She serves as an Independent Director on the Boards of Adani Ports & Special Economic Zone, EIH Associated Hotels Ltd, ICRA Ltd, ICRA Techno Analytics Ltd, Navin Fluorine International Ltd and Vistaar Financial Services Pvt Ltd.

Ms. Haribhakti has also been closely involved with issues of women empowerment, financial inclusion and CSR and has served on Boards of non-profits for over 18 years, including 12 years as Chairperson. She is the former Chair of Friends of Women's World Banking (FWWB) and SwadhaarFinaccess, both non-profits engaged in providing financial solutions to women in economically disadvantaged communities. She has also served on the Governing Council of Citigroup Micro Enterprise Award and CII's National Committee on Women Empowerment.

Ms. Haribhakti is a Graduate in Commerce from Gujarat University and Post Graduate in Management from the Indian Institute of Management (IIM), Ahmedabad.

She is a member of Audit Committee and Chairperson of Nomination & Remuneration Committee and Employee Stock Option Scheme Compensation Committee of ICRA Limited, member of Audit Committee and Nomination and Remuneration Committee of ICRA Techno Analytics Limited, member of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee of Adani Ports and Special Economic Zone Limited and member of Stakeholders' Relationship Committee of Navin Fluorine International Limited.

Ms. Radhika Vijay Haribhakti does not hold any equity shares of the Company and she is not related to any other Director of the Company.

- **Mr. V. Narayanamurthy**

Mr. V. Narayanamurthy (52 years) holds Master's Degrees in Business Economics and Financial Management and is a Certified Associate of the Indian Institute of Banking & Finance. He is the Nominee Director of IDBI Bank Limited. He is working with IDBI Bank Limited as Chief General Manager & Zonal Head, RBG South - II Zone. In a career spanning 26 years in IDBI Bank, he has gained experience in a wide range of functions including corporate banking, project appraisal, corporate planning & policy, corporate strategy & research, strategic investments and corporate communications.

Mr. V. Narayanamurthy is a Nominee Director on the Board of Janalakshmi Financial Services Private Limited.

Mr. V. Narayanamurthy does not hold any equity shares of the Company and he is not related to any other Director of the Company.

3. AUDIT COMMITTEE

a. Brief description of terms of reference:

The terms of reference of the Audit Committee are as under:

i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Qualifications in the draft audit report

v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

viii) Approval or any subsequent modification of transactions of the company with related parties;

ix) Scrutiny of inter-corporate loans and investments;

x) Valuation of undertakings or assets of the company, wherever it is necessary;

xi) Evaluation of internal financial controls and risk management systems;

xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv) Discussion with internal auditors of any significant findings and follow up there on;

xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii) To review the functioning of the Whistle Blower mechanism;

xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

xxi) Monitoring the end use of funds raised through public offers and related matters;

xxii) To review the management discussion and analysis of financial condition and results of operations;

xxiii) To review the statement of significant related party transactions (as defined by the audit committee), submitted by management;

xxiv) To review the management letters / letters of internal control weaknesses issued by the statutory auditors;

xxv) To review the internal audit reports relating to internal control weaknesses;

xxvi) To review the appointment, removal and terms of remuneration of the chief internal auditor.

xxvii) To review the statement of deviations of following:

a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

xxviii) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company; and

xxix) The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

xxx) The auditors of the Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

b. Composition, name of members and Chairperson

- The Audit Committee was constituted by the Board with 4 Independent Directors and 1 Non-executive Director (Nominee Director of IDBI Bank Limited) with Independent Director as its Chairman.

Composition of the Committee is given below:

Name of the Director	Designation
Mr. S L Rao	Chairman
Mr. Dipankar Basu	Member
Mr. H. L. Zutshi	Member
Mr. G. Krishna Prasad[1]	Member
Mr. V. Narayanamurthy	Member
Ms. Radhika Vijay Haribhakti	Member

[1] w.e.f February 28, 2015, Mr. G. Krishna Prasad ceased to be member of Audit Committee.

- The Head of Finance and Accounts, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

c. Audit Committee meetings and Attendance during the Financial year ended December 31, 2015

- Six Audit Committee Meetings were held during the Financial year ended December 31, 2015. The maximum time gap between any of the two meetings was not more than one Hundred and Twenty days.
- The Audit Committee meetings were held on February 26, 2015, May 4, 2015, June 11, 2015, August 13, 2015, November 9, 2015 and December 30, 2015.
- **Attendance at the Audit Committee Meeting:**

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. S L Rao	Chairman	6	5
Mr. Dipankar Basu	Member	6	4
Mr. H L Zutshi	Member	6	6
Mr. V. Narayanamurthy	Member	6	1
Ms. Radhika Vijay Haribhakti	Member	6	5
Mr. G. Krishna Prasad[1]	Member	6	1

[1]w.e.f February 28, 2015, Mr. G. Krishna Prasad is ceased to be member of Audit Committee.

4. Nomination and Remuneration Committee

a. Brief description of terms of reference

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Carry on the evaluation of every director's performance;

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

b. Composition, name of members and Chairperson

The Nomination and Remuneration Committee was constituted by the Board with 4 Independent Directors and 1 Non-Executive Director (Nominee Director of IDBI Bank) with Independent Director as its Chairman.

Composition of the Nomination and Remuneration Committee:

Name of the Director	Designation
Mr. H L Zutshi	Chairman
Mr. Dipankar Basu	Member
Mr. S L Rao	Member
Mr. V. Narayanamurthy	Member
Ms. Radhika Vijay Haribhakti	Member
Mr. G. Krishna Prasad[1]	Member

[1] w.e.f February 28, 2015, Mr. G. Krishna Prasad is ceased to be member of Nomination and Remuneration Committee.

- The Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

c. Nomination and Remuneration Committee meetings

- During the period from January 1, 2015 to December 31, 2015, Nomination and Remuneration Committee Meetings were held on February 27, 2015, November 9, 2015 and December 30, 2015.

Attendance at the Nomination and Remuneration Committee Meetings

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. H L Zutshi	Chairman	3	3
Mr. Dipankar Basu	Member	3	1
Mr. S L Rao	Member	3	2
Mr. V. Narayanamurthy	Member	3	1
Ms. Radhika Vijay Haribhakti	Member	3	3
Mr. G. Krishna Prasad[1]	Member	3	1

[1] w.e.f February 28, 2015, Mr. G. Krishna Prasad is ceased to be member of Nomination and Remuneration Committee.

d. Nomination and Remuneration policy

- The compensation of the executive directors comprises of fixed component and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the executive directors is periodically reviewed and suitable revision is recommended to the Board by the committee.
- The Non-executive directors are paid sitting fees for attending meetings of Board/Committee and also paid commission.

e. Performance evaluation of Directors.

Pursuant to applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors includingManaging Director and Non- Executive Directors and Chairperson of the Board.

Criteria for Performance Evaluation of Independent Directors, Board of Directors, Committees of Board, Individual Directors, Managing Director, Non- Executive Directors and Chairperson of the Board

The criteria covered various aspects for evaluation of Independent Directors such as Participation at the Board / Committee meetings, Commitment (including guidance provided to senior management outside of Board/ Committee meetings), Effective deployment of knowledge and expertise, Effective management of relationship with stakeholders, Integrity and maintaining of confidentiality, Independence of behaviour and judgment, Impact and influence, Exercise of objective independent judgment in the best interest of the Company, Ability to contribute to and monitor corporate governance practice and Adherence to the code of conduct for independent directors, for Evaluation of the Board aspects such as Development of suitable strategies and business plans at appropriate time and its effectiveness, Implementation of robust policies and procedures and Size, structure and expertise of the Board were considered, for Evaluation of the Managing Director aspects such as Achievement of financial/business targets prescribed by the Board, Developing and managing / executing business plans, operational plans, risk management and financial affairs of the organization and Development of policies and strategic plans aligned with the vision and mission of Company and which harmoniously balance the needs of shareholders, clients, employees and other stakeholders were considered,for evaluation of Non-Executive Directors aspects such as Participation at the Board / Committee meetings, Effective deployment of knowledge and expertise;Independence of behaviour and judgment were considered, for evaluation of the Committees aspects such asDischarge of its functions and duties as per its terms of reference, Process and procedures followed for discharging its functions, Effectiveness of suggestions and recommendations received were considered, for evaluation of Chairperson of the Board aspects such as Managing relationship with the members of the Board and management, Providing ease of raising of issues and concerns by the Board members and Promoting constructive debate and effective decision making at the board were considered.

On the basis of performance evaluation done by all the Directors, it was determined whether to continue their term of appointment, whenever the respective term expires. The Directors expressed their satisfaction with the evaluation process.

5. Remuneration of Directors

a. There were no pecuniary transactions with any non-executive director of the Company.

b. Non-Executive Directors are paid Sitting Fee for attending the Board and Committee Meetings and paid Commission

Following are the details of sitting fees and commission paid to the Directors for attending Board and Committee Meetings during the year ended December 31, 2015:

INR Million

Name of the Director	Sitting Fees Amount	Commission Amount	Total Amount Amount
Mr. N. Radhakrishna Reddy	0.45	Nil	0.45
Mr. G. Krishna Prasad	0.51	0.20	0.71
Mr. V. Narayanamurthy1	0.11	0.20	0.31
Mr. S L Rao	0.81	0.55	1.36
Mr. DipankarBasu	0.70	0.55	1.25
Mr. H L Zutshi	1.03	0.55	1.58
Ms. Radhika Vijay Haribhakti	0.97	0.55	1.52

[1] Paid to IDBI Bank Limited

c. **The Remuneration paid to the Whole-time Directors during the year is as follows:** (Amount INR Million)

Name of the Director and Designation	Salary	Benefits	Bonuses	Pension	Commi-ssion	Service contracts	Notice period	Total
Mr. N. Jagan Mohan Reddy, Managing Director	9.60	3.87	-	-	-	Appointed for a period of 5 years*	As per the Rules of the Company	13.47

*Mr. N. Jagan Mohan Reddy was re-appointed for a period of 5 years with effect from November 10, 2015.

There were no severance fees and stock option plan. The appointment of Managing Director is made for a period of five years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings.

6. Stake Holders Relationship, Grievance and Share Transfer Committee

a. Composition

The Committee consists of the following Directors:

Name of the Director	Designation
Mr.N. Radhakrishna Reddy	Chairman
Mr. N. Jagan Mohan Reddy	Member
Mr. N. Sujith Kumar Reddy	Member

b. Name and designation of Compliance Officer:

Mr. S. Venkat Ramana Reddy, Company Secretary

c. Number of Shareholders complaints received so far.

- During the year ended December 31, 2015, the Company has received and resolved 110 complaints.

d. Number of complaints not resolved to the satisfaction of shareholders is Nil.

e. There were no pending complaints as at the year end.

Terms of Reference

Stake Holders Relationship, Grievance and Share Transfer Committee oversees and reviews all matters connected with the securities transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual reports/dividends etc.

The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

Email-id for Investor Grievances: secretarial@rain-industries.com

7. GENERAL BODY MEETINGS:

a. The details of date, location and time of the last three Annual General Meetings held are as under:

Financial year ended December, 31	Date	Time	Venue
2014	June 11, 2015	11.00 AM	KLN Prasad Auditorium, FAPCCI,
2013	May 8, 2014	11.00 AM	Red Hills, Hyderabad-500 004.
2012	April 27, 2013	11.00 AM	

b. Special Resolutions passed during the previous three Annual General Meetings:

i) 40thAnnual General Meeting - June 11, 2015 - No special resolutions were passed.

ii) 39th Annual General Meeting - May 8, 2014 - No special resolutions were passed.

iii) 38th Annual General Meeting - April 27, 2013. Special Resolution passed for the Appointment of Mr. Jagan Mohan Reddy Nellore (Managing Director of the Company) as Chief Executive Officer of CPC Holdings USA LLC., (CPCUSA), a step down wholly owned subsidiary company.

c. Special resolution passed last year through postal ballot

There was no Special Resolution passed through postal ballot during the previous year.

8. MEANS OF COMMUNICATION

a) Quarterly results:

The quarterly results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, in widely circulated newspapers namely Business Standard (English daily) and Andhra Prabha (Telugu daily).

b) Newspapers wherein results normally published:

The results of the Company are published in widely circulated newspapers namely Business Standard (English daily) and Andhra Prabha (Telugu daily).

c) Any website, where displayed

The results of the Company are displayed on the Company's website: www.rain-industries.com

d) Whether it also displays official news releases

Official news releases along with quarterly results are displayed on the Company's website: www.rain-industries.com

e) Presentations made to institutional investors or to the analysts.

The presentations made to the investors/ analysts are placed on the Company's website: www.rain-industries.com

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting : 41st Annual General Meeting

Date : 6th May, 2016

Time : 11:00 a.m.

Venue : KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State.

b) Financial Calendar : January 1, 2016 to December 31, 2016.
Tentative Schedule for considering Financial Results:

For the Quarter ending March 31, 2016	: April / May, 2016
For the Quarter ending June 30, 2016	: July / August, 2016
For the Quarter ending September 30, 2016	: October / November, 2016
For the Quarter/Year ending December 31, 2016	: January / February, 2017

c) Dividend Payment Date : -NIL-

d) Listing on Stock Exchanges : Company's equity shares are listed at:

Name and Address of the Stock Exchange	Scrip Code
BSE Limited, PhirozeJeeJeebhoy Towers, Dalal street, Mumbai-400 001.	500339
National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot # C/1, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	RAIN

The listing fees for the year 2015-16 has been paid to the above stock exchanges.

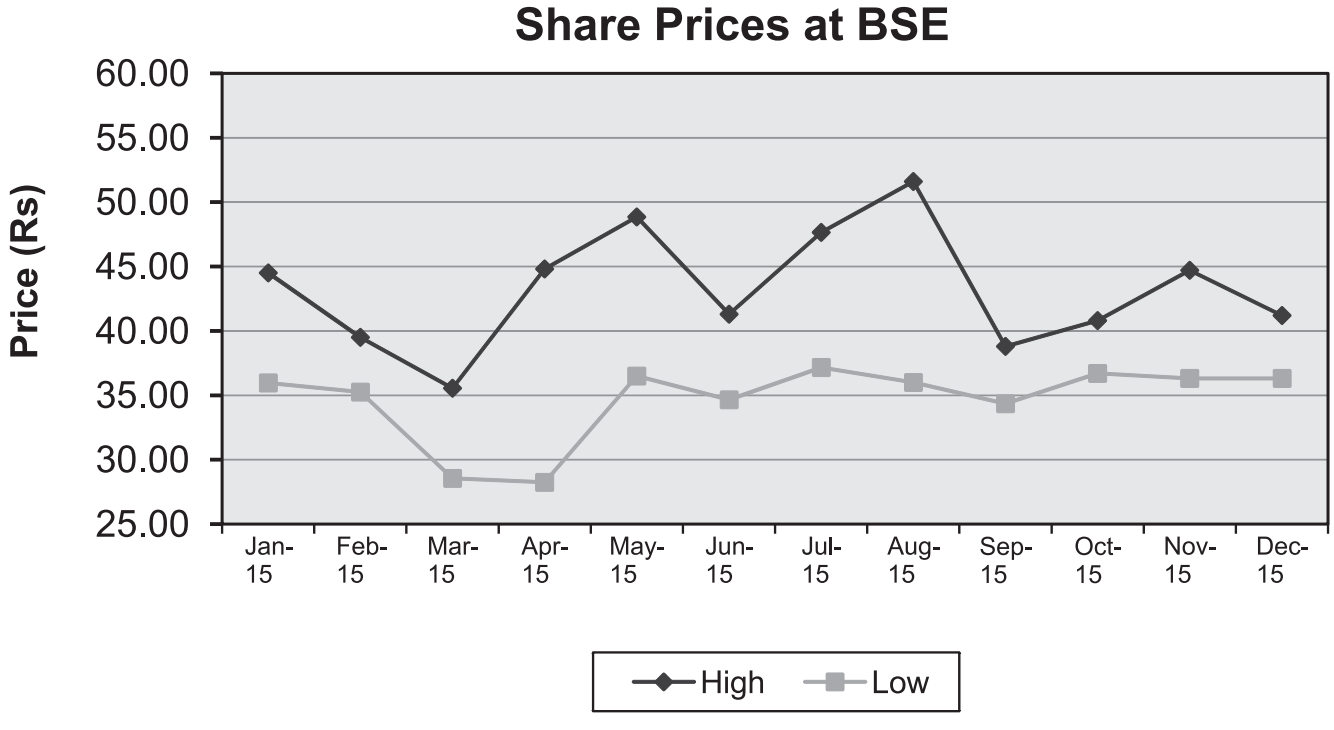
e) Stock Code

Name of the Stock Exchange	Scrip Code
BSE Limited	500339
National Stock Exchange of India Limited	RAIN

f) Market price data - high, low during each month in last financial year

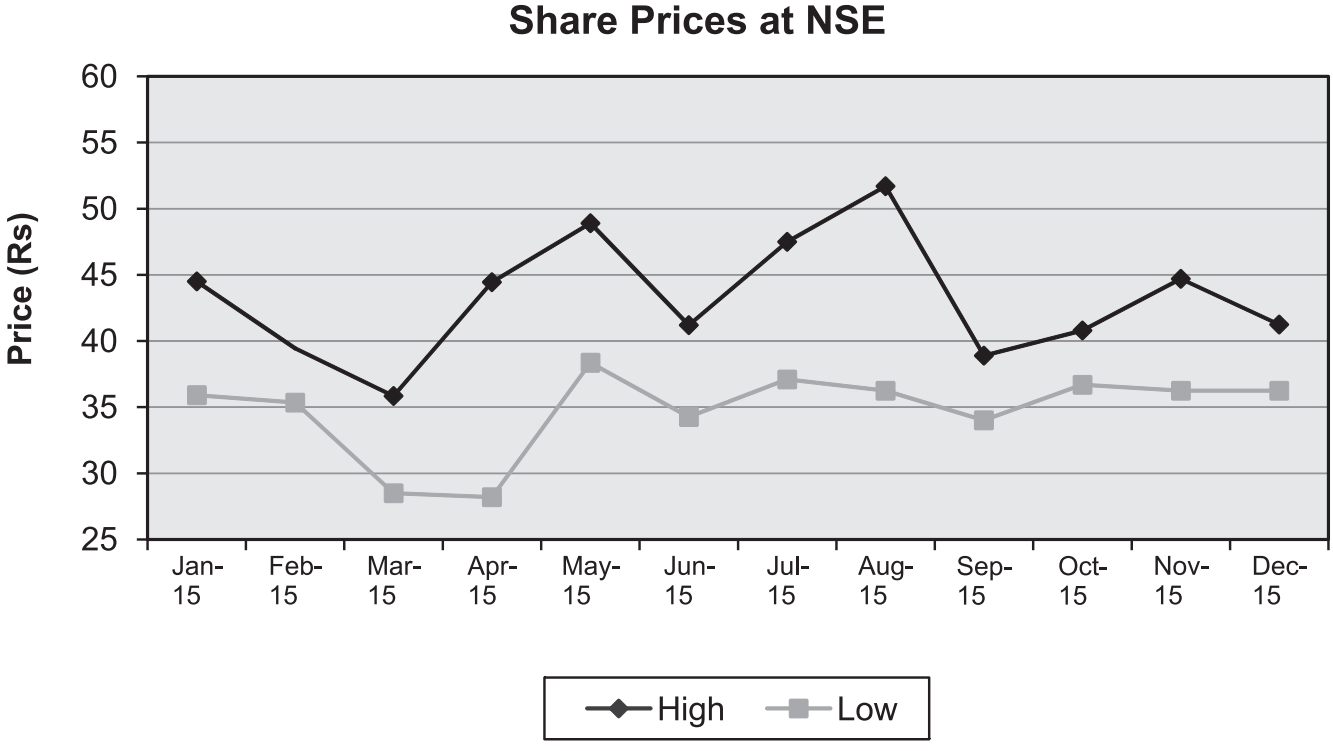
BSE Limited (BSE)

Month	High (Rs.)	Low (Rs.)	No. of Shares traded
January, 2015	44.50	35.95	18,43,985
February, 2015	39.50	35.25	11,55,150
March, 2015	35.55	28.55	13,59,915
April, 2015	44.80	28.25	2,18,01,367
May, 2015	48.85	36.50	87,35,164
June, 2015	41.30	34.65	31,40,275
July, 2015	47.65	37.15	31,15,849
August, 2015	51.60	36.00	54,23,302
September, 2015	38.80	34.35	7,61,234
October, 2015	40.80	36.70	12,37,019
November, 2015	44.70	36.30	31,45,929
December, 2015	41.20	36.30	27,71,765

