



RAIN INDUSTRIES LIMITED

RIL/SEs/2016

March 5, 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: Presentation to Analyst / Institutional Investors Meetings under
the SEBI (Listing Obligations and Disclosure Requirements),
2015.

Ref: Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

Further to our letter dated March 5, 2016, please find enclosed
herewith Presentation to Analyst / Institutional Investors.

This is for your information and record.

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





RAIN INDUSTRIES LIMITED

Corporate Presentation – March 2016

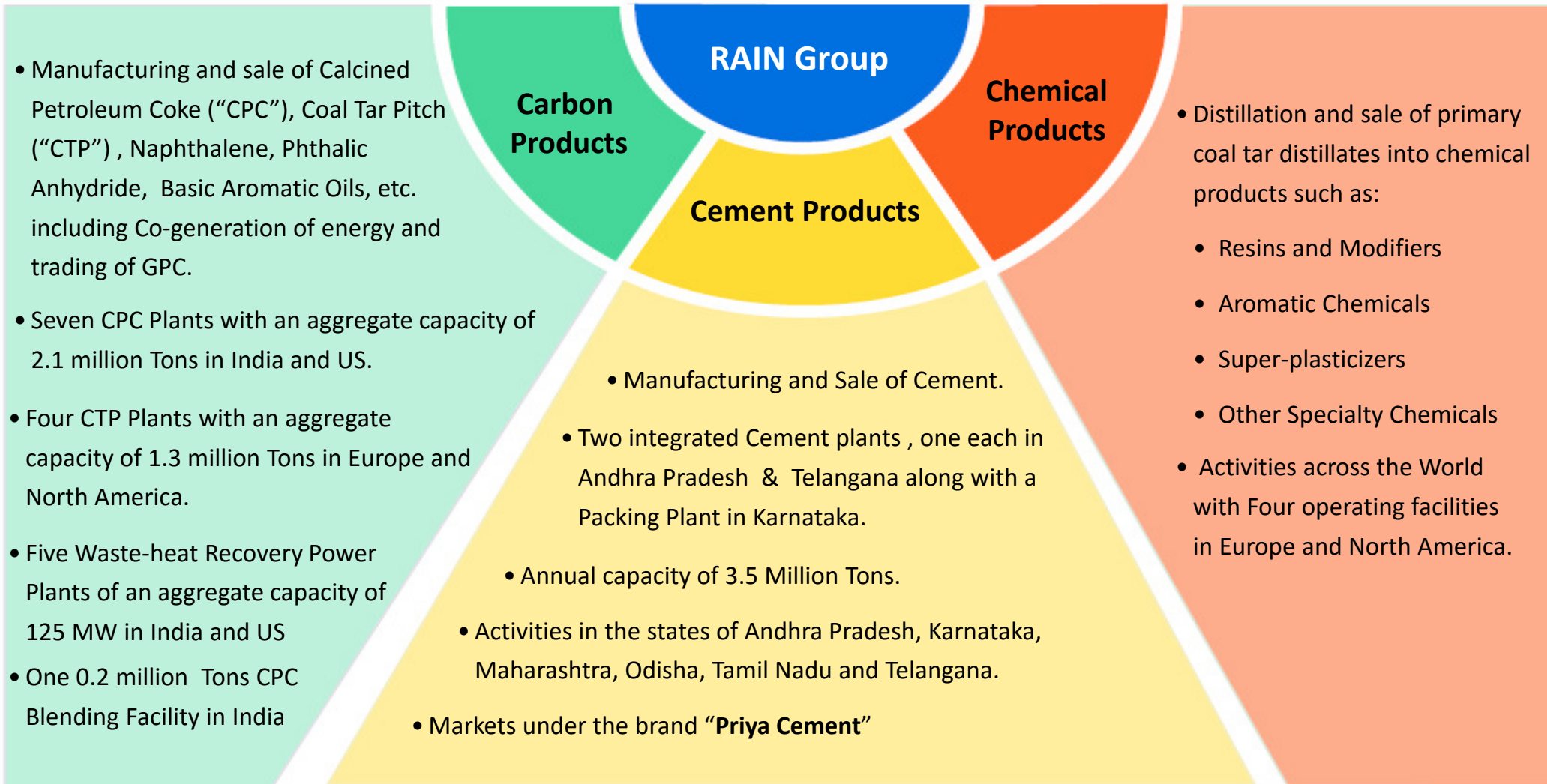


Forward Looking Statement

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

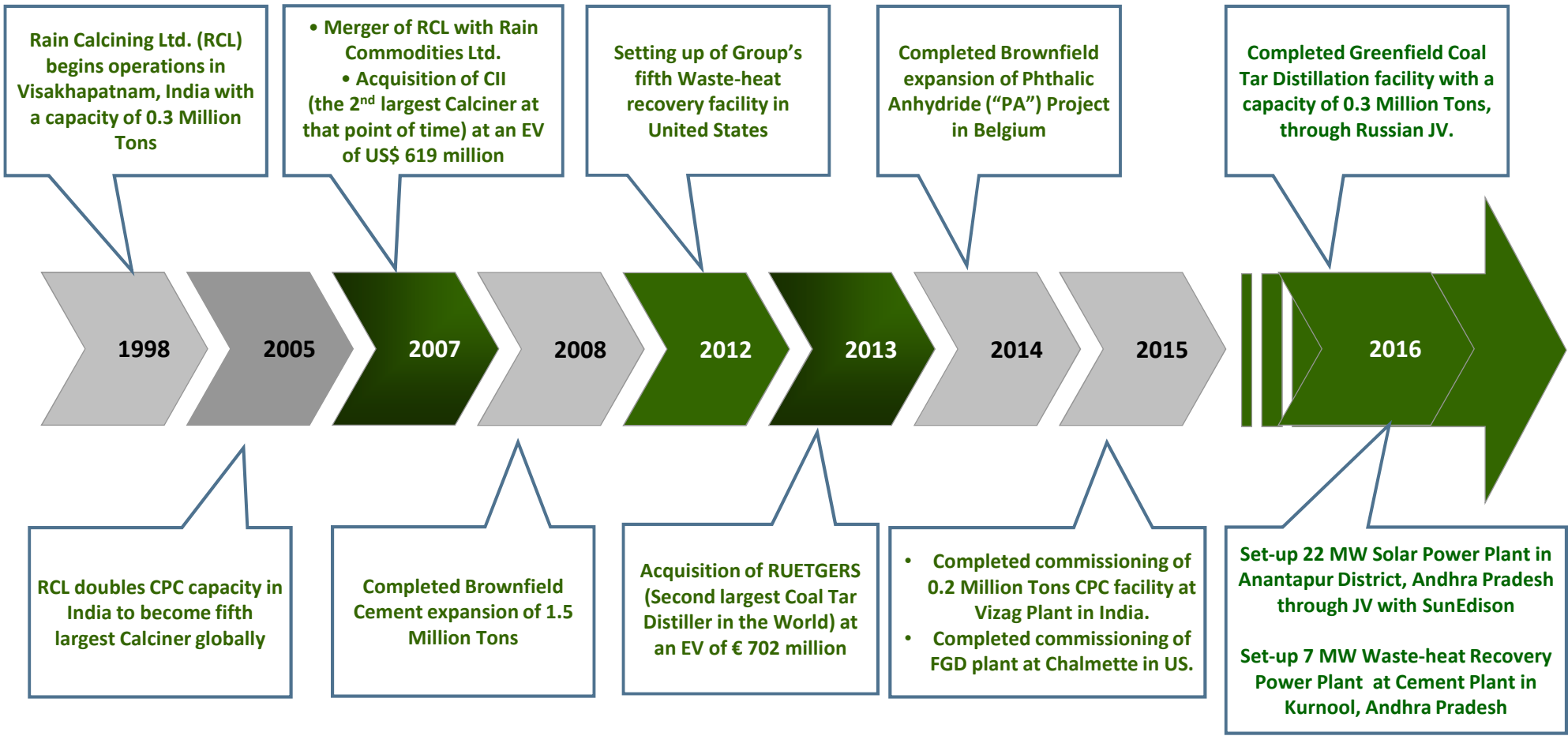
Forward-looking statements speak only as of the date the statements are made. RAIN INDUSTRIES LIMITED ("the Company" or "RAIN") assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements.

RAIN Group – Business Verticals



Growth opportunities exist in all three business verticals

RAIN Group – Key Milestones



RAIN Group is growing continuously in its core business, through capacity expansions, acquisitions and successfully integrating the same with its existing business



Diversified Geographical Profile



With best-in-class Facilities across Four Continents, RAIN Group supplies to customers across the World

RAIN Group – Integration

Before



Decentralized functioning based on Geographies



Now



Centralized Functioning



- RAIN is now one global company by re-aligning RAIN CII and RUTGERS business along functional areas of Operations, Commercial, Finance and Logistics.
- The integration will now create more cross selling opportunities, leveraging of talent and cost optimization.

Carbon – Transforming By-Products into Aluminium’s Essential Raw Materials



Overview of Calcined Petroleum Coke (“CPC”) Industry

Oil Refining Industry



Green Petroleum Coke - A by-product

- ▶ GPC production related to refining of sweet crude
- ▶ Reliable off-take is critical

Coke Calciners



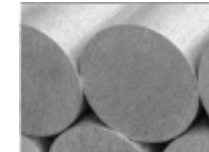
Calcined Petroleum Coke



Captured through calcining process

- ▶ Critical in the value chain of Green Coke
- ▶ Regional competition given high transportation costs
- ▶ High barriers to entry due to limited availability of GPC and scale of economies

Aluminium Industry



CPC <10% of Production Cost

- ▶ Not economically viable substitute for CPC in Aluminium production process
- ▶ Reliable and continuous supply of CPC with consistent high quality is crucial
- ▶ Complementary to CTP in anode production

Overview

- ▶ CPC is produced from GPC, a by-product of crude oil refining
- ▶ Calciners compete on the basis of product quality and reliability, apart from the price
- ▶ Availability of Anode-grade GPC has been declining as oil refiners process heavier, more sour crude oils
- ▶ Additional worldwide CPC capacity effectively constrained by availability of suitable GPC (Anode Grade GPC)
- ▶ Industry participants working to develop CPC from lower quality GPC sources
- ▶ Every Ton of Aluminium requires ~ 0.4 Tons of CPC

World CPC Demand by End-use



RAIN has Seven CPC Plants in US and India with aggregate capacity of 2.1 MTA and supplies to customers around the world, except Australia and China.

