



RAIN INDUSTRIES LIMITED

RIL/SEs/2018

May 11, 2018

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, 2018.

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, 2018.

Also find attached Limited Review Report issued by M/s. B S R & Associates LLP, Chartered Accountants, Statutory Auditors of the Company on the Unaudited Financial Results for the first quarter ended March 31, 2018.

These financial results were approved by the Board of Directors of the Company at their meeting held on May 11, 2018.

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, 6th Floor, Unit-3
Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India

Telephone : +91 40 7182 2000
Fax : +91 40 7182 2399

Limited Review Report on the Statement of Standalone Unaudited Financial Results of Rain Industries Limited for the quarter ended March 31, 2018

To the Board of Directors of Rain Industries Limited

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results ('the Statement') of Rain Industries Limited ("the Company") for the quarter ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations'), read with relevant Circulars issued thereunder.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on May 11, 2018. Our responsibility is to issue a report on the Statement 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" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide 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 stated above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI Regulations read with relevant Circulars issued thereunder 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

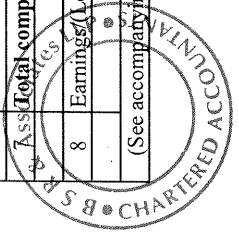
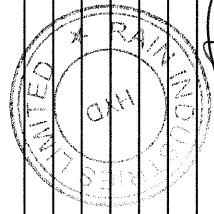
Date: May 11, 2018



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

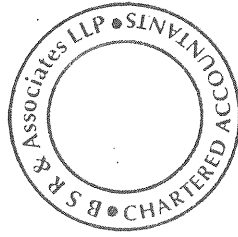
Statement of Standalone Unaudited Financial Results for the Quarter ended March 31, 2018						
(Rupees in Millions)						
Particulars		Quarter ended			Year ended	
		March 31, 2018	December 31, 2017	March 31, 2017	December 31, 2017	December 31, 2017
		Unaudited	Audited - see Note 5 below	Unaudited	Unaudited	Audited
1	Income					
	(a) Revenue from operations	330.43	220.17	266.78		596.21
	(b) Other income	41.20	47.17	70.75		593.38
	Total income	371.63	267.34	337.53		1,189.59
2	Expenses					
	(a) Purchases of stock-in-trade	-	-	203.21		203.21
	(b) Employee benefits expense	40.85	34.26	25.22		122.65
	(c) Finance costs	40.99	39.71	54.94		176.90
	(d) Depreciation expense	1.02	1.01	3.05		6.00
	(e) Other expenses	294.03	196.34	43.48		295.53
	Total expenses	376.89	271.32	329.90		804.29
3	Profit/(Loss) before tax (1-2)	(5.26)	(3.98)	7.63		385.30
4	Tax expense					
	- Current tax	-	-	1.18		64.24
	- Deferred tax	-	-	-		-
5	Net Profit/(Loss) for the period/year (3-4)	(5.26)	(3.98)	6.45		321.06
6	Other comprehensive income/(loss) (net of tax) for the period/year					
(a)	Other comprehensive income/(loss) not to be reclassified to profit or loss:					
	Remeasurements of net actuarial loss on post employment benefit plans	-	0.18	-		0.18
	Income tax effect	-	-	-		-
(b)	Other comprehensive income/(loss) to be reclassified to profit or loss:					
	Foreign Currency Translation Reserve	-	-	-		-
	Income tax effect	-	-	-		-
	Total other comprehensive income/(loss) (net of tax)	-	0.18	-		0.18
	Total comprehensive income/(loss) for the period/year (5+6)	(5.26)	(3.80)	6.45		321.24
8	Earnings/(Loss) Per Share - Basic & Diluted (of Rs. 2/- each)	(0.02)	(0.01)	0.02		0.95
	(See accompanying notes to the Standalone Unaudited Financial Results)	(not annualised)	(not annualised)	(not annualised)		(not annualised)



[Signature]

Notes:

