

B S R & Associates LLP

Chartered Accountants

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Limited Review Report on unaudited consolidated financial results of Rain Industries Limited for the Quarter ended 31 March 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Rain Industries Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Rain Industries Limited ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit after tax and total comprehensive income of its associate for the quarter ended 31 March 2022 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities which have been mentioned in Annexure I to this report.
5. Attention is drawn to the fact that the figures for the three months ended 31 December 2021 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, 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.

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7. The Statement includes the financial results of 17 subsidiaries which have not been reviewed, whose financial results reflect total revenues of Rs. 870.63 million, total net profit after tax of Rs. 694.05 million and total comprehensive income of Rs. 605.69 million, for the quarter ended 31 March 2022, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. Nil and total comprehensive income of Rs. Nil, for the quarter ended 31 March 2022 as considered in the unaudited consolidated financial results, in respect of 1 associate, based on its interim financial results which have not been reviewed. According to the information and explanations given to us by the Parent's management, these financial results on a consolidated basis are not material to the Group.

Our conclusion is not modified in respect of this matter.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231WW-100024

Vikash Somani

Vikash Somani

Partner

Membership No.: 061272

UDIN:22061272AIJTPZ5613

Hyderabad

04 May 2022

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Annexure I

Holding Company:
1. Rain Industries Limited
Subsidiaries:
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. Rain Carbon GmbH
11. Rain Carbon Canada Inc.
12. Rain Carbon BV
13. Rain Carbon Germany GmbH
14. Rain Carbon Wohnimmobilien GmbH & Co. KG
15. Rain Carbon Gewerbeimmobilien GmbH & Co. KG

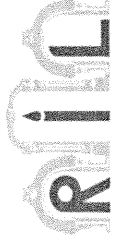


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Annexure I (continued)

Subsidiaries: (continued)
16. 000 Rain Carbon
17. VFT France S.A
18. Rumba Invest BVBA & Co. KG
19. Rain Carbon Poland Sp. z o.o
20. Severtar Holding Ltd.
21. RÜTGERS Resins BV
22. 000 RÜTGERS Severtar
23. Rain Carbon (Shanghai) Trading Co. Ltd
24. Rain Verticals Limited
Associates:
1. InfraTec Duisburg GmbH

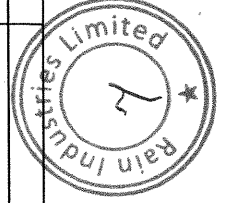




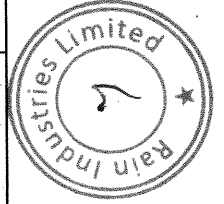
RAIN INDUSTRIES LIMITED
CIN: L26942TG1974PLC001693

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

Statement of Consolidated Unaudited Financial Results for the Quarter ended March 31, 2022 (Rupees in Millions except per share data)						
Particulars	Quarter ended			Year ended		
	March 31, 2022	December 31, 2021	March 31, 2021	December 31, 2021	December 31, 2021	
	Unaudited	Audited - see Note 12 below	Unaudited	Audited	Audited	
1 Income						
(a) Revenue from operations	44,365.39	40,260.54	30,082.55	145,267.82		
(b) Other income (Refer note 4 & 9 below)	169.38	546.24	426.83	1,931.16		
Total income	44,534.77	40,806.78	30,509.38	147,198.98		
2 Expenses						
(a) Cost of materials consumed	20,411.43	20,753.63	11,757.85	66,175.52		
(b) Purchases of stock-in-trade	3,784.33	4,011.06	2,156.35	12,988.19		
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,523.44)	(3,152.72)	(445.39)	(5,080.55)		
(d) Employee benefits expense	3,177.22	2,948.02	3,299.65	12,372.36		
(e) Finance costs	1,203.14	1,192.21	1,197.13	4,789.14		
(f) Depreciation and amortisation expense	1,982.09	1,998.60	1,980.11	7,981.53		
(g) Impairment loss	-	168.07	-	168.07		
(h) Loss / (gain) on foreign currency transactions and translations (net)	78.93	(13.07)	(59.14)	(212.25)		
(i) Other expenses	10,516.68	10,660.97	7,480.68	35,247.32		
Total expenses	39,630.38	38,566.77	27,367.24	134,429.33		
3 Profit before share of loss of associates, exceptional items and tax (1-2)	4,904.39	2,240.01	3,142.14	12,769.65		
4 Exceptional items	-	-	-	-		
5 Profit before share of loss of associates and tax (3-4)	4,904.39	2,240.01	3,142.14	12,769.65		
6 Share of loss of associates (net of income tax)	-	(5.45)	-	(5.45)		
7 Profit before tax (5+6)	4,904.39	2,234.56	3,142.14	12,764.20		

