



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 and Half Year ended June 30, 2019						
Particulars	Quarter ended			Half Year ended		Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	June 30, 2019	June 30, 2018	December 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from operations	33,415.73	31,965.29	38,055.47	65,381.02	71,123.66	140,489.93
(b) Other income (Refer note 6 and 7 below)	243.89	190.73	70.28	434.62	124.81	407.81
Total income	33,659.62	32,156.02	38,125.75	65,815.64	71,248.47	140,897.74
2 Expenses						
(a) Cost of materials consumed	12,698.99	13,924.81	15,496.77	26,623.80	29,560.53	61,674.48
(b) Purchases of stock-in-trade	4,249.31	2,780.96	4,844.61	7,030.27	8,544.15	18,095.78
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,921.10	1,298.81	292.38	3,219.91	(938.05)	(2,499.37)
(d) Employee benefits expense (Refer note 6 below)	2,985.27	3,125.80	3,090.29	6,111.07	5,993.05	12,355.15
(e) Finance costs	1,133.65	1,133.74	1,117.86	2,267.39	2,297.65	4,565.13
(f) Depreciation and amortisation expense	1,282.65	1,270.71	1,315.68	2,553.36	2,545.55	5,550.86
(g) Other expenses (Refer note 6 below)	7,361.68	7,317.28	7,384.68	14,678.96	14,602.21	31,207.98
Total expenses	31,632.65	30,852.11	33,542.27	62,484.76	62,605.09	130,950.01
3 Profit before share of profit of associates and tax (1-2)	2,026.97	1,303.91	4,583.48	3,330.88	8,643.38	9,947.73
4 Share of profit of associates, net of income tax	-	-	-	-	-	8.80
5 Profit before tax (3+4)	2,026.97	1,303.91	4,583.48	3,330.88	8,643.38	9,956.53
6 Tax expense / (benefit) (Refer note 8 below)						
- Current tax	866.31	589.95	1,395.00	1,456.26	2,499.11	4,216.90
- Deferred tax	(306.89)	(218.36)	150.75	(525.25)	449.49	(573.68)
Total tax expense / (benefit)	559.42	371.59	1,545.75	931.01	2,948.60	3,643.22
7 Net Profit for the period/year (5-6)	1,467.55	932.32	3,037.73	2,399.87	5,694.78	6,313.31
8 Other comprehensive income / (loss) (net of tax) for the period/year						
(a) Items that will not to be reclassified to profit or loss:						
Remeasurements of net actuarial gain on post employment benefit plans	-	-	-	-	-	455.72
Income tax effect	-	-	-	-	-	(155.18)
(b) Items that will be reclassified to profit or loss:						
Foreign Currency Translation Reserve	345.09	(118.66)	355.23	226.43	1,200.83	1,144.65
Effective portion of Cash Flow Hedge	2.90	-	-	2.90	150.97	150.97
Income tax effect	-	-	-	-	(30.39)	(30.39)
Total other comprehensive income / (loss) (net of tax)	347.99	(118.66)	355.23	229.33	1,321.41	1,565.77

9	Total comprehensive income for the period/year (7+8)	1,815.54	813.66	3,392.96	2,629.20	7,016.19	7,879.08
10	Profit attributable to:						
	Owners of the Company	1,256.79	688.12	2,948.05	1,944.91	5,459.66	5,816.26
	Non-controlling interests	210.76	244.20	89.68	454.96	235.12	497.05
	Net Profit for the period/year	1,467.55	932.32	3,037.73	2,399.87	5,694.78	6,313.31
11	Other comprehensive income / (loss) attributable to:						
	Owners of the Company	306.56	(173.39)	390.27	133.17	1,313.01	1,642.81
	Non-controlling interests	41.43	54.73	(35.04)	96.16	8.40	(77.04)
	Other comprehensive income / (loss) for the period/year	347.99	(118.66)	355.23	229.33	1,321.41	1,565.77
12	Total comprehensive income attributable to:						
	Owners of the Company	1,563.35	514.73	3,338.32	2,078.08	6,772.67	7,459.07
	Non-controlling interests	252.19	298.93	54.64	551.12	243.52	420.01
	Total comprehensive income for the period/year	1,815.54	813.66	3,392.96	2,629.20	7,016.19	7,879.08
13	Earnings Per Share - Basic and Diluted (of INR 2/- each)	3.74	2.05	8.76	5.78	16.23	17.29
		<i>(not annualised)</i>	<i>(not annualised)</i>	<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 and approved by the Board of Directors at their meeting held on August 13, 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 and Half Year ended June 30, 2019 have been subjected to a "Limited Review" by the statutory auditors of the Company. An unqualified report has been issued by them thereon.
- On August 6, 2019, Board of Rain Carbon Inc., a wholly owned step down subsidiary of the Company, has decided to close down one of the Group's facility in Uithroon, Netherlands in light of eroding profitability for hydrocarbon and C9 aromatic resins, particularly for printing inks and adhesive based on discussion with workers council. The management is evaluating the costs of closure. Although the facility is getting closed, the operations will be shifted to Duisburg, Germany. The decision to close down is a non-adjusting subsequent event and the necessary accounting treatment shall be given in the quarter ended September 30, 2019 once the costs are determined.
- During the quarter ended June 30, 2019, Management has identified a potential buyer to sell the assets in its Moundsville plant located in US. As the sale is yet to be completed, the assets has been classified as "Assets held for sale" in the statement of Consolidated Assets and Liabilities as at June 30, 2019.