- 1 The Standalone Unaudited Financial Results were reviewed by the Audit Committee on May 10, 2018 and approved by the Board of Directors at their meeting held on May 11, 2018.
- 2 The Standalone 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.
- 3 The Standalone Unaudited Financial Results for the quarter ended March 31, 2018 have been subject to a "Limited Review" by the statutory auditors of the Company. An unqualified report has been issued by them thereon.
- 4 The segment results are included in Consolidated Unaudited Financial Results in compliance with Ind AS 108 "Operating Segments".
- 5 The 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.
- 6 The figures of the previous year / periods have been regrouped / reclassified, wherever considered necessary to correspond with the current period's classification / disclosure.



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

Jagan Mohan Reddy Nellore
Managing Director
DIN:00017633

Place: Hyderabad

Date: May 11, 2018

B S R & Associates LLP

Chartered Accountants

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

Telephone : +91 40 7182 2000
Fax : +91 40 7182 2399

Limited Review Report on the Statement of Consolidated Unaudited Financial Results of Rain Industries Limited for the quarter ended March 31, 2018

To the Board of Directors of Rain Industries Limited

We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results ('the Statement') of Rain Industries Limited ('the Company'), its subsidiaries and associates (collectively referred to as the "Group") (Refer Annexure I for the list of subsidiaries and associates) for the quarter ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations'), read with relevant Circulars issued thereunder.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors at their meeting held on May 11, 2018. Our responsibility is to issue a Report on the Statement 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" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is 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 prepared in accordance with the applicable Indian Accounting Standards (IND AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of SEBI Regulations read with relevant Circulars issued thereunder 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

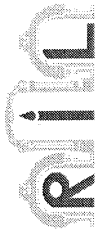
Place: Hyderabad

Date : May 11, 2018

Annexure I- List of subsidiaries and associates

Name of the Company
Rain Cements Limited
Renuka Cement Limited
Rain CII Carbon (Vizag) Limited
Rain Commodities (USA) Inc.
Rain Carbon Inc.
Rain Carbon Holdings, LLC
Rain Global Services LLC
Rain CII Carbon LLC
CII Carbon Corp.
Handy Chemicals (U.S.A.) Ltd.
Rain Carbon GmbH
RÜTGERS Canada Inc.
RÜTGERS Polymers Ltd.
Rain Carbon BVBA
RÜTGERS Germany GmbH
RÜTGERS Holding Germany GmbH
RÜTGERS Wohnimmobilien GmbH & Co. KG
RÜTGERS Gewerbeimmobilien GmbH & Co. KG
Rain RÜTGERS LLC
VFT France S.A
Rumba Invest BVBA & Co. KG
RÜTGERS Poland Sp. z o.o
Severtar Holding Ltd.
RÜTGERS Resins BV
OOO RÜTGERS Severtar
RÜTGERS (Shanghai) Trading Co. Ltd.
InfraTec Duisburg GmbH (Equity accounted investee)
Rain Coke Limited (Equity accounted investee)

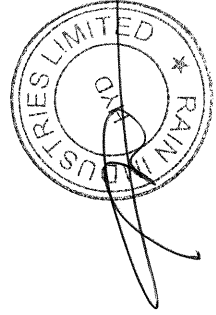
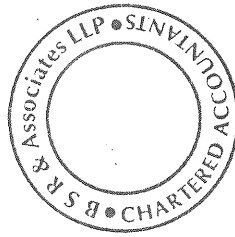
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RAIN INDUSTRIES LIMITED
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Email: secretarial@rain-industries.com / www.rain-industries.com