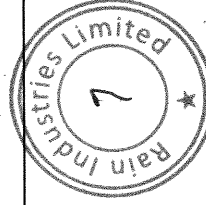


8	Tax expense / (benefit) (Refer note 7 & 8 below)							
	- Current tax	1,765.71	991.35	1,114.54	4,191.06			
	- Deferred tax	(0.43)	1,966.27	(283.70)	1,637.73			
	Total tax expense	1,765.28	2,957.62	830.84	5,828.79			
9	Net profit / (loss) for the period/year (7-8)	3,139.11	(723.06)	2,311.30	6,935.41			
10	Other comprehensive income / (loss) (net of tax) for the period/year							
(a)	Items that will not be reclassified to profit or loss:							
	Remeasurements of defined benefit plans	-	2,535.49	-	2,535.49			
	Income tax relating to items that will not be reclassified to profit or loss	-	(1,655.50)	-	(1,655.50)			
(b)	Items that will be reclassified to profit or loss:							
	Foreign currency translation reserve	517.64	(532.95)	(450.43)	(600.51)			
	Effective portion of Cash Flow Hedge	-	0.27	(0.53)	-			
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-			
	Total other comprehensive income / (loss) (net of tax)	517.64	347.31	(450.96)	279.48			
11	Total comprehensive income / (loss) for the period/year (9+10)	3,656.75	(375.75)	1,860.34	7,214.89			
12	Profit / (loss) attributable to:							
	Owners of the Company	2,774.37	(969.59)	2,062.60	5,801.58			
	Non-controlling interests	364.74	246.53	248.70	1,133.83			
	Net Profit / (loss) for the period/year	3,139.11	(723.06)	2,311.30	6,935.41			
13	Other comprehensive income / (loss) attributable to:							
	Owners of the Company	582.68	420.36	(422.62)	291.94			
	Non-controlling interests	(65.04)	(73.05)	(28.34)	(12.46)			
	Other comprehensive income / (loss) for the period/year	517.64	347.31	(450.96)	279.48			
14	Total comprehensive income / (loss) attributable to:							
	Owners of the Company	3,357.05	(549.23)	1,639.98	6,093.52			
	Non-controlling interests	299.70	173.48	220.36	1,121.37			
	Total comprehensive income / (loss) for the period/year	3,656.75	(375.75)	1,860.34	7,214.89			
15	Paid-up equity share capital (Face value of INR 2/- per share)	672.69	672.69	672.69	672.69			
16	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)				60,419.44			
17	Earnings / (loss) Per Share - Basic and Diluted (Face value of INR 2/- each)	8.25	(2.88)	6.13	17.25			
		(not annualised)	(not annualised)	(not annualised)				
	(See accompanying notes to the Consolidated Unaudited Financial Results)							



Notes:

