

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 30 June 2022 and year-to-date results for the period from 1 January 2022 to 30 June 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 associates for the quarter ended 30 June 2022 and year-to-date results for the period from 1 January 2022 to 30 June 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. 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.

Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

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6. The Statement includes the financial results of 16 subsidiaries which have not been reviewed, whose financial results reflect total assets of Rs. 172,351.23 million as at 30 June 2022 and total revenues of Rs. 750.69 million and Rs. 1,621.32 million, total net profit after tax of Rs. 5,293.88 million and Rs. 5,987.93 million and total comprehensive income of Rs. 5,344.48 million and Rs. 5,950.17 million, for the quarter ended 30 June 2022 and for the period from 1 January 2022 to 30 June 2022 respectively, and cash outflows (net) of Rs. 2,171.46 million for the period from 1 January 2022 to 30 June 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 30 June 2022 and for the period from 1 January 2022 to 30 June 2022 respectively 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

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Vikash Somani

Partner

Hyderabad

29 July 2022

Membership No.: 061272

UDIN:22061272ANVRMY3266

B S R & Associates LLP

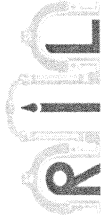
Annexure I

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 (Merged with Rain CII Carbon LLC with effect from 27 January 2022)
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)

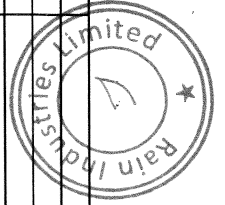
Subsidiaries: (continued)
16. OOO Rain Carbon
17. VFT France S.A
18. Rumba Invest BVBA & Co. KG
19. Rain Carbon Poland Sp. z o.o
20. Severtar Holding Ltd.
21. RÜTGERS Resins BV
22. OOO RÜTGERS Severtar
23. Rain Carbon (Shanghai) Trading Co. Ltd
24. Rain Verticals Limited
Associates:
1. InfraTec Duisburg 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 and Half Year ended June 30, 2022 (Rupees in Millions, including in notes, except per share data)							
Particulars	Quarter ended			Half Year ended		Year ended	
	June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021	December 31, 2021	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1 Income							
(a) Revenue from operations	55,405.48	44,365.39	36,434.68	99,770.87	66,517.23	145,267.82	
(b) Other income (Refer note 9 below)	225.58	169.38	371.22	394.96	798.05	1,931.16	
Total income	55,631.06	44,534.77	36,805.90	100,165.83	67,315.28	147,198.98	
2 Expenses							
(a) Cost of materials consumed	21,942.56	20,411.43	15,349.54	42,353.99	27,107.39	66,175.52	
(b) Purchases of stock-in-trade	9,423.58	3,784.33	3,137.45	13,207.91	5,293.80	12,988.19	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,702.05)	(1,523.44)	5.37	(5,225.49)	(440.02)	(5,080.55)	
(d) Employee benefits expense	3,334.78	3,177.22	3,000.75	6,512.00	6,300.40	12,372.36	
(e) Finance costs	1,223.90	1,203.14	1,221.88	2,427.04	2,419.01	4,789.14	
(f) Depreciation and amortisation expense	2,008.67	1,982.09	2,012.51	3,990.76	3,992.62	7,981.53	
(g) Impairment loss	-	-	-	-	-	168.07	
(h) Loss / (gain) on foreign currency transactions and translations (net)	767.42	78.93	(24.35)	846.35	(83.49)	(212.25)	
(i) Other expenses	11,615.49	10,516.68	8,461.54	22,132.17	15,942.22	35,247.32	
Total expenses	46,614.35	39,630.38	33,164.69	86,244.73	60,531.93	134,429.33	
3 Profit before share of loss of associates, exceptional items and tax (1-2)	9,016.71	4,904.39	3,641.21	13,921.10	6,783.35	12,769.65	
4 Exceptional items	-	-	-	-	-	-	
5 Profit before share of loss of associates and tax (3-4)	9,016.71	4,904.39	3,641.21	13,921.10	6,783.35	12,769.65	
6 Share of loss of associates (net of income tax)	-	-	-	-	-	(5.45)	
7 Profit before tax (5+6)	9,016.71	4,904.39	3,641.21	13,921.10	6,783.35	12,764.20	
8 Tax expense / (benefit) (Refer note 8 below)							
- Current tax	1,404.18	1,765.71	1,044.06	3,169.89	2,158.60	4,191.06	
- Deferred tax	536.99	(0.43)	(60.87)	536.56	(344.57)	1,637.73	
Total tax expense	1,941.17	1,765.28	983.19	3,706.45	1,814.03	5,828.79	
9 Net profit for the period/year (7-8)	7,075.54	3,139.11	2,658.02	10,214.65	4,969.32	6,935.41	



4 The Board of Directors of the Company at their meeting held on July 29, 2022, have declared an Interim Dividend of INR 1/- per Equity Share i.e. 50% on face value of INR 2/- per Equity Share fully paid up for the financial year ending December 31, 2022.

