RAIN INDUSTRIES LIMITED

Earnings Presentation – Q1 CY17

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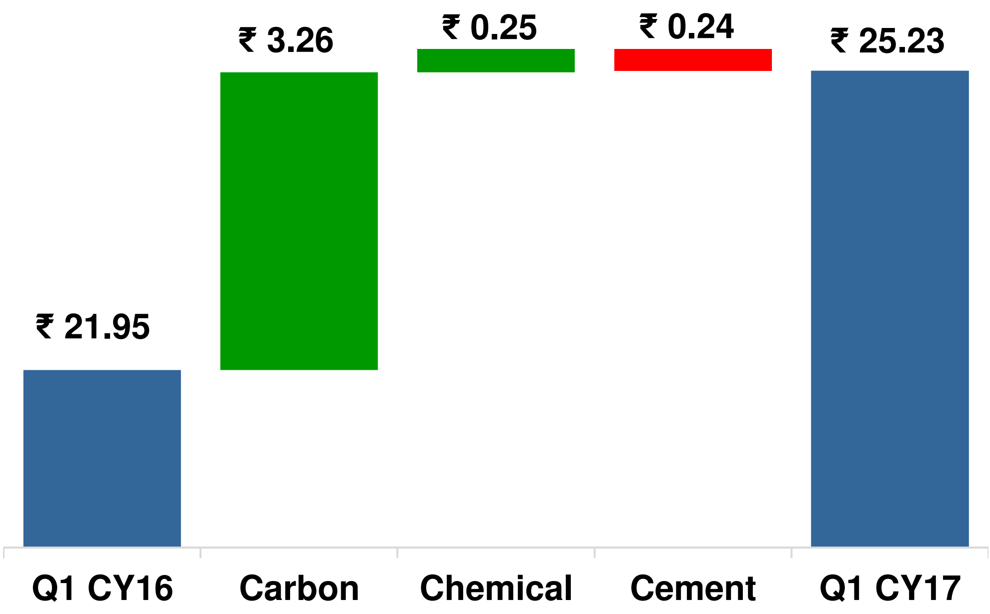
RAIN INDUSTRIES LIMITED (“the Company” or “RAIN”): Rain is a leading vertically integrated global producer of a diversified portfolio of cement, carbon-based and chemical products that are essential raw materials for staples of everyday life. We operate in three business segments: carbon cement and chemicals. Our carbon business segment converts the by-products of oil refining and steel production into high value carbon-based products that are critical raw materials for the aluminum, graphite, carbon black, wood preservation, titanium dioxide, refractory and several other global industries. Our cement segment consists of two integrated Cement Plants that operate in the South Indian market producing 2 primary grades of cement, OPC and PPC. Our chemicals business segment extends the value chain of our carbon processing through the downstream refining of a portion of this output into high value chemical products that are critical raw materials for the specialty chemicals, coatings, construction, petroleum and several other global industries. We have longstanding relationships with most of our major customers, including several of the largest companies in the global aluminum, graphite and specialty chemicals industries, and with most of our major raw material suppliers, including several of the world’s largest oil refiners and steel producers. Our scale and process sophistication provides us the flexibility to capitalize on market opportunities by selecting from a wide range of raw materials, adjusting the composition of our product mix and producing products that meet exacting customer specifications, including several specialty products. Our production facility locations and integrated global logistics network also strategically positon us to capitalize on market opportunities by addressing raw material supply and product demand on a global basis in both established and emerging markets.