- 1 The Consolidated Unaudited Financial Results were reviewed by the Audit Committee on May 3, 2022 and approved by the Board of Directors at their meeting held on May 4, 2022.
- 2 The Consolidated Unaudited Financial Results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the 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.
- 3 The Consolidated Unaudited Financial Results for the Quarter ended March 31, 2022 have been subjected to a "Limited Review" by the statutory auditors of the Company. An unqualified report has been issued by them thereon.
- 4 On December 31, 2020, the Group completed the sale of its Wholly Owned Subsidiaries engaged in the manufacturing and distribution of Polynaphthalene Sulfonates - RUTGERS Polymers Limited and Handy Chemicals (U.S.A.) Limited, for an aggregate cash consideration of INR 6,386.27 which resulted in a gain of INR 3,864.20 which was recorded under the heading Other income during the year ended December 31, 2020. The sale resulted in loss of control over both subsidiaries and accordingly the Group derecognised the assets and liabilities at their carrying amounts on date of sale as per "IND AS 110 – Consolidated financial statements".
- During the year ended December 31, 2021, upon completion of certain additional formalities on sale transaction, a partial amount retained in escrow account during year-end was released and recorded as income amounting to INR 40.10.
- During the quarter ended March 31, 2022, upon full and final settlement an amount of INR 32.47 retained in escrow account during year-end was released and recorded as income.
- 5 Due to the global implications of the rapidly evolving conflict between Russia and Ukraine that started in February 2022, there is an increase in volatility in the stock, commodity prices and foreign exchange markets. Given this geopolitical uncertainty resulting from this war and the likelihood that changes may occur rapidly or unexpectedly, we have carefully evaluated information that became available in this regard to assess its potential impact on the Group's activities such as supply chain disruption, closure / abandonment of operations / manufacturing facilities, travel restrictions, market volatility, recoverability of inter-company loan within group entities, repatriation of dividends between group entities, etc. Currently, the management does not foresee any significant impact of the above events on its financial results as the operations of its Russian entities and the rest of the entities are largely independent of each other. However, since the impact assessment of such situation is a continuing process given the uncertainties associated with its nature and duration, the Group will continue to monitor any material changes to future economic conditions.
- 6 During the year ended December 31, 2020, due to the COVID-19 pandemic, there was nationwide lockdown in India and supply disruptions in various other countries, which affected the operations across the Group. However, the situation started improving from the third quarter of 2020. Again with resurgence of COVID-19, the Group continues to evaluate the impact of this pandemic on its business operations, liquidity and financial position. Based on management's review of current indicators and economic conditions there is no material impact on its financial results as at March 31, 2022, and carrying value of its assets, except certain inventory related write-downs, which are already provided during 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Group will continue to monitor any material changes to future economic conditions.
- 7 The Group's US Subsidiary filed its 2020 U.S. tax return on due date of October 15, 2021. At the time of finalising its tax return for 2020 year as consistent approach, management opted for Global Intangible Low-Taxed Income (GILTI) High Tax Exception (HTE). The GILTI high-tax exception will exclude from GILTI income of a Controlled foreign corporation that incurs a foreign tax at a rate greater than 90% of the U.S. corporate rate, currently 18.9%. In July, 2020, the U.S. Department of Treasury ("Treasury") and the Internal Revenue Service (IRS) finalised regulations (T.D. 9902) with respect to the GILTI high-tax exception ("Final Regulations"), such election was also made at the time of finalising 2020 annual consolidated financial statements and also in prior years. Due to change in the estimates during tax return 2020 an additional tax expense of INR 142.90 was recorded and remitted during the year ended December 31, 2021.



8 Due to significant increase in operating costs driven by higher natural gas prices and tax losses, the Group's German subsidiary re-assessed the deferred tax assets to be recognised based on the scheduled reversal of deferred tax liabilities and projected future taxable income. Based on such assessment, the Group's German subsidiary reversed the deferred tax assets amounting to INR 3,777.11 (of which INR 2,926.06 was recorded in consolidated statement of profit and loss and balance of INR 851.05 was recorded through Other Comprehensive Income) during the quarter and year ended December 31, 2021.