Overview of Coal Tar Pitch (“CTP”) Industry

Steel Industry



Coal Tar - A by-product

- ▶ Coke production related to steel industry’s production volumes
- ▶ Reliable off-take is critical

Coal Tar Distillers



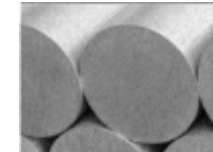
Pitch (incl. CARBORES) ~50%

Aromatic Oils (incl. PA/BTX)~40%

Naphthalene Oil ~10%

- ▶ Critical in the value chain of coal tar
- ▶ Regional competition given logistical limitations/high transportation costs
- ▶ High barriers to entry due to scale economies, asset intensity and know-how requirements

Aluminium Industry



Pitch <5% of Production Cost

- ▶ No economically viable substitute for pitch in Aluminium production process
- ▶ Reliable and continuous supply of pitch with consistent high quality is crucial
- ▶ Complementary to CPC in anode production

Overview

- ▶ CTP is produced from coal tar, a by-product of metallurgical coke ovens in the steel industry
- ▶ The need for CTP determines the rates of operation for coal tar distillation
- ▶ Distillers position their facilities in close proximity to tar suppliers due to specialized transportation requirements to move coal tar and costs associated therewith
- ▶ CTP is the essential binder used primarily to make carbon anodes for the Aluminium industry and carbon electrodes for the electric arc furnaces of the steel industry, in addition to other lower volume applications
- ▶ Every Ton of Aluminium requires ~ 0.1 ton of CTP

World CTP Demand by End-use



- Aluminum Anode 79%
- Electrodes 12%
- Other end users 9%

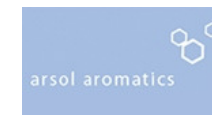
RAIN has Four Plants in Belgium, Canada, Germany and Russia with aggregate capacity of 1.3 MTA and supplies to customers around the world, except Australia and China.

Carbon for Other Diversified Applications

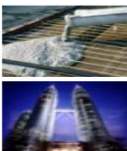


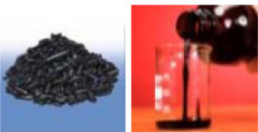
| | | @ |
|---------------------------------|--|----|
| CPC & CTP | • Titanium Dioxide, Graphite, Steel, etc. | 9% |
| Creosote Oil | • Wood Preservation, etc. | 6% |
| Benzene Toluene Xylene (BTX) | • Coatings, Pigments, etc. | 4% |
| Carbores | • Refractory Products, Graphite, etc. | 2% |
| Phthalic Anhydride (PA) | • Plastic Products, Flexible PVC Products etc. | 2% |
| Naphthalene | • PA, Coating, Pharma, Mothball, Pigments, Concrete, Paper, etc. | 2% |
| Energy | • Public Utilities & Industrial Customers | 3% |
| Carbolic Oil and Other Products | • Petroleum, Coatings, Pharma, etc. | 8% |

@ Contributions to Group Revenue

The above Diversified End-Uses contribute more than 50% of Group Revenues from Carbon Products.



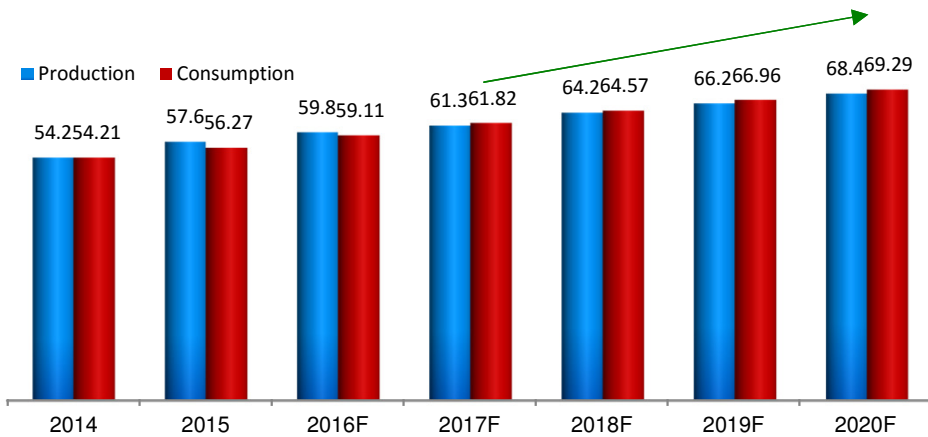
Overview of Chemical Products of RAIN Group

| Chemicals | | | | |
|--------------------------|---|---|---|---|
| | Superplasticizer | Resins & Modifiers | Aromatic Chemicals | Chemical Trading |
| Key Raw Materials | <ul style="list-style-type: none"> ▶ Naphthalene oil | <ul style="list-style-type: none"> ▶ Carboindene ▶ C9 feedstock | <ul style="list-style-type: none"> ▶ Carbolic oil ▶ Anthracene oil | <ul style="list-style-type: none"> ▶ Crude benzene/benzene |
| Products | <ul style="list-style-type: none"> ▶ Superplasticizer chemicals | <ul style="list-style-type: none"> ▶ Resins ▶ Modifiers (DIPN) | <ul style="list-style-type: none"> ▶ Phenol ▶ Specialty products | <ul style="list-style-type: none"> ▶ Crude benzene/benzene |
| Key Applications |  |  |  |  |
| Key End Markets | <ul style="list-style-type: none"> ▶ Chemicals ▶ Admixture and construction | <ul style="list-style-type: none"> ▶ Adhesives/coatings ▶ Rubber ▶ Paper | <ul style="list-style-type: none"> ▶ Chemicals ▶ Automotive/tyres ▶ Wire varnish | <ul style="list-style-type: none"> ▶ Carbon chemicals ▶ Crude aromatics |
| Plants | <ul style="list-style-type: none"> ▶ Candiac (CAN) | <ul style="list-style-type: none"> ▶ Duisburg (GER) ▶ Uithoorn (NL) | <ul style="list-style-type: none"> ▶ Castrop-Rauxel (GER) | <ul style="list-style-type: none"> ▶ Duisburg (GER) |

Industry Outlook

Global Aluminium Outlook (Mt in Millions)

CAGR : ~3.5% (P) &
(2016-20) ~4.3% (C)

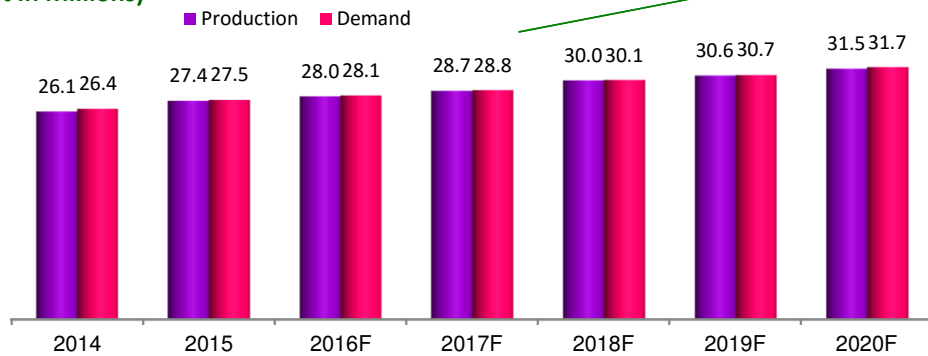


Aluminium Demand Drivers

| | | |
|----------------------------------|--|-------------|
| Transport | Growth in automotive vehicle production Aluminium content in cars increasing Growth in other transport modes, e.g. railway | 5-6% |
| Construction | Urbanization Housing market recovery in mature regions Energy neutral buildings | 3-4% |
| Electrical | Urbanization Copper substitution | 5-6% |
| Machinery & Equipment | Improving industrial sentiment in mature regions Manufacturing activity and industrial growth in emerging countries | 4-5% |
| Packing | Urbanization Environmentally-friendly solutions | 3-4% |

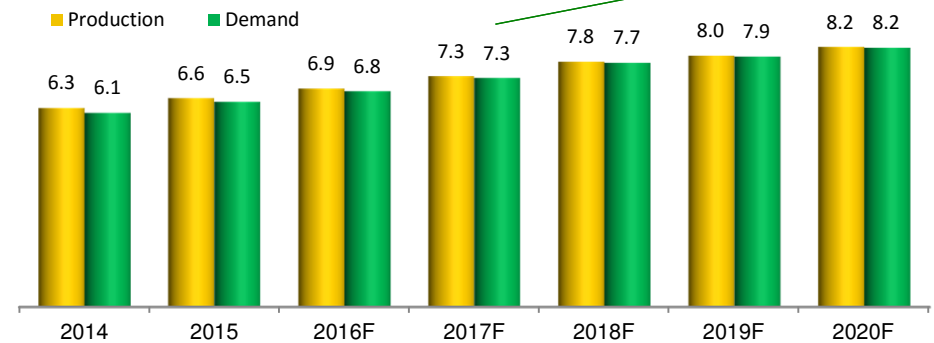
Global CPC Outlook (Mt in Millions)

CAGR (2015-20): ~2.8%



Global CTP Outlook (Mt in Millions)

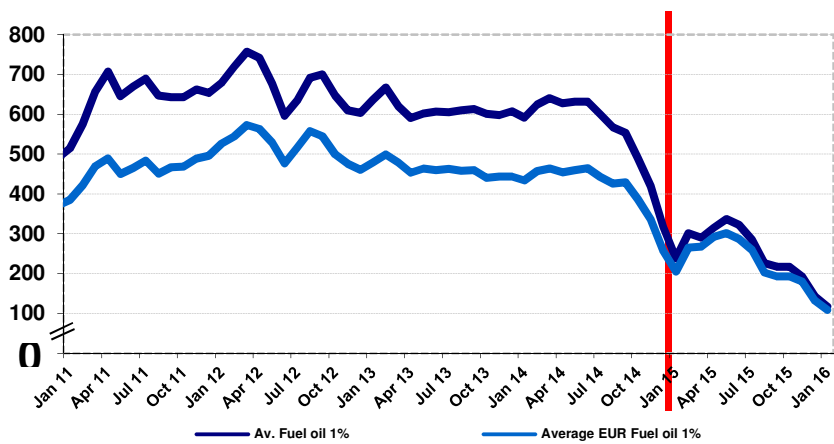
CAGR : ~4.5% (P) &
(2016-20) ~4.8% (C)