Forward Looking Statement

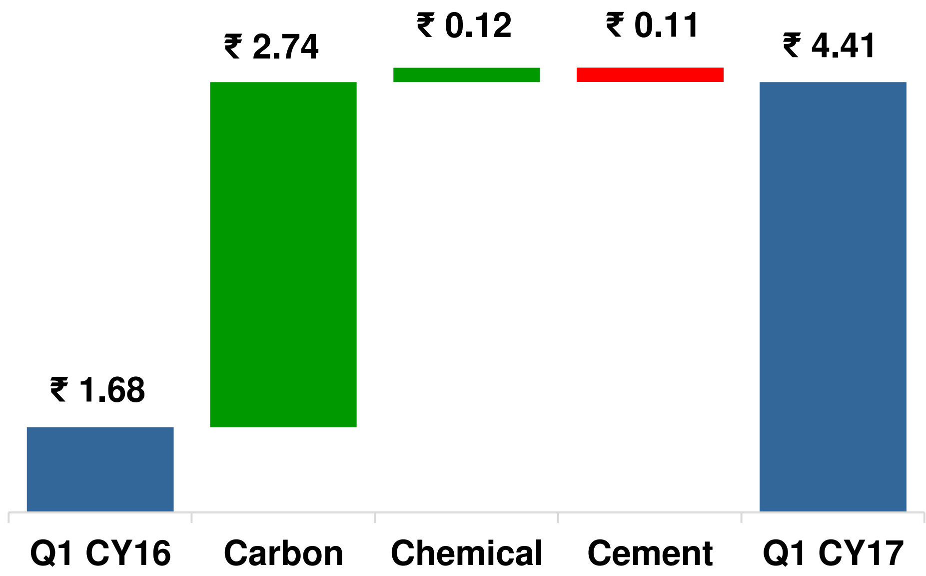
This presentation contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including our statements addressing our expectations for segment volumes and earnings, the factors we expect to impact earnings in each segment, demand for our products, our expected uses of cash, and our expected tax rate, are forward looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, potentially inaccurate assumptions, and other factors, some of which are beyond our control and difficult to predict. If known or unknown risks materialize, or should underlying assumptions prove inaccurate, our actual results could differ materially from past results and from those expressed in the forward-looking statement. Important factors that could cause our results to differ materially from those expressed in the forward-looking statements include, but are not limited to lower than expected demand for our products; the loss of one or more of our important customers; our failure to develop new products or to keep pace with technological developments; patent rights of others; the timely commercialization of products under development (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products, as well as difficulties in moving from the experimental stage to the production stage); changes in raw material costs; demand for our customers' products; competitors' reactions to market conditions; delays in the successful integration of structural changes, including acquisitions or joint ventures; the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries where we do business; and severe weather events that cause business interruptions, including plant and power outages or disruptions in supplier or customer operations.

Consolidated Performance – Q1 CY17

(₹ in Billions)



Revenue



Operating Profit

Highlights in Q1 CY17

- Expansions completed over past two years started contributing fully.
- Industry fundamentals enabling higher volumes in Carbon and Chemical products, partly off-set with fall in Cement Business.
- Functional integration across all three Geographies is contributing to generate higher revenues and to optimise costs.
- These factors resulted in sustaining Operating Profit at ₹ 4.41 billion (at the same level as Dec.'16 Quarter) and substantial improvement over Q1 CY16.

Completed Capital Projects

300,000 Tons per annum Coal Tar Pitch Facility in Russia during Feb.'16 ☑

Flue Gas Desulfurization Plant in Chalmette, Louisiana, U.S.A. during Dec.'15 ☑

1,000,000 Tons per annum Calcined Petroleum Coke Blending Facility in Vizag, Andhra Pradesh, India during Dec.'16 ☑

7MW Waste Heat Recovery Power Generation Facility in Cement Plant at Kurnool, Andhra Pradesh, India during Sept.'16 ☑

17,000 Tons per annum Carbores III reactor in Castrop-Rauxel, Germany during Dec.'16 ☑

All Expansion Projects have now fully stabilized.