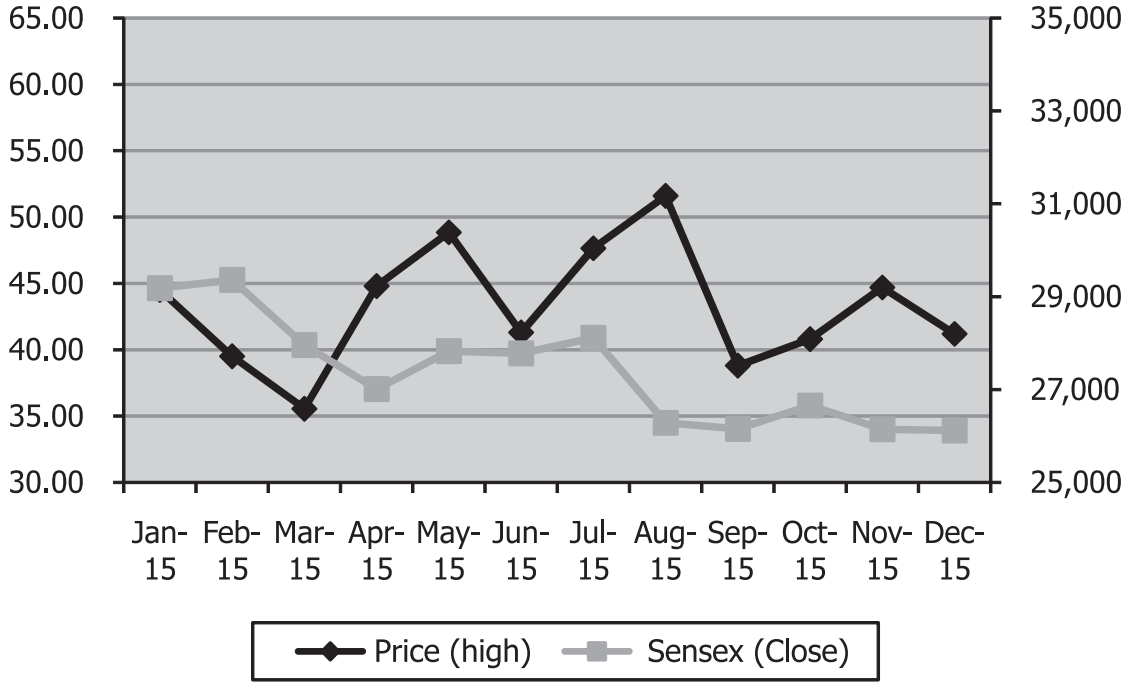


National Stock Exchange of India Limited (NSE)

Month	High (Rs.)	Low (Rs.)	No. of Shares traded
January, 2015	44.50	35.90	57,39,966
February, 2015	39.45	35.35	59,60,701
March, 2015	35.85	28.50	59,46,065
April, 2015	44.45	28.20	4,86,13,653
May, 2015	48.90	38.35	2,13,48,118
June, 2015	41.20	34.25	34,24,609
July, 2015	47.50	37.10	89,16,261
August, 2015	51.70	36.25	1,56,42,173
September, 2015	38.90	34.00	29,81,079
October, 2015	40.80	36.70	38,54,072
November, 2015	44.70	36.25	1,00,00,236
December, 2015	41.25	36.25	1,07,55,487

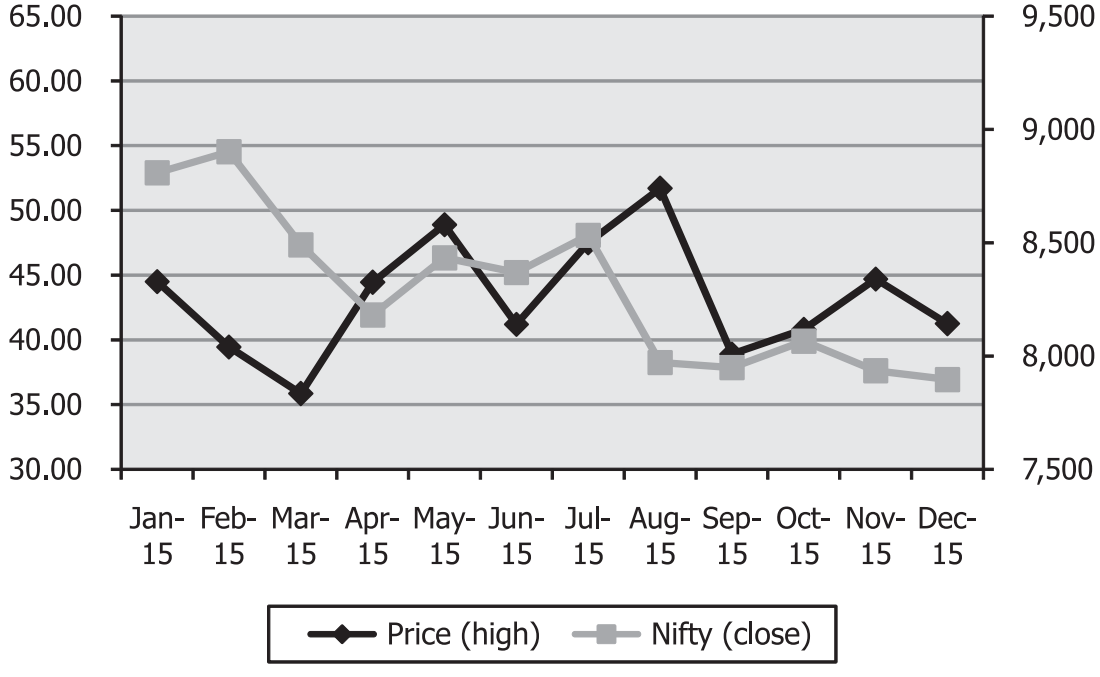


g) **Performance in comparison to broad based indices of BSE Sensex:**



Comparison between the Share price- High and Nifty index close price.

Performance in comparison to broad based indices of Nifty:



Comparison between the Share price- High and Nifty index close price.

h) There was no suspension of trading in Securities of the Company during the year under review.

i) Registrar to an issue & Share Transfer Agents:
(for Shares held in both Physical and Demat mode)

Karvy Computershare Private Limited
(Unit: Rain Industries Limited)
Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
Fax: +91 040 23420814
Phone: +91 040 67161566
e-mail: einward.ris@karvy.com/murthy.psrch@karvy.com

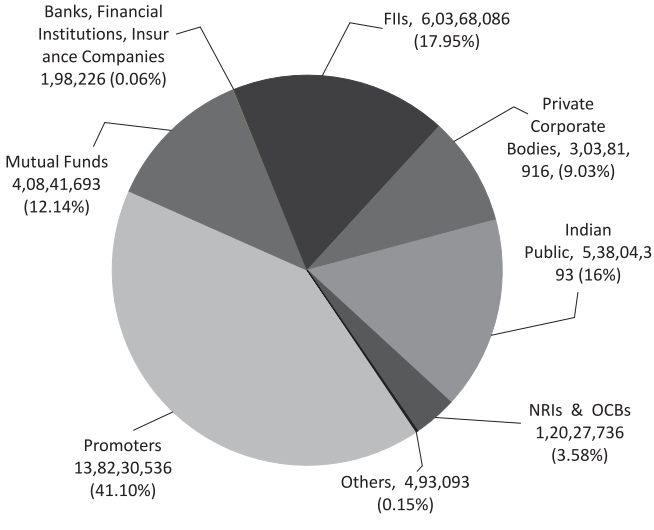
j) Share Transfer System

SEBI vide its Circular No. CIR/MIRSD/8 /2012, dated July 5, 2012 has reduced the time-line for registering the transfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

k) Distribution of Shareholding

Share holding pattern as on December 31, 2015:

Sl. No.	Category	No. of shares held	Percentage of shareholding
1	Promoters	13,82,30,536	41.10
2	Mutual Funds	4,08,41,693	12.14
3	Banks, Financial Institutions, Insurance Companies	1,98,226	0.06
4	FIIs	6,03,68,086	17.95
5	Private Corporate Bodies	3,03,81,916	9.03
6	Indian Public	5,38,04,393	16.00
7	NRIs &OCBs	1,20,27,736	3.58
8	Others	4,93,093	0.15
	TOTAL	**33,63,45,679**	**100.00**



Distribution of Shareholding as on December 31, 2015

Shares or Debenture Holding of nominal value of	Share/Debenture Holder		Shares	Share/Debenture Holder	
	Number	% to Total Nos		In Rs.	% to Total Amount
1 - 5000	38435	92.43	2,05,16,985	4,10,33,970	6.10
5001 - 10000	1581	3.80	59,80,011	1,19,60,022	1.78
10001 - 20000	702	1.69	52,53,777	1,05,07,554	1.56
20001 - 30000	257	0.62	32,52,377	65,04,754	0.97
30001 - 40000	107	0.26	19,24,614	38,49,228	0.57
40001 - 50000	108	0.26	24,96,722	49,93,444	0.74
50001 - 100000	163	0.39	57,23,960	1,14,47,920	1.70
100001 and above	230	0.55	29,11,97,233	58,23,94,466	86.58
TOTAL	**41583**	**100.00**	**33,63,45,679**	**67,26,91,358**	**100.00**

l) Dematerialization of Shares and liquidity

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

32,64,65,759 equity shares were dematerialised representing 97.07 % of the total paid up equity share capital of the Company as on December 31, 2015.

ISIN: INE855B01025

m) There are no outstanding Global Depository Receipts/American Depository Receipts or Warrants or any convertible instruments as on the date of December 31, 2015.

n) Commodity Price Risk or Foreign Exchange risk and hedging activities:

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

o) The Company do not have any plants.

p) Address for correspondence:

Company Secretary

Rain Industries Limited

Regd. Off: "Rain Center", 34, Srinagar Colony,

Hyderabad - 500 073, Telangana State, India.

Phone No.040-40401234, 040-40401259, Fax No. 040-40401214.

CIN: L26942TG1974PLC001693

E-mail: secretarial@rain-industries.com (for investor grievance)

Website: www.rain-industries.com

10. OTHER DISCLOSURES

a) During the year ended December 31, 2015, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Note 30 to the Annual Accounts.

b) Details of non-compliance etc.,

A Statement of Compliance with all Laws and Regulations as certified by the Managing Director and Company Secretary is placed at periodic intervals for review by the Board.

There were no instances of non-compliance, penalty or strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

No penalty has been imposed by any Stock Exchange, SEBI or any other regulatory authority nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital markets over the last three years.

c) Details of establishment of Vigil Mechanism (Whistle Blower policy)

The Board of Directors of the Company had adopted the Whistle Blower Policy and appointed an ombudsman. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

The Audit Committee reviews periodically the functioning of whistle blower mechanism.

No personnel has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company:http://www.rain-industries.com/Investors.html

The ombudsman had not received any complaint during the Financial Year ended 31st December, 2015.

d) The policy for determining 'material' subsidiaries is available on the website of the Company http://www.rain-industries.com/Investors.html

e) The policy on dealing with related party transactions is available on the website of the Company: http://www.rain-industries.com/Investors.html

11. The Company Complied with the requirements of the Schedule V Corporate Governance report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With regard to discretionary requirements, the Company has adopted clauses relating to the following:

Appointment of Non-Executive Chairperson, Separate persons were appointed for the post of Chairman and Managing Director and Internal Auditors reports directly to the Audit Committee.

13. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) ofsub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

14. Risk Management

The Company has constituted Risk Management Committee and Risk Management Policy which has been adopted by the Board of Directors. Currently, the Company's risk management approach comprises of the following:

- Governance of Risk
- Identification of Risk
- Assessment and control of Risk

The risks have been prioritized through a company-wide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company had appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

The details of Risks identified and mitigation measures undertaken are presented to the Board of Directors and the Audit Committee on a quarterly basis. The Board and the Audit Committee provides oversight and review the risk management policy periodically.

A detailed note on the risks is included in the Management Discussion and Analysis annexed to the Directors' Report.

15. Subsidiary Companies

The Company has two material unlisted subsidiaries in India. An independent director of the Company is also director on the Board of these subsidiaries. The Audit Committee of the Company reviews the financial statements of the subsidiaries and the minutes of the Board meetings of these subsidiaries are also periodically placed at the Board meeting of the Company.

16. Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and Senior Management Personnel and all employees of the Company. An affirmation of compliance with the code is received from them on an annual basis.

17. CEO and CFO Certification

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

18. Disclosure with respect to Demat suspense account/ unclaimed suspense account

Unclaimed Equity shares are held in Rain Industries Limited suspense account maintained with Karvy Stock Broking Limited, Banjara Hills, Hyderabad-500034 vide Client ID: 19074218 and DP ID:IN300394:

In accordance with the requirement of Clause F of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account:

S No	Particulars	Number of shareholders	Number of equity shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	3,318	29,89,220
2	No. of shareholders who approached the Company for transfer of shares from Unclaimed Suspense account during the year.	19	14,960
3	No. of shareholders to whom shares were transferred from the Unclaimed Suspense account during the year.	19	14,960
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year i.e,. December 31, 2015.	3,299	29,74,260

The voting rights on the shares outstanding in the suspense account as on December 31, 2015 shall remain frozen till the rightful owner of such shares claims the shares.

19. Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended December 31, 2015, there were no proceeds from public issues, rights issues, preferential issues, etc.

20. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company http://www.rain-industries.com/Investors.html

21. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: http://www.rain-industries.com/Investors.html

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

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Place: Hyderabad
Date : February 19, 2016

DECLARATION

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended December 31, 2015.

for **Rain Industries Limited**

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

Place: Hyderabad
Date : February 19, 2016

CEO AND CFO CERTIFICATE

We hereby certify that :

a) we have reviewed financial statements and the cash flow statement for the Financial Year ended 31st December, 2015 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that there are no:

   i) significant changes in internal control over financial reporting during the year;

   ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and

   iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

for **Rain Industries Limited**

	N. Jagan Mohan Reddy	**T. Srinivasa Rao**
Place: Hyderabad	Managing Director	Chief Financial Officer
Date : February 19, 2016	DIN: 00017633	M.No. F29080

Auditors' certificate on compliance with the conditions of Corporate Governance under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of Rain Industries Limited

We have examined the compliance of conditions of corporate governance by Rain Industries Limited ('the Company') for the year ended December 31, 2015, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sriram Mahalingam
Partner
Membership Number: 049642

Place : Hyderabad
Date : February 19, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of
Rain Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Rain Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 December 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (collecticvely referred as "financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made thereunder, to the extent applicable.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and other pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) on the basis of written representations received from the directors as on 31 December 2015, and taken on record by the Board of Directors, none of the director is disqualified as on 31 December 2015, from being appointed as a director in terms of Section 164 (2) of the Act.

f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements as at 31 December 2015 - Refer note 24 to the Financial Statements;

(ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sriram Mahalingam
Partner
Membership Number: 049642

Hyderabad
19 February 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our report of even date to the Members of Rain Industries Limited ("the Company") on the financial statements for the year ended 31 December 2015. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified once in two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme all the fixed assets were verified during the year and no material discrepancies were observed on such verification.

(ii) As explained to us, the Company's activities primarily include service revenue and trading in inventory of petroleum coke products. The sales made to its customers are on a high sea sale basis. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

(iii) The Company has granted unsecured loan to one subsidiary company covered in the register maintained under section 189 of the Companies Act 2013 ("Act"). The Company has not granted loans to firms or other parties covered in the register maintained under Section 189 of the Act.

a. In case of the loans granted to the Company listed in the register maintained under section 189 of the Act, the borrower has been regular in repaying the principal amounts as stipulated and in the payment of the interest.

b. There are no overdue amounts of more than rupees one lakh in respect of loans granted to the Company covered in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold and services rendered are for the specialised requirement of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weaknesses in the internal control system during the course of our audit.

(v) The Company has not accepted any deposits from the public within the meaning of Section 73, 74 and 76 of the Act and the rules framed there under to the extent notified.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Service tax, Value added tax, Wealth tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' state insurance, Sales tax, Duty of Customs and Duty of Excise.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident fund, Income tax, Wealth tax, Cess, Value added tax, Service tax and other material statutory dues that were in arrears as at 31 December 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Sales tax, Value added tax, Wealth tax, Service tax and Cess, which have not been deposited with appropriate authorities on account of any disputes. However, the Company disputes the following Income tax dues:

Name of the Statute	***Nature of the Dues***	***Amount in Millions (Rs.)***	***Period to which the amount relates***	***Forum where dispute is pending***
Income Tax Act, 1961	*Income Tax and interest*	*91.24 (91.24)**	*AY 2004-05*	*Honorable High Court of Andhra Pradesh*
Income Tax Act, 1961	*Income Tax and interest*	*158.77 (12.81)**	*AY 2008-09*	*Income Tax Appellate Tribunal*
Income Tax Act, 1961	*Income Tax and interest*	*167.76 (94.90)**	*AY 2009-10*	*Income Tax Appellate Tribunal*
Income Tax Act, 1961	*Income Tax and interest*	*200.44 (10.00)**	*AY 2010-11*	*Income Tax Appellate Tribunal*
Income Tax Act, 1961	*Income Tax and interest*	*57.74*	*AY 2011-12*	*Deputy Commissioner of Income Tax*

(Amount in parenthesis represents payment under protest)

As explained to us, the Company did not have any dues on account of Duty of Excise and Duty of Customs.

(c) According to the information and explanation given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder has been transferred to such fund within time.

(viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to its bankers and financial institutions. The Company did not have any outstanding debentures during the year.

(x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xi) According to the information and explanations given to us, and on overall examination of the balance sheet, the term loans taken by the Company have been applied for the purpose for which they were raised.

(xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Sriram Mahalingam
Partner
Membership Number: 049642

Hyderabad
19 February 2016

BALANCE SHEET AS AT DECEMBER 31, 2015

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	Note	As at December 31, 2015		As at December 31, 2014	
A. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share capital	3	**672.69**		672.69	
(b) Reserves and surplus	4	**2,445.10**		2,522.22	
			3,117.79		3,194.91
2. Non-current liabilities					
(a) Long-term borrowings	5	**2,653.20**		2,178.55	
(b) Deferred tax liabilities (net)	6	**-**		-	
(c) Long-term provisions	7	**3.22**		2.46	
			2,656.42		2,181.01
3. Current liabilities					
(a) Trade payables	8				
A) total outstanding dues to micro and small enterprises		**-**		-	
B) total outstanding dues to other than micro and small enterprises		**2.34**		2.02	
(b) Other current liabilities	9	**685.99**		647.57	
(c) Short-term provisions	10	**27.87**		112.69	
			716.20		762.28
TOTAL			**6,490.41**		6,138.20
B. ASSETS					
1. Non-current assets					
(a) Fixed assets	11		**88.11**		104.07
(b) Non-current investments	12	**3,048.35**		3,035.95	
(c) Long-term loans and advances	13	**2,895.55**	**5,943.90**	1,872.54	4,908.49
2. Current assets					
(a) Trade receivables	14	**5.81**		13.21	
(b) Cash and bank balances	15	**126.02**		282.00	
(c) Short-term loans and advances	16	**321.33**		799.11	
(d) Other current assets	17	**5.24**		31.32	
			458.40		1,125.64
TOTAL			**6,490.41**		6,138.20
Corporate Information	1				
Significant Accounting Policies	2				

The notes referred to above form an integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Sriram Mahalingam
Partner
Membership number: 049642

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

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

Place: Hyderabad
Date : February 19, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2015

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

		Note	For the year ended December 31, 2015	For the year ended December 31, 2014
1.	**Revenue**			
	Revenue from operations	18	**862.08**	77.34
	Other income	19	**561.02**	611.83
	Total revenue		**1,423.10**	689.17
2.	**Expenses**			
	Purchases of stock-in-trade		**767.88**	-
	Employee benefits expense	20	**67.83**	57.25
	Finance costs	21	**235.43**	221.56
	Depreciation expense	11	**15.71**	5.16
	Other expenses	22	**70.42**	65.23
	Total expenses		**1,157.27**	349.20
3.	**Profit before tax (1-2)**		**265.83**	339.97
4.	**Tax expense**	23	**4.96**	94.18
5.	**Profit for the year (3-4)**		**260.87**	245.79
	Earnings per share (Face Value of Rs. 2/- each)	26		
	Basic and diluted (Rs.)		**0.78**	0.73
	Corporate Information	1		
	Significant Accounting Policies	2		

The notes referred to above form an integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

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Partner
Membership number: 049642

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

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

Place: Hyderabad
Date : February 19, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

		For the year ended December 31, 2015		For the year ended December 31, 2014
A. Cash flow from operating activities				
Profit before taxation		**265.83**		339.97
Adjustments for :				
Depreciation and amortisation expense	**15.71**		5.16	
Interest income	**(126.94)**		(177.58)	
Interest and other borrowing costs	**112.55**		137.98	
Dividend income	**(336.80)**		(369.21)	
Loss/(gain) on retirement of fixed assets	**-**		0.08	
Foreign exchange (gain)/loss, net	**25.37**		18.63	
		(310.11)		(384.94)
Operating loss before working capital changes		**(44.28)**		(44.97)
Adjustments for :				
Trade receivables	**7.32**		45.01	
Loans and advances and other assets	**(0.98)**		(2.27)	
Trade payables, other current liabilities and provisions	**5.61**		(1.88)	
		11.95		40.86
Cash generated from/(used in) operations		**(32.33)**		(4.11)
Income taxes paid, net		**(127.70)**		(109.54)
Net cash flow used in operating activities		**(160.03)**		(113.65)
B. Cash flow from investing activities				
Purchase of fixed assets, including capital advances		**(1.39)**		(2.90)
Proceeds from sale of fixed assets		**-**		0.08
Bank deposits and other bank balances		**(0.63)**		1.68
Purchase of long term investments		**(12.40)**		-
Loan given to subsidiary companies		**(1,314.05)**		(1,210.51)
Loans repaid by subsidiaries during the year		**904.06**		636.60
Interest received		**153.72**		159.74
Dividends received		**336.80**		369.21
Net cash flow from/(used in) investing activities		**66.11**		(46.10)

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015 (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2015	For the year ended December 31, 2014
C. Cash flow from financing activities		
Proceeds from borrowings	**1,314.00**	1,210.51
Repayment of long-term borrowings	**(933.44)**	(786.27)
Repayment of short term borrowings (net)	**-**	-
Interest and other borrowing costs paid	**(106.90)**	(137.98)
Dividend paid	**(336.35)**	(336.35)
Net cash flow used in financing activities	**(62.69)**	(50.09)
Net decrease in cash and cash equivalents (A+B+C)	**(156.61)**	(209.84)
Cash and cash equivalents - Opening balance	**246.07**	455.91
Cash and Cash equivalents - Closing Balance	**89.46**	246.07

Notes:

	As at December 31, 2015	As at December 31, 2014
a) Cash and Cash equivalents - Closing Balance	**89.46**	246.07
Add: Other bank balances	**36.56**	35.93
Cash and bank balances - Closing Balance (Refer note 15)	**126.02**	282.00

b) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Sriram Mahalingam
Partner
Membership number: 049642

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

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

Place: Hyderabad
Date : February 19, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Corporate Information

Rain Industries Limited ('the Company') was incorporated on March 15, 1974 under the Companies Act, 1956. The Company is currently engaged in the business of trading in Carbon Products. The Company's equity shares are Listed at BSE Limited and National Stock Exchange of India Limited in India.

