



RAIN INDUSTRIES LIMITED

RIL/SEs/2019

February 4, 2019

The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalai Street, Fort, Mumbai-400 001	The Manager Listing Department The National Stock Exchange of India Limited Bandra Kurla Complex Bandra East, Mumbai - 400 051
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Dear Sir/ Madam:

Sub: Rain Industries Ltd - Update on Hon'ble Supreme Court Order on Import of Pet Coke and other Business Implications.

Ref: Scrip Code: 500339 (BSE) & Scrip Code: RAIN (NSE)


We bring to your kind notice of the Order of the Hon'ble Supreme Court of India ("the Hon'ble Court") dated October 9, 2018 granting permission to import 1.40 Million Tons of Green Petroleum Coke ("GPC") annually by the Indian Calciners and 0.50 Million Tons of Calcined Petroleum Coke ("CPC") annually by the Indian Aluminium Smelters. These limits were based on the data furnished by Environment Pollution (Prevention and Control) Authority for the National Capital Region ("EPCA") in its Report No.91 on October 6, 2018.

The Director General of Foreign Trade ("DGFT") issued guidelines for granting licenses for importing GPC and CPC for the half-year ended March 31, 2019 on November 26, 2018. The Company made an application to DGFT for importing 352,145 Tons for the half-year ended March 31, 2019, and DGFT has granted license to the Company to import 253,339 Tons of GPC for the said period, after considering the applications by other Indian Calciners. DGFT also indicated that any unutilized limits surrendered by calciners will be available to other applicants who had applied initially.

Further, the Company made three separate applications to the Hon'ble Court seeking approval for the following:

- (i) **Rationale:** The limits recommended by the Hon'ble Court were based on the data furnished by EPCA in its Report No.91 dated October 6, 2018, which identified six calciners who entirely depend on imports. Hence, the allocation of GPC must be in line with the Report considered by the Hon'ble Court in setting the limits for import of GPC. Also, the Ministry of Environment, Forest and Climate Change ("MoEFCC") in its affidavit dated October 8, 2018 to the Hon'ble Court specifically highlighted the requirement for the Calciners to have a Flue Gas Desulphurization ("FGD") system that reduces sulphur dioxide emissions by more than 90%, which was accepted by the Hon'ble Court. RAIN is the only Calciner currently in India having an operating FGD system that removes nearly 98% of the facility's sulphur dioxide emissions exceeding the aforesaid recommendation of MoEFCC. However DGFT has allocated the limit of 0.7 Million Tons for the half-year ended March 31, 2019, to all the Calciners including those that do not have an FGD.

For Rain Industries Limited


S. Venkat Ramana Reddy
Company Secretary
M.No. A14143

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RAIN INDUSTRIES LIMITED

Prayer: Direct the DGFT to allocate in favour of the Company, 705,600 Tons of GPC imports per annum (or 352,145 Tons for the half-year ended March 31, 2019), out of the total 1.40 Million Tons of GPC per annum as permitted to be imported by this Hon'ble Court vide Order dated October 9, 2018, on a continuous basis, for producing CPC;

- (ii) **Rationale:** In recent years, RAIN has a substantial share of the gross imports of CPC into India. The Company has been importing CPC to blend the same with CPC manufactured in its plant at Visakhapatnam, Andhra Pradesh to meet the quality specifications of its customers. The Company sells this blended CPC in both domestic and international markets. If the Company is permitted to import CPC, it agrees to export an equivalent quantity of CPC by which the net import of CPC into India will remain within the limit fixed by the Hon'ble Court.

Prayer: Direct the DGFT to permit the Company to import CPC with a condition to export CPC of an equivalent quantity to comply that the net imports of CPC shall not exceed 500,000 Tons per annum;

- (iii) **Rationale:** The Company is setting up a new CPC plant in Andhra Pradesh Special Economic Zone ("APSEZ"), Atchutapuram, Andhra Pradesh. EPCA in its Report No.91 dated October 6, 2018 has submitted to the Court that the current GPC import estimate of 1.4 Million Tons is excluding the requirement of additional 0.7 million Tons of GPC required for the expansions under construction.

