



RAIN INDUSTRIES LIMITED

RIL/SEs/2019

May 8, 2019

The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort <u>Mumbai-400 001</u>	The Manager Listing Department The National Stock Exchange of India Limited Bandra Kurla Complex Bandra East <u>Mumbai – 400 051</u>
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Dear Sir/ Madam,

Sub: Unaudited Financial Results for the first quarter ended March 31, 2019.
Ref : Scrip Code: 500339 (BSE) and Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith Unaudited Financial Results (Standalone, Consolidated and Segment) for the first quarter ended March 31, 2019.

Also find attached Limited Review Report issued by B S R & Associates LLP, Chartered Accountants, Statutory Auditors of the Company on the Unaudited Financial Results for the first quarter ended March 31, 2019.

These financial results were approved by the Board of Directors of the Company at their meeting held on May 8, 2019.

This is for your kind information and record.

Thanking you,

Yours faithfully,
for Rain Industries Limited


S. Venkat Ramana Reddy
Company Secretary

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, B Wing, 6th Floor, Unit-3
Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India.

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Limited review report (unmodified) on unaudited quarterly consolidated financial results of Rain Industries Limited pursuant to Regulation 33 of the Listing Regulations.

To
Board of Directors of Rain Industries Limited

We have reviewed the accompanying statement of unaudited consolidated financial results of Rain Industries Limited, its subsidiaries and its associates (collectively referred to as 'the Group') (Refer Annexure I for the list of subsidiaries and associates) for the quarter ended March 31, 2019 attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these consolidated financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Sriram Mahalingam
Partner
Membership Number: 049642

Place: Hyderabad
Date: May 08, 2019

Limited review report (unmodified) on unaudited quarterly consolidated financial results of Rain Industries Limited pursuant to Regulation 33 of the Listing Regulations.

Annexure I

List of Subsidiaries and Associates

Name of the Company

1. Rain Cements Limited
2. Renuka Cement Limited
3. Rain CII Carbon (Vizag) Limited
4. Rain Commodities (USA) Inc.
5. Rain Carbon Inc.
6. Rain Carbon Holdings, LLC
7. Rain Global Services LLC
8. Rain CII Carbon LLC
9. CII Carbon Corp.
10. Handy Chemicals (U.S.A.) Ltd.
11. Rain Carbon GmbH
12. RÜTGERS Canada Inc.
13. RÜTGERS Polymers Ltd.
14. Rain Carbon BVBA
15. RÜTGERS Germany GmbH
16. RÜTGERS Holding Germany GmbH
17. RÜTGERS Wohnimmobilien GmbH & Co. KG
18. RÜTGERS Gewerbeimmobilien GmbH & Co. KG
19. Rain RÜTGERS LLC
20. VFT France S.A
21. Rumba Invest BVBA & Co. KG
22. RÜTGERS Poland Sp. z o.o
23. Severtar Holding Ltd.
24. RÜTGERS Resins BV
25. OOO RÜTGERS Severtar
26. RÜTGERS (Shanghai) Trading Co. Ltd.
27. InfraTec Duisburg GmbH (Equity accounted investee)

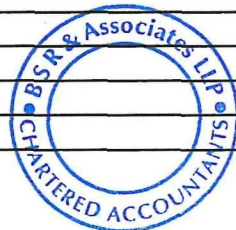




RAIN INDUSTRIES LIMITED
CIN: L26942TG1974PLC001693

Regd. Off: "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073, Telangana State, India. Ph.No.040-40401234; Fax:040-40401214
Email: secretarial@rain-industries.com / www.rain-industries.com