- 6 (i) Other expenses for the quarter and year ended December 31, 2018 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) during quarter and year ended December 2018.
- (iii) Other income includes 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, during the quarter and year ended December 2018
- 7 During the quarter ended June 30,2 019, Other income includes reversal of provision made towards environmental issues at one of its subsidiary company for an amount of INR 130.50 as the matter has been settled in the court.
- 8 (i) On December 22, 2017, the Tax Cuts and Jobs Act (“US Tax Legislation”) was enacted. The US Tax Legislation significantly revises the U.S. corporate income tax by, among other things, lowering corporate income tax rates, implementing the territorial tax system and imposing a repatriation tax on deemed repatriation of accumulated earnings of foreign subsidiaries up to December 31, 2017.
- (ii) 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.
- 9 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			Half Year ended		Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	June 30, 2019	June 30, 2018	December 31, 2018
Revenue from operations	71.48	115.18	172.97	186.66	503.40	1,053.53
Profit Before Tax	39.60	2.38	359.15	41.98	353.89	773.34
Profit After Tax	27.72	1.87	281.48	29.59	276.22	604.66

Statement of Consolidated Assets and Liabilities:

Particulars	As at	As at
	June 30, 2019	December 31, 2018
	Unaudited	Audited
ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	30,180.00	30,989.82
(b) Capital work in progress	9,928.20	7,947.90
(c) Goodwill	60,546.21	61,315.31
(d) Other intangible assets	283.26	304.93
(e) Equity accounted investments	81.60	83.08
(f) Financial assets		
(i) Investments	42.87	43.39
(ii) Loans	345.20	313.55
(iii) Other financial assets	21.97	10.14
(g) Deferred tax asset (net)	3,228.91	2,773.21
(h) Non-current tax assets (net)	748.99	661.27
(i) Other non-current assets	2,042.22	1,322.01
Total non-current assets	107,449.43	105,764.61
2. Current assets		
(a) Inventories	18,425.55	23,683.33
(b) Financial assets		
(i) Investments	267.41	-
(ii) Trade receivables	14,788.78	16,044.02
(iii) Cash and cash equivalents	8,326.88	7,734.16
(iv) Bank balances other than cash and cash equivalents	550.81	778.25
(v) Loans	29.06	22.07
(vi) Other financial assets	579.20	608.52
(c) Current tax assets (net)	52.07	27.36
(d) Other current assets	3,333.47	2,832.25
(e) Assets held for sale (refer note 5 above)	59.53	-
Total current assets	46,412.76	51,729.96
Total assets	153,862.19	157,494.57
EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	672.69	672.69
(b) Other equity	47,632.80	45,554.72
	48,305.49	46,227.41
(c) Non-controlling interests	1,984.37	1,433.25
Total equity	50,289.86	47,660.66
2. Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	71,013.38	72,420.19
(ii) Other financial liabilities	130.51	138.86
(b) Provisions	9,877.79	9,823.21
(c) Deferred tax liability (net)	1,223.78	1,236.71
(d) Non-current tax liabilities (net)	582.50	420.44
(e) Other non-current liabilities	72.23	94.25
Total non-current liabilities	82,900.19	84,133.66
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,329.17	5,021.59
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	18.71	16.34
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	10,605.75	13,397.81
(iii) Other financial liabilities	3,543.25	3,936.05
(b) Provisions	1,360.24	1,609.07
(c) Current tax liabilities (net)	602.21	789.84
(d) Other current liabilities	1,212.81	929.55
Total current liabilities	20,672.14	25,700.25
Total equity and liabilities	153,862.19	157,494.57