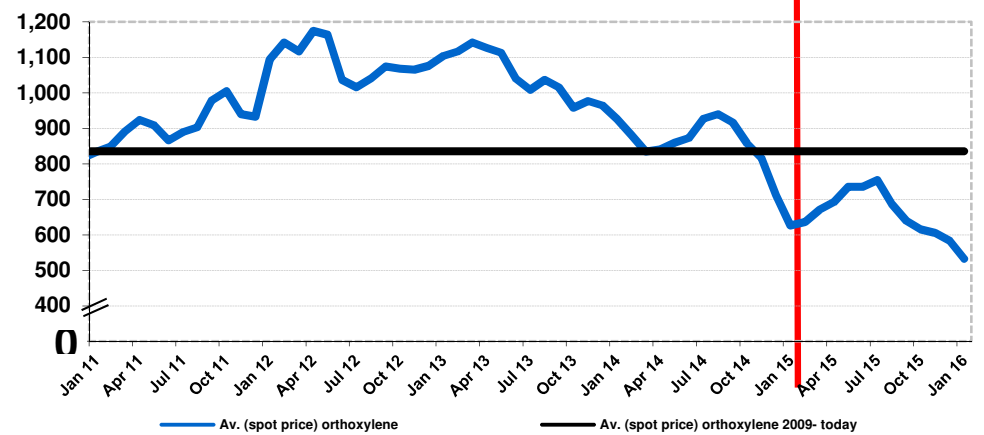
Global Aluminium production is expected to grow at a CAGR of 3.5% driving incremental demand for both CPC and CTP

Market - Key Quotations

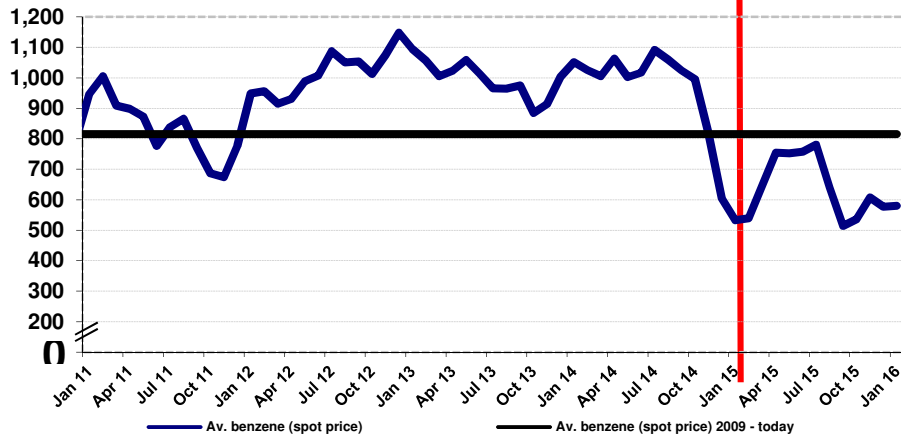
Fuel Oil



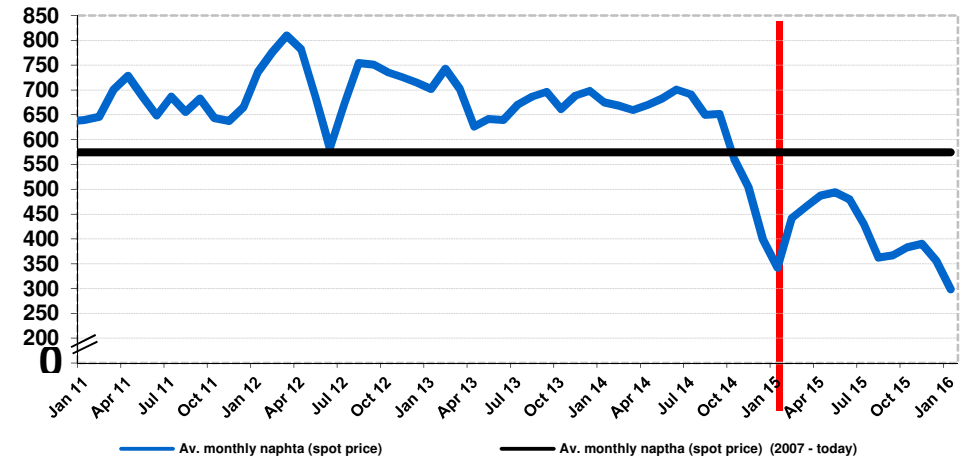
Orthoxylene



Benzene



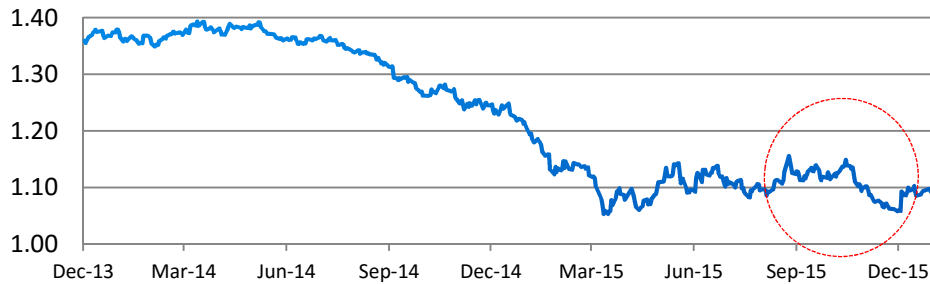
Naphthalene



Although commodity prices recovered in H1-CY15, the prices started declining in H2-CY15 .

Foreign Exchange Movements

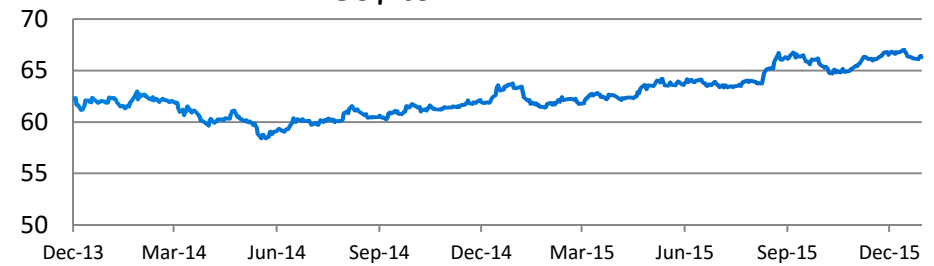
US\$ to EURO



Dec 2013 – Dec 2015 US\$/EUR Movement

| Latest (Q415 Closing) | Lowest (Mar 16,2015) | Highest (Mar 13, 2014) |
|--------------------------|-------------------------|---------------------------|
| 1.093 | 1.053 | 1.393 |

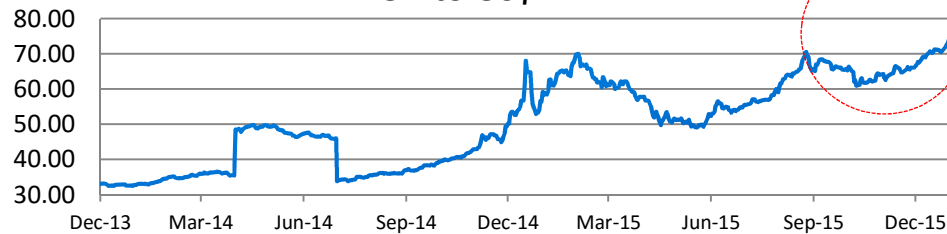
US\$ to INR



Dec 2013 – Dec 2015 INR/US\$ Movement

| Latest (Q415 Closing) | Lowest (May 19,2014) | Highest (Dec 15, 2015) |
|--------------------------|-------------------------|---------------------------|
| 66.33 | 58.43 | 67.04 |

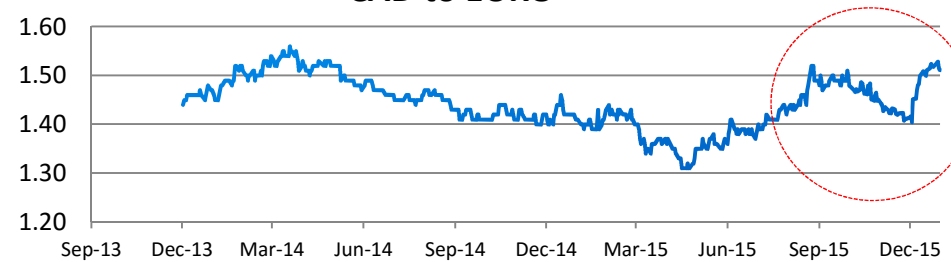
RUB to US\$



Dec 2013 – Dec 2015 RUB/US\$ Movement

| Latest (Q415 Closing) | Lowest (Dec 30,2013) | Highest (Dec 31, 2015) |
|--------------------------|-------------------------|---------------------------|
| 74.10 | 32.58 | 74.10 |

CAD to EURO



Dec 2013 – Dec 2015 CAD/EUR Movement

| Latest (Q415 Closing) | Lowest (Apr 24,2015) | Highest (Mar 19, 2014) |
|--------------------------|-------------------------|---------------------------|
| 1.51 | 1.31 | 1.56 |

Russian Ruble and Canadian Dollar depreciated substantially during H2-CY15.

New Coal Tar Distillation Plant in Cherepovets, Russia

- 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.
- JV Partner, PAO Severstal, has brought a long-term supply contract for the raw material - Coal Tar into the Joint Venture.
- With majority of sales made within Russia at import parity price, there will be no impact from devaluation of Russian Ruble.