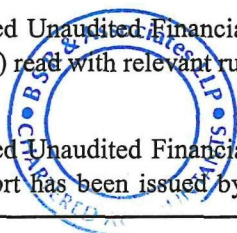
(Rupees in Millions except per share data)					
Statement of Consolidated Unaudited Financial Results for the Quarter ended March 31, 2019					
Particulars		Quarter ended			Year ended
		March 31, 2019	December 31, 2018	March 31, 2018	December 31, 2018
		Unaudited	Audited - see Note 9 below	Unaudited	Audited
1	Income				
	(a) Revenue from operations	31,965.29	34,440.73	33,068.19	140,489.93
	(b) Other income (Refer note 4 below)	190.73	149.75	54.53	407.81
	Total income	32,156.02	34,590.48	33,122.72	140,897.74
2	Expenses				
	(a) Cost of materials consumed	13,924.81	17,408.02	14,063.76	61,674.48
	(b) Purchases of stock-in-trade	2,780.96	4,417.61	3,699.54	18,095.78
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,298.81	(978.02)	(1,230.43)	(2,499.37)
	(d) Employee benefits expense (Refer note 4 below)	3,125.80	3,346.84	2,902.76	12,355.15
	(e) Finance costs	1,133.74	1,141.42	1,179.79	4,565.13
	(f) Depreciation and amortisation expense	1,270.71	1,691.20	1,229.87	5,550.86
	(g) Other expenses (Refer note 4 below)	7,317.28	9,065.79	7,217.53	31,207.98
	Total expenses	30,852.11	36,092.86	29,062.82	130,950.01
3	Profit / (Loss) before share of profit of associates and tax (1-2)	1,303.91	(1,502.38)	4,059.90	9,947.73
4	Share of profit of associates, net of income tax	-	8.80	-	8.80
5	Profit / (Loss) before tax (3+4)	1,303.91	(1,493.58)	4,059.90	9,956.53
6	Tax expense / (benefit) (Refer note 5 below)				
	- Current tax	589.95	716.83	1,104.11	4,216.90
	- Deferred tax	(218.36)	(932.20)	298.74	(573.68)
	Total tax expense / (benefit)	371.59	(215.37)	1,402.85	3,643.22
7	Net Profit / (Loss) for the period/year (5-6)	932.32	(1,278.21)	2,657.05	6,313.31



3	Other comprehensive income / (loss) (net of tax)				
(a)	Items that will not to be reclassified to profit or loss:				
	Remeasurements of net actuarial gain (loss) on post employment benefit plans	-	455.72	-	455.72
	Income tax effect	-	(155.18)	-	(155.18)
(b)	Items that will be reclassified to profit or loss:				
	Foreign Currency Translation Reserve	(118.66)	(2,117.97)	845.60	1,144.65
	Effective portion of Cash Flow Hedge	-	-	150.97	150.97
	Income tax effect	-	-	(30.39)	(30.39)
	Total other comprehensive income / (loss) (net of tax) for the period/year	(118.66)	(1,817.43)	966.18	1,565.77
9	Total comprehensive income / (loss) for the period/year (7+8)	813.66	(3,095.64)	3,623.23	7,879.08
10	Profit / (Loss) attributable to:				
	Owners of the Company	688.12	(1,391.27)	2,511.61	5,816.26
	Non-controlling interests	244.20	113.06	145.44	497.05
	Net Profit / (Loss) for the period/year	932.32	(1,278.21)	2,657.05	6,313.31
11	Other comprehensive income / (loss) attributable to:				
	Owners of the Company	(173.39)	(1,690.86)	922.74	1,642.81
	Non-controlling interests	54.73	(126.57)	43.44	(77.04)
	Other comprehensive income / (loss) for the period/year	(118.66)	(1,817.43)	966.18	1,565.77
12	Total comprehensive income / (loss) attributable to:				
	Owners of the Company	514.73	(3,082.13)	3,434.35	7,459.07
	Non-controlling interests	298.93	(13.51)	188.88	420.01
	Total comprehensive income / (loss) for the period/year	813.66	(3,095.64)	3,623.23	7,879.08
13	Earnings / (Loss) Per Share - Basic and Diluted (of INR 2/- each)	2.05	(4.14)	7.47	17.29
		<i>(not annualised)</i>	<i>(not annualised)</i>	<i>(not annualised)</i>	
	(See accompanying notes to the Consolidated Unaudited Financial Results)				

Notes:

- The Consolidated Unaudited Financial Results were reviewed by the Audit Committee on May 7, 2019 and approved by the Board of Directors at their meeting held on May 8, 2019.
- The Consolidated Unaudited Financial Results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013 ('The Act') read with relevant rules issued thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Consolidated Unaudited Financial Results for the Quarter ended March 31, 2019 have been subject to a "Limited Review" by the statutory auditors of the Company. An unqualified report has been issued by them thereon.