Prayer: Enhance / increase the import limit of 1.4 Million Tons per annum of RPC by an additional amount of 488,000 Tons per annum for manufacturing CPC at the Company's SEZ Unit and to enhance / increase the import limit of 0.5 Million Tons per annum of CPC by an additional amount of 370,000 Tons per annum for blending purposes at the Company's SEZ Unit, subject to the condition that the Company exports the CPC equivalent to the imports of CPC by the SEZ Unit.

The Hon'ble Supreme Court of India vide its order dated January 28, 2019 has passed the following order in respect of all our three applications:

The order dated 09.10.2018 passed by this Court, is clear. This Court has set the outer limit for import of raw pet coke cannot exceed 1.4 MT per annum in total.

In view of the aforesaid, prayers made on the basis of expansion etc. are totally misconceived and cannot be entertained. No further orders are required to be passed on these I.As. i.e. LA. Nos. 168847/2018, 1451/2019 & 1847/2019 [filed on behalf of Rain CII Carbon (Vizag) Ltd.], LA. No. 164303 (filed on behalf of Saket Agarwal), LA. No. 12291/2019 (filed on behalf of Sanvira Industries Ltd.) and LA. No. 13210/2019 (filed on behalf of Goa Carbon Ltd.). The same are hereby dismissed.

For Rain industries Limited


S. Venkat Ramana Reddy
Company Secretary



RAIN INDUSTRIES LIMITED

A copy of the Hon'ble Court Order is enclosed. The Company is discussing with its Advisors / Legal Counsels on further course of action including the options of filing a Review Petition in the Hon'ble Court; approaching the Government considering that the Export Import Policy 2015 - 2020 and the SEZ Act provide certain reliefs for Exporters in regard to import of Restricted Goods such as GPC and CPC.

The said restrictions currently in place for importing of CPC and GPC has resulted in reduced capacity utilization of the Company's calciner facilities, thereby negatively impacting the Company's performance during the Quarter and Year ended December 31, 2018 as well as Quarter ending March 31, 2019.

With the aforesaid orders issued by Hon'ble Court, except the calcination business, RAIN's other businesses are not impacted.

Other Business Implications:

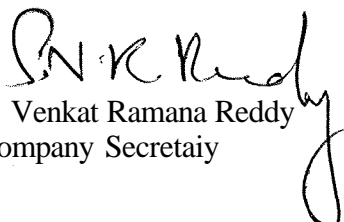
1. In the 4th Quarter 2018, the Company has determined that there will be considerable delay in collecting the receivable from its long standing customer (Aluminum Company) in Venezuela due to the various political developments. Consequently, the company has decided to make an allowance for doubtful receivables of \$10.85 million during the December 2018 Quarter.
2. Prices for certain of the Company's finished products have been moderating. To ensure uninterrupted operation of its plants, the Company typically maintains approximately 60 - 90 day supply of raw material inventory. Consequently, it is anticipated that the decline in the price of finished product will outpace the decline in our cost of inventory, which resulted in margin pressure during the December 2018 Quarter. Operating margins were also affected by the revaluing of inventory due to the pricing environment.

This is for your information.

Thanking you,

Yours Faithfully,

for Rain Industries Limited


S. Venkat Ramana Reddy
Company Secretaiy

ITEM NO.302

COURT NO.5

SECTION PIL-W

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Writ Petition(s)(Civil) No(s). 13029/1985

M.C. MEHTA

Petitioner(s)

VERSUS

UNION OF INDIA & ORS.

Respondent(s)

((1) IA NOS. 168838/2018, 168847/2018, 1451/2019 AND 1847/2019
(APPLNS. FOR IMPLEADMENT AND DIRECTIONS ON B/O RAIN CII CARBON
VIZAG LTD.)