The Company's name was changed to Rain Industries Limited from Rain Commodities Limited, pursuant to the approval received from the Registrar of Companies, Hyderabad on July 8, 2013.

Note 2: Significant Accounting Policies

(a) Basis of accounting and preparation of financial statements

The financial statements have been prepared in accordance with accounting principles generally accepted in India (Indian GAAP). Indian GAAP comprises Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI) (Collectively) referred to as "IGAAP"). The financial statements are presented in Indian Rupees Millions.

(b) Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made.

(c) Current and non-current classification

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle.

Assets

An asset is classified as current when it satisfies any of the following criteria:

i. It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

ii. It is held primarily for the purpose of being traded;

iii. It is expected to be realised within 12 months after the reporting date; or

iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i. It is expected to be settled in the Company's normal operating cycle;

ii. It is held primarily for the purpose of being traded;

iii. It is due to be settled within 12 months after the reporting date; or

iv. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's operating cycle is within a period of 12 months.

(d) Inventories

Traded goods are valued at lower of weighted average cost and net realisable value. Goods in transit are valued at cost or below.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(e) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

Cash and cash equivalents for the purpose of cash flow comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

(f) Revenue Recognition

Sales are recognised on dispatch of goods and upon transfer of property in the goods to customers. Sales are inclusive of excise duty, as applicable.

Income from shared services (services provided to Group companies) is recognised by the Company on accrual basis. Income in excess of billings is disclosed under Other current assets as unbilled revenues.

(g) Other Income

Interest income is recognised using the time proportion method, based on the transactional interest rates.

Dividend income is recognised when the Company's right to receive dividend is established.

(h) Fixed Assets, Depreciation, Impairment

Fixed Assets are stated at cost/professional valuation less accumulated depreciation. Cost includes freight, installation cost, duties and taxes, interest on specific borrowings utilised for financing the qualifying fixed assets and other incidental expenses.

Effective from January 01, 2015, the Company has charged Depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Depreciation on fixed assets is provided using the straight-line method based on the useful life of the assets as prescribed by Schedule II to the Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Individual assets costing rupees five thousand or below are fully depreciated in the year of acquisition and put to use.

All fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets is charged to the Statement of Profit and Loss in the respective financial years. The impairment loss recognised in prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

(i) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain/ loss upon such restatement along with the gain/ loss on account of foreign currency transactions are accounted in the Statement of Profit and Loss. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised in the Statement of Profit and Loss.

(j) Investment

Long term investments are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments. Current investments are carried at the lower of cost and fair value.

(k) Employee Benefits

Defined Contribution Plans

Contributions paid/payable under defined contribution plans are recognised in the Statement of Profit and Loss each year. Contribution plans comprises of Superannuation fund covered under a scheme administered and managed by ICICI Prudential Life Insurance Company Limited, and Provident Fund is administered and managed by the Government of India. The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

Defined Benefit Plans

The Company has a defined benefit Gratuity plan covering all its employees. Gratuity is covered under a scheme administered by Life Insurance Corporation of India (LIC). The liability as at the balance sheet date is provided based on an actuarial valuation carried out by an independent actuary, in accordance with Accounting Standard 15 on 'Employee Benefits' (AS 15).

All actuarial gains and losses arising during the year are recognised in the Statement of Profit and Loss of the year.

Other Long-term Employee Benefits

Other long term employee benefits comprise compensated absences which is provided based on an actuarial valuation carried out in accordance with AS-15 at the end of the year.

Short-term Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

(l) Borrowing Costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

(m) Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges are reflected as finance lease obligations.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

(n) Earnings Per Share

The earnings considered in ascertaining the company's Earnings Per Share (EPS) comprise net profit after tax (and includes the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

(o) Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

(p) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015		As at December 31, 2014	
	Number of Shares	**Amount**	Number of Shares	Amount
Note 3: Share capital				
Authorized:				
Equity Shares of Rs. 2 each	**590,000,000**	**1,180.00**	590,000,000	1,180.00
Redeemable preference shares of Rs. 100 each	**4,900,000**	**490.00**	4,900,000	490.00
TOTAL	**594,900,000**	**1,670.00**	594,900,000	1,670.00
Issued, subscribed and paid up				
Equity Shares of Rs. 2 each	**336,345,679**	**672.69**	336,345,679	672.69
TOTAL	**336,345,679**	**672.69**	336,345,679	672.69

Notes:

(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year

Particulars	**For the year ended December 31, 2015**		For the year ended December 31, 2014	
	Number of Shares	**Amount**	Number of Shares	Amount
As at beginning of the year	**336,345,679**	**672.69**	336,345,679	672.69
As at end of the year	**336,345,679**	**672.69**	336,345,679	672.69

(ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a par value of Rs. 2 each per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

During the year ended December 31, 2015, the amount of per share dividend recognised as distribution to equity shareholders was Rs. 1.00 (year ended December 31, 2014: Rs. 1.00)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(iii) Shareholders holding more than 5% of the equity shares

Name of the Shareholder	As at December 31, 2015		As at December 31, 2014	
	Number of Shares	**%**	Number of Shares	%
Sujala Investments Private Limited	**37,766,675**	**11.23**	37,766,675	11.23
ICICI Prudential (including all managed funds)	**20,895,550**	**6.21**	27,174,440	8.08
Reliance Capital Trustee Co. Ltd (including all managed funds)	**19,914,985**	**5.92**	28,559,914	8.49
Rain Enterprises Private Limited	**25,316,465**	**7.53**	25,316,465	7.53
Pabrai Investment Fund 3, Ltd	**17,469,468**	**5.19**	-	-
N. Anupama Reddy	**27,152,351**	**8.07**	125,410	0.04
Meghamala Enterprises Private Limited	**17,403,610**	**5.17**	17,404,110	5.17
Anantha A L Reddy	**-**	**-**	17,673,225	5.25

(iv) There are no shares issued pursuant to contract without payment being received in cash during the period of five years immediately preceding the reporting date.

(v) Equity shares bought back during the last five years:

	As at December 31, 2015	As at December 31, 2014
	Number of Shares	Number of Shares
Aggregate number of shares [Refer Notes (a) to (c) below]	**17,827,216**	17,827,216

Note:

(a) 10,000,000 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from November 14, 2011 to March 29, 2012.

(b) 2,471,293 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from October 22, 2012 to December 31, 2012.

(c) 5,355,923 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from January 1, 2013 to March 31, 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 4: Reserves and surplus		
(a) Capital reserve	**417.73**	417.73
(b) Capital redemption reserve	**47.66**	47.66
(c) Securities premium account	**516.67**	516.67
(d) General reserve		
Opening balance	**616.17**	616.17
Add: Transferred from surplus in Statement of Profit and Loss	**26.09**	-
Closing balance	**642.26**	616.17
(e) Surplus in Statement of Profit and Loss		
Opening balance	**923.99**	1,014.55
Add: Profit for the year	**260.87**	245.79
Less: Interim dividend (Refer note 3(ii))	**336.35**	336.35
Depreciation as per Transitional provisions of Companies Act, 2013	**1.64**	-
Transfer to general reserve	**26.09**	-
Transfer to capital redemption reserve	**-**	-
Closing balance	**820.78**	923.99
TOTAL	**2,445.10**	2,522.22

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 5: Long-term borrowings		
Term Loans		
From Banks		
- Secured (Refer Note (i) below)	**3,289.97**	2,786.52
Less: Current portion of Long-term borrowings (disclosed under note 9 - Other current liabilities)	**636.77**	607.97
TOTAL	**2,653.20**	2,178.55

Notes:

(i) Term loan with the original amount of US$ 40 Million borrowed from IDBI Bank Limited, Dubai branch is secured by a pari passu:

(a) First charge on all immovable and movable properties present and future of the Company and Rain Cements Limited, a wholly owned subsidiary; and

(b) Second charge on all current assets of the Company and Rain Cements Limited, a wholly owned subsidiary Company.

(ii) Term loan of US$ 20 Million borrowed from IDBI Bank Limited, Dubai branch, in the previous financial year is secured by a pari passu first charge on all immovable and movable properties present and future of Rain Cements Limited, a wholly owned subsidiary Company.

(iii) Term loan of US$ 20 Million borrowed from Citibank, NA Nassau, Bahamas branch, in the current financial year is secured by:

(a) Pari passu first charge on movable assets of the Company including current assets of the Company.

(b) First Ranking exclusive charge and Hypothecation over designated account No.0037315052 maintained with Citibank

(c) First ranking exclusive pledge on 10,00,000 equity shares held by the Company in Rain CII Carbon (Vizag) Limited, a wholly owned step-down subsidiary Company.

(iv) Term loan with the original amount of US$ 40 Million, carries interest of 3 months Libor plus 400 basis points, Term loan from IDBI Bank Dubai branch of US$ 20 Million carries interest of 6 months Libor plus 350 basis points and Term loan from Citibank of US$ 20 Million carries interest of 3 months Libor plus 235 basis points.

(v) The term loans availed by the Company have been utilised for the purpose of investment in its wholly owned subsidiary company which is engaged in the business of Calcined Petroleum Coke, in accordance with the sanctioned terms.

(vi) The scheduled maturity of Long-term borrowings and total number of installments are summarised as below:

Borrowings Repayable	Number of instalments remaining	As at December 31, 2015
Outstanding Term Loans from Banks		
IDBI Bank Limited - US$ 9.6 Million*	1	**636.77**
IDBI Bank Limited - US$ 20.0 Million**	1	**1,326.60**
Citibank - US$ 20.0 Million***	1	**1,326.60**
Total		**3,289.97**

* Of the original amount of US$ 40 Million borrowed, 24% of original amount on April 1, 2016.

** US$ 20 Million is a bullet repayment on April 28, 2017.

*** US$ 20 Million is a bullet repayment on October 31, 2018.

(vii) The aggregate amount of loans (including current maturities of long-term borrowings) guaranteed by others is Rs. 3,289.97 (December 31, 2014 : Rs. 2,786.52)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 6: Deferred tax liabilities (net)		
A. Deferred tax liabilities		
- on account of depreciation	**12.59**	11.12
	12.59	11.12
B. Deferred tax assets		
- on account of employee benefits	**1.35**	0.90
- on account of carry forward losses	**11.24**	10.22
	12.59	11.12
Deferred tax liabilities [A-B]	**-**	-
Note 7: Long-term provisions		
Provision for employee benefits		
- Compensated absences (Refer note 28(c))	**2.24**	1.75
- Gratuity (Refer note 28(b))	**0.98**	0.71
TOTAL	**3.22**	2.46
Note 8: Trade payables		
Trade payables - other than Micro and Small enterprises	**2.34**	2.02
TOTAL	**2.34**	2.02
Disclosures under the Micro, Small and Medium Enterprises Act 2006		
(a) the principal amount and the interest due thereon remaining unpaid to any supplier.	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 9: Other current liabilities		
Current maturities of long-term borrowings (Refer note 5 (i) and 5(iv))	**636.77**	607.97
Interest accrued but not due on borrowings	**5.64**	-
Interest accrued and due on borrowings	**-**	-
Unclaimed dividends	**36.57**	35.93
Other payables		
- Statutory remittances	**2.05**	1.61
- Others	**4.96**	2.06
TOTAL	**685.99**	647.57
Note 10: Short-Term Provisions		
Provision for employee benefits		
- Compensated absences	**0.74**	0.19
Provision - others		
- Provision for tax [net of advance tax Rs. 330.66 (December 31, 2014 Rs. 286.65)]	**27.13**	112.50
TOTAL	**27.87**	112.69

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 11: Fixed Assets

Description	Gross block (At Cost / Professional Valuation)				Depreciation					Net Block	
	As at January 1, 2015	Additions during the period	Deletions during the period	**As at December 31, 2015**	As at January 1, 2015	For the year	Transfer to retained earnings (Refer note 32)	Deletion	**As at December 31, 2015**	**As at December 31, 2015**	As at December 31, 2014
Buildings	82.77	-	-	**82.77**	12.54	1.35	-	-	**13.89**	**68.88**	70.23
Furniture and fixtures	45.19	-	-	**45.19**	24.06	9.40	1.51	-	**34.97**	**10.22**	21.13
Office equipments	17.34	1.39	0.05	**18.68**	5.80	4.84	0.13	0.05	**10.72**	**7.96**	11.54
Vehicles	1.25	-	-	**1.25**	0.08	0.12	-	-	**0.20**	**1.05**	1.17
TOTAL	**146.55**	**1.39**	**0.05**	**147.89**	**42.48**	**15.71**	**1.64**	**0.05**	**59.78**	**88.11**	**104.07**
Year ended December 31, 2014	143.89	2.90	0.24	146.55	37.39	5.16	-	0.07	42.48	104.07	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 12: Non-current investments		
Investment in subsidiaries		
(a) Rain Cements Limited	**2,128.10**	2,128.10
29,805,000 (December 31, 2014 : 29,805,000) Equity Shares of Rs. 10 each fully paid up		
(b) Rain Commodities (USA) Inc.		
20 (December 31, 2014 : 20) Common Stock at par value of US$ 0.01 per share fully paid up	**4.45**	4.45
20,000,000 (December 31, 2014 : 20,000,000) Class B Redeemable Common Stock at par value of US$ 1 per share fully paid up	**902.80**	902.80
(c) Rain Coke Limited	**-**	0.60
Nil (December 31, 2014 : 60,000) Equity Shares of Rs. 10 each fully paid up		
(d) Rain CII Carbon (Vizag) Limited	**13.00**	-
1,000,000 (December 31, 2014 : Nil) Equity Shares of Rs. 10 each fully paid up		
TOTAL	**3,048.35**	3,035.95
Note 13: Long-term loans and advances		
(a) Loans and advances to related parties		
Unsecured, considered good		
- Rain Commodities (USA) Inc. (refer note below)	**2,971.58**	2,127.89
- Rain Cements Limited	**-**	336.83
	2,971.58	2,464.72
Less: Current portion of long term loans and advances:		
- Rain Commodities (USA) Inc.	**318.38**	557.30
- Rain Cements Limited	**-**	240.00
	2,653.20	1,667.42
(b) Advance income tax [net of provision for tax Rs. 904.44 (December 31, 2014 Rs. 867.64)]	**241.80**	204.42
(c) Security deposits	**0.55**	0.70
TOTAL	**2,895.55**	1,872.54

Note:

A) The term loan of US$ 20 Million (original amount) carries interest of 3 months Libor plus 425 basis points and balance as on December 31, 2015 is repayable by Rain Commodities (USA) Inc. as below:

(a) 24% of the original amount on March 30, 2016

B) The term loan of US$ 20 Million, provided during the previous year, carries interest of 6 months Libor plus 400 basis points. This loan is repayable by Rain Commodities (USA) Inc. as bullet payment on April 24, 2017.

C) The term loan of US$ 20 Million, provided during the current year, carries interest of 3 months Libor plus 235 basis points. This loan is repayable by Rain Commodities (USA) Inc. as bullet payment on October 30, 2018.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 14: Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	**-**	-
Other Trade receivables		
- Unsecured, considered good	**5.81**	13.21
TOTAL	**5.81**	13.21
Note 15: Cash and Bank balances		
Cash and cash equivalents		
Cash on Hand	**-**	-
Balances with banks		
- in current accounts	**89.46**	145.61
- in deposit accounts (with original maturity of 3 month or less)	**-**	100.46
Other bank balances:		
- Balances held as margin money against guarantees and other commitments	**-**	-
- Unclaimed dividend accounts	**36.56**	35.93
TOTAL	**126.02**	282.00
Details of bank balances/deposits		
Balances with banks available in term deposits with original maturity of less than 3 months or less included under 'Cash and cash equivalents'	**-**	100.46
Note 16: Short-term loans and advances		
(Unsecured, considered good)		
Current portion of long term loans and advances to related parties		
Subsidiary Companies:		
- Rain Cements Limited	**-**	240.00
- Rain Commodities (USA) Inc.	**318.38**	557.30
Prepaid expenses	**0.16**	0.19
Balances with government authorities		
Unsecured, considered good		
- Service Tax credit receivable	**1.55**	1.59
Advance to employees	**-**	0.01
Others	**1.24**	0.02
TOTAL	**321.33**	799.11
Note 17: Other current assets		
Accruals		
- Interest accrued on deposits	**-**	0.05
- Interest accrued on loans	**5.24**	31.27
TOTAL	**5.24**	31.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2015	For the year ended December 31, 2014
Note 18: Revenue from operations		
Sale of carbon products (traded)		
- Green Petroleum Coke	**775.57**	-
Revenue from shared services	**86.51**	77.34
TOTAL	**862.08**	77.34
Note 19: Other income		
Interest income		
- Interest from banks on deposits	**25.92**	33.33
- Interest on loans and advances	**101.01**	144.25
Dividend income		
- from long-term investments (subsidiaries)	**336.80**	369.21
Gain on foreign currency transactions and translations	**97.28**	65.04
Miscellaneous income	**0.01**	-
TOTAL	**561.02**	611.83
Note 20: Employee benefits expense		
Salaries, wages and bonus	**63.04**	52.53
Contributions to provident and other funds (Refer note 28(a))	**4.79**	4.72
TOTAL	**67.83**	57.25
Note 21: Finance costs		
Interest expense on borrowings	**110.36**	116.75
Other borrowing costs	**2.19**	21.23
Net loss on foreign currency transactions and translations	**122.88**	83.58
TOTAL	**235.43**	221.56

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2015	For the year ended December 31, 2014
Note 22: Other expenses		
Rent	**1.80**	1.40
Rates and taxes	**2.13**	1.81
Repairs and maintenance		
- Others	**1.10**	1.09
Insurance	**0.26**	0.25
Communication expenses	**11.89**	12.97
Travelling and conveyance	**4.82**	3.92
Printing and stationery	**1.73**	1.11
Advertisement	**1.73**	1.71
Legal and professional charges	**8.38**	8.13
Payments to auditors [Refer Note below]	**3.94**	4.28
Directors' sitting fees	**4.58**	1.45
Commission to directors	**2.60**	-
Donations and contributions	**2.40**	4.00
Loss on retirement of fixed assets	**-**	0.08
Miscellaneous expenses	**23.06**	23.03
TOTAL	**70.42**	65.23
Note:		
Payment to Auditors comprises (excluding Service Tax):		
Statutory audit fees	**1.90**	1.90
Limited review fees	**0.90**	0.90
Other Services	**0.15**	0.15
Reimbursement of Expenses	**0.99**	1.33
TOTAL	**3.94**	4.28
Note 23: Tax expenses		
Current Tax		
(i) Tax for current year	**0.43**	69.04
(ii) Tax relating to earlier years	**4.53**	25.14
(iii) Minimum alternate tax credit entitlement	**-**	-
Net current tax	**4.96**	94.18
Deferred Tax	**-**	-
TOTAL	**4.96**	94.18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

24. Contingent liabilities not provided for in respect of:

Particulars	As at December 31, 2015	As at December 31, 2014
Matters under dispute - Income Tax	**156.89**	146.99

25. Unhedged foreign currency exposure:

(a) There are no outstanding forward exchange contracts as at the year end.

(b) The following table analyzes foreign currency risk from financial instruments as at 31 December 2015 and 2014:

(All figures in equivalent Indian Rupees millions)

Particulars	As at December 31, 2015		
	USD	EURO	Total
Trade receivables	**3.80**	**2.01**	**5.81**
Term loans	**318.38**	**-**	**318.38**

(All figures in equivalent Indian Rupees millions)

Particulars	As at December 31, 2014		
	USD	EURO	Total
Trade receivables	-	4.10	4.10
Term loans	759.96	-	759.96
Loans and advances to subsidiary	101.33	-	101.33

26. Earnings Per Share (EPS)

Particulars	Year ended December 31, 2015	Year ended December 31, 2014
a. Profit after tax	**260.87**	245.79
b. Weighted average number of equity shares of Rs.2/- each outstanding during the year (Nos.)	**336,345,679**	336,345,679
Earnings per share		
c. Basic and Diluted - [a/b] - (Rs.)	**0.78**	0.73

27. The Company has entered into operating lease agreements for buildings and vehicles. The lease rentals of Rs. 0.03 (December 31, 2014 - Rs. 0.41), net of rent cost reimbursed by subsidiary companies amounting to Rs. 1.50 (December 31, 2014 - Rs. 0.99).