- 4 For the quarter ended December 31, 2018,
- (i) Other expenses includes (a) provision made towards amount receivable from one customer in Venezuela of INR 782.10 (USD10.85 million) as the Company expects delays in recovering the outstanding balance on account of deteriorating economic conditions and restriction on repatriation of funds from Venezuela; and (b) provision made towards certain fines and penalties towards environmental issues at one of its subsidiary company for an amount of INR 161.61.
- (ii) Employee benefits expense include severance payments on account of reorganisation within Ruetgers Group amounting to INR 170.79 (EUR 2.07 million).
- (iii) Other income include profit of INR 60.00 on account of transfer of investment in Rain Coke Limited (which implemented 22 MW Solar Power Plant in Andhra Pradesh) to GreenKo Group.
- 5 (i) On December 22, 2017, the Tax Cuts and Jobs Act (“US Tax Legislation”) was enacted. The Company’s US Subsidiary has filed its 2017 U.S. tax return on due date of October 15, 2018. Due to deemed repatriation of accumulated foreign earnings as of December 31, 2017 under amended section 965 for tax year 2017, the transition tax liability stood as INR 215.03 (USD2.98 million). However there are foreign tax credits identified and available for utilization in future years which have been recognized as a tax asset to the extent there is future taxable income and foreign sourced income based on prudent, feasible and sustainable tax planning strategies. Also for the year 2018, at the time of finalizing consolidated financial results the Company’s US Subsidiary has undistributed current earnings generated from its foreign subsidiaries which are subject to GILTI required by the 2017 Tax Act. Based on available information, the Group’s GILTI tax for the year 2018 was estimated to be INR 242.51 (USD3.36 million) approximately. Management has remeasured its US tax assets and liabilities and recorded the impact of the new taxes as an income tax expense in the consolidated financial results for the year ended December 31, 2018.
- (ii) Any consequential impact of the Company’s US Subsidiary continued assessment of the estimates will be recorded in the period in which the estimates are revised. Management expects to complete its assessment by December 31, 2019.
- 6 Certain Standalone information of the Company in terms of the Regulation 47(1)(b) of the SEBI (listing obligation and disclosure requirements) Regulations, 2015

Particulars	Quarter ended			Year ended
	March 31, 2019	December 31, 2018	March 31, 2018	December 31, 2018
Revenue from operations	115.18	431.71	330.43	1,053.53
Profit / (Loss) Before Tax	2.38	454.20	(5.26)	773.34
Profit / (Loss) After Tax	1.87	356.03	(5.26)	604.66



Consolidated Segment wise Revenue and Results:

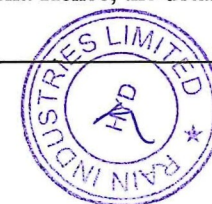
The Company has considered business segment as the primary segment for reporting. The products considered for business segment are:

- (a) Carbon
- (b) Advanced Materials
- (c) Cement

Particulars	Quarter ended			Year ended
	March 31, 2019	December 31, 2018	March 31, 2018	December 31, 2018
1) Segment Revenue				
(a) Carbon	22,593.90	24,301.61	23,013.55	97,293.97
(b) Advanced Materials	8,561.22	8,581.19	8,747.19	37,845.55
(c) Cement	2,796.82	2,250.30	2,317.34	9,137.87
Total	33,951.94	35,133.10	34,078.08	144,277.39
Less: Inter Segment Revenue	1,986.65	692.37	1,009.89	3,787.46
Net Sales / Revenue from Operations	31,965.29	34,440.73	33,068.19	140,489.93
2) Segment Results				
Profit before Depreciation and amortisation expense, Finance Costs, Forex Loss/(Gain), Other Income, Exceptional items, Share of profit from associates and tax from each segment				
(a) Carbon	2,503.38	527.75	5,530.69	15,688.70
(b) Advanced Materials	592.09	259.94	907.94	3,471.54
(c) Cement	422.16	276.63	188.62	709.33
Total	3,517.63	1,064.32	6,627.25	19,869.57
Less: i) Depreciation and amortisation expense	1,270.71	1,691.20	1,229.87	5,550.86
ii) Finance Costs	1,133.74	1,141.42	1,179.79	4,565.13
iii) Forex loss / (gain)	(72.07)	(116.17)	212.22	213.66
iv) Other Income (excluding forex gain)	(118.66)	(149.75)	(54.53)	(407.81)
v) Share of profit from associates	-	(8.80)	-	(8.80)
Total Profit / (Loss) Before Tax	1,303.91	(1,493.58)	4,059.90	9,956.53

Segmental assets and liabilities:

As certain assets of the Company are often deployed interchangeably between segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for segment assets and liabilities have not been disclosed in the above table.



- 8 Effective January 1, 2019, the Company has adopted Ind AS 115 "Revenue from contracts with customers". The adoption of Ind AS 115 did not have any significant impact on the overall results of the Company.
- 9 Figures for the quarter ended December 31 are the balancing figures between the audited figures in respect of the full financial year ended December 31 and the unaudited figures for the nine months ended September 30.
- 10 The figures of the previous year / periods have been regrouped / reclassified, wherever considered necessary to correspond with the current period's classification / disclosure.
- 11 The Investors can view Standalone Unaudited Financial Results of the Company on the Company's website www.rain-industries.com or on the BSE Limited website www.bseindia.com or on the National Stock Exchange of India Limited website www.nseindia.com.

Place: Hyderabad
Date: May 8, 2019



For and on behalf of the Board of Directors
RAIN INDUSTRIES LIMITED

A handwritten signature in blue ink, appearing to read "N Radha Krishna Reddy".

N Radha Krishna Reddy
Managing Director
DIN: 00021052