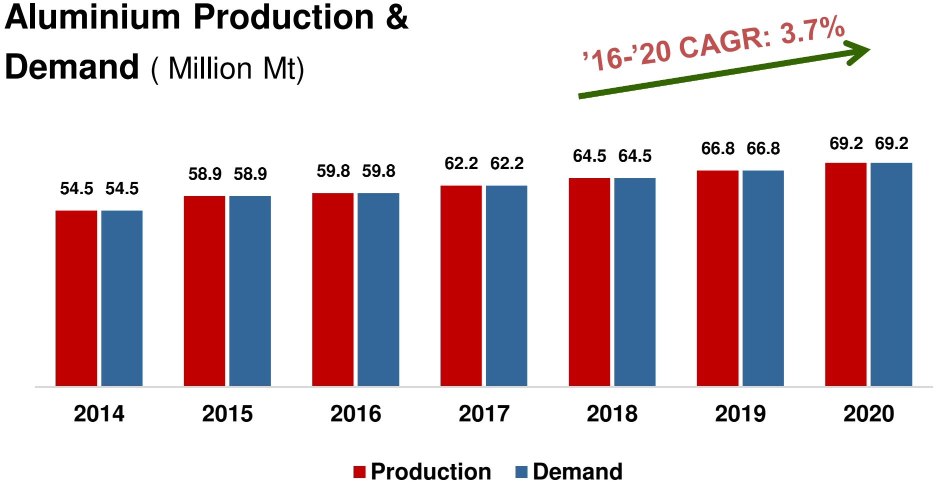
Planned Capital Projects

Particulars	Project 1	Project 2
Project Name	Hydrogenated Hydrocarbon Resins Plant ("HHCR Project")	Packing Material Plant
Production Capacity	20,000 TPA	6 million bags per month
Product Produced	New Generation Hydrocarbon Resins	Poly Propylene Woven Sacks
End Use Customer	Adhesive, Tyre, Coatings, etc.	Captive consumption within Group's Cement Business and Indian Carbon Business
Location	Uithoorn, the Netherlands	Mahaboobnagar District, Telangana State
Estimated Project Cost	€ 14 Million	₹ 320 million
Expected COC	End of CY18	End of CY17

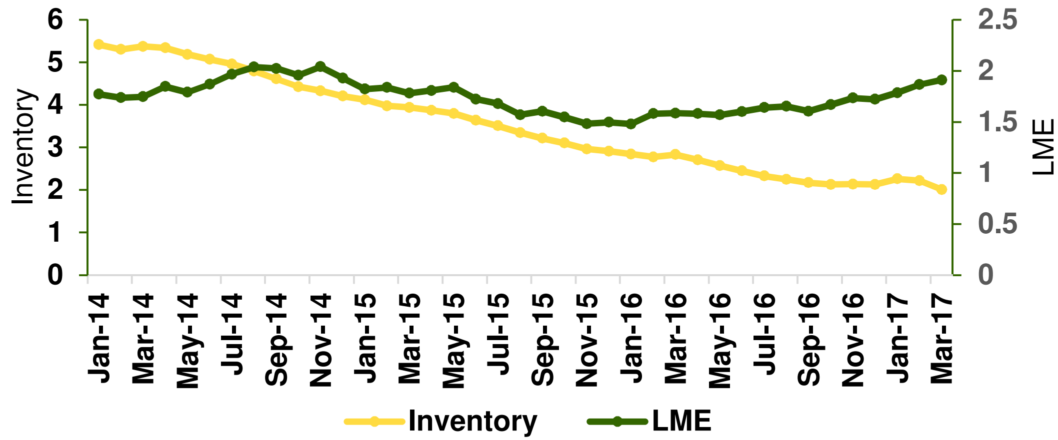
HHCR Project will enable RAIN to take advantage of increasing demand for water white resins