New FGD Plant in Chalmette, Louisiana, US

- During CY 2015, the Company has commissioned a new Flue Gas Desulfurization (FGD) Plant at its calcining plant in Chalmette, Louisiana, U.S.
 - Facilitates the flexibility to process High-Sulphur GPC while Maintaining Strict Environmental Compliance.
 - Restores CPC Capacity of 230,000 Tons per annum
 - Generates incremental energy from increased CPC volumes.
 - Eligible for Higher Tariff from the Power Utility.



Expansion Projects

Solar Power Plant in Andhra Pradesh, India

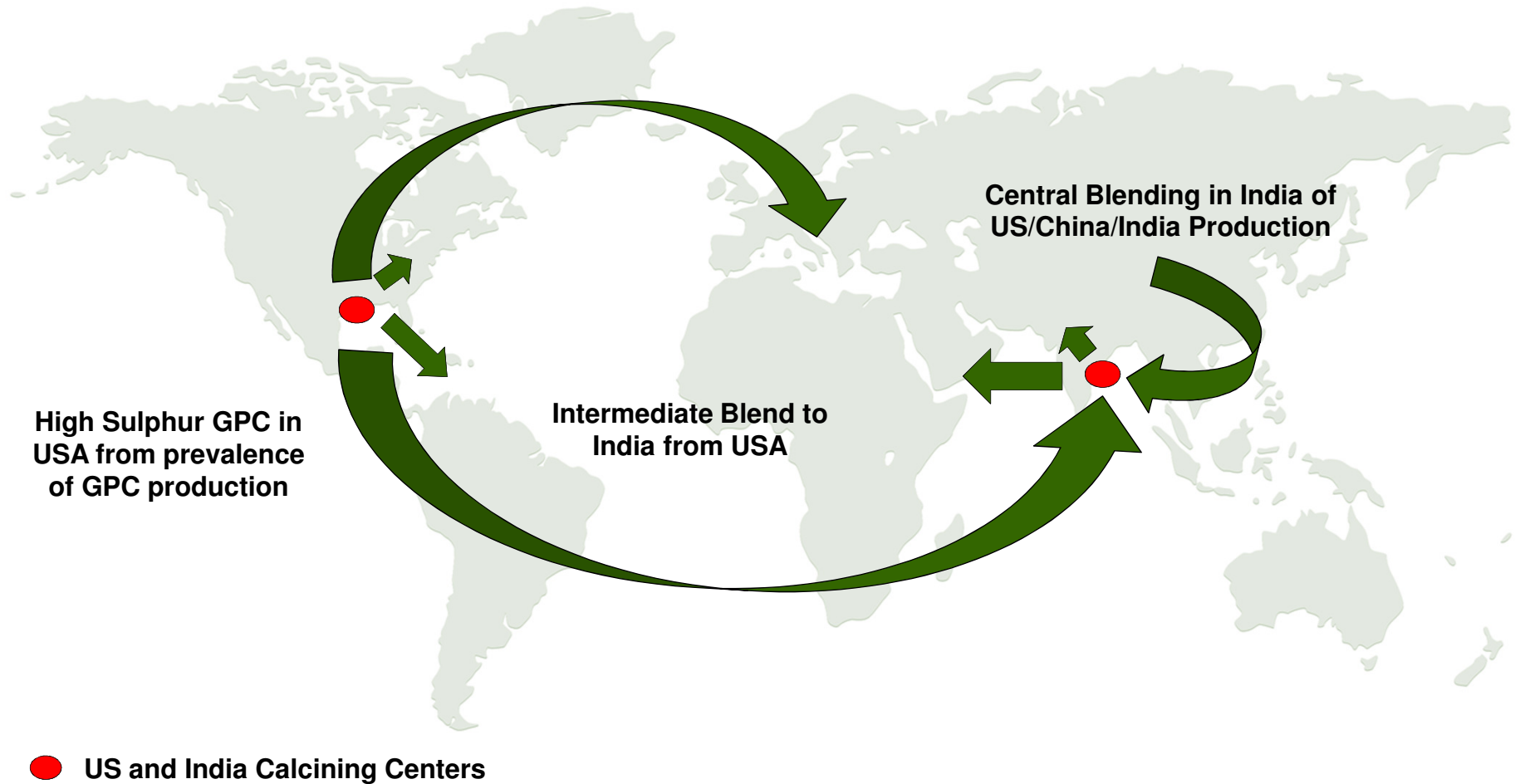
The Company partnered with SunE Solar B.V. (“SunEdision”) (www.sunedison.com) to develop a 22 MW Solar Power Plant in Dharmavaram, Anantapur District, Andhra Pradesh, India (“the Solar SPV”). The Company owns 51% of the shares of the Solar SPV and the remaining 49% of the shares are owned by SunEdision. 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.



Waste-Heat Recovery Power Plant in Cement Plant at Kurnool, India:

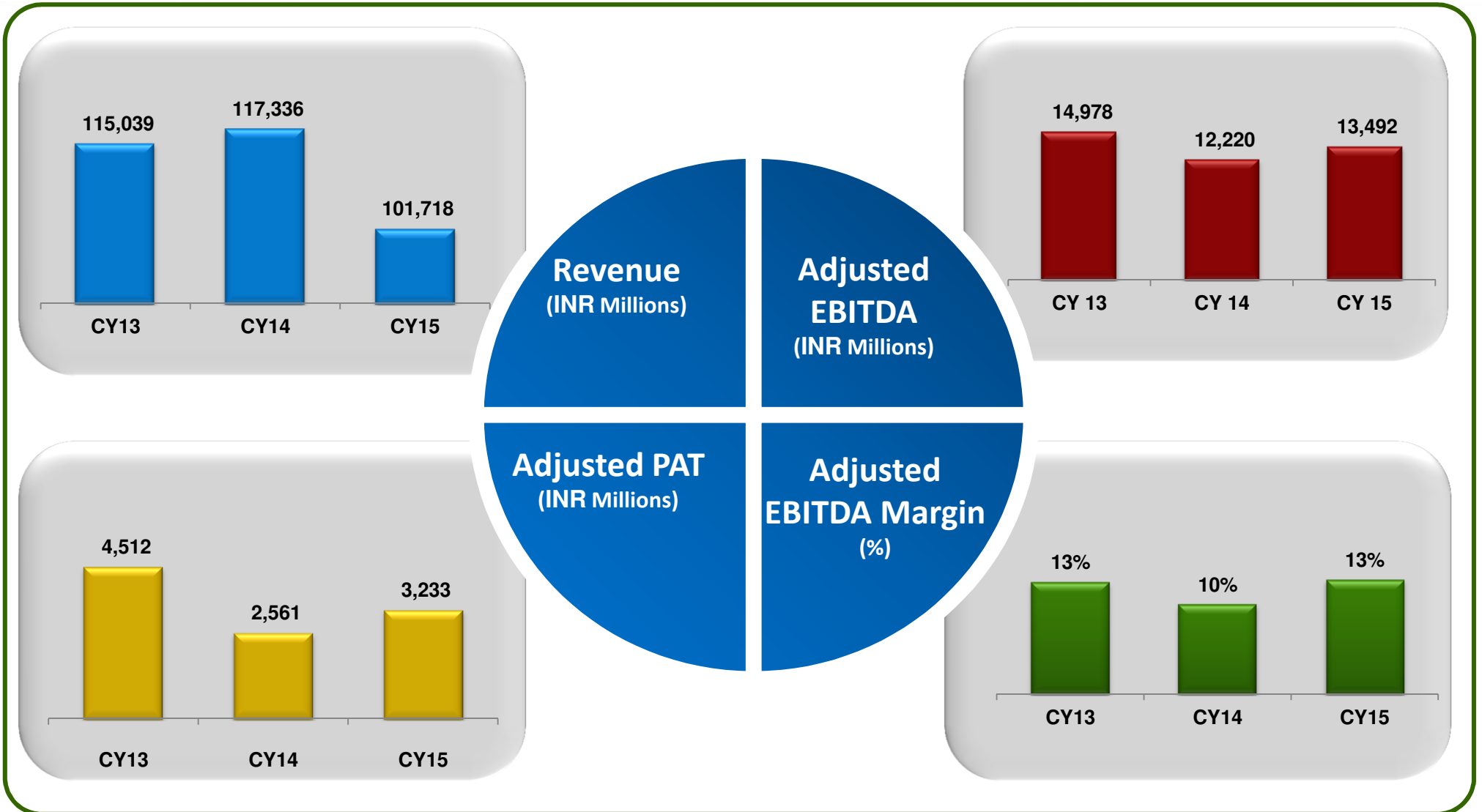
To optimize the cost of electricity in its Cement business, the Company is commissioning a 7 megawatt (“MW”) Waste-Heat Recovery Power Plant (“WHR Power Plant”) at its existing Cement Plant in Kurnool, India. The WHR Power Plant is nearing the completion stage and will be able to commence operations as per the initial timeline of March 2016.

Changed CPC Sales Strategy

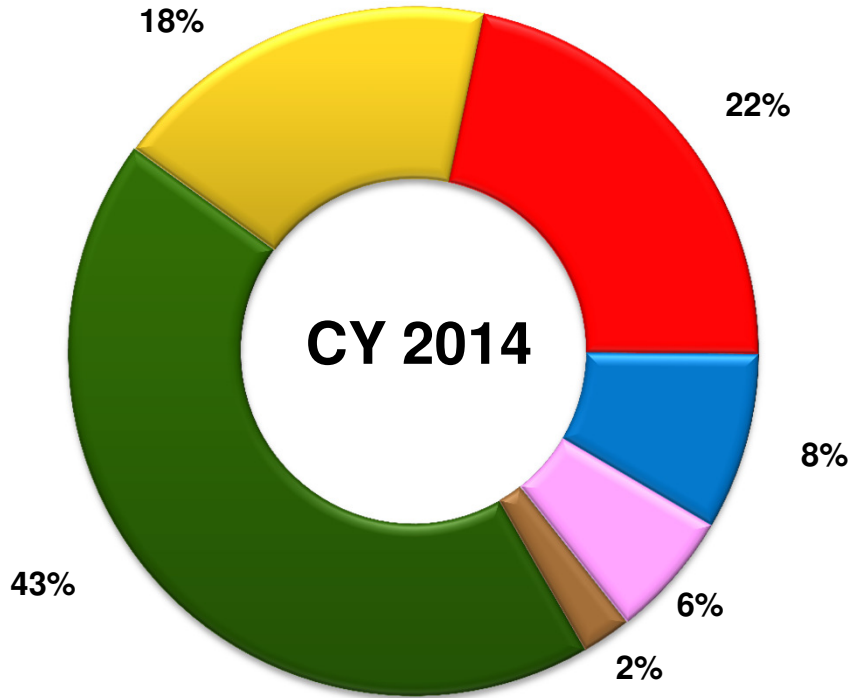


Increased capacity utilization in US catering to higher demand from Smelters in India supported by low ocean freights.