The schedule of future minimum rental payments in respect of non-cancellable operating leases is set out below:

Particulars	As at December 31, 2015	As at December 31, 2014
Not later than 1 year	**1.41**	1.50
Later than 1 year and not later than 5 years	**0.88**	2.26
Beyond 5 years	**-**	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

28. Employee Benefits

a) Defined Contribution Plans

The Company has recognised the following amounts in Note 20 of the Statement of Profit and Loss:

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Provident fund	**3.96**	1.53
Superannuation fund	**0.10**	0.10
TOTAL	**4.06**	1.63

b) Defined Benefit Plans - Gratuity

The following table sets forth the status of the Gratuity plan of the Company and the amounts recognized in the Balance Sheet and Statement of Profit and Loss:

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Present value of funded obligation	**5.83**	4.94
Less: Fair Value of Plan Assets	**(4.85)**	(4.23)
Net Liability		
- Current	**-**	-
- Non current	**0.98**	0.71

Amounts recognised in Note 20 of Statement of Profit and Loss is as follows:

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Current service cost	**0.40**	0.28
Past service cost	**-**	-
Interest cost	**0.42**	0.34
Expected return on plan assets	**(0.34)**	(0.30)
Net actuarial loss	**0.27**	0.74
TOTAL	**0.75**	1.06

Reconciliation of opening and closing balances of the present value of obligations:

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Opening defined benefit obligation	**4.94**	3.56
Current service cost	**0.40**	0.28
Past service cost	**-**	-
Interest cost	**0.42**	0.34
Actuarial loss	**0.31**	0.76
Benefits paid	**(0.24)**	-
Closing defined benefit obligation	**5.83**	4.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Reconciliation of opening and closing balances of the fair value of plan assets:

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Opening fair value of plan assets	**4.23**	3.54
Expected return on plan assets	**0.34**	0.30
Actuarial gain	**0.04**	0.02
Contribution by employer	**0.48**	0.37
Benefits paid	**(0.24)**	-
Closing fair value of plan assets	**4.85**	4.23
Actual return on plan assets	**0.38**	0.32

Major category of plan assets as a percentage to fair value of plan assets:

Particulars	**Year ended December 31, 2015**	Year ended December 31, 2014
Insurer Managed Funds	**100%**	100%

Experience adjustments:

Particulars	**Year ended**				
	December 31, 2011	**December 31, 2012**	**December 31, 2013**	**December 31, 2014**	**December 31, 2015**
Defined benefit obligations	-	3.22	3.56	4.94	5.83
Plan assets	-	2.84	3.54	4.23	4.85
Deficit	-	(0.38)	(0.02)	(0.71)	(0.98)
Experience adjustment on plan liabilities	-	(0.02)	0.06	0.24	0.14
Experience adjustment on plan assets	-	0.06	0.02	0.02	0.04

Principal actuarial assumptions used:

Particulars	**Year ended December 31, 2015**	Year ended December 31, 2014
Discount rates	**7.85%**	8.20%
Expected rate of return on plan assets	**8.00%**	8.00%
Expected salary increase rates	**7.00%**	7.00%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

c) Defined Benefit Plans - Compensated absences

The following table sets forth the status of the compensated absences:

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Net Liability		
- Current	**0.74**	0.19
- Non current	**2.24**	1.75
TOTAL	**2.98**	1.94
Amounts recognised in Note 20 of Statement of Profit and Loss	**1.47**	(0.18)

The principal actuarial assumptions used for the computation of defined plan equally apply to the computation of long term compensated absences and are accordingly considered in the estimation of the long term benefit.

29. Additional information to the financial statements:

(a) Particulars of revenue

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Carbon products	**775.57**	-
Revenue from services	**86.51**	77.34
TOTAL	**862.08**	77.34

(b) Details of purchases of stock-in-trade

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Carbon products	**767.88**	**-**
TOTAL	**767.88**	**-**

(c) CIF value of imports

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Carbon products	**767.88**	**-**
TOTAL	**767.88**	**-**

(d) Expenditure in foreign currency

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Interest expense on borrowings	**110.36**	116.75
Demurrage Charges	**0.44**	-
Tax payment pertaining to earlier years	**-**	17.08
Others	**0.82**	0.97

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(e) Earnings in foreign currency

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
Interest on loans	**94.14**	83.88
Income from shared services	**32.92**	26.96
Dividend income from subsidiary	**-**	369.21

(f) Dividends remitted in foreign currency to non-resident shareholders

Particulars	**Year ended December 31, 2015 Amount**	Year ended December 31, 2014 Amount
	Interim Dividend	Interim Dividend
Number of shareholders	**199**	333
Number of shares held (face value of Rs.2/- each)	**3,202,275**	2,026,895
Year to which dividend relates	**2015**	2014
Amount of dividend remitted	**3.20**	2.03

30. Related Party Disclosures

a) Names of related parties and description of relationship:

Sl.No.	Relationship	Name
(i)	Subsidiaries	1. Rain Coke Limited [RCoke] 2. Rain Cements Limited [RCL] 3. Renuka Cement Limited [RenCL] 4. Moonglow Company Business Inc [Moonglow] 5. Rain Commodities (USA) Inc. [RCUSA] 6. Rain Global Services LLC [RGS] 7. RGS Egypt Limited Company LLC [RGS Egypt] 8. Rain Carbon Inc. [RCI] 9. Rain Global Holdings, LLC [RGH] 10. Rain Carbon Holdings, LLC [RCH] 11. Rain CII Carbon (Vizag) Limited [RCCVL] 12. Rain CII Carbon LLC [RCC] 13. Rain CII Carbon Mauritius Limited [RCCML] 14. CII Carbon Corp [CIICC] 15. Zhenjiang Xin Tian Tansu Co Limited [ZXTTCL] 16. Rain CTP Inc [Rain CTP] 17. Rain RUETGERS CTP LLC (RRCTP) 18. Rain Holdings Germany Gmbh (RainHG) 19. RUETGERS Canada Inc. [RCan] 20. RUETGERS Polymers Limited [RPL] 21. Handy Chemicals (USA) Ltd [HUSA]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

a) Names of related parties and description of relationship *(Contd.)*

Sl.No.	Relationship	Name
		22. RUETGERS NV [RNV] 23. RUETGERS Holdings Belgium BVBA [RHBVBA] 24. RUETGERS Belgium NV [RBNV] 25. VFT Trading NV [VNV] 26. VFT France SA [VFSA] 27. RUETGERS Holdings Germany GmbH [RHGmbH] 28. RUETGERS Wohnimmobilien GmbH & Co.KG 29. RUETGERS Gewerbeimmobilien GmbH & Co.KG 30. RUETGERS Germany GmbH [RGmbH] 31. RUETGERS Aromatic Chemicals GmbH [RACGmbH] 32. RUETGERS ChemTrade GmbH [RCTGmbH] 33. RUETGERS Basic Aromatics GmbH [RBAGmbH] 34. RUETGERS Poland SP Zoo [RPZ] 35. RUETGERS InfraTec GmbH [RIGmbH] 36. RUETGERS Novares GmbH [RNGmbH] 37. RUETGERS Resins GmbH [RRGmbH] 38. RUETGERS Resins BV [RRBV] 39. OOO RUETGERS Severtar [OOOSevertar] 40. Severtar Holding Ltd [Severtar] 41. Rumba Invest BVBA & Co. KG [Rumba] 42. RÜTGERS (Shanghai) Trading Co. Ltd.
(ii)	Associates/joint ventures of subsidiaries	1. Tarlog GmbH [Tarlog] 2. InfraTec Duisburg GmbH [IDGmbH]
(iii)	Enterprise where key managerial personnel along with their relatives exercise significant influence	1. Sujala Investments Private Limited 2. Rain Enterprises Private Limited 3. Nivee Holdings Private Limited 4. Arunachala Holdings Private Limited 5. PCL Financial Services Private Limited 6. Rain Entertainments Private Limited 7. Nivee Property Developers Private Limited 8. Pragnya Priya Foundation (PPF)
(iv)	Key managerial personnel	1. Mr. N. Jagan Mohan Reddy - Managing Director 2. Mr. T. Srinivasa Rao- Chief Financial Officer 3. Mr. S. Venkat Ramana Reddy Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

b) Transactions with related parties:
Year Ended December 31, 2015

Nature of Transactions	Subsidiary Companies	Enterprises where Key Managerial Personnel along with their relatives exercise significant influence	Key Managerial Personnel	Balance outstanding To/(From)
Sales/Receivables				
- RCCVL	775.57	-	-	-
Revenue from Shared Services				
- RCCVL	17.23	-	-	-
- RCC	20.16	-	-	(3.79)
- RCL	36.72	-	-	-
- Ruetgers	12.40	-	-	(2.01)
Loan given				
- RCUSA	1,314.05	-	-	(2,971.58)
Loan repaid				
- RCUSA	566.97	-	-	-
- RCL	336.83	-	-	-
Interest Income				
- RCUSA	94.14	-	-	(5.24)
- RCL	6.87	-	-	-
Remuneration to Key Managerial Personnel				
- N. Jagan Mohan Reddy	-	-	13.47	-
- T Srinivasa Rao	-	-	10.50	-
- S Venkat Ramana Reddy	-	-	3.19	-
Dividend paid	-	81.27	56.96	-
Donations given				
- PPF	-	2.40	-	-
Dividend Income received				
- RCL	336.80	-	-	-
Reimbursement of ocean freight and other expenses				
- RCC	81.40	-	-	-
Sale of Investments				
- Rain Coke Limited	0.60	-	-	-
Purchase of investments				
- RCL	13.00	-	-	-
Reimbursement of Payment made to the Subsidiary				
- RCCVL	1.61	-	-	-
Corporate Guarantee (released) /given on behalf of the Company by				
- RCL	-	-	-	3,979.80
- RCCVL	1,326.60	-	-	1,326.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

c) Transactions with related parties:
Year Ended December 31, 2014

Nature of Transactions	Subsidiary Companies	Enterprises where Key Managerial Personnel along with their relatives exercise significant influence	Key Managerial Personnel	Balance outstanding To/(From)
Revenue from Shared Services				
- RCCVL	16.56	-	-	-
- RCC	22.82	-	-	-
- RCL	33.82	-	-	(8.60)
- Ruetgers	4.14	-	-	(4.10)
Loan given				
- RCUSA	1,210.51	-	-	(2,127.89)
- RCL	-	-	-	(336.83)
Loan repaid				
- RCUSA	386.60	-	-	-
- RCL	250.00	-	-	-
Interest Income				
- RCUSA	83.88	-	-	(20.30)
- RCL	60.37	-	-	(10.97)
Remuneration to Key Managerial Personnel				
- N. Jagan Mohan Reddy	-	-	13.47	-
- T Srinivasa Rao	-	-	7.15	-
- S Venkat Ramana Reddy	-	-	2.19	-
Dividend paid	-	81.27	56.19	-
Donations given				
- PPF	-	4.00	-	-
Dividend Income received				
- RCUSA	369.21	-	-	-
Reimbursement of Payment made to the Subsidiary				
- RCCVL	3.47	-	-	-
Corporate Guarantee (released) / given on behalf of the Company by				
- RCL	1,210.51	-	-	3,799.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

31. Segment Reporting

The segment results are included and presented on consolidated basis in accordance with the requirements of Accounting Standard - 17 "Segment Reporting".

32. Effective from 1 January 2015, the Management has internally reassessed and revised, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act 2013. Consequently, the carrying amount of tangible assets at 1 January 2015 is being depreciated over the revised remaining useful life of the tangible asset. The carrying value of Rs. 1.64 in case of assets with nil revised remaining useful life as at 1 January 2015 is set off against the surplus in the statement of profit and loss account. Further, had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended 31 December 2015 would have been lower by Rs. 12.03 and the profit before tax would have been higher by such amount.

33. As per section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education, rural development activities, medical facilities, employment and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013. The Company is required to spend to spend a minimum amount of Rs. 2.00 for the purpose of CSR for the year.

Manner in which the amount is spent during the financial year:

Particulars	Year ended December 31, 2015
Donations for scholarship for pursuing education*	**2.40**
Total	**2.40**

* The above amounts are spent by the way of contribution to Pragya Priya Foundation.

34. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Sriram Mahalingam
Partner
Membership number: 049642

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

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

Place: Hyderabad
Date : February 19, 2016

Annexure - 1A

Operational Performance of Subsidiary Companies/Joint Ventures/Associate Companies

Pursuant to Rule 8 of Companies (Accounts) Rules, 2014, Report on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture companies of the Company

Part- A- Subsidiaries

(INR Million)

Sl. No.	Name of the Subsidiary Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries (Refer Note 1 below)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments (Refer note 4 below)	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Share-holding
1	Rain Cements Limited	31.12.2015	INR	298.05	7,400.99	11,632.79	11,632.79	151.75	10,346.81	1,508.18	443.61	1,064.57	336.80	100
2	Rain Commodities (USA) Inc.	31.12.2015	US$	7,395.07	6,286.87	19,210.53	19,210.53	-	1,181.48	1,791.62	(40.17)	1,831.79	-	100
3	Rain Coke Limited	31.12.2015	INR	132.60	(3.09)	463.08	463.08	-	-	(2.86)	-	(2.86)	-	51
4	Moonglow Company Business Inc.	31.12.2015	US$	3,902.18	2,584.94	6,487.17	6,487.17	-	-	(0.01)	-	(0.01)	-	100
5	Renuka Cement Limited	31.12.2015	INR	10.01	(7.23)	2.93	2.93	-	-	(1.64)	-	(1.64)	-	100
6	Rain Carbon Inc.	31.12.2015	US$	12,804.47	4,371.94	17,222.75	17,222.75	-	-	2,135.18	-	2,135.18	1,972.23	100
7	Rain Global Holdings, LLC	31.12.2015	US$	12,804.48	4,230.50	17,035.00	17,035.00	-	-	1,972.23	-	1,972.23	1,972.23	100
8	Rain Carbon Holdings, LLC	31.12.2015	US$	12,804.48	4,240.12	17,060.94	17,060.94	-	495.91	1,982.05	-	1,982.05	1,972.23	100
9	Rain Global Services LLC	31.12.2015	US$	0.25	(106.21)	1,125.99	1,125.99	-	3,230.59	(192.58)	-	(192.58)	-	100
10	RGS Egypt Limited Company L.L.C	31.12.2015	US$	55	327.29	927.06	927.06	-	942.33	(102.15)	-	(102.15)	-	51
11	Rain CII Carbon (Vizag) Limited	31.12.2015	INR	81.80	5,717.45	8,902.71	8,902.71	-	11,886.08	2,018.24	703.72	1,314.52	564.42	100
12	Rain CII Carbon LLC	31.12.2015	US$	11,616.03	11,735.48	98,083.10	98,083.10	-	21,398.93	(1,350.52)	(532.22)	(818.30)	1,972.23	100
13	CII Carbon Corp.	31.12.2015	US$	-	-	-	-	-	-	-	-	-	-	100
14	Rain CII Carbon Mauritius Limited	31.12.2015	US$	23.34	(111.14)	8.02	8.02	-	-	(102.39)	-	(102.39)	-	100
15	Zhenjiang Xin Tian Tansu Co. Ltd[5]	31.12.2015	RMB Yuan / CNY	-	-	-	-	-	-	(3.16)	-	(3.16)	-	-
16	Rain CTP Inc.	31.12.2015	EURO	25,405.59	1,139.74	42,752.07	42,752.07	-	0.38	(596.60)	(119.46)	(477.14)	-	100
17	RÜTGERS N.V.	31.12.2015	EURO	4,086.71	136.98	5,041.47	5,041.47	-	69.88	(100.51)	-	(100.51)	702.50	100
18	RÜTGERS Polymers Ltd.	31.12.2015	CAD	638.40	479.49	2,203.76	2,203.76	-	2,672.79	525.59	153.89	371.70	-	100
19	RÜTGERS Canada Inc.	31.12.2015	CAD	2,027.94	(279.82)	7,780.62	7,780.62	-	11,791.88	(194.29)	(18.72)	(175.57)	-	100
20	Handy Chemicals (U.S.A.) Ltd.	31.12.2015	US$	0.01	(4.57)	289.33	289.33	-	1,921.62	34.64	11.75	22.89	-	100
21	RÜTGERS Holding Belgium BVBA	31.12.2015	EURO	7,007.61	1,855.39	8,863.16	8,863.16	-	0.07	1,426.22	-	1,426.22	-	100
22	RÜTGERS Belgium N.V.	31.12.2015	EURO	2,174.40	15,105.78	21,310.78	21,310.78	-	18,496.43	2,311.95	741.11	1,570.84	1,425.00	100
23	VFT France S.A	31.12.2015	EURO	797.28	140.51	943.22	943.22	-	216.87	21.66	0.21	21.45	-	100
24	VFT Trading N.V.	31.12.2015	EURO	761.04	165.64	926.81	926.81	-	-	17.33	-	17.33	-	100
25	Rumba Invest BVBA & Co. KG	31.12.2015	EURO	-	(1.69)	1,171.16	1,171.16	-	-	73.27	(0.06)	73.33	-	94.9
26	RÜTGERS Holding Germany GmbH[6]	31.12.2015	EURO	2.17	10,369.88	21,142.99	21,142.99	-	494.84	451.28	54.16	397.12	-	100
27	RÜTGERS Germany GmbH[6]	31.12.2015	EURO	2,226.59	6,004.70	16,598.71	16,598.71	42.64	653.51	1,953.64	914.21	1,039.43	-	99.7

Annexure-1A (Contd.)

Operational Performance of Subsidiary Companies/Joint Ventures/Associate Companies Pursuant to Rule 8 of Companies (Accounts) Rules, 2014, Report on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture companies of the Company

Part- A- Subsidiaries

INR Million

Sl. No.	Name of the Subsidiary Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries (Refer Note 1 below)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments (Refer note 4 below)	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Share-holding
28	RÜTGERS Aromatic Chemicals GmbH (6)	31.12.2015	EURO	7.32	730.01	1,564.72	1,564.72	-	3,828.92	(104.24)	(85.94)	(18.30)	-	100
29	RÜTGERS InfraTec GmbH(6)	31.12.2015	EURO	1.88	314.92	4,745.71	4,745.71	-	5,496.94	(276.84)	(31.50)	(245.34)	-	100
30	RÜTGERS ChemTrade GmbH(6)	31.12.2015	EURO	37.11	(6.41)	449.41	449.41	-	2,310.04	36.72	(1.75)	38.47	-	100
31	RÜTGERS Basic Aromatics GmbH(6)	31.12.2015	EURO	1.88	1,134.67	6,581.55	6,581.55	-	15,815.79	1,765.53	(157.06)	1,922.59	-	100
32	RÜTGERS Novares GmbH(6)	31.12.2015	EURO	166.85	213.78	5,590.33	5,590.33	-	13,053.81	1,502.14	(49.63)	1,551.77	-	100
33	RÜTGERS Resins BV	31.12.2015	EURO	74.20	(373.19)	1,867.06	1,867.06	-	2,911.43	(234.67)	(1.08)	(233.59)	-	100
34	Severtar Holding Ltd.	31.12.2015	EURO	10.23	779.65	791.30	791.30	-	-	(2.38)	-	(2.38)	-	65.3
35	OOO RÜTGERS Severtar	31.12.2015	RUB	286.65	(951.59)	2,637.60	2,637.60	-	16.31	(658.52)	(133.34)	(525.18)	-	100
36	RÜTGERS Poland Sp. z o.o	31.12.2015	PLN	195.70	55.35	276.71	276.71	-	810.45	25.75	5.21	20.54	38.52	100
37	RÜTGERS (Shanghai) Trading Co. Ltd.	31.12.2015	PLN	12.36	7.51	111.33	111.33	-	150.37	5.83	1.64	4.19	-	100
38	RÜTGERS Wohnimmobilien GmbH & Co(7)	31.12.2015	EURO	0.14	145.31	213.59	213.59	-	49.05	2.11	52.69	(50.58)	-	100
39	RÜTGERS Gewerbeimmobilien GmbH & Co(7)	31.12.2015	EURO	0.14	365.48	451.96	451.96	-	22.58	(12.59)	44.22	(56.81)	-	100
40	RAIN Holding Germany GmbH(7)	31.12.2015	EURO	1.81	(0.01)	1.80	1.80	-	-	(0.01)	-	(0.01)	-	100

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates as at December 31, 2015. Exchange rates as on the last date of the financial year are INR/USD - 66.33; INR/EURO - 72.50; INR/RUB - 0.90; INR/CNY - 10.18; INR/PLN - 16.89; INR/CAD - 47.67.
2. Refer Note 2(d) of Consolidated Financial Statements to see relation with the subsidiary, percentage equity holding and Country of incorporation for each of subsidiary.
3. Financial information is based on Audited Results of the subsidiaries. The reporting period of the subsidiary is same as that of holding Company.
4. Investments except in case of investments in subsidiaries.
5. Dissolved during the year.
6. Controlled companies in German fiscal unity, income according to local GAAP transferred to RÜTGERS Holding Germany GmbH and taxed on consolidated basis.
7. Incorporated during the year.