Key Market Factors

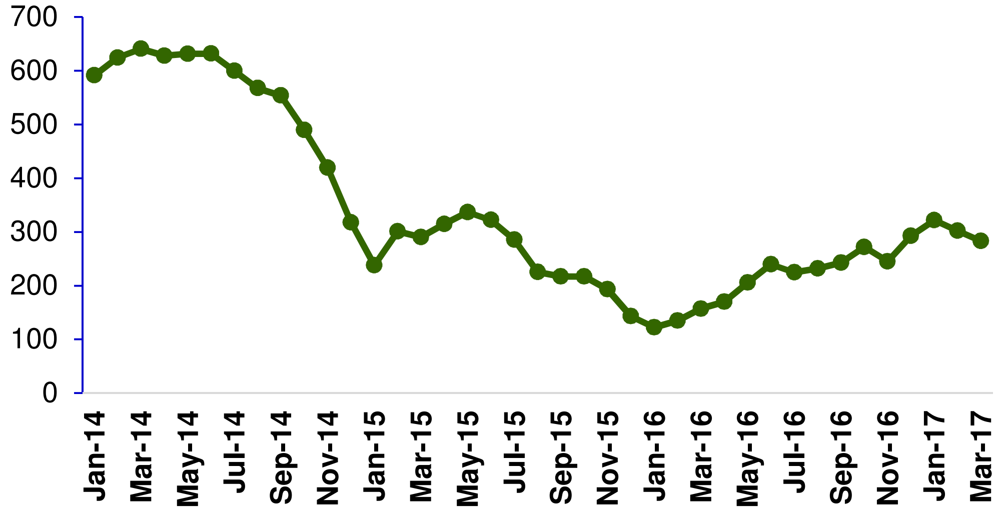
Aluminium Production & Demand (Million Mt)



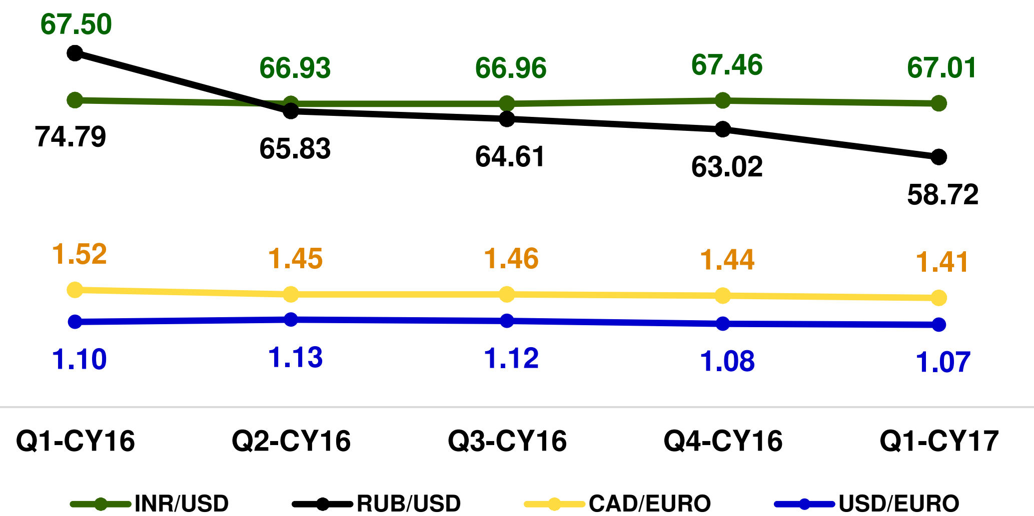
Aluminium: Inventory (Million Mt) vis-à-vis **LME** (000 US$ per MT)



Fuel Oil (USD/Mt)