(2) IA NOS. 164302 AND 164303/2018 (APPLNS. FOR IMPLEADMENT AND
CLARIFICATION OF ORDER DT. 09.10.2018 ON B/O SAKET AGARWAL)

(3) IA NO. 12291/2019 (APPLN. FOR DIRECTIONS ON B/O SANVIRA
INDUSTRIES LTD.)

(4) IA NO. 13210/2019 (APPLN. FOR DIRECTIONS ON B/O GOA CARBON
LTD.)

Date : 28-01-2019 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE ARUN MISHRA
HON'BLE MR. JUSTICE DEEPAK GUPTA

For the parties

Mr. Harish N. Salve, Sr. Advocate (A.C.) (N.P.)

Ms. Aparajita Singh, Advocate (A.C.)

Mr. A.D.N. Rao, Advocate (A.C.)

Mr. Siddhartha Chowdhury, Advocate (A.C.)

Signature valid

Digitally signed by
NARENDRA PRASAD
Date: 2019.01.31
17:46:05
Reason:

Mr. A.N.S. Nadkarni, ASG

Mr. Amit Sharma, Adv.

Mrs. Suhasini Sen, Adv.

Mr. D.L. Chidanand, Adv.

Mr. Raj Bahadur, Adv.
Dr. Arun Yadav, Adv.
Ms. Anil Katiyar, Advocate
Mr. Ashutosh Kumar Sharma, Adv.
Mr. Kamendra Mishra, Adv.
Mr. G.S. Makker, Advocate
Mr. Ritesh Kumar, Adv.
Mr. S.W.A. Qadri, Adv.
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Mr. S. Wasim A. Qadri, Adv.
Mrs. Snidha Mehra, Adv.
Mr. B.V. Balramdas, Advocate

Dr. A.M. Singhvi, Sr. Adv.
Mr. Ranjit Kumar, Sr. Adv.
Mr. Jayant Bhushan, Sr. Adv.
Mr. Manu Nair, Adv.
Mr. Kuber Dewan, Adv.
Mr. Shardul S. Shroff, Advocate

Mr. K.V. Vishwanadhan, Sr. Adv.
Mr. Ashish Prasad, Adv.
Ms. Mukta Dutta, Adv.
Mr. Rohan Roy, Adv.
Mr. Avinash Tripathi, Adv.
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Mr. Rohan Roy, Adv.
Mr. Avinash Tripathi, Adv.
Mr. Abhishek Anand, Adv.
Mr. M.P. Devanath, Advocate

Petitioner-In-Person

Mr. B.K. Prasad, Advocate

Mr. Anil Grover, Adv.
Dr. Monika Gusain, Adv.

Mr. Sanjay Kr. Visen, Advocate

Mr. Abhishek, Advocate

Ms. Ruchi Kohli, Advocate

M/s. S Narain and Co., AOR

Mr. D.P. Nanda, Adv.

Mr. Navdeep Jain, Adv.
Mr. Nikhilesh Ramachandran, Advocate

UPON hearing the counsel the Court made the following
O R D E R

Heard learned counsel for the parties.

I.A. Nos.168838 and 164302 of 2018 (Applications for impleadment) are rejected.

The order dated 09.10.2018 passed by this Court is clear. This Court has set the outer limit for import of raw pet coke cannot exceed 1.4 MT per annum in total.

In view of the aforesaid, prayers made on the basis of expansion etc. are totally misconceived and cannot be entertained. No further orders are required to be passed on these I.As. i.e. I.A. Nos.168847/2018, 1451/2019 & 1847/2019 [filed on behalf of Rain CII Carbon (Vizag) Ltd.], I.A. No.164303 (filed on behalf of Saket Agarwal), I.A. No.12291/2019 (filed on behalf of Sanvira Industries Ltd.) and I.A. No.13210/2019 (filed on behalf of Goa Carbon Ltd.). The same are hereby dismissed.

(NARENDRA PRASAD)
COURT MASTER

(JAGDISH CHANDER)
COURT MASTER