1. Names of subsidiaries which are yet to commence operations

S.No.	Name of the Company and Address
1	OOO RÜTGERS Severtar Mira Street 30, 162608 Cherepovets, Vologda Region, Russia (See Note below)

Note: Started commissioning tests of the facilities on February 11, 2016

2. Names of subsidiaries which have been liquidated or sold during the year.

S.No.	Name of the Company and Address
1	Zhenjiang Xin Tian Tansu Co. Ltd. Funiushan Mine, Dantu District, Zhenjiang, China

Annexure-1A (Contd.)

Operational Performance of Subsidiary Companies/Joint Ventures/Associate Companies

Pursuant to Rule 8 of Companies (Accounts) Rules, 2014, Report on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture companies of the Company

Part B- Associates and Joint Ventures

INR Million

S. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet date	Shares of Associate / Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	InfraTec Duisburg GmbH (IDGmbH)	31.12.2014	7,500	17.93	30	Based on the percentage of holding over these investees	As the group has only ability to exercise signifcant influence but not control over these investees	17.93	(6.38)	(14.89)
2	Tarlog GmbH (Tarlog)	31.12.2015	50,000	-	50			(12.04)	3.57	3.57

1 Names of associates or joint ventures which are yet to commence operations

S.No.	Name of the Company and Address
	- NIL -

2 Names of associates or joint ventures which have been liquidated or sold during the year.

S.No.	Name of the Company and Address
	- NIL -

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

Place : Hyderabad
Date : February 19, 2016

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directorsof
Rain Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Rain Industries Limited ("the Company"), its subsidiaries and associates (collectively referred to as "the Rain Group"), which comprise the Consolidated Balance Sheet as at 31 December 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Rain Group in accordance with the applicable financial reporting framework. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Rain Group as at 31 December 2015;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information of certain subsidiaries and associates, which have been audited by other auditors whose reports have been furnished to us, and our opinion is based on the report of other auditors. The attached Consolidated Financial Statements include total assets of Rs. 114,731.51 million as at December 31, 2015, total revenues of Rs. 76,457.98 and net cash flows amounting to Rs. (2,563.31) million in respect of aforementioned subsidiaries and share of loss from associates of Rs. 6.50 million for the year then ended.

(b) We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of Rs. 501.37 million, as at December 31, 2015, total revenues of Rs. Nil and net cash flows amounting to Rs. 87.72 million for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, to the extent they have been derived from such unaudited financial statements is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Rain Group.

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

Sriram Mahalingam
Partner
Membership No: 049642

Hyderabad
19 February 2016

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2015

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	Note	As at December 31, 2015		As at December 31, 2014	
A. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share capital	3	**672.69**		672.69	
(b) Reserves and surplus	4	**28,702.32**		28,785.14	
			29,375.01		29,457.83
2. Minority interest			**24.17**		216.29
3. Non current liabilities					
(a) Long-term borrowings	5	**71,323.11**		71,678.17	
(b) Deferred tax liability, net	6	**3,843.72**		4,225.06	
(c) Other long-term liabilities	7	**715.28**		526.22	
(d) Long-term provisions	8	**7,276.52**		8,008.02	
			83,158.63		84,437.47
4. Current liabilities					
(a) Short-term borrowings	9	**2,594.24**		3,431.43	
(b) Trade payables					
A) total outstanding dues to micro and small enterprises	10	**16.68**		4.75	
B) total outstanding dues to other than micro and small enterprises	10	**10,211.25**		10,003.07	
(c) Other current liabilities	11	**6,324.22**		6,879.32	
(d) Short-term provisions	12	**1,525.85**		1,121.16	
			20,672.24		21,439.73
TOTAL			**133,230.05**		135,551.32
B. ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	13		**28,084.71**		28,880.37
(ii) Intangible assets	13		**57,313.10**		58,237.56
(iii) Capital work-in-progress			**4,108.43**		2,690.59
(b) Non-current investments	14	**58.77**		68.32	
(c) Deferred tax asset, net	6	**2,786.11**		2,027.28	
(d) Long-term loans and advances	15	**1,556.06**		2,581.52	
(e) Other non-current assets	16	**1.86**		14.82	
			4,402.80		4,691.94
2. Current assets					
(a) Current investments	17	**135.62**		195.37	
(b) Inventories	18	**16,209.90**		15,337.16	
(c) Trade receivables	19	**11,968.17**		13,712.02	
(d) Cash and bank balances	20	**8,604.61**		8,995.15	
(e) Short-term loans and advances	21	**2,313.13**		2,413.07	
(f) Other current assets	22	**89.58**		398.09	
			39,321.01		41,050.86
TOTAL			**133,230.05**		135,551.32
Corporate information	1				
accounting policies	2				Significant

The notes referred to above form an integral part of the consolidated financial statements

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Sriram Mahalingam
Partner
Membership number: 049642

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

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

Place: Hyderabad
Date : February 19, 2016

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2015

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

		Note	For the year ended December 31, 2015	For the year ended December 31, 2014
1.	**Revenue**			
	Revenue from operations (gross)	23	**104,506.13**	121,445.48
	Less: Excise duty		**2,320.82**	2,075.61
	Revenue from operations (net)		**102,185.31**	119,369.87
	Other income	24	**796.36**	773.50
	Total revenue		**102,981.67**	120,143.37
2.	**Expenses**			
	Cost of materials consumed		**30,169.96**	45,449.90
	Purchases of stock-in-trade		**22,893.43**	22,265.06
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	**(173.53)**	1,189.26
	Employee benefits expense	26	**9,610.54**	9,767.00
	Finance costs	27	**5,964.47**	6,198.72
	Depreciation and amortisation expense	13	**3,278.16**	3,469.79
	Impairment loss		**-**	95.23
	Other expenses	28	**26,192.90**	28,554.05
	Total expenses		**97,935.93**	116,989.01
3.	**Profit before exceptional items, tax, share of loss of associates and minority interest (1-2)**		**5,045.74**	3,154.36
4.	**Exceptional Items (Refer note 30.14)**		**60.91**	2,577.42
5.	**Profit before tax, share of loss of associates and minority interest (3-4)**		**4,984.83**	576.94
6.	**Tax expense**	29	**1,962.08**	(120.61)
7.	**Profit after tax and before share of loss of associates and minority interest (5-6)**		**3,022.75**	697.55
8.	**Share of loss of associates**		**6.50**	1.24
9.	**Minority interest**		**(217.14)**	(188.99)
10.	**Profit for the year (7-8-9)**		**3,233.39**	885.30
	Earnings per share (Face value of Rs. 2/- each)			
	Basic and Diluted (Rs.)		**9.61**	2.63
Corporate information		1		
Significant accounting policies		2		

The notes referred to above form an integral part of the consolidated financial statements

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Sriram Mahalingam
Partner
Membership number: 049642

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

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

Place: Hyderabad
Date : February 19, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

		For the year ended December 31, 2015		For the year ended December 31, 2014
A. Cash flow from operating activities				
Profit before taxation		**4,984.83**		576.94
Adjustments for :				
Depreciation and amortisation expense	**3,278.16**		3,469.79	
(Profit)/Loss on sale of fixed assets (net)	**17.85**		(11.17)	
Income on redemption of senior secured notes	**113.59**		-	
Interest and other borrowing costs	**5,763.00**		6,078.50	
Interest income	**(174.37)**		(101.54)	
Dividend income from current investments	**(9.66)**		(7.90)	
Provision for inventories	**10.55**		236.92	
Impairment loss	**-**		95.23	
Liabilities / provisions no longer required written back	**(85.15)**		(207.45)	
Bad debts written off	**-**		6.59	
Provision for doubtful debts and advances	**146.84**		7.76	
Provision for litigation	**428.80**		-	
Foreign exchange (gain) / loss, net	**288.78**		406.74	
		9,778.39		9,973.47
Operating profit before working capital changes		**14,763.22**		10,550.41
Adjustments for :				
Adjustments for (increase)/decrease in operating assets:				
Inventories	**(1,072.83)**		3,725.12	
Trade receivables	**1,443.22**		(232.84)	
Loans and advances and other assets	**689.65**		418.44	
Trade payables, other current liabilities and provisions	**(1,646.89)**		173.87	
		(586.85)		4,084.59
Cash generated from operations		**14,176.37**		14,635.00
Income taxes paid, net		**(1,566.87)**		(1,722.47)
Net cash from operating activities		**12,609.50**		12,912.53
B. Cash flow from investing activities				
Purchase of fixed assets, including capital advances		**(4,987.06)**		(3,985.74)
Proceeds from sale of fixed assets		**48.16**		45.47
Advance received for sale of fixed assets		**8.50**		-
Other advances received		**264.40**		-
Purchase of long term investments		**(0.03)**		-
Purchase of current investments		**-**		(195.00)
Refund of capital advances		**-**		156.37
Proceeds from sale of investments		**59.76**		65.00
Bank deposits and other bank balances		**(480.19)**		(301.44)
Interest received		**174.18**		94.10
Dividends received on current investments		**9.66**		7.53
Net cash used in investing activities		**(4,902.62)**		(4,113.71)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015 (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2015	For the year ended December 31, 2014
C. Cash flow from financing activities		
Proceeds from long-term borrowings	**4,061.03**	1,210.51
Repayment of long-term borrowings	**(4,969.78)**	(2,403.03)
Repayment of short-term borrowings	**(46.37)**	-
Net increase / (decrease) in working capital borrowings	**(940.81)**	(432.53)
Sales tax deferment paid	**-**	(44.79)
Interest and other borrowing costs paid	**(5,766.81)**	(6,827.91)
Dividend paid (including tax on dividend)	**(404.91)**	(336.35)
Net cash used in financing activities	**(8,067.65)**	(8,834.10)
Net decrease in cash and cash equivalents (A+B+C)	**(360.77)**	(35.28)
Cash and cash equivalents - opening balance	**8,400.66**	8,138.71
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	**(521.91)**	297.23
Cash and cash equivalents - closing balance (Refer Note (ii) below)	**7,517.98**	8,400.66

Notes:

(i) The above consolidated cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.

(ii) Reconciliation of Cash and Cash equivalents with the Balance Sheet:

	As at December 31, 2015	As at December 31, 2014
Cash and Cash equivalents - Closing Balance	**7,517.98**	8,400.66
Add: Other bank balances	**1,086.63**	594.49
Cash and Bank balances - Closing Balance	**8,604.61**	8,995.15

(iii) Comparative figures of the previous year, where necessary, have been regrouped to conform to those of the current year.

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

Sriram Mahalingam
Partner
Membership number: 049642

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

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

Place: Hyderabad
Date : February 19, 2016

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Corporate Information

Rain Industries Limited ("RIL" or "the Company" or the "Parent Company") was incorporated on March 15, 1974 under the Companies Act, 1956. The Company along with its subsidiaries ("the Group" or "Rain Group") is engaged in the business of manufacture and sale of Carbon Products, Chemicals and Cement.

Carbon Products comprises 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 part of Cement Business.

The Company's name was changed to Rain Industries Limited from Rain Commodities Limited, pursuant to the approval received from the Registrar of Companies, Hyderabad on July 8, 2013.

Note 2: Significant Accounting Policies

(a) Basis of preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in India (Indian GAAP). Indian GAAP comprises Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI) (Collectively) referred to as "IGAAP"). The consolidated financial statements are presented in Indian Rupees Millions.

(b) Use of estimates

The preparation of the consolidated financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported period. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made.

(c) Current and non current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

Assets

An asset is classified as current when it satisfies any of the following criteria:

i. It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

ii. It is held primarily for the purpose of being traded;

iii. It is expected to be realised within 12 months after the reporting date; or

iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i. It is expected to be settled in the Group's normal operating cycle;

ii. It is held primarily for the purpose of being traded;

iii. It is due to be settled within 12 months after the reporting date; or

iv. The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's operating cycle is within a period of 12 months.

(d) Principles of consolidation

The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard 21 (AS-21) - "Consolidated Financial Statements", Accounting Standard 23 (AS-23) - "Accounting for Investments in Associates in Consolidated Financial Statements".

The Financial Statements of the subsidiaries and associates used in consolidation are drawn upto the same reporting date as that of the Parent Company i.e., year ended December 31, 2015 and are audited.

The consolidated financial statements have been prepared on the following basis:

i) The Financial Statements of the Parent Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses unless cost cannot be recovered.

ii) The Consolidated Financial Statements include the share of profit/loss of the associate companies which have been accounted for using equity method as per AS-23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments.

iii) The excess of cost to the Group of its investments in the subsidiary companies, over its share of equity of the subsidiary companies, at the date on which the investments are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements and included under the head 'Fixed Assets'. Such Goodwill is not amortised and is tested for impairment at the end of each financial year. Alternatively, where the share of equity in the subsidiary, as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve' and included under the head 'Reserves and Surplus', in the Consolidated Financial Statements.

iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies were made and further movements in their share in the profit/loss, subsequent to the dates of Investments.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Companies considered in the consolidated financial statements along with Rain Industries Limited are:

Sl. No.	Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest (%)	
				December 31, 2015	December 31, 2014
1	Rain Cements Limited (RCL)	Subsidiary	India	100	100
2	Rain Commodities (USA) Inc. (RCUSA)	Subsidiary	United States of America	100	100
3	Rain Coke Limited (RCOKE)	Subsidiary of RCL	India	51	100
4	Moonglow Company Business Inc. (Moonglow)	Subsidiary of RCL	British Virgin Island	100	100
5	Renuka Cement Limited (RenCL)	Subsidiary of RCL	India	100	100
6	Rain Carbon Inc. (RCI)	Subsidiary of RCUSA	United States of America	100	100
7	Rain Global Holdings, LLC (RGH)	Subsidiary of RCI	United States of America	100	100
8	Rain Carbon Holdings, LLC (RCH)	Subsidiary of RGH	United States of America	100	100
9	Rain Global Services LLC (RGS)	Subsidiary of RCI	United States of America	100	80.5
10	RGS Egypt Limited Company L.L.C (RGS Egypt)	Subsidiary of RGS	Egypt	51	51
11	Rain CII Carbon (Vizag) Limited (RCCVL)	Subsidiary of RCH	India	100	100
12	Rain CII Carbon LLC (RCC)	Subsidiary of RCH	United States of America	100	100
13	CII Carbon Corp. (CIICC)	Subsidiary of RCC	United States of America	100	100
14	Rain CII Carbon Mauritius Limited (RCCML)	Subsidiary of RCC	Mauritius	100	100
15	Zhenjiang Xin Tian Tansu Co. Ltd (ZXTTCL)	Subsidiary of RCCML	China	-**	100
16	Rain CTP Inc. (Rain CTP)	Subsidiary of RCC	United States of America	100	100
17	Rain RÜTGERS CTP LLC (RRCTP)	Subsidiary of RCI	United States of America	100***	-
18	Rain Holding Germany GmbH (RainHG)	Subsidiary of Rain CTP	Germany	100***	-
19	RÜTGERS N.V. (RNV)	Subsidiary of Rain CTP	Belgium	100	100
20	Handy Chemicals (U.S.A.) Ltd. (HUSA)	Subsidiary of Rain CTP	United States of America	100	100
21	RÜTGERS Canada Inc. (RCan)	Subsidiary of Rain CTP	Canada	100	100
22	RÜTGERS Polymers Ltd. (RPL)	Subsidiary of Rain CTP	Canada	100	100

23	RÜTGERS Holding Belgium BVBA (RHBVBA)	Subsidiary of Rain CTP & RNV	Belgium	100	100
24	RÜTGERS Belgium N.V. (RBNV)	Subsidiary of RHBVBA	Belgium	100	100
25	RÜTGERS Holding Germany GmbH (RHGmbH)	Subsidiary of RBNV	Germany	100	100
26	RÜTGERS Wohnimmobilien GmbH & Co. KG	Subsidiary of RGmbH	Germany	100***	-
27	RÜTGERS Gewerbeimmobilien GmbH & Co. KG	Subsidiary of RGmbH	Germany	100***	-
28	VFT Trading N.V. (VNV)	Subsidiary of RBNV	Belgium	100	100
29	VFT France S.A (VFSA)	Subsidiary of RBNV	France	100	100
30	Rumba Invest BVBA & Co. KG (Rumba)	Subsidiary of RHGmbH	Germany	94.9	94.9
31	RÜTGERS Germany GmbH (RGmbH)	Subsidiary of RHGmbH	Germany	99.7	99.7
32	RÜTGERS Aromatic Chemicals GmbH (RACGmbH)	Subsidiary of RGmbH	Germany	100	100
33	RÜTGERS InfraTec GmbH (RIGmbH)	Subsidiary of RGmbH	Germany	100	100
34	RÜTGERS ChemTrade GmbH (RCTGmbH)	Subsidiary of RGmbH	Germany	100	100
35	RÜTGERS Basic Aromatics GmbH (RBAGmbH)	Subsidiary of RGmbH	Germany	100	100
36	RÜTGERS Novares GmbH (RNGmbH)	Subsidiary of RGmbH	Germany	100	100
37	RÜTGERS Poland Sp. z o.o (RPZ)	Subsidiary of RBAGmbH	Poland	100	100
38	RÜTGERS Resins GmbH (RRGmbH)	Subsidiary of RNGmbH	Germany	-	-*
39	Severtar Holding Ltd. (Severtar)	Subsidiary of RHGmbH	Cyprus	65.3	65.3
40	RÜTGERS Resins BV (RRBV)	Subsidiary of RRGmbH	The Netherlands	100	100
41	OOO RÜTGERS Severtar (OOOSevertar)	Subsidiary of Severtar	Russia	100	100
42	InfraTec Duisburg GmbH (IDGmbH)	Investment in Associates by RGmbH	Germany	30	30
43	Tarlog GmbH (Tarlog)	Investment in Associates by RIGmbH	Germany	50	50
44	RÜTGERS (Shanghai) Trading Co. Ltd.	Subsidiary of RGmbH	China	100	100

* During the previous year RRGmbH is merged with RNGmbH
** dissolved during the current year.
*** Incorporated during the current year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(e) Revenue Recognition

Revenue on sale of products is recognised on dispatch of goods and upon transfer of property in the goods to customers. Sales are inclusive of excise duty, but excludes sales tax and trade discounts as applicable.

Revenue from sale of carbon products include sale of co-generated energy which is recorded exclusive of electricity duty payable to Government authorities and recognised in accordance with contract terms.

Revenue from services rendered is recognised when the related services are performed in accordance with contract terms.

Revenues which arise from the Group's operating activities, principal or ancillary, but which are not arising from sale of products/services rendered are included as other operating revenues.

Income from sale of Certified Emission Reduction (CER's) are recognised on conclusion of CER sale to ultimate buyers.

Rental income is recognised on a time-apportioned basis in accordance with the underlying substance of the relevant contract.

(f) Other Income

Interest income is recognised using the time proportion method, based on the underlying interest rates.

Dividend income is recognised when the Group's right to receive dividend is established.

(g) Tangible Assets and Depreciation

Fixed Assets are stated at cost/professional valuation less accumulated depreciation. Cost includes freight, installation cost, duties and taxes, interest on specific borrowings utilised for financing the qualifying fixed assets and other incidental expenses. Subsequent expenditure related to an item of tangible fixed asset is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under long-term loans and advances as capital advances. Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress.

Depreciation on all the tangible fixed assets is provided using the straight-line method based on the useful life of the assets as prescribed by Schedule II to the Companies Act, 2013 except as mentioned below:

a) In respect of Rain Cements Limited, Plant and machinery is depreciated based on the technical evaluation and assessment. The Management believes that the useful lives adopted (3 - 15 years) by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule.

b) In respect of Rain CII Carbon (Vizag) Limited, the Management is using the remaining leasehold period of land for calculating depreciation for plant and equipment and buildings, as the assets are constructed over leashold land.

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

The cost of land used for mining is amortised over the estimated period of mining rights granted and leasehold land is amortised over the lease period.

Individual assets costing rupees five thousand or below are fully depreciated in the year of acquisition and put to use.

Gains and losses on disposal of tangible assets are determined as the difference between net sales proceeds and the carrying amount, and are presented in the Statement of Consolidated Profit and Loss.

(h) Intangible Assets (other than goodwill on consolidation) and Amortisation

Intangible assets are recorded at the consideration paid for acquisition including any import duties and other applicable taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), and any directly attributable expenditure in making the asset ready for its intended use.

Intangible assets are amortised on a systematic basis over the best estimate of their useful lives, commencing from the date the asset is available to the Group for its use.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the disposal of intangible assets are recognised in the Statement of Consolidated Profit and Loss.

(i) Impairment of assets

All fixed assets including Goodwill and other intangible assets are assessed for any indication of impairment at the end of each financial year. For assets in respect of which any such indication exists the assets recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is recognised in the Statement of Consolidated Profit and Loss in the respective financial years, if the carrying amount of the assets or CGU exceeds its recoverable amount.

If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortised historical cost as per requirement of Accounting Standard 28 (AS 28) "Impairment of Assets".

(j) Inventories

Inventories are valued at lower of cost and net realisable value. Raw material cost is computed on the basis of weighted average cost per unit of measurement after providing for obsolescence, if any. Finished goods and work in progress are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises material, labour and applicable overhead expenses. Stores and spares are valued at cost determined on weighted average basis, or below.

Traded goods are valued at lower of weighted average cost and net realisable value.

Goods in transit are valued at cost or below.

Power banking units are valued at lower of cost or net realizable value. Cost comprises the raw material cost allocated to power generation.