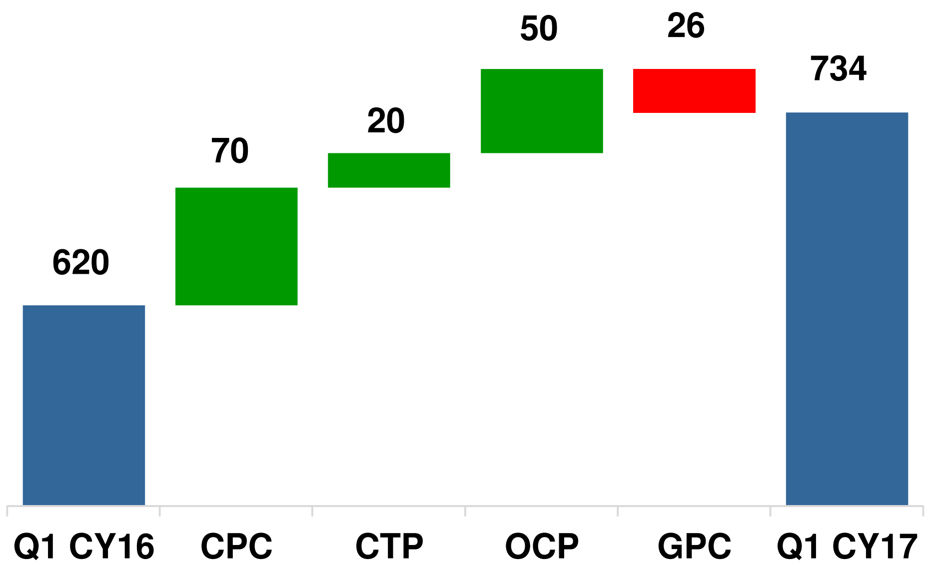
Exchange Fluctuations



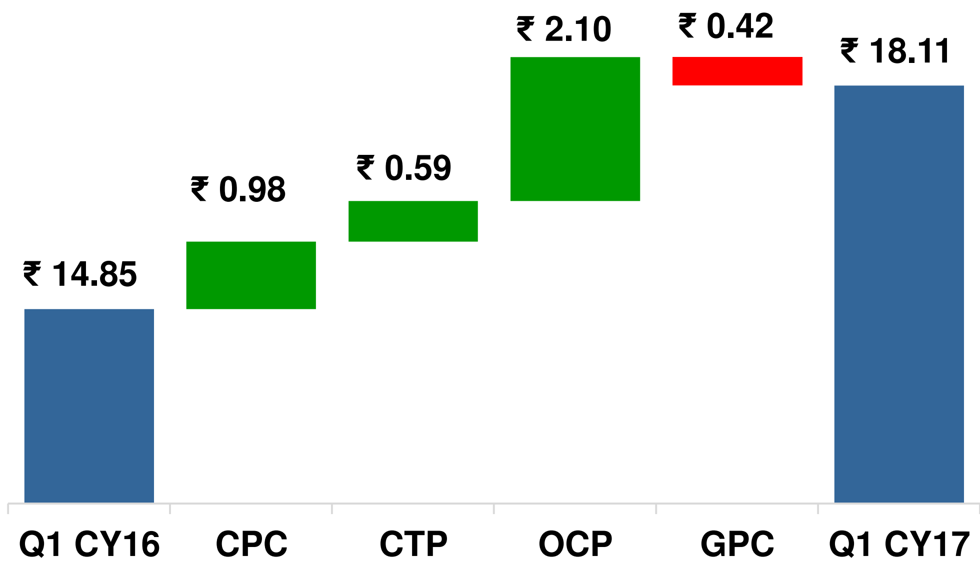
Primary Aluminium production continue to grow contributing to demand for Carbon products.

Carbon Business Performance – Q1 CY17

(₹ in Billions)



Volumes (MTs in Thousands)