Statement of Consolidated Unaudited Financial Results for the quarter ended March 31, 2018							(Rupees in Millions)
Particulars		Quarter ended			Year ended		
		March 31, 2018	December 31, 2017	March 31, 2017	December 31, 2017		
		Unaudited	Audited – see Note 10 below	Unaudited	Audited		
1	Income						
	(a) Revenue from operations (Refer note 4 below)	33,061.95	31,447.93	25,349.04		114,471.36	
	(b) Other income	60.77	197.77	205.92		1,134.28	
	Total income	33,122.72	31,645.70	25,554.96		115,605.64	
2	Expenses						
	(a) Cost of materials consumed	14,063.76	13,208.41	8,885.58		41,047.51	
	(b) Purchases of stock-in-trade	3,459.73	4,127.01	3,823.37		16,269.12	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,230.43)	(2,488.52)	(1,149.09)		(3,019.44)	
	(d) Employee benefits expense	2,902.76	3,041.01	2,472.22		10,624.07	
	(e) Finance costs	1,179.79	1,465.02	1,535.58		5,946.71	
	(f) Depreciation and amortisation expense	1,229.87	1,259.92	1,366.37		5,256.27	
	(g) Excise duty (Refer note 4 below)	-	-	669.00		1,464.04	
	(h) Other expenses	7,457.34	6,687.56	6,234.44		25,383.59	
	Total expenses	29,062.82	27,300.41	23,837.47		102,971.87	
3	Profit before share of profit of associates, exceptional items and tax (1-2)	4,059.90	4,345.29	1,717.49		12,633.77	
4	Exceptional items (Refer note 5 and 6 below)	-	1,133.00	670.30		1,803.30	
5	Profit before share of profit of associates and tax (3-4)	4,059.90	3,212.29	1,047.19		10,830.47	
6	Share of profit of associates, net of income tax	-	8.84	-		8.84	
7	Profit before tax (5+6)	4,059.90	3,221.13	1,047.19		10,839.31	
8	Tax expense / (benefit)						
	- Current tax	1,104.11	1,218.03	934.20		4,330.49	
	- Deferred tax						
	(a) Deferred tax excluding (b) below	298.74	(349.99)	(533.81)		(581.65)	
	(b) One time impact on account of US and Belgium tax reforms (Refer note 7 below)	-	(830.75)	-		(830.75)	
9	Net Profit for the period/year (7-8)	1,402.85	37.29	400.39		2,918.09	
		2,657.05	3,183.84	646.80		7,921.22	

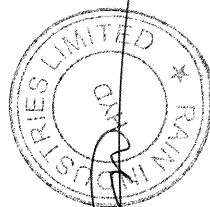
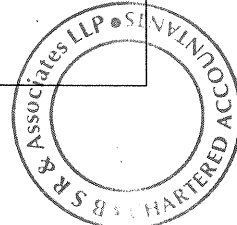


10	Other comprehensive income/(loss) (net of tax) for the period/year				
(a)	Items that will not be reclassified to profit or loss:				
	Remeasurements of net actuarial loss on post employment benefit plans	-	(16.76)	(5.87)	(22.63)
	Income tax effect	-	3.16	2.20	5.36
(b)	Items that will be reclassified to profit or loss:				
	Foreign Currency Translation Reserve	845.60	(772.15)	(694.26)	507.31
	Effective portion of Cash Flow Hedge	150.97	(151.17)	-	(151.17)
	Income tax effect	(30.39)	32.13	3.69	74.23
	Total other comprehensive income/(loss) (net of tax)	966.18	(904.79)	(694.24)	413.10
11	Total comprehensive income/(loss) for the period/year (9+10)	3,623.23	2,279.05	(47.44)	8,334.32
12	Profit attributable to:				
	Owners of the Company	2,511.61	3,071.91	592.13	7,635.87
	Non-controlling interests	145.44	111.93	54.67	285.35
	Net Profit for the period/year	2,657.05	3,183.84	646.80	7,921.22
13	Other comprehensive income/(loss) attributable to:				
	Owners of the Company	922.74	(892.62)	(695.45)	389.38
	Non-controlling interests	43.44	(12.17)	1.21	23.72
	Other comprehensive income/(loss) for the period/year	966.18	(904.79)	(694.24)	413.10
14	Total comprehensive income/(loss) attributable to:				
	Owners of the Company	3,434.35	2,179.29	(103.32)	8,025.25
	Non-controlling interests	188.88	99.76	55.88	309.07
	Total comprehensive income/(loss) for the period/year	3,623.23	2,279.05	(47.44)	8,334.32
15	Earnings Per Share - Basic and Diluted (of Rs. 2/- each)	7.47	9.13	1.76	22.70
	(See accompanying notes to the Consolidated Unaudited Financial Results)	(not annualised)	(not annualised)	(not annualised)	