(k) Foreign Currency Transactions and balances

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the rate prevailing on the balance sheet date. The resultant gain/loss upon such restatement along with the gain/loss on account of foreign currency transactions are accounted in the Statement of Consolidated Profit and Loss.

All subsidiaries of the Group are in the nature of non-integral operations in terms of Accounting Standard 11, "The effects of changes in foreign exchange rates". All monetary and non monetary assets and liabilities are translated at the rate prevailing on the balance sheet date. All revenue and expense transactions during the year are reported at an average rates. The resultant translation adjustment is reflected as 'Foreign Currency Translation Reserve' and included under Reserves and Surplus.

Exchange differences arising on a monetary item that, in substance, forms part of the Group's net investment in a non integral foreign operation are accumulated in a foreign currency translation reserve in the Group's financial statements. Such exchange differences are recognized in the Statement of Profit and Loss in the event of disposal of the net investment.

(l) Investments

Non-current investments are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments. Current investments are carried at the lower of cost and fair value.

(m) Employee Benefits

Defined contribution plans

Contributions paid/payable under defined contribution plans are recognised in the Statement of Consolidated

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Profit and Loss each year. The Group makes the contributions and has no further obligations under the plan beyond its contributions.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Consolidated Profit and Loss in the period in which they occur. Past service cost to the extent that the benefits are already vested is recognised immediately and the balance service cost is amortised on a straight line basis over the average service period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. All actuarial gains and losses arising during the year are recognised in the Statement of Consolidated Profit and Loss.

Other long-term employee benefits

Other long term employee benefits comprise compensated absences which is provided based on an actuarial valuation carried out in accordance with AS-15 "Employee Benefits" at the end of the year.

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

(n) Segment Reporting

The Group has considered business segment as the primary segment for reporting. The products considered as business segment are:

- Carbon Products
- Chemicals
- Cement

The above business segments have been identified based on the nature of products, risks and return, organisation structure and internal financial reporting.

The geographical segments considered for disclosures are:

- Sales within India - represents sales made to customers located within India.
- Sales outside India - represents sales made to customers located outside India.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the respective segment.

(o) Leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Consolidated Profit and Loss on accrual basis.

Profit or loss on sale and lease back arrangements resulting in operating leases are recognised, in case the transaction is established at fair value, else the excess over the fair value is deferred and amortised over the period for which the asset is expected to be used.

(p) Derivative Instruments and Hedge Accounting

The Group uses foreign exchange forward contracts, option contracts and swap contracts (derivatives) to

mitigate its risk of changes in foreign currency exchange rates and does not use them for trading or speculative purposes.

The premium or discount on foreign exchange forward contracts is amortised as income or expense over the life of the contract. The exchange difference is calculated and recorded in accordance with AS-11 (revised) in the Statement of Consolidated Profit and Loss. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised in the Statement of Consolidated Profit and Loss. The changes in the fair value of foreign currency option and swap contracts are recognised in the Statement of Consolidated Profit and Loss as they arise. Fair value of such option and swap contracts is determined based on the appropriate valuation techniques considering the terms of the contract.

The Group has designated certain 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 translation gain/(loss) on such foreign currency loans, determined as an effective net investment hedge is recognised in Foreign Currency Translation Reserve (FCTR) included under Reserves and Surplus and would be transferred to the Statement of Consolidated Profit and Loss upon sale or disposal of the investment in the non-integral foreign operations.

(q) Earnings Per Share

The earnings considered in ascertaining the Group's Earnings Per Share (EPS) comprise net profit after tax (and includes the post tax effect of any extra ordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

(r) Tax Expense

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

(s) Borrowing Costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

(t) Cash Flow Statements

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and Cash equivalents for the purpose of cash flow comprises of cash at bank and in hand and short term investments with an original maturity of three months or less.

(u) Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the consolidated financial statements.

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015		As at December 31, 2014	
	Number of Shares	**Amount**	Number of Shares	Amount
Note 3: Share capital				
Authorized:				
Equity Shares of Rs. 2 each	**590,000,000**	**1,180.00**	590,000,000	1,180.00
Redeemable preference shares of Rs. 100 each	**4,900,000**	**490.00**	4,900,000	490.00
TOTAL	**594,900,000**	**1,670.00**	594,900,000	1,670.00
Issued, subscribed and paid up				
Equity Shares of Rs. 2 each	**336,345,679**	**672.69**	336,345,679	672.69
TOTAL	**336,345,679**	**672.69**	336,345,679	672.69

Notes:

(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	For the year ended December 31, 2015		For the year ended December 31, 2014	
	Number of Shares	**Amount**	Number of Shares	Amount
As at beginning of the year	**336,345,679**	**672.69**	336,345,679	672.69
Less: Equity Shares bought back and extinguished during the year	**-**	**-**	-	-
As at end of the year	**336,345,679**	**672.69**	336,345,679	672.69

(ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a par value of Rs. 2 each per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. However, in case of interim dividend the profits are distributed based on approval of Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

During the year ended December 31, 2015, the amount of per share dividend recognised as distribution to equity shareholders was Rs. 1.00 (year ended December 31, 2014: Rs. 1.00)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(iii) Shareholders holding more than 5% of the equity shares

Name of the Shareholder	As at December 31, 2015		As at December 31, 2014	
	Number of Shares	**%**	Number of Shares	%
Sujala Investments Pvt. Limited	**37,766,675**	**11.23**	37,766,675	11.23
ICICI Prudential (including all managed funds)	**20,895,550**	**6.21**	27,174,440	8.08
Reliance Capital Trustee Co. Ltd (including all managed funds)	**19,914,985**	**5.92**	28,559,914	8.49
Rain Enterprises Pvt Ltd	**25,316,465**	**7.53**	25,316,465	7.53
N. Anupama Reddy	**27,152,351**	**8.07**	125,410	0.04
Meghamala Enterprises Private Limited	**17,403,610**	**5.17**	17,404,110	5.17
Pabrai Investment Fund 3, Ltd	**17,469,468**	**5.19**	-	-
Anantha A L Reddy	-	-	17,673,225	5.25

(iv) There are no shares issued pursuant to contract without payment being received in cash during the period of five years immediately preceding the reporting date.

(v) Equity shares bought back during the last five years:

	As at December 31, 2015	As at December 31, 2014
	Number of Shares	Number of Shares
Aggregate no. of shares [Refer Notes (a) to (c) below]	**17,827,216**	17,827,216

Note:

(a) 10,000,000 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from November 14, 2011 to March 29, 2012.

(b) 2,471,293 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from October 22, 2012 to December 31, 2012.

(c) 5,355,923 equity shares of Rs. 2 each fully paid-up were bought back from the shareholders pursuant to buyback of equity shares during the period from January 1, 2013 to March 31, 2013.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 4: Reserves and surplus		
(a) Capital reserve		
Opening balance	**37.47**	37.47
Add: Transferred from Minority interest	**6.51**	-
Closing balance	**43.98**	37.47
(b) Capital redemption reserve	**47.66**	47.66
(c) Securities premium account	**516.67**	516.67
(d) General reserve		
Opening balance	**990.69**	990.69
Add: Transferred from surplus in Statement of Consolidated Profit and Loss	**265.00**	-
Closing balance	**1,255.69**	990.69
(e) Foreign currency translation reserve		
Opening balance	**2,120.54**	5,444.73
Add: Movement during the year	**(2,781.74)**	(3,324.19)
Closing balance	**(661.20)**	2,120.54
(f) Surplus in statement of Consolidated Profit and Loss		
Opening balance	**25,072.11**	24,523.16
Add: Profit for the year	**3,233.39**	885.30
Less: Interim dividend (Refer note 3(ii))	**336.35**	336.35
Tax on dividend	**183.46**	-
Transfer to general reserve	**265.00**	-
Depreciation as per transitional provisions of Companies Act, 2013 net of deferred tax (Refer note 30.16)	**21.17**	-
Closing balance	**27,499.52**	25,072.11
TOTAL	**28,702.32**	28,785.14

Note: Tax on dividend includes Rs. 114.91 relating to the final dividend declared by the subsidiary Rain CII Carbon (Vizag) Limited subsequent to the balance sheet date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 5: Long-term borrowings		
A. Term loans		
From banks		
- Secured	**7,760.20**	5,354.55
From other parties		
- Unsecured	**603.49**	718.89
Less: Current portion of Long-term borrowings disclosed under Note 11 - Other current liabilities	**1,886.54**	1,461.51
	6,477.15	4,611.93
B. Senior secured notes		
8.00% Senior secured notes (due for repayment in December 2018)	**24,730.14**	24,065.40
8.25% Senior secured notes (due for repayment in January 2021)	**23,598.89**	25,332.00
8.50% Senior secured notes (due for repayment in January 2021)	**15,226.12**	16,170.62
	63,555.15	65,568.02
C. Deferred payment liabilities		
- Unsecured	**806.56**	853.03
Less: Current portion of Long-term borrowings disclosed under Note 11 - Other current liabilities	**47.10**	43.85
	759.46	809.18
D. Finance lease obligations		
- Secured	**637.27**	787.86
Less: Current portion of Long-term borrowings disclosed under Note 11 - Other current liabilities	**105.92**	111.03
	531.35	676.83
E. Other loans and advances (Unsecured)	**-**	12.21
Total [A+B+C+D+E]	**71,323.11**	71,678.17

Notes:

(i) Term loan with the original amount of US$ 40 Million borrowed from IDBI Bank Limited, Dubai branch is secured by a pari passu:

(a) First charge on all immovable and movable properties present and future of the Company and Rain Cement Limited, a wholly owned subsidiary; and

(b) Second charge on all current assets of the Company and Rain Cements Limited, a wholly owned subsidiary Company. It carries interest of 3 months Libor plus 400 basis points. Of the original amount of US$ 40 Million borrowed, last installment for 24% of original amount is due on April 1, 2016.

Term loan of US$ 20 Million borrowed from IDBI Bank Limited, Dubai branch, during the year ended December 31, 2014 is secured by a pari passu first charge on all immovable and movable properties present and future of Rain Cements Limited, a wholly owned subsidiary Company.

The loan has a bullet repayment on April 28, 2017. It carries interest of 6 months Libor plus 350 basis points.

Term loan of US$ 20 Million borrowed from Citi Bank, NA Nassau, Bahamas branch, in the current financial year is secured by:

(a) Pari passu first charge on movable assets of the Company including current assets of the Company.

(b) First Ranking exclusive charge and Hypothecation over designated account No.0037315052 maintained by the Company with Citibank.

(c) First ranking exclusive pledge on 10,00,000 equity shares held by the Company in Rain CII Carbon (Vizag) Limited, a wholly owned step-down subsidiary Company.

The loan has a bullet repayment on October 31, 2018. It carries interest of 3 months Libor plus 235 basis points.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(ii) **Term loan A** of US$ 20 Million availed from ICICI Bank Limited, New York Branch by Rain Commodities (USA) Inc. ("RCUSA") is secured by:

(a) Pari passu first charge on all movable fixed assets of RCUSA and first charge on the Debt Service Reserve Account balance of RCUSA; and

(b) Guarantee from Rain Cements Limited.

This loan is repayable in four equal annual installments starting from March 2014. This loan carries interest of 3 month Libor plus 500 basis points.

Term loan B of US$ 20 Million availed from ICICI Bank Limited, New York Branch by RCUSA is secured by:

(a) Pari passu first charge on all movable fixed assets of RCUSA and first charge on the Debt Service Reserve Account balance of RCUSA;

(b) Guarantee from Rain Carbon Holdings, LLC; and

(c) Pledge of 14.6% of membership interest in Rain CII Carbon LLC ("RCC") by Rain Carbon Holdings, LLC.

This loan is repayable in four equal annual installments starting from March 2014. This loan carries interest of 3 month Libor plus 600 basis points.

(iii) Term loan of US$40 Million availed by Rain CII Carbon LLC (RCC) is secured by the fixed assets of the company. It carries interest of 2.1% with the maturity date not exceeding November 28, 2017.

(iv) Term loan availed from European Bank for Reconstruction and Development by OOO RÜTGERS Severtar ("OOOSevertar") is secured by:

(a) Senior charge on all assets of the OOOSevertar, and

(b) Guarantee from certain group companies, until completion of the project in Russia.

The loan is repayable in 16 equal quarterly instalments starting from July 2014. This loan carries interest of 3 months LIBOR plus 400 basis points.

(v) Term loan from others includes loan taken by OOO Severtar from OAO Severstal at fixed interest rate of 8.00% with bullet repayment in December 2018.

(vi) The Senior secured notes of RCC are secured by substantially all of the RCC's assets in the USA and are guaranteed by RCC's subsidiaries in the USA on a joint and several basis.

(vii) Deferred payment liabilities represents interest free sales tax deferment liability of Rs. 806.56 repayable in 117 monthly installments based on deferment schedule.

(viii) Finance leases are secured by assets financed under the leasing agreement.

(ix) During the year ended December 31, 2014, one of the group companies in United States (Rain Carbon Holdings, LLC) entered into a new credit arrangement for a facility amount of $10,000 thousands, which had a facility for issuance of letter of credits and cash drawings. The Commitment fee on the unused portion of the facility was 0.25% per annum. Cash drawings under this facility were subject to interest rate of three months USD LIBOR plus 350 bps per annum. The facility has been closed during the current year ended December 31, 2015.

	As at December 31, 2015	As at December 31, 2014
Note 6: Deferred taxes		
Deferred tax liability/(asset)		
- on account of depreciation and amortisation	**4,494.12**	4,476.26
- on account of employee benefits	**(1,374.28)**	(1,501.17)
- on account of deferred payment liabilities	**(31.22)**	(41.25)
- others	**(2,031.01)**	(736.06)
Net deferred tax liability	**1,057.61**	2,197.78
The net deferred tax liability of Rs. 1,057.61 (December 31, 2014: Rs. 2,197.78) comprises of:		
Deferred tax asset	**(2,786.11)**	(2,027.28)
Deferred tax liability	**3,843.72**	4,225.06
Net deferred tax liability	**1,057.61**	2,197.78

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 7: Other long-term liabilities		
Interest accrued but not due on borrowings	**87.65**	32.65
Advances from customers	**184.30**	177.64
Others	**443.33**	315.93
TOTAL	**715.28**	526.22
Note 8: Long-term provisions		
Provision for employee benefits:		
- Compensated absences	**129.98**	141.89
- Gratuity	**81.98**	77.16
- Other defined benefit plans (net)	**6,008.30**	6,620.65
Provision - Others		
- Provision for environment liabilities	**1,026.46**	1,134.98
- Provision - others	**29.80**	33.34
TOTAL	**7,276.52**	8,008.02
Note 9: Short-term borrowings		
From banks - Secured		
- Buyer's credit	**-**	186.95
- External packing credit loan	**1,602.52**	1,224.30
- Other working capital loans	**811.38**	1,963.23
From banks - Unsecured	**167.56**	56.95
From other parties - Unsecured	**12.78**	-
TOTAL	**2,594.24**	3,431.43

Notes:

(i) Secured borrowings:

Borrowings availed by Rain CII Carbon (Vizag) Limited ("RCCVL"):

The Company has availed the following Working Capital Facilities from ICICI Bank Limited, Citibank and IDBI Limited. The Working Capital facilities availed from ICICI Bank Limited and Citibank are secured by Paripassu First Charge on the Current Assets and Moveable Fixed Assets of the Company. The Working Capital facilities availed from IDBI Bank Limited are secured by Paripassu First Charge on the Current Assets and Paripassu Second Charge on the Moveable Fixed Assets of the Company. External Packing Credit loan carry an interest rate of 4 to 6 months USD LIBOR plus interest margin of 0.97% and 1.00% (monthly payments).

Borrowing from banks by Rain CII Carbon LLC ("RCC") are secured by substantially all of the RCC's assets in the USA and are guaranteed by RCC's subsidiaries in the USA on a joint and several basis.

Borrowings from banks availed by Rain Commodities (USA) Inc. ("RCUSA") are secured by:

(a) First charge on the current assets of RCUSA;

(b) extension of facilities provided already for the long term borrowings.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 10: Trade payables		
Trade payables - micro and small enterprises	**16.68**	4.75
Trade payables - other than micro and small enterprises	**10,211.25**	10,003.07
TOTAL	**10,227.93**	10,007.82
(a) the principal amount and the interest due thereon remaining unpaid to any supplier.	**16.68**	4.75
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	**-**	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-
(d) the amount of interest accrued and remaining unpaid; and	**-**	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-
Note 11: Other current liabilities		
Current maturities of long-term borrowings (Refer note 5)	**2,039.56**	1,616.39
Interest accrued but not due on borrowings	**1,666.74**	1,769.06
Unclaimed dividends	**36.57**	35.93
Other payables		
- Statutory remittances	**530.30**	643.86
- Trade/security deposits received	**274.53**	260.78
- Advances from customers	**145.10**	110.62
- Payables on purchase of fixed assets	**639.98**	614.91
- Provision for discounts	**299.26**	351.12
- Others	**692.18**	1,476.65
TOTAL	**6,324.22**	6,879.32
Note 12: Short-term provisions		
Provision for employee benefits:		
- Compensated absences	**46.56**	36.41
Provision - Others:		
- Provision for tax (net of advance tax December 31, 2015: Rs. 703.65, previous year: December 31, 2014: Rs. Nil)	**514.40**	-
- Provision for tax on proposed dividend (Refer note below)	**114.91**	-
- Provision for environment liabilities	**776.91**	998.15
- Provision for loss on derivatives	**27.97**	65.37
- Other provisions	**45.10**	21.23
TOTAL	**1,525.85**	1,121.16

Notes: Provision for tax on proposed dividend relates to the final dividend declared by the subsidiary Rain CII Carbon (Vizag) Limited subsequent to the balance sheet date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 13: Fixed Assets

Description	Gross Block (At Cost/ Professional Valuation)					Depreciation/Amortisation					Net Block	
	As at January 1, 2015	Additions	Deletions/ Adjustments	Foreign Exchange Adjustments	**As at December 31, 2015**	As at January 1, 2015	For the year	Deletions/ Adjustments [Refer Note (iii) below]	Foreign Exchange Adjustments	**As at December 31, 2015**	**As at December 31, 2015**	As at December 31, 2014
Tangible assets												
Land - freehold	1,008.56	0.56	0.14	(23.30)	**985.68**	286.35	-	-	(16.79)	**269.56**	**716.12**	722.21
Land - leasehold (Refer note (i) below)	87.85	-	-	-	**87.85**	19.01	4.51	-	-	**23.52**	**64.33**	68.84
Buildings												-
Owned (Refer note (ii) below)	8,252.13	140.73	34.80	(249.48)	**8,108.58**	4,868.82	262.51	3.15	(209.04)	**4,919.14**	**3,189.44**	3,383.31
Taken under finance lease	53.94	-	-	(5.43)	**48.51**	39.84	2.70	-	(4.23)	**38.31**	**10.20**	14.10
Plant and equipment												-
Owned	67,218.05	2,278.36	549.46	(2,241.70)	**66,705.25**	43,934.69	2,535.01	492.37	(2,171.38)	**43,805.95**	**22,899.30**	23,283.36
Taken under finance lease	2,144.79	-	-	(125.53)	**2,019.26**	1,898.80	38.11	-	(110.46)	**1,826.45**	**192.81**	245.99
Furniture and fixtures	2,592.09	71.56	7.79	(142.43)	**2,513.43**	1,843.53	167.56	4.55	(102.93)	**1,903.61**	**609.82**	748.56
Office equipments												-
Owned	1,792.53	104.56	11.57	(107.44)	**1,778.08**	1,511.90	85.96	1.69	(93.31)	**1,502.86**	**275.22**	280.63
Taken under finance lease	53.90	-	-	(3.15)	**50.75**	53.14	0.70	-	(3.09)	**50.75**	**-**	0.76
Vehicles	449.67	42.76	34.93	(24.29)	**433.21**	317.06	34.29	26.02	(19.59)	**305.74**	**127.47**	132.61
	83,653.51	2,638.53	638.69	(2,922.75)	**82,730.60**	54,773.14	3,131.35	527.78	(2,730.82)	**54,645.89**	**28,084.71**	28,880.37
Intangible assets												
Goodwill (Refer note 30.01)	57,951.83	-	-	(791.77)	**57,160.06**	-	-	-	-	**-**	**57,160.06**	57,951.83
Licenses and franchise	1,449.43	32.06	0.27	(84.19)	**1,397.03**	1,164.29	146.33	0.27	(64.99)	**1,245.36**	**151.67**	285.14
Other intangible assets	9.01	1.26	-	(0.46)	**9.81**	8.42	0.48	-	(0.46)	**8.44**	**1.37**	0.59
	59,410.27	33.32	0.27	(876.42)	**58,566.90**	1,172.71	146.81	0.27	(65.45)	**1,253.80**	**57,313.10**	58,237.56
TOTAL	143,063.78	2,671.85	638.96	(3,799.17)	**141,297.50**	55,945.85	3,278.16	528.05	(2,796.27)	**55,899.69**	**85,397.81**	87,117.93
Year ended December 31, 2014	150,717.53	3,159.28	2,420.81	(8,392.22)	**143,063.78**	58,095.00	3,469.79	861.23	(4,757.71)	**55,945.85**	**87,117.93**	

Notes:

(i) Include land measuring 11 acres 82 cents taken on lease from Visakhapatnam Port Trust till October 27, 2022, in respect of which the lease deed is in the process of being executed.