Revenue

Highlights in Q1 CY17

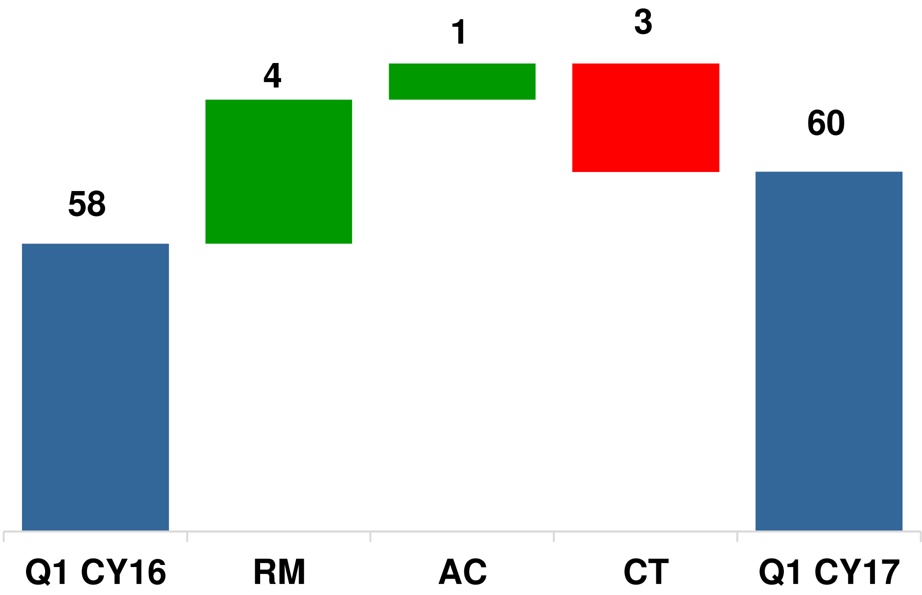
- Revenues increased due to higher volumes and higher quotations, partly off-set with appreciation of INR against USD and Euro.
- Operating profit increased to ₹ 3.75 billion due to higher volumes of CARBORES® from third Reactor operational from this quarter and full quarter operations of Russian Tar Distillation.

CPC – Calcined Petroleum Coke; CTP – Coal Tar Pitch; OCP – Other Carbon Products; GPC – Green Petroleum Coke

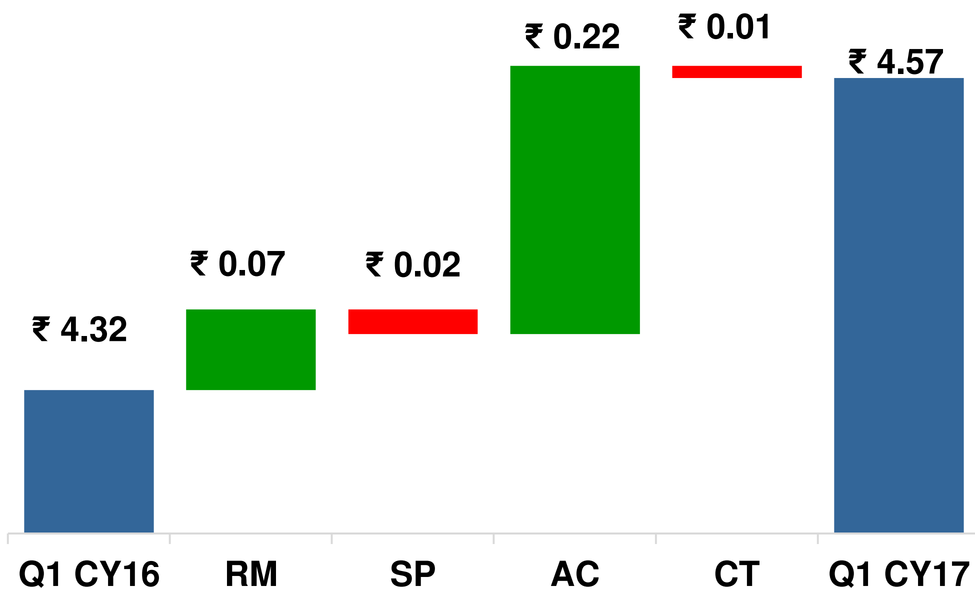
Adjusted Operating Profit increased from ₹ 2.1 Billion in Q1 CY16 to ₹ 3.7 Billion in Q1 CY 17

Chemical Business Performance – Q1 CY17

(₹ in Billions)



Volumes (MTs in Thousands)