Further, the Group's US subsidiary generated Foreign Tax Credits ("FTC") in 2017. However, deferred tax assets amounting to INR 930.03 was not recognised as at December 31, 2020 on the basis of available evidence that it was more likely than not that deferred tax assets will not be realized. During the year ended December 31, 2021, Management reassessed the recoverability of this unrecognised deferred tax asset based on the scheduled reversal of deferred tax liabilities and projected future taxable income. Accordingly, the Group's US subsidiary recognised the deferred tax assets during the quarter and year ended December 31, 2021, amounting to INR 930.03 in consolidated statement of profit and loss.

9 During the year ended December 31, 2021, the Group sold its Moundsville plant located in the United States of America which was classified as "Assets held for sale" in the Consolidated Balance Sheet as at December 31, 2020 for an amount of INR 284.63. The resultant gain of INR 243.70 was recorded under the heading Other income.

10 Certain Standalone information of the Company in terms of the Regulation 47(1)(b) of the SEBI (listing obligation and disclosure requirements) Regulations, 2015:

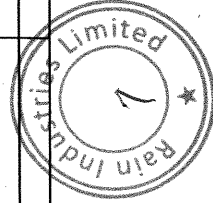
Particulars	Quarter ended		Year ended December 31, 2021 Audited
	March 31, 2022 Unaudited	December 31, 2021 Audited - see Note 12 below	
Revenue from operations	128.89	233.12	535.47
Profit / (loss) before tax	(14.76)	402.09	390.82
Profit / (loss) after tax	(15.59)	322.76	311.64

11 **Consolidated Segment wise revenue and results:**

The Chief Operating Decision Maker ("CODM") reviews the business performance at the business segment level. Accordingly, the business segments are considered as the primary segments for reporting. The segments reported are as follows:

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

Particulars	Quarter ended			Year ended December 31, 2021 Audited
	March 31, 2022 Unaudited	December 31, 2021 Audited - see Note 12 below	March 31, 2021 Unaudited	
I) Segment revenue				
(a) Carbon	33,561.91	30,909.90	21,406.78	104,989.63
(b) Advanced Materials	10,366.34	9,181.03	7,166.67	37,118.49
(c) Cement	3,850.48	3,212.25	3,349.46	13,860.96
Total	47,778.73	43,303.18	31,922.91	155,969.08
Less: Inter segment revenue	3,413.34	3,042.64	1,840.36	10,701.26
Revenue from operations	44,365.39	40,260.54	30,082.55	145,267.82



2) Segment results						
(a) Carbon	6,567.06	5,680.68	4,745.85	19,990.16		
(b) Advanced Materials	854.87	(1,185.41)	510.81	888.54		
(c) Cement	577.24	544.31	576.75	2,686.28		
Total	7,999.17	5,039.58	5,833.41	23,564.98		
Less: i) Depreciation and amortisation expense	1,982.09	1,998.60	1,980.11	7,981.53		
ii) Impairment	-	168.07	-	168.07		
iii) Finance costs	1,203.14	1,192.21	1,197.13	4,789.14		
iv) Loss / (gain) on foreign currency transactions and translations (net)	78.93	(13.07)	(59.14)	(212.25)		
v) Other un-allocable income (net)	(169.38)	(546.24)	(426.83)	(1,931.16)		
vi) Share of loss of associates (net of income tax)	-	5.45	-	5.45		
Profit before tax	4,904.39	2,234.56	3,142.14	12,764.20		

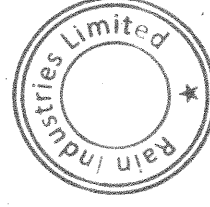
Segmental assets and liabilities:

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.

12 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.

13 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's website www.bseindia.com or on the National Stock Exchange of India Limited's website www.nseindia.com.

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



N. Radha Krishna Reddy

N Radha Krishna Reddy
Managing Director
DIN: 00021052

Place: Hyderabad
Date: May 4, 2022