(ii) Include buildings constructed on leasehold land and depreciated over the lease period.

(iii) Include Depreciation adjusted as per the Transitional provisions of Companies Act, 2013 (Refer note 30.16).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 14: Non-current investments		
A. Trade investments (unquoted)		
Investment in equity instruments		
(i) of associates		
- InfraTec Duisburg GmbH – 7,500 (previous year: 7,500) ordinary shares with no par value	**17.91**	25.95
- Tarlog GmbH – 50,000 (previous year: 50,000) ordinary shares with no par value*	**-**	-
(ii) in other entities		
- Arsol Aromatics GmbH & Co. – 1,365,860 (previous year: 1,365,860) ordinary shares with no par value	**24.72**	26.26
- Andhra Pradesh Gas Power Corporation Limited 134,000 (December 31, 2014: 134,000) equity shares of Rs. 10 each fully paid up	**16.00**	16.00
Investment in Government securities		
- National Savings Certificates	**0.14**	0.11
TOTAL	**58.77**	68.32
*Considering the losses, the investment value is written down to zero		
Note 15: Long-term loans and advances		
(Unsecured, considered good)		
Capital advances	**788.25**	296.13
Security deposits	**293.30**	244.17
Loans and advances		
- to others	**438.04**	751.22
- to employees	**5.80**	7.32
Prepaid expenses	**2.50**	3.80
Balances with Government authorities	**28.17**	28.35
Advance income tax (net of provision for tax December 31, 2015: Rs. Nil, previous year: December 31, 2014: Rs. 710.37)	**-**	1,250.53
TOTAL	**1,556.06**	2,581.52
Note 16: Other non-current assets		
Interest accrued on deposits	**-**	0.36
Non-current portion of bank balances (Refer note 20)	**1.86**	14.46
TOTAL	**1.86**	14.82
Note 17: Current investments		
Investment in mutual funds of (unquoted):		
a) Frankling Templeton Investments	**25.22**	-
b) ICICI Prudiential Flexible Income-Direct Plan-Growth	**100.36**	130.24
c) Axis Liquid Fund - Direct Growth (CF-DG)	**-**	20.01
d) IDFC Arbitrage Fund-Dividend - (Direct Plan)	**10.04**	25.11
e) Reliance Liquid Fund-Treasury Plan-Direct Growth Plan - Growth Option	**-**	20.01
TOTAL	**135.62**	195.37
Aggregate amount of unquoted investments	**135.62**	195.37
Aggregate provision for diminution in value of investments	**-**	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

		As at December 31, 2015	As at December 31, 2014
Note 18: Inventories			
(At lower of cost and net realisable value)			
a)	Raw materials	**7,322.03**	6,137.82
	Goods-in-transit	**405.48**	741.38
		7,727.51	6,879.20
b)	Work-in-progress	**961.33**	1,542.95
c)	Finished goods (other than those acquired for trading)	**3,982.88**	3,674.54
	Goods-in-transit	**51.69**	65.37
		4,034.57	3,739.91
d)	Stock-in-trade (acquired for trading)	**1,751.16**	1,694.50
	Goods-in-transit	**256.65**	7.55
		2,007.81	1,702.05
e)	Stores and spares	**1,149.93**	1,088.66
	Goods-in-transit	**2.16**	1.83
		1,152.09	1,090.49
f)	Packing materials	**92.52**	93.16
	Goods-in-transit	**0.27**	5.35
		92.79	98.51
g)	Fuel	**142.71**	179.42
	Goods-in-transit	**91.09**	25.02
		233.80	204.44
h)	Power banked units held with third party	**-**	79.61
	TOTAL	**16,209.90**	15,337.16
Note 19: Trade receivables			
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
	- Secured	**33.45**	27.26
	- Unsecured, considered good	**88.16**	644.73
	- Doubtful	**51.45**	62.03
		173.06	734.02
	Less: Provision for doubtful trade receivables	**51.45**	62.03
		121.61	671.99
	Other trade receivables		
	- Secured	**59.28**	75.37
	- Unsecured, considered good	**11,787.28**	12,964.66
	- Doubtful	**91.16**	5.54
		11,937.72	13,045.57
	Less: Provision for doubtful trade receivables	**91.16**	5.54
		11,846.56	13,040.03
	TOTAL	**11,968.17**	13,712.02

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2015	As at December 31, 2014
Note 20: Cash and bank balances		
A. Cash and cash equivalents		
Cash on hand	**4.43**	1.49
Cheques/drafts on hand	**12.78**	18.00
Balances with banks:		
- in current accounts	**6,452.15**	4,059.97
- in Exchange earners foreign currency (EEFC) accounts	**1.68**	191.21
- in deposit accounts (with original maturity of 3 month or less)	**1,046.94**	4,129.99
	7,517.98	8,400.66
B. Other bank balances		
Balances held as margin money against guarantees and other commitments	**205.79**	228.95
Unclaimed dividend accounts	**36.56**	35.93
Long term deposits (original maturity of more than 12 months)	**846.14**	344.07
Less: Non-current portion of bank balances (Refer note 16)	**1.86**	14.46
	1,086.63	594.49
Total [A+B]	**8,604.61**	8,995.15
Note 21: Short-term loans and advances (Unsecured, considered good)		
Advances to related parties		
- Rain Entertainments Private Limited	**-**	64.29
Security deposits	**15.99**	14.60
Advance to employees	**16.84**	20.83
Prepaid expenses	**172.20**	285.13
Balances with Government authorities	**736.05**	720.99
Advance to supplier and service providers	**569.85**	332.31
Others	**802.20**	974.92
TOTAL	**2,313.13**	2,413.07
Note 22: Other current assets		
Fixed assets reclassified as held for sale	**32.50**	-
Unbilled revenue	**30.46**	36.03
Accruals		
- Interest accrued on deposits	**26.55**	13.15
- Interest on trade receivables	**-**	11.67
Others		
- Contractually reimbursable expenses	**-**	233.60
- Government subsidies receivable	**-**	97.40
- Others	**0.07**	6.24
TOTAL	**89.58**	398.09

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2015	For the year ended December 31, 2014
Note 23: Revenue from operations		
Sale of products	**103,848.40**	119,233.33
Revenue from services	**190.03**	178.61
Other operating revenues [Refer Note (i) below]	**467.70**	2,033.54
Revenue from operations (gross)	**104,506.13**	121,445.48
Less: Excise duty	**2,320.82**	2,075.61
Revenue from operations (net)	**102,185.31**	119,369.87
Notes:		
(i) Other operating revenues comprises:		
Scrap sales	**27.32**	49.35
Income from sale of Certified Emission Reductions	**1.03**	-
Rental income	**127.70**	147.91
Insurance claims	**23.57**	11.48
Indemnification for environmental costs	**-**	1,501.62
Rebates and incentives	**5.41**	-
Rebate on value added tax	**40.55**	-
Dock revenue	**108.53**	82.94
Other operating revenues	**133.59**	240.24
TOTAL	**467.70**	2,033.54
Note 24: Other income		
Interest income:		
Interest from banks on deposits	**164.19**	74.76
Other interest	**10.19**	26.78
	174.38	101.54
Dividend income from current investments	**9.66**	7.90
Gain on foreign currency transactions and translations (net)	**244.65**	404.45
Other non-operating income		
Gain on derivatives (net)	**52.31**	-
Liabilities/provisions no longer required written back	**85.15**	207.45
Income from redemption of senior secured notes	**113.59**	-
Profit on sale of fixed assets (net)	**-**	11.17
Miscellaneous income	**116.62**	40.99
	367.67	259.61
TOTAL	**796.36**	773.50

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2015	For the year ended December 31, 2014
Note 25: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening Stock		
Finished goods	**3,739.91**	5,577.14
Work-in-progress	**1,542.95**	1,984.03
Stock-in-trade	**1,702.05**	1,034.00
	6,984.91	8,595.17
Closing Stock		
Finished goods	**4,034.57**	3,739.91
Work-in-progress	**961.33**	1,542.95
Stock-in-trade	**2,007.81**	1,702.05
	7,003.71	6,984.91
(Increase)/decrease in stock	**(18.80)**	1,610.26
Foreign currency translation adjustment	**(154.73)**	(421.00)
Net (increase)/decrease	**(173.53)**	1,189.26

Note 26: Employee benefits expense		
Salaries, wages and bonus	**8,285.90**	8,491.02
Contributions to provident and other funds	**733.34**	723.73
Staff welfare expenses	**591.30**	552.25
TOTAL	**9,610.54**	9,767.00

Note 27: Finance cost		
Interest expense on borrowings	**5,619.06**	5,922.33
Other borrowing costs	**144.43**	156.17
Loss on foreign currency transactions and translation (net)	**200.98**	120.22
TOTAL	**5,964.47**	6,198.72

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2015	For the year ended December 31, 2014
Note 28: Other expenses		
Consumption of stores and spares	**1,364.83**	1,580.43
Consumption of packing materials	**680.06**	824.06
Change in excise duty on finished goods	**(17.45)**	26.58
Power and fuel	**5,410.88**	6,051.78
Repairs and maintenance		
- Plant and machinery	**3,371.86**	3,600.15
- Buildings	**141.02**	140.35
- Others	**387.01**	600.30
Insurance	**581.36**	618.50
Rent (Refer note 30.7)	**662.44**	617.45
Rates and taxes	**265.37**	361.03
Travelling and conveyance	**273.19**	268.70
Selling and distribution expenses	**8,869.98**	8,970.48
Cash discounts	**137.38**	161.20
Donations and contributions	**125.16**	125.79
Consultancy charges	**1,784.30**	2,218.65
Payment to auditors [Refer Note below]	**151.63**	119.46
Directors' sitting fees	**6.03**	2.83
Commission to directors	**17.60**	18.00
Provision for doubtful trade receivables	**12.52**	7.76
Bad debts written off	**-**	6.59
Loss on derivatives (net)	**-**	75.44
Loss on sale of fixed assets (net)	**17.85**	-
Miscellaneous expenses	**2,014.72**	2,242.55
	26,257.74	28,638.08
Less: Expenses capitalised	**64.84**	84.03
TOTAL	**26,192.90**	28,554.05
Note:		
Payment to auditors comprises (excluding service tax):		
Audit fees	**68.95**	65.45
Limited review fees	**11.28**	8.09
Other services	**65.36**	42.77
Reimbursement of expenses	**6.04**	3.15
TOTAL	**151.63**	119.46
Note 29: Tax expense		
Current tax		
(i) Tax for current year	**3,539.80**	1,117.44
(ii) Tax relating to earlier years	**3.08**	25.15
(iii) Minimum alternate tax credit entitlement	**(126.70)**	(25.18)
Net current tax	**3,416.18**	1,117.41
Deferred tax	**(1,454.10)**	(1,238.02)
TOTAL	**1,962.08**	(120.61)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 30.1: Items relating to RÜTGERS acquisition

(i) During the previous year ended December 31, 2014, the Group had been indemnified in relation to certain environmental expenditure, as per the terms of a prior acquisition made by the Group. Based on completion of due process as per the terms of the agreement, the Group had recognized an amount of Rs. 100.66, recoverable upto December 31, 2013. The Group had received the full settlement amount and accordingly recognised final claim amount of Rs. 150.16 during the year ended December 31, 2014.

(ii) As a part of acquisition of Rutgers group in 2013, the Group had recorded a contingent consideration of Rs. 1580.20. As the conditions stipulated for payment of contingent consideration, determined and recorded as part of acquisition were not fulfilled within the agreed timelines, the Group reassessed its estimate of payment of the contingent consideration and accordingly the outstanding liability of Rs. 1,580.20 was reversed during the year ended December 31, 2014. Such reversal of contingent consideration was adjusted against Goodwill. There were no outstanding consideration payable on acquisition as on December 31, 2014.

Note 30.2: Impairment loss

Based on the impairment analysis carried out during the year, there is no impairment loss recorded by the Group.

Based on the impairment analysis carried out during the previous year, the Group recorded a total impairment loss of Rs. 95.23 on account of the following:

a) On account of newly imposed environmental regulations in China, the Group decided to discontinue the operations of its China facility as they did not consider those operations to be financially viable. Management carried out an impairment analysis in accordance in with AS- 28 " Impairment of Assets " and accordingly, net book value of all the tangible assets aggregating to Rs. 55.80 (USD 0.9 million) pertaining to China Operations were impaired during the year ended December 31, 2014.

b) On account of less than expected performance of its Netherland operations, the Group assessed the recoverable value of the intangibles in accordance with AS-28 "Impairment of Assets". Based on the evaluation carried out, the Group has impaired licenses aggregating to Rs. 39.43 (Euros 0.5 million) in the Netherland operations during the year ended December 31, 2014.

Note 30.3: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at December 31, 2015	As at December 31, 2014
(I) Contingent liabilities		
(a) In respect of demands/claims arising on account of:		
- Income tax	**284.31**	276.49
- Wheeling charges [Refer note (i)]	**311.19**	342.69
- Operating charges of state load dispatch center and minimum energy/ demand	**12.53**	12.53
- Electricity duty	**17.53**	17.53
- Customs Duty, Sales Tax, Service Tax and Excise Duty related matters under dispute	**500.03**	506.03
- Fuel Surcharge Adjustment levied by Electricity Distributing Companies	**34.57**	34.57
(b) Claims against the Group not acknowledged as debt	**251.50**	65.43
(c) Bank guarantees outstanding	**9.10**	9.10
(II) Commitments		
Estimated amounts of contracts remaining to be executed on capital account [net of Capital advance Rs. 468.80 (December 31, 2014: Rs. 296.13)]	**1,100.32**	1,199.19

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(III) Liabilities pursuant to the German Mergers and Acquisitions Act (Umwandlungsgesetz - UmwG), which are largely the result of the spin-off of retirement pension obligations in the past to RÜTGERS Altersversorgungs-GmbH, Germany and RÜTGERS Dienstleistungs-GmbH, Germany. After the sale of shares to RÜTGERS Germany GmbH, Germany these two companies continued to be with the prior owners of RÜTGERS. Management do not expect any claims from this obligation and hence, not recorded any liabilities in the books. The amount of this obligation as at December 31, 2015 is Rs. 1,191.18 (December 31, 2014: Rs. 2,054.75).

Note:

(i) During 2002, the erstwhile Rain Calcining Limited had disputed the order of Andhra Pradesh Electricity Regulatory Commission ('APERC') in respect of wheeling charges before the Honorable High Court of Andhra Pradesh. The Honorable High Court of Andhra Pradesh had set aside the order of APERC. Transmission Corporation of Andhra Pradesh ('AP Transco') filed a Special Leave Petition in the Supreme Court of India against the order of the Honorable High Court of Andhra Pradesh. The final verdict of the Honorable Supreme Court of India is awaited. The contingent liability has been computed on the basis of imputed cost till December 31, 2015 per the terms of the said APERC order.

Note 30.4: Segmental Reporting

a) Business Segment

Particulars	Year ended December 31, 2015				Year ended December 31, 2014			
	Carbon Products	**Chemical**	**Cement**	**Total**	Carbon Products	Chemicals	Cement	Total
Revenue								
External Sales (net of excise duty and taxes on sales)	**71,813.55**	**19,615.96**	**10,288.10**	**101,717.61**	83,972.42	24,629.09	8,734.82	117,336.33
Inter- Segment Sales	**3,103.65**	**3,385.66**	**4.88**	**6,494.19**	2,953.63	4,843.90	1.58	7,799.11
Total	**74,917.20**	**23,001.62**	**10,292.98**	**108,211.80**	86,926.05	29,472.99	8,736.40	125,135.44
Less: Eliminations	**(3,103.65)**	**(3,385.66)**	**(4.88)**	**(6,494.19)**	(2,953.63)	(4,843.90)	(1.58)	(7,799.11)
Total Revenue from sale of products and from services provided	**71,813.55**	**19,615.96**	**10,288.10**	**101,717.61**	83,972.42	24,629.09	8,734.82	117,336.33
Other operating income	**268.89**	**144.98**	**53.83**	**467.70**	1,204.75	800.06	28.73	2,033.54
Total Revenue	**72,082.44**	**19,760.94**	**10,341.93**	**102,185.31**	85,177.17	25,429.15	8,763.55	119,369.87
Result								
Segment Result	**7,817.10**	**974.14**	**1,422.61**	**10,213.85**	7,668.95	920.43	65.64	8,655.02
Operating Profit				**10,213.85**				8,655.02
Finance costs				**5,763.49**				6,078.50
Unallocated income				**(499.40)**				(369.05)
Forex (gain) / loss in other (income) / expense				**(95.98)**				(208.79)
Exceptional items				**60.91**				2,577.42
Profit Before Taxation				**4,984.83**				576.94
Provision for Taxation				**1,962.08**				(120.61)
Profit after tax and before share of loss of associates and minority interest				**3,022.75**				697.55
Segment Assets	**99,780.50**	**23,156.94**	**7,469.93**	**130,407.37**	98,645.12	27,022.07	6,570.37	132,237.57
Unallocated Corporate Assets				**2,822.68**				3,313.75
Total Assets	**99,780.50**	**23,156.94**	**7,469.93**	**133,230.05**	98,645.12	27,022.07	6,570.37	135,551.32
Segment Liabilities [Refer note (i)]	**17,447.46**	**6,406.46**	**2,219.58**	**26,073.50**	16,502.99	9,989.90	1,828.74	28,321.64
Unallocated Corporate Liabilities				**4,394.70**				4,260.99
Total Liabilities	**17,447.46**	**6,406.46**	**2,219.58**	**30,468.20**	16,502.99	9,989.90	1,828.74	32,582.63
Capital Expenditure	**3,494.99**	**927.05**	**565.02**	**4,987.06**	3,074.75	812.77	98.22	3,985.74
Depreciation	**2,163.46**	**736.00**	**378.70**	**3,278.16**	2,180.48	920.92	368.39	3,469.79

Note: (i) Segment Liabilities does not include borrowings of Rs. 73,362.67 (December 31, 2014 : Rs. 73,294.57).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

b) Geographical Segment

	December 31, 2015		December 31, 2014	
	Revenue from sale of products/services rendered to external customers	**Segment Assets**	Revenue from sale of products/services rendered to external customers	Segment Assets
India	**16,657.51**	**23,247.76**	14,995.39	21,481.76
Outside India	**85,060.10**	**107,159.61**	102,340.94	110,755.81
Total	**101,717.61**	**130,407.37**	117,336.33	132,237.57

Note 30.5: Employee Benefits

The Group has various employee benefit schemes covering different categories of employees based on their location of employment.

a) Contribution plans:

Amounts towards defined contribution plans have been recognised under "Contributions to provident and other funds" in Note 26: Rs. 152.10 (December 31, 2014 - Rs. 172.31).

b) Benefit plans:

The Group operates the following defined benefit plans:

(i) Gratuity

(ii) Pension

(iii) Post retirement medical benefits

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2015. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Balance Sheet and Statement of Consolidated Profit and Loss.

Amounts recognized in the Balance Sheet are as follows:

	As at December 31, 2015	As at December 31, 2014
Present value of funded obligation	**8,434.85**	9,165.45
Less: Fair value of plan assets	**2,344.57**	2,467.64
Net liability	**6,090.28**	6,697.81

The Net liability in respect of unfunded obligation is Rs. 5,412.65 (December 31, 2014: Rs. 5,878.39)

Net employee benefits expense (recognised in employee cost)

	For the year ended December 31, 2015	For the year ended December 31, 2014
Current service cost	**419.28**	310.36
Past service cost	**35.33**	8.84
Interest cost	**200.99**	254.80
Expected return on plan assets	**(99.26)**	(114.53)
Administrative expenses	**2.49**	2.76
Net actuarial loss/(gain) recognized during the year	**(675.00)**	1,905.67
Total	**(116.17)**	**2,367.90**

Periodic costs in respect of unfunded obligation is Rs. (135.59) (December 31, 2014: Rs. 1,930.12)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Reconciliation of opening and closing balances of the present value of the obligations:

	Year ended December 31, 2015	Year ended December 31, 2014
Opening defined benefit obligation	**9,165.45**	7,303.57
On acquisition of subsidiaries	**-**	-
Current service cost	**419.28**	310.36
Past service cost	**35.33**	8.84
Interest Cost	**200.98**	254.80
Actuarial loss/(gain)	**(732.04)**	1,992.40
Administrative expenses, taxes and insurance premiums	**(16.89)**	(18.65)
Other significant events	**(1.35)**	-
Plan participant contributions	**67.90**	74.68
Amount paid to employees	**(106.83)**	(145.23)
Exchange differences	**(596.98)**	(615.32)
Closing defined benefit obligation	**8,434.85**	9,165.45

Reconciliation of opening and closing balances of the fair value of plan assets:

	Year ended December 31, 2015	Year ended December 31, 2014
Opening fair value of plan assets	**2,467.64**	2,314.36
On acquisition of subsidiaries	**-**	-
Expected return on plan assets	**99.26**	110.80
Actuarial (loss)/gain	**(57.05)**	90.50
Contribution by employer	**89.50**	165.35
Plan participant contributions	**67.90**	71.29
Administrative expenses, taxes and insurance premiums	**(19.38)**	(20.43)
Amount paid to employees	**(106.83)**	(145.23)
Exchange differences	**(196.47)**	(119.00)
Closing fair value of plan assets	**2,344.57**	2,467.64
Actual return on plan assets	**42.22**	201.30

Major Category of plan assets as a percentage to fair value of plan assets:

	As at December 31, 2015	As at December 31, 2014
Equity securities	**40.00%**	44.00%
Debt securities	**37.00%**	35.00%
Insurer managed funds	**22.00%**	20.00%
Others	**1.00%**	1.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Principal Actuarial assumptions used:

	Year ended December 31, 2015	Year ended December 31, 2014
Discount rates on benefit obligations	**2.10% to 7.85%**	1.70% to 8.20%
Expected rate of return on plan assets	**1.70% to 8.00%**	3.10% to 8.00%
Expected salary increase rates	**2.00% to 7.00%**	2.50% to 7.00%
Annual increase in health cost		
Initial trend rate	**6.56%**	6.61%
Ultimate trend rate	**4.50%**	4.50%
Year ultimate trend rate is reached	**2031**	2031

The expected contribution to be made by the Group during the financial year ending December 31, 2016 is Rs. 139.83.