Revenue

Highlights in Q1 CY17

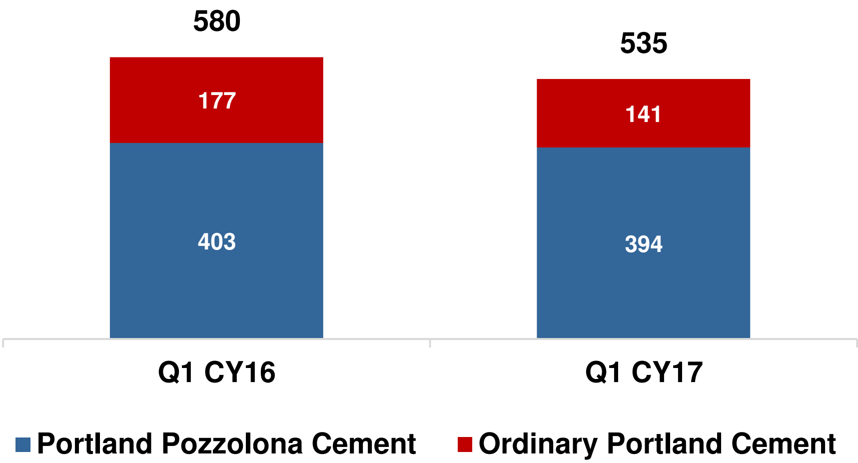
- Strong demand for Resins from Adhesive Industry and turn-around of Aromatic Chemical product portfolio has contributed for increase in revenues by 6% and increase in operating profit by 27%.
- Decline in Chemicals Trading is due to the Company's decision to reduce low margin trading operations.

RM - Resins & Modifiers; AC - Aromatic Chemicals; SP - Superplasticizers; CT - Chemtrade

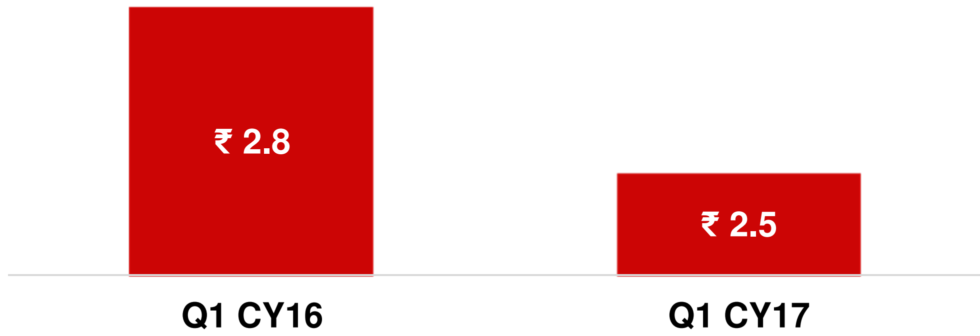
Operating Profit increased from ₹ 0.4 Billion in Q1 CY16 to ₹ 0.5 Billion in Q1 CY 17

Cement Performance – Q1 CY17

(₹ in Billions)



Volumes (MTs in Thousands)



Revenue

Highlights in Q1 CY17

- Lower volumes and marginal decline in realisation contributed for fall in revenues.
- Increases in power, fuel and transportation costs contributed to the fall in operating profit to ₹ 124 million during Q1-CY17 from ₹ 238 million.
- Cement demand will increase due to increased projects from the Government relating to infrastructure and implementing rural housing schemes

Operating Profit decreased from ₹ 0.2 Billion in Q1 CY16 to ₹ 0.1 Billion in Q1 CY 17

Consolidated Debt Position

US$ in Millions	Mar. 2017	Dec. 2016
Senior Secured Notes		
- 8.00% USD Bonds (due in 2018)	-	373
- 8.25% USD Bonds (due in 2021)	*221	336
- 8.50% Euro Bonds (due in 2021)	212	209
- 7.25% USD Bonds (due in 2025)	550	-
Other Term Debt	98	152
Gross Term Debt	**1,081**	**1,070**
Add: Working Capital	19	26
Gross Debt	**1,100**	**1,096**
Less: Cash and Cash Equivalents	*130	154
Less: Deferred Finance Cost	19	15
Net Debt	**951**	**927**