Notes:

- The Consolidated Unaudited Financial Results were reviewed by the Audit Committee on May 10, 2018 and approved by the Board of Directors at their meeting held on May 11, 2018.
- 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, 2018 have been subject to a "Limited Review" by the statutory auditors of the Company. An unqualified report has been issued by them thereon.
- Consequent to the introduction of Goods and Services Tax (GST) in India with effect from July 1, 2017, Central Excise, Value Added Tax (VAT), etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013 unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the periods upto June 30, 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding:

Particulars	(Rupees in Millions)			
	Quarter ended		Year ended	
	March 31, 2018	December 31, 2017	March 31, 2017	December 31, 2017
Revenue from operations (A)	33,061.95	31,447.93	25,349.04	114,471.36
Excise duty (B)	-	-	669.00	1,464.04
Sale of products excluding excise duty (A - B)	33,061.95	31,447.93	24,680.04	113,007.32



5 On December 15, 2017, the Company's Wholly Owned Subsidiary in USA issued a conditional repayment notice to its 2021 bondholders with US Dollar denominated Notes of US\$ 246 million and 2021 Euro denominated Notes of US\$ 237 million (Face Value of €198 million) together called as 2021 Notes. As on December 31, 2017, the Company, in accordance with the Ind-AS 109, has recorded the changes in the carrying value of the 2021 Notes at its expected future cash outflows with a corresponding expense of INR 1,133.00 million (\$17.5 million) arising on account of the early repayment premium and deferred financing cost in the consolidated income statement. The same is disclosed as the exceptional item in the consolidated financial results for the quarter and year ended December 31, 2017. Subsequently, on January 16, 2018 the Company repaid all the aforementioned 2021 Notes financed by a new Term Loan B of € 390 million borrowed in the Wholly Owned Subsidiary in Germany.

6 In March 2017, the Company's wholly owned step-down subsidiary in the USA issued Senior Secured Notes ("the 2025 Notes") for US\$ 550 million. Interest is payable on the 2025 Notes at 7.25% per annum on a semi annual basis and the principle is repayable on April 1, 2025. The 2025 Notes are guaranteed by certain subsidiary companies of the Company in the USA. The proceeds of the 2025 Notes have been used to repay 8.00% 2018 Notes of US\$ 378 million; 8.25% 2021 Notes of US\$ 115 million and repay senior bank debt. All unamortised deferred financing cost pertaining to the 2018 Notes and the 2021 Notes, including redemption premium of US\$ 5.4 million aggregating to US\$ 10 million (INR 670.30 million) have been expensed during the quarter ended March 31, 2017 and disclosed as exceptional item in the consolidated results for the year ended December 31, 2017.

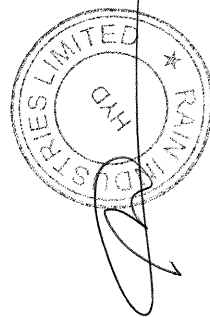
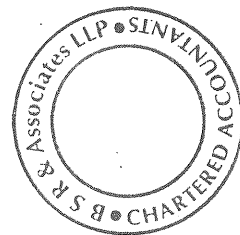
7 (i) In the United States of America, The Tax Cuts and Jobs Act of 2017 was approved and enacted in law on December 22, 2017. The law includes significant changes to the U.S. corporate income tax system, including a reduction in the Federal corporate tax rate from 35% to 21%. Also the change in Law includes one-time transition tax on undistributed earnings of subsidiary companies outside USA and 100% participation exemption for any foreign dividends distributed after January 1, 2018. The management, keeping in view of all the credits towards net operating losses and foreign tax credit available, has made an estimate of the impact of the new tax law on the financial statements and recorded the same as a part of the consolidated income statement during the year ended December 31, 2017. Guidance and clarifications are emerging with respect to the new enactment. The transition tax liability would be finalised upon the US tax return for the year 2017 due to be filed by October 2018.