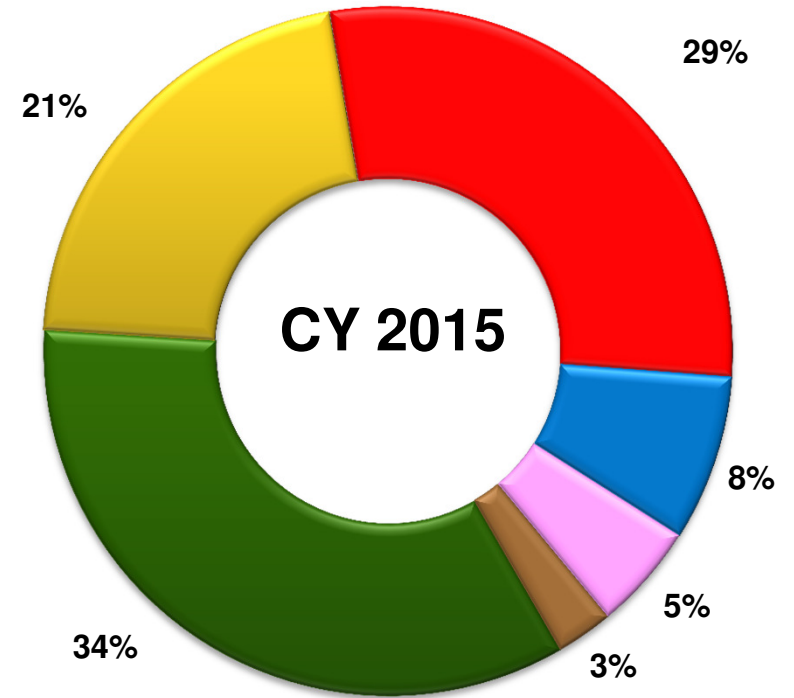
Consolidated Financial Performance



Revenue by Geography



- Europe (Incl. CIS)
- North America
- Africa
- Asia (Excl. Middle East)
- Middle East
- Others

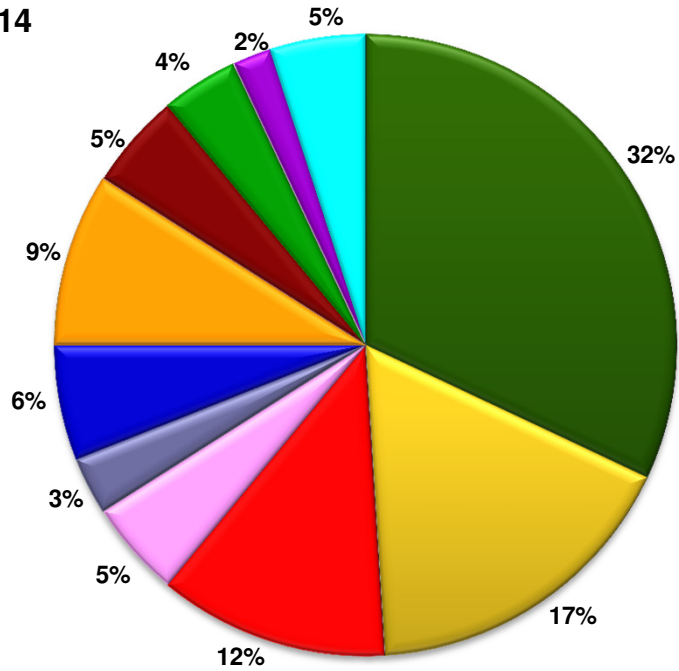


- Europe (Incl. CIS)
- North America
- Africa
- Asia (Excl. Middle East)
- Middle East
- Others

With depreciation of Euro, coupled with fall in quotations, contribution from US and North America increased during CY15.

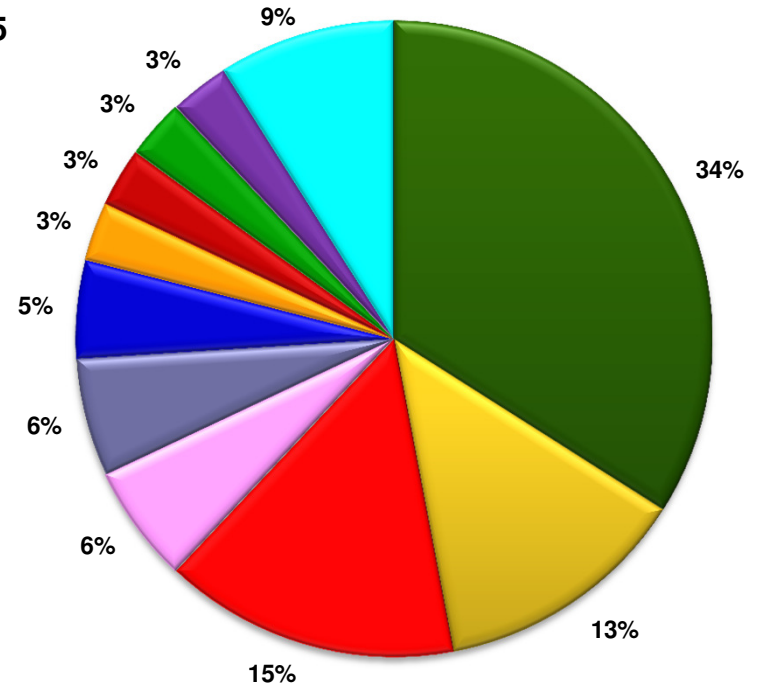
Revenue by End-Industry

CY 2014



- Aluminium 32%
- Specialty Chemicals 17%
- Construction 12%
- Coatings 5%
- Wood preservation 3%
- Graphite 6%
- Carbon black 9%
- Petroleum 5%
- Non-Anode 4%
- Energy 2%
- Others 5%

CY 2015

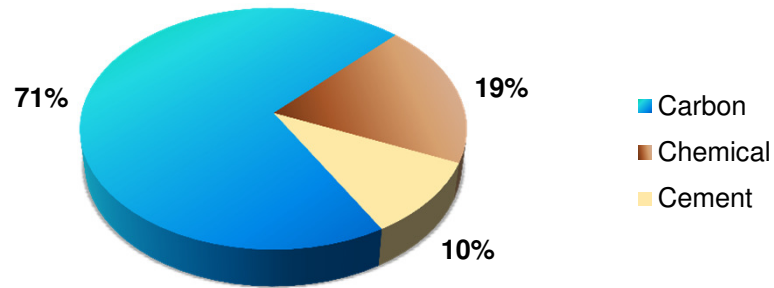


- Aluminium 34%
- Specialty Chemicals 13% ↓
- Construction 15%
- Coatings 6%
- Wood preservation 6% ↑
- Graphite 5%
- Carbon black 3% ↓
- Petroleum 3% ↓
- Non-Anode 3%
- Energy 3%
- Others 9%

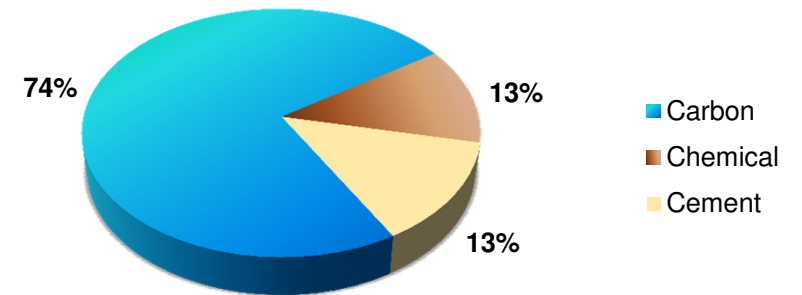
With recovery in Cement realizations and Construction industry in US, the contribution from Construction increased. Due to change in product mix, there is fall in Carbon Black revenues and increase in Wood Preservation revenues.