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 commodity prices, stock 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 Subsequent to the quarter ended June 30, 2022, one of the Group's subsidiary received a demand of INR 900.65 towards non-restriction of credit of Goods and Services Tax paid on common inputs used for exempt supply (Electricity, co-generated through waste-heat recovery). Based on the management's preliminary assessment, it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Accordingly, this is considered as a contingent liability.

7 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 June 30, 2022, and carrying value of its assets. 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.

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 realised. 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 year ended December 31, 2021, amounting to INR 930.03 in consolidated statement of profit and loss.

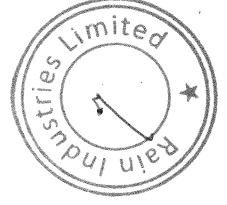
9 During the year ended December 31, 2021, the Group sold its Moundsville plant located in the United States of America which was classified as "Assets held for sale" in the Consolidated Balance Sheet as at December 31, 2020 for an amount of INR 284.63. The resultant gain of INR 243.70 was recorded under 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			Half Year ended		Year ended
	June 30, 2022 Unaudited	March 31, 2022 Unaudited	June 30, 2021 Unaudited	June 30, 2022 Unaudited	June 30, 2021 Unaudited	December 31, 2021 Audited
Revenue from operations	116.15	128.89	92.63	245.04	215.85	535.47
Profit / (loss) before tax	(31.78)	(14.76)	(10.52)	(46.54)	(12.86)	390.82
Profit / (loss) after tax	(31.95)	(15.59)	(10.52)	(47.54)	(12.71)	311.64



Particulars			As at June 30, 2022	As at December 31, 2021
			Unaudited	Audited
ASSETS				
1. Non-current assets				
(a) Property, plant and equipment			44,595.80	41,852.84
(b) Capital work in progress			6,532.88	7,907.63
(c) Right of use asset			3,849.76	4,078.62
(d) Goodwill			64,893.05	63,306.14
(e) Other intangible assets			115.63	154.83
(f) Equity accounted investments			85.53	87.06
(g) Financial assets				
(i) Investments			44.24	44.79
(ii) Loans			6.28	116.81
(iii) Other financial assets			385.75	318.89
(h) Deferred tax asset, net			2,264.11	2,708.66
(i) Non-current tax assets, net			994.66	922.06
(j) Other non-current assets			490.46	242.87
Total non-current assets			124,258.15	121,741.20
2. Current assets				
(a) Inventories			40,768.34	25,118.03
(b) Financial assets				
(i) Trade receivables			25,110.41	16,985.37
(ii) Cash and cash equivalents			14,603.15	11,031.21
(iii) Bank balances other than cash and cash equivalents			2,896.28	2,810.30
(iv) Loans			2,280.97	3,012.45
(v) Other financial assets			280.06	413.86
(c) Current tax assets, net			120.07	544.18
(d) Other current assets			4,061.77	4,859.01
Total current assets			90,121.05	64,774.41
Total assets			214,379.20	186,515.61
EQUITY AND LIABILITIES				
1. Equity				
(a) Equity share capital			672.69	672.69
(b) Other equity			73,632.10	60,419.44
Equity attributable to owners of the Company			74,304.79	61,092.13
(c) Non-controlling interests			3,859.16	2,561.16
Total equity			78,163.95	63,653.29

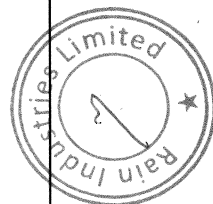


2. Liabilities		
Non-current liabilities		
(a) Financial liabilities	75,396.61	74,436.17
(i) Borrowings	3,322.94	3,531.99
(ia) Lease liabilities	54.74	62.98
(ii) Other financial liabilities	13,430.42	13,352.95
(b) Provisions	1,966.04	1,889.23
(c) Deferred tax liability, net	8.24	11.57
(d) Other non-current liabilities		
Total non-current liabilities	94,178.99	93,284.89
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	12,367.46	6,049.15
(ia) Lease liabilities	891.66	877.01
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	30.85	38.82
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	19,371.75	13,934.55
(iii) Other financial liabilities	4,084.49	4,849.19
(b) Other current liabilities	1,982.29	1,666.26
(c) Provisions	978.17	641.98
(d) Current tax liabilities, net	2,329.59	1,520.47
Total current liabilities	42,036.26	29,577.43
Total equity and liabilities	214,379.20	186,515.61

12

Statement of Consolidated Cash flows:

Particulars	Half Year ended June 30, 2022	Half Year ended June 30, 2021
	Unaudited	Unaudited
A. Cash flow from operating activities		
Profit before tax	13,921.10	6,783.35
Adjustments for :		
Depreciation and amortisation expense	3,990.76	3,992.62
Loss / (profit) on sale of property, plant and equipment (net)	15.26	(105.14)
(Gain) / loss on repurchase of Senior Secured Notes	(30.38)	10.83
Interest and other borrowing costs	2,427.04	2,419.01
Interest income	(248.16)	(177.03)
Gain on sale of subsidiaries	(32.47)	(40.10)
Assets written off	18.37	-
Provision / write down of inventories	-	288.27
Liabilities / provisions no longer required written back	(48.31)	(387.49)
Bad debts written off	-	3.11
(Reversal of provision) / provision for loss allowance on trade receivables	(0.40)	34.66
(Gain) / loss on foreign currency transactions and translations (net)	48.63	(233.81)

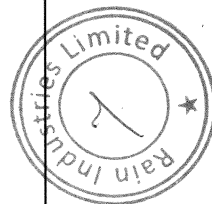


Operating profit before working capital changes	20,061.44	12,588.28
Adjustments for changes in working capital:		
Inventories	(14,779.13)	(6,069.51)
Trade receivables	(6,783.63)	(4,252.01)
Financial assets and other assets	987.92	(694.02)
Trade payables, other liabilities and provisions	5,110.15	4,491.80
Cash generated from operations	4,596.75	6,064.54
Income taxes paid, net	(2,062.76)	(1,487.06)
Net cash from operating activities	2,533.99	4,577.48
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets, including capital advances	(3,694.06)	(2,382.43)
Proceeds from sale of property, plant and equipment	2.03	121.27
Inter corporate deposits placed	(2,280.65)	(1,847.33)
Inter corporate deposits released	3,124.04	1,857.76
Proceeds from sale of subsidiaries	32.47	40.10
Proceeds from sale of current investments	0.05	-
Fixed/restricted deposits with banks placed	(7,838.18)	(5,577.67)
Fixed/restricted deposits with banks refunded	7,687.82	4,567.71
Interest received	276.88	226.54
Net cash used in investing activities	(2,689.60)	(2,994.05)
C. Cash flow from financing activities		
Repayment of non-current borrowings	(1,615.06)	(720.99)
Proceeds/(Repayment) of current borrowings, net	6,647.90	(3,723.26)
Sales tax deferment paid	(63.78)	(41.93)
Payment of lease liabilities	(417.18)	(529.88)
Payment of interest on lease liabilities	(115.61)	(131.37)
Interest and other borrowing costs paid	(2,340.47)	(2,299.75)
Dividend paid to non-controlling interests	(731.22)	-
Net cash from / (used in) financing activities	1,364.58	(7,447.18)
Net decrease in cash and cash equivalents (A+B+C)	1,208.97	(5,863.75)
Cash and cash equivalents - opening balance	11,031.21	15,198.32
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	2,362.97	245.83
Cash and cash equivalents - closing balance	14,603.15	9,580.40

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		Half Year ended		Year ended December 31, 2021 Audited
	June 30, 2022 Unaudited	March 31, 2022 Unaudited	June 30, 2021 Unaudited	June 30, 2022 Unaudited	
1) Segment revenue					
(a) Carbon	42,126.08	33,561.91	25,195.00	75,687.99	104,989.63
(b) Advanced Materials	13,123.28	10,366.34	10,058.79	23,489.62	37,118.49
(c) Cement	3,749.39	3,850.48	3,864.04	7,599.87	13,860.96
Total	58,998.75	47,778.73	39,117.83	106,777.48	155,969.08
Less: Inter segment revenue	3,593.27	3,413.34	2,683.15	7,006.61	10,701.26
Revenue from operations	55,405.48	44,365.39	36,434.68	99,770.87	145,267.82
2) Segment results					
(a) Carbon	11,110.86	6,567.06	4,834.63	17,677.92	19,990.16
(b) Advanced Materials	1,410.32	854.87	726.77	2,265.19	888.54
(c) Cement	285.20	577.24	918.63	862.44	2,686.28
Total	12,806.38	7,999.17	6,480.03	20,805.55	23,564.98
Less: i) Depreciation and amortisation expense	2,008.67	1,982.09	2,012.51	3,990.76	7,981.53
ii) Impairment	-	-	-	-	168.07
iii) Finance costs	1,223.90	1,203.14	1,221.88	2,427.04	4,789.14
iv) Loss / (gain) on foreign currency transactions and translations (net)	767.42	78.93	(24.35)	846.35	(212.25)
v) Other un-allocable income (net)	(210.32)	(169.38)	(371.22)	(379.70)	(1,931.16)
vi) Share of loss of associates (net of income tax)	-	-	-	-	5.45
Profit before tax	9,016.71	4,904.39	3,641.21	13,921.10	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.

14 On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III to the Companies Act, 2013, applicable for financial period commencing from April 01, 2021. The Company has incorporated the changes as per the said amendment in the above results and has also changed the comparative numbers wherever applicable.

15 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



(Signature)

N Radha Krishna Reddy
Managing Director
DIN: 00021052

Place: Hyderabad
Date: July 29, 2022