11 Statement of Consolidated Cash flows:		Half year ended	Year ended
		June 30, 2019	December 31, 2018
Particulars		Unaudited	Audited
A. Cash flow from operating activities			
Profit before tax		3,330.88	9,956.53
Adjustments for :			
Depreciation and amortisation expense		2,553.36	5,550.86
Profit on sale of property, plant and equipment (net)		(0.09)	(10.82)
Gain on sale of investments in associate		-	(60.00)
Gain on redemption of senior secured notes		-	(3.49)
Interest and other borrowing costs		2,267.39	4,565.13
Interest income		(200.61)	(208.35)
Dividend income from current investments		(3.31)	(0.54)
Advances written off		9.92	-
Provision for inventories		205.20	115.89
Liabilities / provisions no longer required written back		(207.33)	(124.61)
Provision for doubtful debts and advances		7.35	783.27
Share of profit of associates		-	(8.80)
Foreign exchange (gain) / loss, net		(65.92)	266.75
Operating profit before working capital changes		7,896.84	20,821.82
Adjustments for changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		4,965.59	(2,975.23)
Trade receivables		1,165.60	(78.56)
Financial assets and other assets		(557.05)	(56.58)
Trade payables, other liabilities and provisions		(2,639.32)	3,895.79
Cash generated from operations		10,831.66	21,607.24
Income taxes paid, net		(1,562.42)	(4,462.94)
Net cash from operating activities		9,269.24	17,144.30
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets, including capital advances		(5,042.00)	(11,630.54)
Proceeds from property, plant and equipment		9.19	95.21
Loans repaid during the year		-	16.09
Inter corporate deposits released		40.00	(400.00)
Purchase of current investments		(264.10)	-
Proceeds from sale of investments, net		-	10.00
Bank deposits and other bank balances		212.40	1,410.54
Interest received		171.77	174.41
Dividends received on current investments		-	0.54
Net cash used in investing activities		(4,872.74)	(10,323.75)
C. Cash flow from financing activities			
Proceeds from non-current borrowings		2.22	31,767.92
Repayment of non-current borrowings		(64.56)	(33,416.18)
Proceeds/(Repayment) of current borrowings, net		(1,628.31)	1,601.87
Sales tax deferment paid		(28.71)	(58.98)
Interest and other borrowing costs paid		(2,169.21)	(5,407.90)
Dividend paid (including tax on dividend)		-	(672.69)
Net cash used in financing activities		(3,888.57)	(6,185.96)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		507.93	634.59
Cash and cash equivalents - opening balance		7,734.16	7,241.69
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		84.79	(142.12)
Cash and cash equivalents - closing balance		8,326.88	7,734.16

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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			Half Year ended		Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	June 30, 2019	June 30, 2018	December 31, 2018
1) Segment Revenue						
(a) Carbon	23,165.64	22,593.90	26,697.87	45,759.54	49,711.42	97,293.97
(b) Advanced Materials	9,442.25	8,561.22	9,985.97	18,003.47	18,733.16	37,845.55
(c) Cement	2,974.66	2,796.82	2,364.19	5,771.48	4,681.53	9,137.87
Total	35,582.55	33,951.94	39,048.03	69,534.49	73,126.11	144,277.39
Less: Inter Segment Revenue	2,166.82	1,986.65	992.56	4,153.47	2,002.45	3,787.46
Revenue from Operations	33,415.73	31,965.29	38,055.47	65,381.02	71,123.66	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	2,456.46	2,503.38	5,542.20	4,959.84	11,072.89	15,688.70
(b) Advanced Materials	1,186.26	592.09	1,215.82	1,778.35	2,123.76	3,471.54
(c) Cement	556.66	422.16	117.15	978.82	305.77	709.33
Total	4,199.38	3,517.63	6,875.17	7,717.01	13,502.42	19,869.57
Less: i) Depreciation and amortisation expense	1,282.65	1,270.71	1,315.68	2,553.36	2,545.55	5,550.86
ii) Finance Costs	1,133.65	1,133.74	1,117.86	2,267.39	2,297.65	4,565.13
iii) Forex loss / (gain)	54.06	(72.07)	(71.57)	(18.01)	140.65	213.66
iv) Other Income (excluding forex gain)	(297.95)	(118.66)	(70.28)	(416.61)	(124.81)	(407.81)
v) Share of profit from associates	-	-	-	-	-	(8.80)
Profit Before Tax	2,026.97	1,303.91	4,583.48	3,330.88	8,643.38	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.

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The figures of the previous year / periods have been regrouped / reclassified, wherever considered necessary to correspond with the current period's classification / disclosure.

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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.

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

Place: Hyderabad
Date: August 13, 2019

N Radha Krishna Reddy
Managing Director
DIN: 00021052