** Adjusted for repayment of US$119 million (including US$ 4 million towards premium on redemption) on April 4, 2017 out of the proceeds from refinancing received and kept in Escrow as on 31 March 2017.*

Highlights in Q1 CY17

- 2025 USD Senior Secured Bonds Issue:
  - Issued in March 2017
  - Maturity in April, 2025
  - Rate of Interest 7.25% p.a.
  - Interest Payable: Semi-annually
- Unutilised Credit Limits – US$ 163 Million
- Post March'17 Re-financing:
  - Average Rate of Interest : 7.7% pre-tax
  - Average Rate of Interest : 4.8% post-tax.
  - Consolidated gross-leverage # : 4.0X
  - Consolidated net-leverage # : 3.5X.

 # Considering Adjusted EBITDA for LTM Q1 CY17

RAIN – Key Business Strengths

- Three business verticals (Carbon, Chemicals and Cement)
- Transforming by-products of oil and steel industries into high-value carbon based products
- Long standing relationships with raw material suppliers
- Leading R&D function drives continuous innovation
- Diversified geographical footprint with advantaged freight and logistic network
- Facilities with overall 125 MW co-generated energy
- Refinancing at lower interest rate
- International Management Team
- Strategy shift from low margin products to favourable product mix

RAIN Group continues to grow on its core competence

Appendix

Operating Statement Summary

₹ in Millions

Particulars	Q1 2017	Q4 2016	Q1 2016	CY 2016
Net Revenue	25,226	24,069	21,947	94,378
Other Operating Income	123	221	114	567
Income from Operations	25,349	24,290	22,061	94,945
Adjusted Operating Profit (“Adj. EBITDA")	**4,414**	**4,347**	**2,737**	**16,367**
Adjusted Operating Profit Margin	17.4%	17.9%	12.4%	17.2%
Profit / (Loss) Before Tax and Exceptional Items	1,717	1,678	(923)	5,021
Exceptional Items	670	-	-	262
Profit / (Loss) Before Tax	1,047	1,678	(923)	4,759
Tax Expense / (Benefit)	400	821	(342)	1,792
Share of Profit / (Loss) of Associates and Minority Interest	(55)	19	(5)	(58)
Net Profit / (Loss)	592	876	(586)	2,909
Adjusted Net Profit / (Loss)	**1,028**	**876**	**(73)**	**3,293**
Earnings / (Loss) Per Share	1.76	2.60	(1.74)	8.65
Adjusted Earnings / (Loss) Per Share	3.06	2.60	(0.22)	9.79

Reconciliation of Net Income – Indian GAAP vs Ind AS

₹ in Millions

S.No.	Particulars	Q4-CY16	Q1-CY16	CY16
a.	**Net profit / (loss) under Previous Indian GAAP**	**226.58**	**(762.48)**	**2,247.27**
	Add / (Less):			
b.	Reclassifications of net actuarial loss on defined obligation to other comprehensive income	1,106.37	-	1,106.37
c.	Deferred financing costs	(84.43)	(60.61)	(334.77)
d.	Depreciation and amortization expense	(173.38)	340.20	19.58
e.	Others	(3.77)	(12.69)	15.09
f.	Tax adjustments	(195.36)	(89.95)	(144.12)
g.	**Net profit / (loss) for the period as per Ind AS**	**876.01**	**(585.53)**	**2,909.42**
h.	**Other comprehensive income / (loss) as per Ind AS**	**(2,229.37)**	**1,121.52**	**(1,274.24)**
i.	**Total comprehensive income / (loss) as per Ind AS**	**(1,353.36)**	**535.99**	**1,635.18**

The Company has adopted Ind-AS from January 1, 2017 and the above table summarises the reconciliation of net profit as per Indian GAAP with net profit as per Ind AS for prior period.

Thank You