Business Concentration

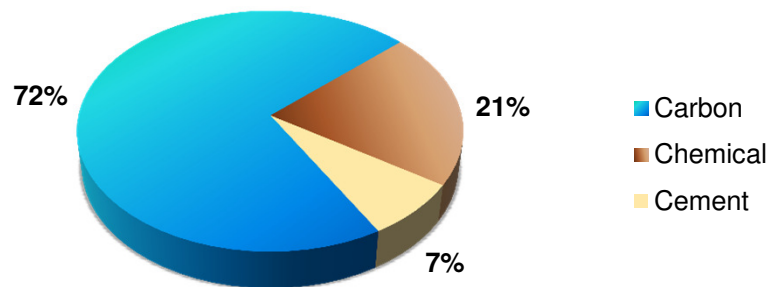
Revenue Breakdown – CY 2015



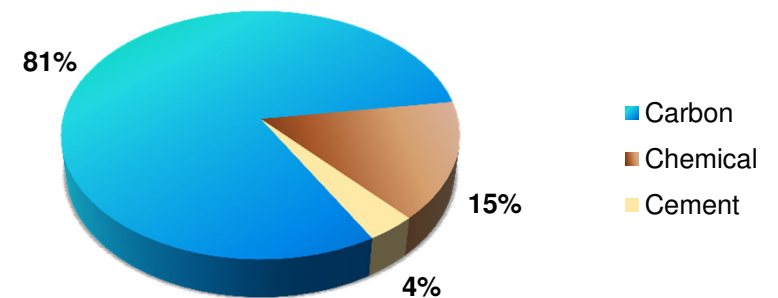
EBITDA Breakdown – CY 2015



Revenue Breakdown – CY 2014

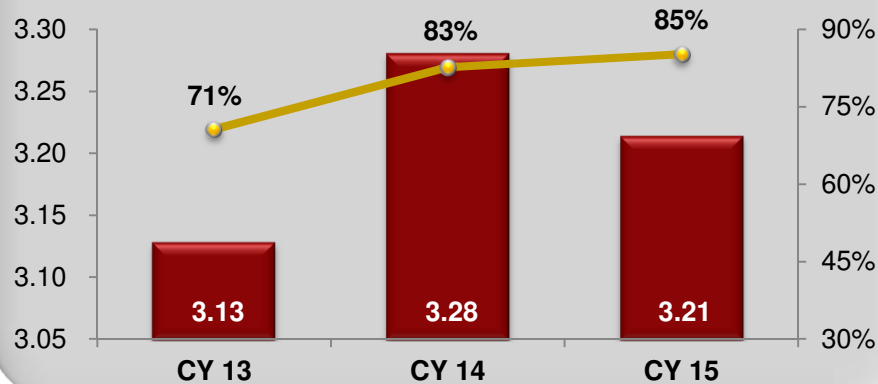


EBITDA Breakdown – CY 2014

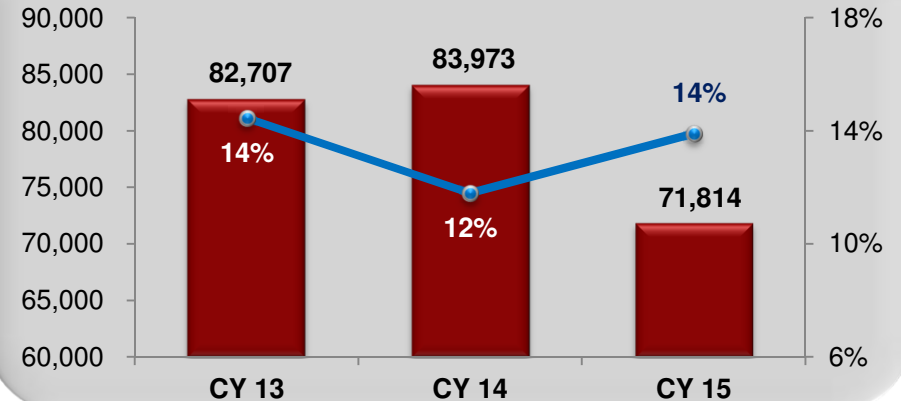


Carbon Segment

Sales Volume (in Million MT) & Capacity Utilisation (%)



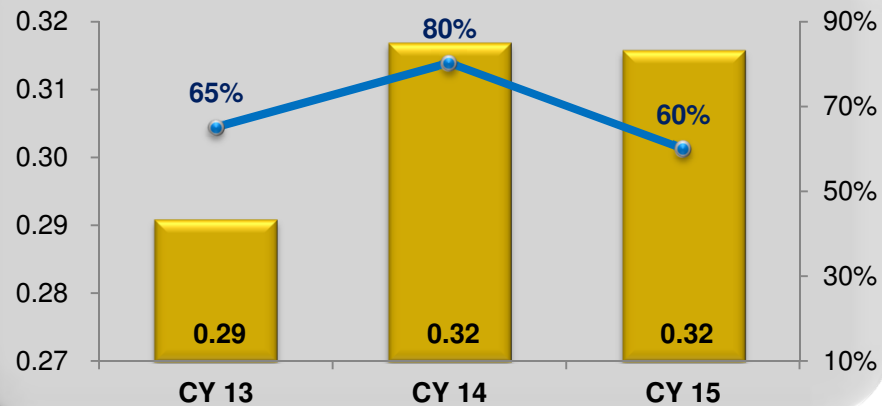
Revenue (in Millions) & Operating Margin (%)



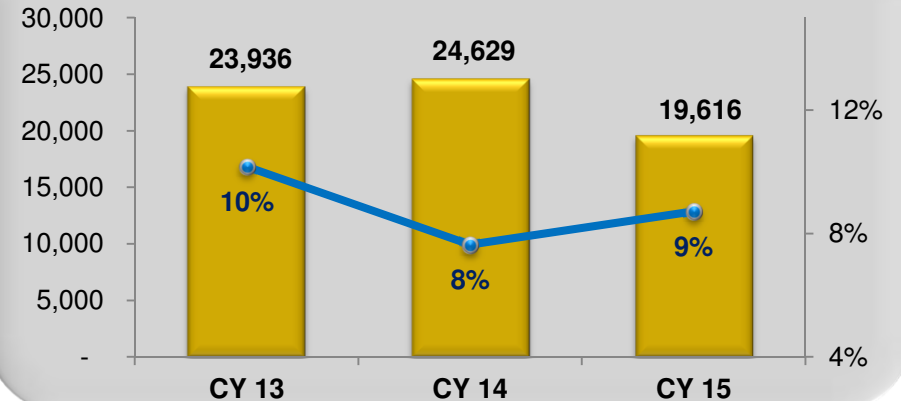
- Carbon Products include CPC, GPC, CTP and other derivatives of Coal Tar Distillation.
- Carbon Products revenues also include revenues from sale of energy generated through Waste-heat recovery and Pet Coke Trading
- While the revenues from Carbon business declined due to lower realizations, corresponding margins improved due to change in product mix and optimization of conversion cost.
- Commencement of operations in Russian CTP plant would contribute to growth in revenues and operating profits.
- New CPC blending facility in India and FGD plant in Chalmette, US will allow the Company to improve its capacity utilization in US as well as compete in demand growing areas such as India and its surrounding regions.

Chemicals Segment

Sales Volume (in Million MT) & Capacity Utilisation (%)



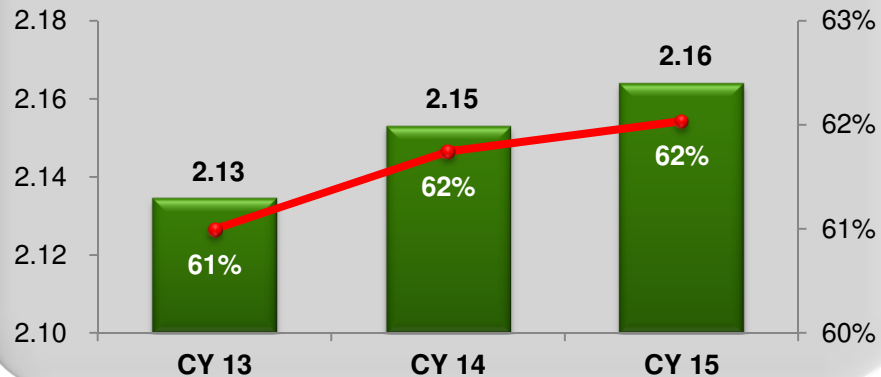
Revenue (in Millions) & Operating Margin (%)



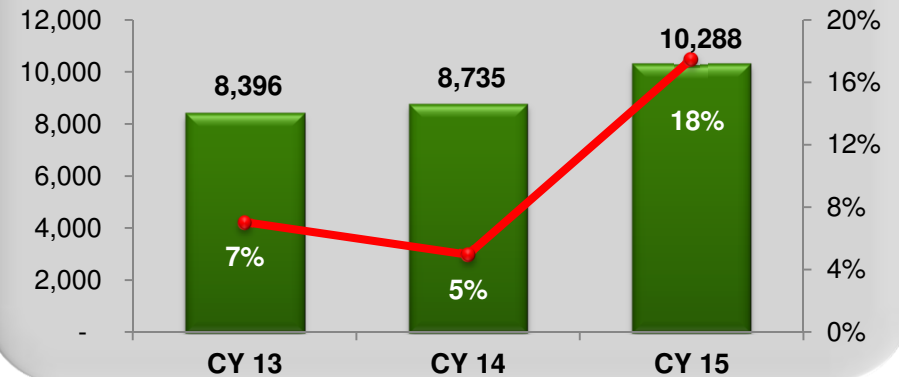
- Chemicals include the downstream operations of Coal Tar Distillation and are comprised of Resins, Modifiers, Super Plasticizers and other Specialty Products
- While the revenues from Chemical business declined due to lower realizations, corresponding margins improved due to change in product-mix and optimization of conversion cost.
- The Company through R&D in such diversified segment is constantly focusing for optimized product mix as well optimized conversion cost.

Cement Segment

Sales Volume (in Million MT) & Capacity Utilisation (%)



Revenue (in Millions) & Operating Margin (%)



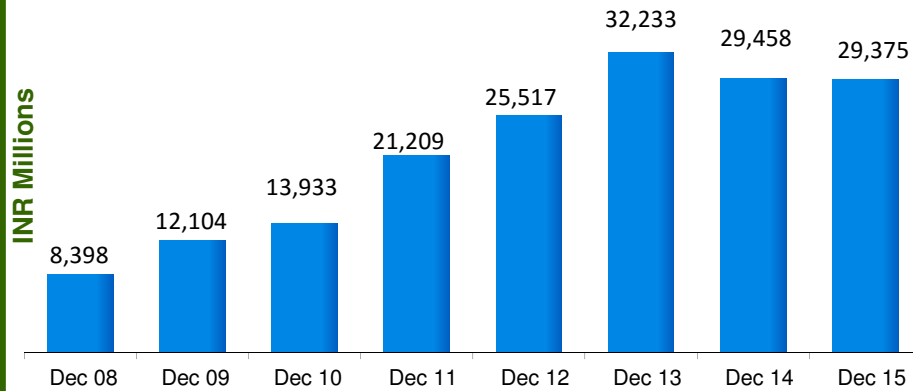
- Revenue from Cement business increased mainly due to increase in realization.
- The Company has increased its share in non-traditional markets such as Odisha and Maharashtra from 6% in CY14 to 16% in CY15.
- With the improved focus on development by Andhra Pradesh and Telangana by respective State Governments after state separation, the demand from these states is expected to grow in future.
- Further, after commissioning of 7 MW Waste-heat Recovery Power Plant in Kurnool, the Company would optimize cost of energy in Cement Business segment.