(ii) Further there was a corporate tax reform in Belgium which resulted in changes in corporate tax rate from 33.99% to 29.58%. This resulted in one-time benefit on deferred tax for the quarter and year ended December 31, 2017.

8 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, 2018	December 31, 2017	March 31, 2017	December 31, 2017	December 31, 2017
Revenue from operations	330.43	220.17	266.78	596.21	
Profit/(Loss) Before Tax	(5.26)	(3.98)	7.63	385.30	
Profit/(Loss) After Tax	(5.26)	(3.98)	6.45	321.06	

9 Consequent to the functional integration of RAIN businesses over past years, the Company decided to redesign the way the Company's product portfolio and resources are managed and aligned its internal reporting to the Chief Operating Decision Maker. Marketing of the products has been switched from a site and product based model to a market specific approach, which allows the team to optimize the marketing efforts and segregate its products produced from value-added processes. This structural change reflects the business rationale of the Company by aligning products along their major value chains (raw material to end-product) in addition to increasing focus on value-added processes that are meaningful contributors to the Company's earnings. The resulting segments have been called Carbon, Cement and Advanced Materials. This change is effective January 1, 2018, and as expected from an Advanced Materials producer, the transition should stimulate new strategic initiatives to further improve the overall performance of the Company. Accordingly, Management has presented its segment under new structure for the quarter ended March 31, 2018 including the comparative periods.



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 Products
(b) Advanced Materials
(c) Cement

(Rupees in Millions)

Particulars	Quarter ended			Year ended	
	March 31, 2018	December 31, 2017	March 31, 2017	December 31, 2017	December 31, 2017
1) Segment Revenue					
(a) Carbon Products	23,007.31	21,576.52	15,078.49		72,988.27
(b) Advanced Materials	8,747.19	8,380.61	8,319.76		34,530.14
(c) Cement	2,317.34	2,136.84	2,553.76		9,705.73
Total	34,071.84	32,093.97	25,952.01		117,224.14
Less: Inter Segment Revenue	1,009.89	646.04	602.97		2,752.78
Net Sales / Revenue from Operations	33,061.95	31,447.93	25,349.04		114,471.36
2) Segment Results					
Profit before Depreciation and amortisation expense, Finance Costs, Forex Loss, Other Income, Exceptional items and tax from each segment					
(a) Carbon Products	5,524.45	5,726.36	2,759.32		16,452.16
(b) Advanced Materials	907.94	884.03	1,530.51		5,384.70
(c) Cement	188.62	262.07	123.69		865.61
Total	6,621.01	6,872.46	4,413.52		22,702.47
Less: i) Depreciation and amortisation expense	1,229.87	1,259.92	1,366.37		5,256.27
ii) Finance Costs	1,179.79	1,465.02	1,535.58		5,946.71
iii) Forex loss	212.22	-	-		-
iv) Other Income	(60.77)	(197.77)	(205.92)		(1,134.28)
v) Exceptional items	-	1,133.00	670.30		1,803.30
vi) Share of profit from associates	-	(8.84)	-		(8.84)
Total Profit Before Tax	4,059.90	3,221.13	1,047.19		10,839.31

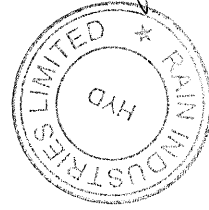
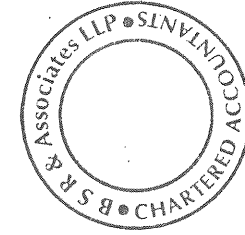
Segmental assets and liabilities:

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.

10 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.

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

12 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

Jagan Mohan Reddy Nellore
Managing Director
DIN:00017633

Place: Hyderabad
Date: May 11, 2018