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

c) Compensated absences

The Group provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods or receive cash in lieu thereof as per Group policy. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Group towards this benefit as at December 31, 2015 is Rs. 176.54 (December 31, 2014 Rs. 178.30).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 30.6: Related Party Disclosures

a) Names of related parties and description of relationship

Key Managerial Personnel and their Relatives	1. Mr. N. Jagan Mohan Reddy Managing Director 2. Mr. T. Srinivasa Rao Chief Financial Officer 3. Mr. S. Venkat Ramana Reddy Company Secretary 4 Mr. N. Sujith Kumar Reddy Managing Director-Rain Cements Limited
Enterprise where key managerial personnel along with their relatives exercise significant influence	1. Sujala Investments Private Limited 2. Rain Enterprises Private Limited (REnPL) 3. Nivee Holdings Private Limited 4. Arunachala Holdings Private Limited 5. PCL Financial Services Private Limited 6. Rain Entertainments Private Limited (REPL) 7. Nivee Property Developers Private Limited (NPDPL) 8. Pragnya Priya Foundation (PPF)
Associates and joint ventures of the reporting enterprises and the investing party or venturer in respect of which the reporting enterprise is an associate of joint venture	1. Tarlog GmbH (Tarlog) (Investment by RÜTGERS InfraTec GmbH) 2. InfraTec Duisburg GmbH (IDGmbH) (Investment by RÜTGERS Germany GmbH)

b) Transactions with related parties:

Particulars	**Year ended December 31, 2015**	Year ended December 31, 2014
Purchases and services (net of reimbursements) from:		
a) Tarlog	**192.15**	216.42
b) IDGmbH	**412.00**	650.21
Other operating income		
a) Tarlog	**6.30**	4.95
b) IDGmbH	**30.64**	27.81
Managerial remuneration		
a) N. Jagan Mohan Reddy	**13.47**	13.47
b) T. Srinivasa Rao	**10.50**	7.15
c) S. Venkat Ramana Reddy	**3.19**	2.19
Remuneration to relatives of KMP		
a) N. Sujith Kumar Reddy	**30.39**	12.33
Dividend paid		
a) Enterprise where key managerial personnel along with their relatives exercise significant influence	**81.27**	81.27
b) Key Managerial Personnel	**56.96**	56.19
Donations given, net		
a) PPF	**7.00**	5.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

The Group has the following dues from /to related parties:

Particulars	As at December 31, 2015	As at December 31, 2014
Amounts receivable from		
a) Tarlog	**2.90**	1.00
b) IDGmbH	**71.27**	95.17
c) REPL	**-**	1,232.42
Amounts payable to		
a) Tarlog	**26.61**	31.26
b) IDGmbH	**118.68**	88.86
Advance given towards purchase of raw material to		
a) REPL	**-**	64.29

Note 30.7: Operating Leases

The Group has entered into various operating lease agreements for assets comprising of storage and other facilities and amounts aggregating Rs. 662.44 (December 31, 2014 - Rs. 617.45) paid under such agreements have been charged off in the Statement of Consolidated Profit and Loss.

	As at December 31, 2015	As at December 31, 2014
- Not later than 1 year	**532.26**	587.37
- Later than 1 year and not later than 5 years	**1,130.43**	1,116.92
- Beyond 5 years	**379.83**	431.82

Note 30.8: Finance Leases

The Group has taken buildings, plant and equipment and other assets under finance leases. The future minimum lease payments and their present values as at December 31, 2015 are as follows:

	Present value of minimum lease payments	Future interest	Minimum lease payments
- Not later than 1 year	105.92	30.02	135.94
- Later than 1 year and not later than 5 years	531.35	67.21	598.56
- Beyond 5 years	-	-	-

Note 30.9: Earnings per Share (EPS)

	As at December 31, 2015	As at December 31, 2014
a. Profit for the year	**3,233.39**	885.30
b. Weighted average number of equity shares of Rs. 2/- each outstanding during the year (Nos.)	**336,345,679**	336,345,679
Earnings per Share		
c. Basic and Diluted - [a]/[b] - (Rs.)	**9.61**	2.63

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 30.10: Net Investment Hedge

The Group has designated the 'foreign currency loan' as a hedging instrument to hedge its net investment in a non-integral foreign operation, with effect from January 1, 2009. The translation loss for the year ended December 31, 2015 on such foreign currency loan, determined as an effective net investment hedge, recognized in the Foreign Currency Translation Reserve included in Note 4 - Reserves and surplus is Rs. 25.10 (December 31, 2014: Rs. 14.13).

Note 30.11: Unhedged foreign currency exposure

The following table analyzes foreign currency risk from financial instruments as at December 31, 2015:

(All figures in equivalent Indian Rupees Millions)

	USD	EUR	CAD	Others*	Total
Assets:					
Cash and Bank balances	**1,576.66**	**64.31**	**-**	**11.67**	**1,652.64**
EEFC Balance	**1.68**	**-**	**-**	**-**	**1.68**
Trade receivables	**4,704.48**	**18.54**	**-**	**4.42**	**4,727.44**
Loans and advances given	**1,516.99**	**-**	**2,914.72**	**-**	**4,431.71**
Loans and advances to subsidiary	**-**	**-**	**-**	**-**	**-**
	7,799.81	**82.85**	**2,914.72**	**16.09**	**10,813.47**
Liabilities:					
Trade payables	**1,926.91**	**663.88**	**(10.08)**	**(1.23)**	**2,579.48**
Loans and borrowings	**3,666.41**	**1,498.50**	**-**	**-**	**5,164.91**
	5,593.32	**2,162.38**	**(10.08)**	**(1.23)**	**7,744.39**

*Others include GBP and CNY

The following table analyzes foreign currency risk from financial instruments as at December 31, 2014:

(All figures in equivalent Indian Rupees Millions)

	USD	EUR	CAD	Others*	Total
Assets:					
Cash and Bank balances	726.52	92.02	20.29	0.15	838.98
EEFC Balance	191.21	-	-	-	191.21
Trade receivables	2,911.47	13.64	4.31	11.16	2,940.58
Loans and advances given	1,174.27	-	3,514.17	-	4,688.44
Loans and advances to subsidiary	101.33	-	-	-	101.33
	5,104.80	**105.66**	**3,538.77**	**11.31**	**8,760.54**
Liabilities:					
Trade payables	1,661.26	26.03	-	-	1,687.29
Loans and borrowings	3,265.79	625.63	-	-	3,891.42
	4,927.05	**651.66**	**-**	**-**	**5,578.71**

*Others include CHF, JPY, GBP and CNY

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 30.12:

The Group has entered into the following derivative contracts:

As at 31 December, 2015

Category	Currency	Cross Currency	Amounts In Millions	Buy/Sell	Purpose
Forward contract	USD	INR	USD 15.00	Buy	Hedging
Forward contract	USD	INR	USD 15.00	Sell	Hedging
Forward contract	CAD	USD	CAD 13.03	Buy	Hedging
Forward contract	CAD	USD	CAD 12.96	Sell	Hedging
Forward contract	USD	EUR	USD 5.00	Buy	Hedging
Forward contract	USD	EUR	USD 15.00	Sell	Hedging

As at 31 December, 2014

Category	Currency	Cross Currency	Amounts In Millions	Buy/Sell	Purpose
Forward contract	USD	EUR	USD 20.00	Buy	Hedging
Forward contract	USD	EUR	USD 20.00	Sell	Hedging
Forward contract	JPY	EUR	JPY 31.68	Buy	Hedging
Swap contract	JPY	EUR	JPY 31.68	Sell	Hedging
Forward contract	CAD	USD	CAD 6.53	Buy	Hedging
Forward contract	CAD	USD	CAD 6.58	Sell	Hedging

Note 30.13: Net investment in foreign operations

The Group supports its overseas subsidiaries through long term loans wherever required and in respect of any loan, which is considered in substance a part of the net investment in a non-integral foreign operation, the exchange difference arising on translation of such loans will be accumulated in foreign currency translation reserve as per Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates". During the year, the Group has designated certain long term loans effective July 1, 2015 as such and accordingly exchange differences amounting to Rs. 366.72 (net of Minority interest) has been transferred to foreign currency translation reserve.

Note 30.14: Exceptional items

Exceptional items	For the year ended December 31, 2015	For the year ended December 31, 2014
Incremental pension liability resulting from actuarial losses	(697.43)	1,819.75
Inventory write-down	-	236.92
Foreign exchange loss	195.22	520.75
Litigation settlement	428.80	-
Provision for doubtful debts	134.32	-

a) On account of volatility in the interest rates in European and Canadian financial markets, there was significant impact on the measurement of pension liability of the Group's subsidiaries in Europe and Canada as on December 31, 2014 and 2015. Such changes in rates resulted in the actuarial loss of Rs. 1,819.75 and actuarial gain of Rs. 697.34 in the pension cost for the year ended December 31, 2014 and 2015 respectively. The impact of such change in the pension liability has been disclosed under exceptional items in the Consolidated Statement of Profit and Loss for the years ended December 31, 2014 and 2015.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

b) On account of a sharp decline in the prices of certain commodity inputs in December 2014, the Group's inventories were significantly impacted in the last quarter of the year ended December 31, 2014. Such unusal decline of Rs. 236.92 in the inventory value has been disclosed under exceptional items in the Consolidated Statement of Profit and Loss for the year ended December 31, 2014.

c) During the previous two years, the Russian Rubles faced considerable decline on account of depreciation as compared to the US Dollar. This decline was significant and impacted the local currency value of the USD payables in the Group's Russian subsidiary. The Net foreign exchange loss on account of the above decline amounting to Rs. 520.75 and Rs. 195.22 during the years ended December 31, 2014 and 2015 respectively has been disclosed under exceptional items in the Consolidated Statement of Profit and Loss for the years ended December 31, 2014 and 2015.

d) Exceptional items include loss on Litigation settlement by US subsidiary of R. 428.80. The subsidiary was a defendant in a law suit regarding capital works carried out by one of the EPC contractor for construction of a waste heat recovery power generation unit ("Unit") in Calcasieu Parish, Louisiana. During the year, the said subsidiary received an adverse order for claim of damages and penalties to be paid by the Subsidiary to the contractor. On February 4, 2016, the parties entered into a confidential settlement agreement to fully and finally resolve this dispute. Accordingly, the Subsidiary has made a provision towards the legal cost and penalties payable.

e) Provision for doubtful debts of Rs 134.32 included in the exceptional items consist of provision for the amount receivable from one of the customer for Group's US and Canadian subsidiaries for the sale of goods. On February 8, 2016 the customer filed for Chapter 11 bankruptcy protection in the USA. Based on this filing and in addition to the conditions that existed at December 31, 2015, the Group recognized a povision for doubtful debts related to the outstanding amount due at December 31, 2015. The Company is currently pursuing this amount by all means available.

Note 30.15:

During the year, the Group has given donations to the political parties Rs. 1.99 (December 31, 2014: Rs. 2.85).

Note 30.16:

Effective from January 1, 2015, the Management has internally reassessed and revised, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act 2013. Consequently, the carrying amount of tangible assets at January 1, 2015 is being depreciated over the revised remaining useful life of the tangible asset. The carrying value of Rs. 21.17 in case of assets with nil revised remaining useful life as at January 1, 2015 is set off against the surplus in the Statement of Consolidated Profit and Loss. Further, had the Group continued with the previously assessed useful lives, charge for depreciation for the year ended December 31, 2015 would have been lower by Rs. 24.07 and the profit before tax would have been higher by such amount.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 30.17: Additional information to Consolidated Financial Statements

S.No.	Name of the Company	As at December 31, 2015		For the year ended December 31, 2015	
		Net Assets i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
		As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount
	Parent				
	Rain Industries Limited	1.60	3,117.79	1.64	260.87
	Subsidiaries				
	Indian				
1	Rain Cements Limited	3.94	7,699.04	6.68	1,064.57
2	Rain Coke Limited	0.07	129.51	(0.02)	(2.86)
3	Renuka Cement Limited	0.00	2.78	(0.01)	(1.64)
4	Rain CII Carbon (Vizag) Limited	2.97	5,799.25	8.25	1,314.52
	Foreign				
5	Rain Commodities (USA) Inc.	7.01	13,681.94	11.50	1,831.79
6	Moonglow Company Business Inc.	3.32	6,487.12	(0.00)	(0.01)
7	Rain Carbon Inc.	8.80	17,176.41	13.40	2,135.18
8	Rain Global Holdings, LLC	8.73	17,034.98	12.38	1,972.23
9	Rain Carbon Holdings, LLC	8.73	17,044.60	12.44	1,982.05
10	Rain Global Services LLC	(0.05)	(105.96)	(1.21)	(192.58)
11	RGS Egypt Limited Company L.L.C	0.20	382.07	(0.64)	(102.15)
12	Rain CII Carbon LLC	11.97	23,351.51	(5.14)	(818.30)
13	CII Carbon Corp.	-	-	-	-
14	Rain CII Carbon Mauritius Limited	(0.04)	(87.80)	(0.64)	(102.39)
15	Zhenjiang Xin Tian Tansu Co. Ltd	-	-	(0.02)	(3.16)
16	Rain CTP Inc.	13.60	26,545.33	(3.00)	(477.14)
17	RÜTGERS N.V.	2.16	4,223.69	(0.63)	(100.51)
18	RÜTGERS Polymers Ltd.	0.57	1,117.89	2.33	371.70
19	RÜTGERS Canada Inc.	0.90	1,748.12	(1.10)	(175.57)
20	Handy Chemicals (U.S.A.) Ltd.	(0.00)	(4.56)	0.14	22.89
21	RÜTGERS Holding Belgium BVBA	4.54	8,863.00	8.95	1,426.22
22	RÜTGERS Belgium N.V.	8.85	17,280.18	9.86	1,570.84
23	VFT France S.A	0.48	937.79	0.13	21.45
24	VFT Trading N.V.	0.47	926.68	0.11	17.33
25	Rumba Invest BVBA & Co. KG	(0.00)	(1.69)	0.46	73.33
26	RÜTGERS Holding Germany GmbH	5.31	10,372.05	2.49	397.12
27	RÜTGERS Germany GmbH	4.22	8,231.29	6.52	1,039.43
28	RÜTGERS Aromatic Chemicals GmbH	0.38	737.33	(0.11)	(18.30)
29	RÜTGERS InfraTec GmbH	0.16	316.80	(1.54)	(245.34)
30	RÜTGERS ChemTrade GmbH	0.02	30.70	0.24	38.47
31	RÜTGERS Basic Aromatics GmbH	0.58	1,136.55	12.07	1,922.59

(Contd.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Additional information to Consolidated Financial Statements *(Contd.)*

S.No.	Name of the Company	As at December 31, 2015		For the year ended December 31, 2015	
		Net Assets i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
		As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount
32	RÜTGERS Novares GmbH	0.20	380.63	9.74	1,551.77
33	RÜTGERS Resins GmbH	(0.15)	(298.99)	(1.47)	(233.59)
34	Severtar Holding Ltd.	0.40	789.88	(3.30)	(2.38)
35	OOO RÜTGERS Severtar	(0.34)	(664.94)	0.13	(525.18)
36	RÜTGERS Poland Sp. z o.o	0.13	251.05	0.03	20.54
37	RÜTGERS (Shanghai) Trading Co. Ltd	0.01	19.87	(0.32)	4.19
38	RÜTGERS Wohnimmobilien GmbH & Co	0.07	145.45	(0.36)	(50.58)
39	RÜTGERS Gewerbeimmobilien GmbH & Co	0.19	365.62	(0.00)	(56.81)
40	RAIN Holding Germany GmbH	0.00	1.80	-	(0.01)
	Sub total	100.00	195,164.75	100.00	15,930.58
	Less: Inter company adjustments/eliminations		(165,789.74)		(12,697.19)
	TOTAL		**29,375.01**		**3,233.39**

Note: Net assets and share in profit or loss for parent company, subsidiaries and joint ventures are as per the standalone financial statements of the respective entities.

Note 30.18:

Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social responsibility (CSR) activities are as below:

Name of the Company	Amount to be spent during CY 2015	Amount spent during CY 2015
Rain Industries Limited	2.00	2.40
Rain Cements Limited	6.84	15.17
Rain CII Carbon (Vizag) Limited	31.17	15.00

Note 30.19:

Previous year's figures have been regrouped/ reclassified wherever necessary, to conform to current year's classification/ disclosure.

For and on behalf of the Board of Directors

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership number: 049642

Place: Hyderabad
Date : February 19, 2016

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633

N. Sujith Kumar Reddy
Director
DIN: 00022383

T. Srinivasa Rao
Chief Financial Officer
M.No. F29080

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

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM FOR PAYMENT OF DIVIDEND

To,
Karvy Computershare Private Limited
(Unit: Rain Industries Limited)
Plot No.17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081.

Shareholder's authorisation to receive dividends through Electronic Credit Clearing Mechanism.

Registered Folio No. :	ECS Ref. No. : (for Office use only)
Name of the first/sole shareholder	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Books)	
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank. (Please attach a blank cancelled cheque, or a photocopy (xerox copy) of a cheque issued to you by your Bank, for verification of the above particulars)	
Account Type (Please tick the option)	q Savings q Current q Cash Credit
Bank Account Ledger Folio No. (If any)	
Effective date of this mandate	

I hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. Rain Industries Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place : Name of First Holder :_____

Date : Signature of First Holder :_____

Note:

1. **Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.**
2. **In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to their respective Depository participants. Shareholders are also requested to note that changes, if any, intimated by the Demat Account holders directly to the Company will not be considered.**

RAIN INDUSTRIES LIMITED

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

CIN: L26942TG1974PLC001693

ATTENDANCE SLIP

41st Annual General Meeting, Friday, the May 6, 2016 at 11:00 A.M.

Regd. Folio No.	
No. of Equity Shares held	

* **DP ID:**	
* **Client ID:**	

Name of the Shareholder	
Name of Proxy	

I/We hereby record my / our presence at the 41st Annual General Meeting of the members of the Company held on Friday, the May 6, 2016 at 11:00 A.M. at K L N Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, Please sign here

If Proxy, Please sign here

Note: This form should be signed and handed over at the Meeting Venue.

* Applicable for investors holding shares in electronic form.

Route Map for Venue of the Meeting

RAIN INDUSTRIES LIMITED

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

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L26942TG1974PLC001693

Name of the Company: Rain Industries Limited

Registered office: Rain Center, 34, Srinagar Colony, Hyderabad-500 073, Telangana State.

Name of the member(s):

Registered address:

Email Id:

Folio No./Client Id:

DP ID:

I/We, being the member (s) of.....shares of the above named company, hereby appoint

1. Name:_____

   Address:_____

   _____

   E-mail Id:_____ Signature:_____

or failing him/her

2. Name:_____

   Address:_____

   _____

   E-mail Id:_____ Signature:_____

or failing him/her

3. Name:_____

   Address:_____

   _____

   E-mail Id:_____ Signature:_____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st Annual General Meeting of the company, to be held on Friday, the May 6, 2016 at 11.00 a.m. at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
Ordinary Business	
1.	To receive, consider and adopt the Standalone Balance Sheet as at December 31, 2015, Statement of Profit and Loss for the Financial Year ended on December 31, 2015, Cash Flow Statement for the Financial Year ended December 31, 2015 and reports of Directors and Auditors thereon.
2.	To receive, consider and adopt the Consolidated Balance Sheet as at December 31, 2015, Statement of Profit and Loss for the Financial Year ended on December 31, 2015, Cash Flow Statement for the Financial Year ended December 31, 2015 and Report of Auditors thereon.
3.	To approve and ratify interim dividend.
4.	To appoint a Director in place of Mr. N. Radhakrishna Reddy, who retires by rotation and being eligible offers himself for re-appointment.
5.	To appoint a Director in place of Mr. N. Sujith Kumar Reddy, who retires by rotation and being eligible offers himself for re-appointment.
6.	To ratify the appointment of M/s. BSR & Associates LLP, as Statutory Auditors of the Company from the conclusion of this 41st Annual General Meeting till the conclusion of 42nd Annual General Meeting.
Special Business	
7.	To appoint Mr. N. Jagan Mohan Reddy as a Managing Director for a period of five years.

Signed this……..... day of……..... 2016

Please Affix Re.1/- Revenue Stamp and sign across

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

RAIN INDUSTRIES LIMITED

RAIN CII CARBON (VIZAG) LIMITED

RAIN CEMENTS LIMITED

PRIYA CEMENT™

FAST AND STRONG. LASTS LONG.

RAIN INDUSTRIES LIMITED

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