Reconciliation – PAT to Adjusted PAT

| Particulars | PAT |
|---|----------------|
| | (INR Millions) |
| Reported PAT (A) | 3,233 |
| Add / (Less) Exceptional items: | |
| (a) Actuarial Gain resulting in lower Pension Liability | (697) |
| (b) Liquidated Damages to EPC Contractor | 429 |
| (c) Provision for Doubtful Debts (Customer filing for Chapter 11 Bankruptcy). | 134 |
| (d) Exchange Loss due to currency fluctuation | 195 |
| Gross Exceptional items | 61 |
| Less: Tax on the above | (16) |
| Exceptional items, net of tax | 45 |
| Less: Minority interest | (45) |
| Total Exceptional Items (B) | - |
| Adjusted PAT (A + B) | 3,233 |

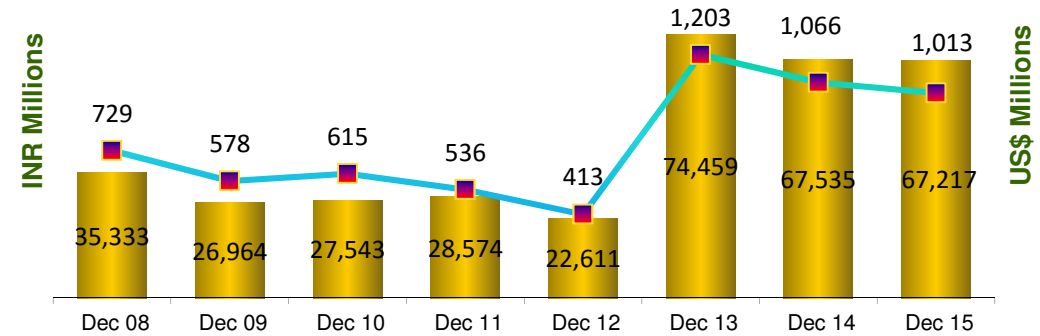
Consolidated Financial Leverage

Equity

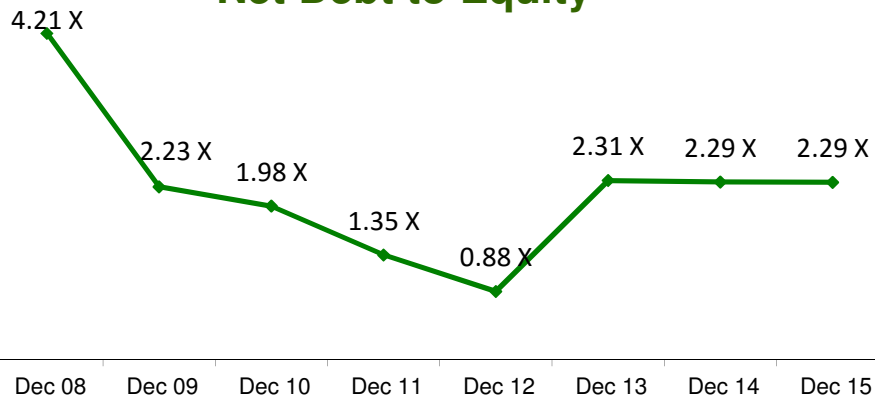


Fall in Equity is due to fall in Euro – INR Exchange rate resulting in lower FCTR

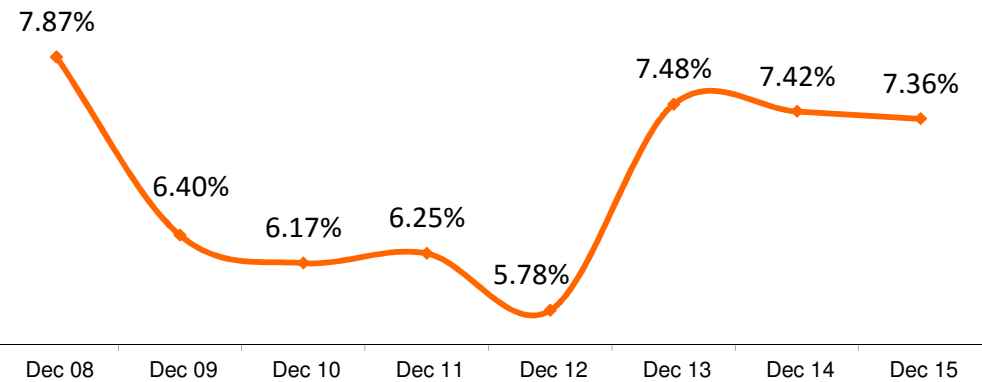
Net Debt in INR and US\$



Net Debt to Equity



Pre-tax Cost of Debt



Consolidated Debt Profile

As at December 31, 2015

| (US\$ Millions) | Amount | Type of interest | Rate | Remarks |
|---------------------------------------|--------------|------------------|--------------|--|
| Senior Secured Notes | 958 | Fixed rate | 8.21% | Bullet repayment in 2018 and 2021 |
| External Commercial Borrowings | 50 | Floating rate | 5.33% | Quarterly installments up to 2016 |
| Senior Bank Debt | 67 | Floating rate | 4.05% | Annual installments up to 2018 |
| Loan from JV partners | 6 | Fixed rate | 8.50% | Bullet repayment in 2018 |
| Other Debt | 13 | Fixed rate | 4.53% | Including US\$ 9.6 Millions of Finance Leases |
| Sales Tax Deferment (INR denominated) | 12 | Interest Free | - | Repayable over a period of 15 years beginning from 2012. |
| Gross Term Debt | 1,106 | | 7.85% | |
| Add: Working Capital Debt | 39 | | 1.36% | |
| Total Debt | 1,145 | | 7.66% | |
| Less: Cash and cash Equivalents | 132 | | | |
| Net Debt | 1,013 | | | |

US\$ Millions

| | |
|------------------------------|-------|
| Debt as at December 31, 2015 | 1,106 |
| Scheduled Repayments | |
| CY 2016 | 35 |
| CY 2017 | 45 |
| CY 2018 | 416 |
| CY 2019 | 13 |
| Later Years | 597 |

- With constant endeavor to reduce debt and optimize interest cost, the Company so far pre-paid Jr. Subordinate Notes \$26.3 Million in CY14 and Sr. Secured Notes \$ 51.4 Million partly replaced by low cost debt in CY15.
- This would result in estimated annual interest savings of ~US\$ 5 Million.

With the existing cash of US\$ 132 million coupled with undrawn revolver facilities of US\$ 213 million, the Company is well placed to meet debt servicing obligations. The major debt repayments are scheduled to start from December 2018.

Senior Secured Notes / Bonds

(Issued by Rain CII Carbon LLC, US)

| Issue Date | Interest | Currency of Loan | Original Issue Value (US\$ in Millions) | Out-standing As on Dec. 31, 15 (US\$ in Millions) | Scheduled Repayment Date | Redemption Option On or After / (Redemption Premium Payable) |
|--------------|----------|------------------|---|---|--------------------------|--|
| Dec 2010 | 8.00% | US\$ | 400 | 373 | Dec.'18 | Dec. 1, 2014 [2% *] |
| Dec 2012 | 8.25% | US\$ | 400 | 356 | Jan.'21 | Jan. 15, 2016 (~ 6% #) |
| Dec 2012 | 8.50% | Euro^ | 275 | 229 ^{&} | Jan.'21 | Jan. 15, 2016 (~ 6% #) |
| Total | | | 1,075 | 958 | | |

* No Redemption premium payable after December 1, 2016.

Redemption premium would decline to ~ 4% / ~ 2% / 0% after January 15, 2017 / 2018 / 2019

& Applying Euro – USD Exchange Rate of 1.09 as on December 31, 2015.

^ USD Exchange Rate of 1.31 as on December 31, 2012

- Bonds of US\$ 400 million were issued in December 2010 to repay 11.125% Bonds and Other bank loans, earlier borrowed for acquisition of CII Carbon LLC during July 2007 and to invest in RCC's Fourth Waste-heat Recovery Power Plant.
- Bonds of US\$ 400 million and € 210 million were issued in December 2012 to primarily finance the acquisition of Rütgers.
- These Bonds are similar to “Non Convertible Debentures”:
 - With no periodical repayments and 100% of Principle payable as Bullet-repayment.
 - No recurring financial covenants to be complied, except certain restrictions on investments, payment of dividends and incurring of additional borrowings, etc.
 - Payment of interest at a fixed coupon payable Bi-annually.

Term Debt - Refinancing Plan

US\$ Millions

| Borrower | CY 15 | CY 16 – CY 17 |
|------------------------------|--------------|-----------------------|
| US Operating Company | 1,005 | 945 to 965 |
| European Operating Company | 19 | |
| Indian Carbon | - | |
| Indian Cement | 12 | 11 |
| Holding Company (India & US) | 70 | 50 |
| Total Term Debt | 1,106 | 1,006 to 1,026 |

- Currently, substantial amount of Term-debt is borrowed by US Operating Company. There is minimal or zero Term-debt in Operating Companies in Europe and India.
- With completion of major Capacity Expansions, the Company is proposing to repay Term-debt of US\$ 80 – 100 Million during next 18 Months through internal accruals and asset optimization.
- The Company would refinance “Senior Secured Notes” issued by US Operating Company with New Debt at US Holding Company on the strength of Carbon and Chemical assets in US, Europe and India; resulting in lower interest cost and reduction in tax outflows.

Key Areas of Focus

De-leveraging Balance Sheet

Refinancing high-cost debt with low-cost debt

Improving operational efficiency

Timely Completion of Expansion Projects

Expanding R&D initiatives to create more environmentally-friendly Carbon

Successful implementation of these initiatives would substantially enhance Shareholder Value

Consolidated Key Performance Indicators

INR Millions

| | CY 2015 | CY 2014 | CY 2013 | CY 2012 | CY 2011 | CY 2010 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue from operations ⁽¹⁾ | 102,185 | 119,370 | 117,443 | 53,615 | 56,395 | 37,857 |
| Operating Profit ⁽²⁾ | 13,492 | 12,220 | 14,978 | 11,090 | 13,873 | 7,559 |
| Reported PAT | 3,233 | 885 | 3,845 | 4,577 | 6,641 | 2,407 |
| Adjusted PAT ⁽³⁾ | 3,233 | 2,561 | 4,512 | 5,796 | 6,641 | 3,305 |

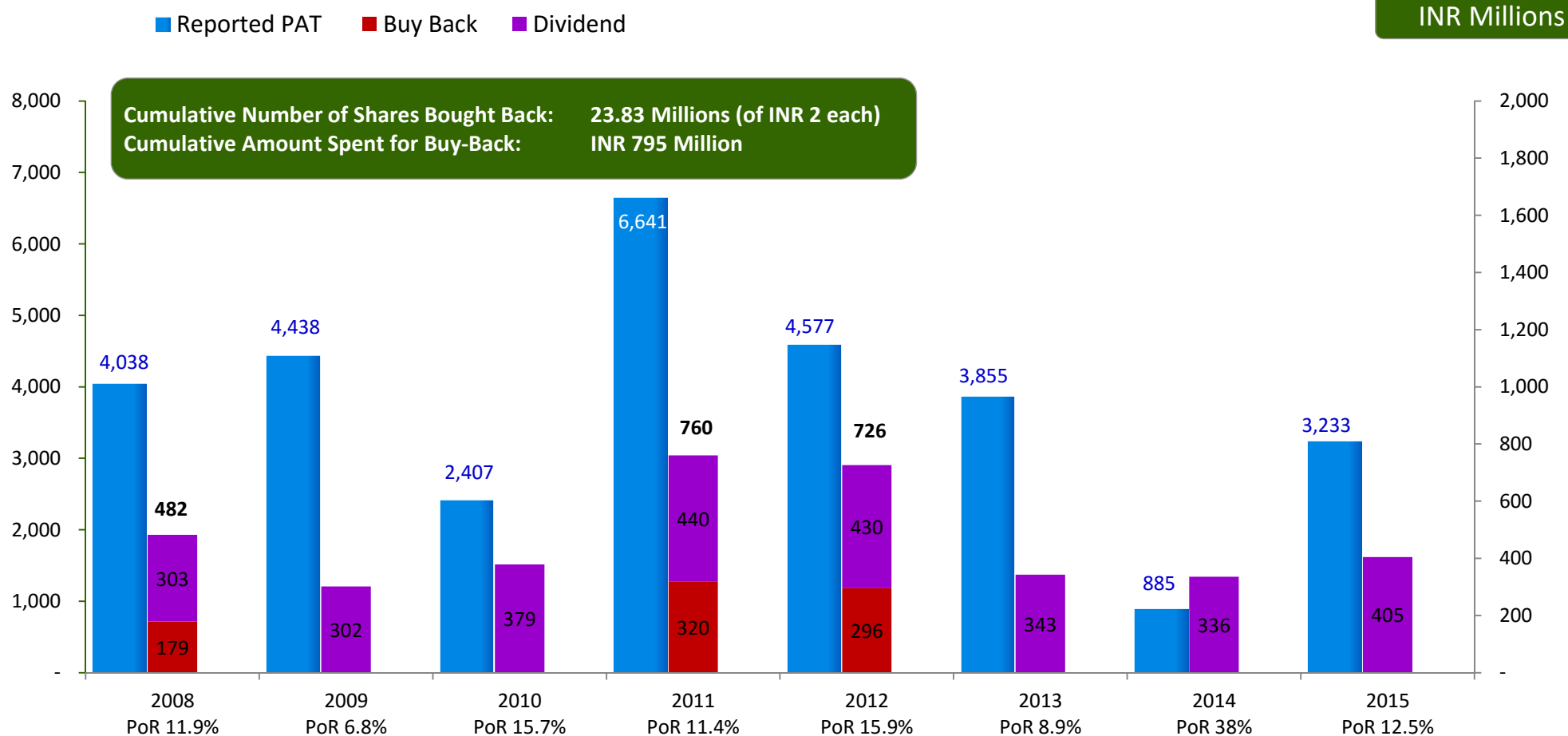
(1) Revenue from operations includes other operating income

(2) Operating Profit is Profit before Other Income, Exchange Loss, Depreciation, impairment loss, Interest, Taxation and exceptional items

(3) Summary of adjustments to Reported PAT to derive Adjusted PAT:

- Profit After Tax for CY 2015 is adjusted for actuarial gain of ₹ 697 Million on pension liability, liquidated damages of ₹ 429 Million to EPC contractor, provision for bad debts of ₹ 134 Million, Russian Ruble & Canadian Dollar currency devaluation impact of ₹ 127 Million (net of minority interest) and tax impact on all these items of ₹ 7 Million (net of minority interest).
- Profit After Tax for CY 2014 is adjusted for incremental pension liability from actuarial losses of ₹ 1,820 Million, Inventory write down due to fall in oil prices of ₹ 237 Million, Russian ruble currency devaluation impact Rs. 338 Million, Impairment loss of ₹ 95 Million, net tax impact on all these items of ₹ 814 Million.
- Profit After Tax for CY 2013 is adjusted for insurance claim proceeds of ₹ 375 Million, costs incurred for acquisition of RUETGRES of ₹ 142 Million, Moundsville Impairment loss of ₹ 1,304 Million, net tax impact on all these items of ₹ 404 Million.
- Profit After Tax for CY 2012 is adjusted for one time expenditure of ₹ 1,789 Million (net of tax ₹ 1,219 Million) incurred in-connection with the acquisition of Rütgers.
- Profit After Tax for CY 2010 is adjusted for net exceptional expenditure of ₹ 1,249 Million (net of tax ₹ 898 Million).

Pay-out Ratio [PoR]



Note: Although the Company obtained shareholders approval through postal ballot for buy-back program of INR 515 Millions during CY 2009; the Company could not pursue the buy-back program due to positive movement in the share price.

Frequently Asked Questions

- **What is the Impact of Crude Oil / Commodity price fluctuations on Rain's businesses?**
 - CPC and GPC prices are not indexed to Crude Oil or any other Commodity prices. They are influenced by their own supply-demand dynamics. Although prices of both GPC and CPC fluctuate quarter on quarter, the spread between prices of GPC and CPC moves in a narrow-range.
 - Sales prices of certain Carbon Products and Chemical Products manufactured by the Company are indexed to Fuel Oil or other Commodity prices. Fuel Oil prices fluctuate differently from Crude Oil prices.
 - Certain Raw Material costs and Finished Product sales prices in Coal Tar Distillation are indexed to Fuel Oil or Other Commodity prices with a lag of few months, there is no impact of falling Crude Oil or other Commodity prices on the business of Coal Tar Distillation in the medium term. The Company has some exposure to the BTX and Ortho-xylene pricing.
- **What is the Impact of falling Aluminium prices on the businesses carried-out by Rain?**
 - Prices of CPC and CTP are not indexed to Aluminium prices and they are influenced by their own supply-demand dynamics.
 - As CPC and CTP are critical consumables used in manufacturing of Aluminium metal, their global demand is directly proportionate to global production of Aluminium metal and not linked to Aluminium prices.
- **What impact is assumed from the shut down of aluminium smelters in North America?**
 - The contribution to group revenue from aluminium smelters in North America is ~11% in CY 2015.
 - The new energy policy in North America has provided an encouragement to the smelters to rethink or defer their shut down plans in this region.
 - By the probable shut down of almost 50% CTP business by the major competitor due to unviable reasons, RAIN becomes the prime global player in this business segment.
 - Considering the projected increase in production of Aluminium in India and the region around, the Company is uniquely placed to couple its strategic, deep-water US plant locations near low-cost raw materials with its major Indian market presence. This unmatched and unmatchable combination allows the Company to quickly tap into the growing market and re-align its global sales mix through its new, low-cost CPC importing and blending facilities in India.

Frequently Asked Questions

- **What is the Impact of weakening Euro (and Canadian Dollar) against US Dollars on the businesses carried-out by Rain?**
 - The Company generates 45% - 50% of revenues from its plants located in the Euro currency zone. About 10% of revenues from these plants are generated in US Dollars, for which costs are incurred in Euros. A 10% decline in Euro-Dollar Exchange rate would result in less than 2% decline in operating profitability in US Dollar terms.
 - A relatively weak Euro would make the Company's European products more competitive in international, US Dollar denominated markets, resulting in improved capacity utilization and higher operating profits.
 - The above currency benefits hold true for the Company's Canadian plants, where operating costs are incurred in currently-weak Canadian Dollars, but where sales are more largely in US Dollars.
- **What are the plans for de-leveraging the Company, considering the high-leverage?**
 - Gross Debt of the Company has reduced by US\$ 66 million from US\$ 1,211 million as on Dec 31, 2014 to US\$ 1,145 million as on Dec 31, 2015. Net Debt during the same period reduced by US\$ 53 million. Reduction in Gross Debt is mainly due to buy-back of Senior Secured Notes of US\$ 51.4 million, repayments of Working Capital loans of US\$ 15 million and exchange rate reinstatements. To reduce debt and optimize interest cost, the Company so far pre-paid Jr. Subordinate Notes \$26.3 million in CY14 and Senior Secured Notes \$ 51.4 million and partly replaced by low cost debt in CY15.
 - Net Debt-to-EBITDA is higher at 5X as on Dec 31, 2015; the EBITDA-to-interest for CY 2015 is at 2.3 X in weaker business conditions .
 - With no major repayments in next two-years; the Company is well positioned to meet all repayment obligations.
 - The Company has options to make Bullet Repayments of US\$ 373 million and US\$ 585 million due in Dec.'18 and Jan.'21 respectively, partly through internal accruals and partly from fresh borrowings.
- **What is the Impact of weakening Russian Ruble on the viability of Russian Tar Distillation Plant?**
 - The weakening Russian Ruble will not impact the viability of Russian Tar Distillation plant. The finished product from the new Russian Plant will be sold either in Russia (as an import-substitute) or exported from Russia. With conversion costs being incurred in Russian Ruble, this new plant will be more competitive in the international market

Thank you for your attention

In case of any further details, please contact:

India:

Anil Kumar Upadhyay

Phone: +91 40 4040 1234

Direct: +91 40 4040 1252

Email: Anil.Upadhyay@raincarbon.com

US:

Ryan Tayman

Phone: +1 203 406 0535

Direct: +1 203 5172 822

Email: Ryan.Tayman@raincarbon.com