

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Rain Industries Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Rain Industries Limited (hereinafter referred to as the “Company”) for the year ended 31 December 2020 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 December 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

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Rain Industries Limited

Independent Auditors' Report (continued)

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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Rain Industries Limited
Independent Auditors' Report (continued)

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The standalone annual financial results include the results for the quarter ended 31 December 2020 being the balancing figure between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

for B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024



Sriram Mahalingam
Partner
Membership No: 049642
UDIN : 21049642AAAAAN8020

Place: Hyderabad
Date : 25 February 2021

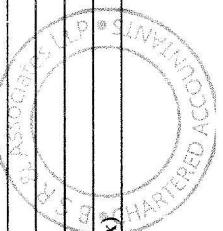
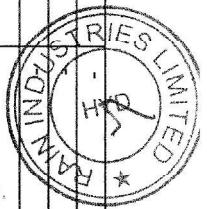


RAIN INDUSTRIES LIMITED
CIN: L26942TG1974PLC001693

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(Rupees in Millions except per share data)

Statement of Standalone Audited Financial Results for the Quarter and Year ended December 31, 2020					
Particulars	Quarter ended		Year ended		
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
1 Income			Audited - see Note 10 below	Audited - see Note 10 below	Audited
(a) Revenue from operations	146.67	75.53	297.47	476.25	637.91
(b) Other income	394.34	26.74	417.47	499.88	610.16
Total income	541.01	102.27	714.94	976.13	1,248.07
2 Expenses					
(a) Purchases of stock-in-trade	56.15	18.82	211.96	150.88	301.59
(b) Employee benefit expense	45.65	45.55	46.19	183.05	187.16
(c) Finance costs	22.04	24.67	44.46	121.39	186.70
(d) Depreciation and amortisation expense	1.66	1.70	1.42	6.43	5.86
(e) Loss / (gain) on foreign currency transactions and translations (net)	(4.18)	(10.82)	2.52	10.76	8.22
(f) Other expenses	50.09	18.51	51.41	157.19	171.37
Total expenses	171.41	98.43	357.96	629.70	860.90
3 Profit before tax (1-2)	369.60	3.84	356.98	346.43	387.17
4 Tax expense / (benefit)					
- Current tax	14.92	1.21	23.49	9.61	32.78
- Tax relating to earlier years	60.63	-	-	60.63	-
- Minimum alternate tax (Refer note 5 below)	3.26	-	-	3.26	-
- Deferred tax	(0.09)	-	-	(0.09)	-
5 Net profit for the period/year (3-4)	290.88	2.63	333.49	273.02	354.39
6 Other comprehensive income (net of tax) for the period/year					
(a) Items that will not be reclassified to profit or loss:					
Remeasurements of net actuarial gain on post employment benefit plans	1.68	-	0.09	1.68	0.09
Income tax effect	-	-	-	-	-
(b) Items that will be reclassified to profit or loss:					
Foreign currency translation reserve	-	-	-	-	-
Income tax effect	-	-	-	-	-
Total other comprehensive income (net of tax)	1.68	0.09	1.68	0.09	0.09



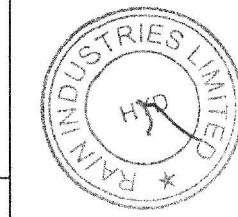
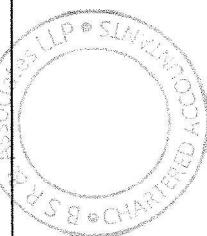
	Total comprehensive income for the period/year (5+6)	292.56	2.63	333.58	274.70	354.48
8	Earnings Per Share - Basic & Diluted (of INR 2/- each)	0.86	0.01	0.99	0.81	1.05
	(See accompanying notes to the Standalone Audited Financial Results)	(not annualised)	(not annualised)	(not annualised)		

Notes:

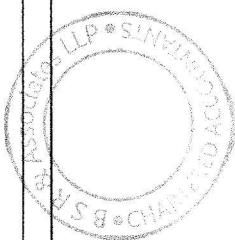
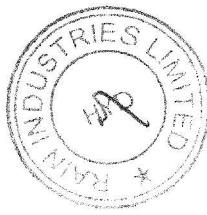
- 1 The Standalone Audited Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 25, 2021.
- 2 The Standalone Audited Financial Results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under 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 Financial Results for the year ended December 31, 2020 along with previous year presented have been audited by the statutory auditors of the Company. An unqualified report has been issued by them thereon.
- 4 There is no impact on the financial results of the Company due to the nationwide lockdown announced by the Government of India in the month of March 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 result.s. The Company will continue to monitor any material changes to future economic conditions.
- 5 On September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019, subject to certain conditions. During the quarter and year ended December 31, 2020, the Company has evaluated and adopted the new tax rate of 25.168%. Accordingly, the Company remeasured its current tax expense and Deferred tax asset/liability basis the rate prescribed in the said section. The change in tax rate resulted in write-off of Minimum Alternate Tax Credit by INR 3.26 for the quarter and year ended December 31, 2020.

6 Statement of Standalone Assets and Liabilities:

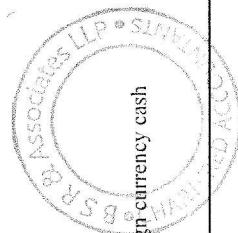
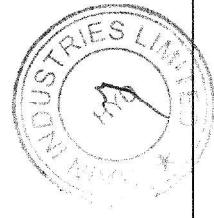
Particulars	As at December 31, 2020		As at December 31, 2019	
	Audited	Audited	Audited	Audited
ASSETS				
1. Non-current assets				
(a) Property, Plant and Equipment				
(b) Other Intangible assets				
(c) Financial Assets				
(i) Investments				
(ii) Loans				
(d) Deferred tax asset, net				
(e) Non-current tax assets, net				
(f) Other non-current assets				
Total non-current assets	9,450.64		11,778.11	



	2. Current assets	
(a) Financial Assets		
(i) Trade receivables	47.45	49.92
(ii) Cash and cash equivalents	207.78	202.67
(iii) Bank balances other than cash and cash equivalents	35.54	42.79
(iv) Loans	2,252.06	686.63
(v) Other financial assets	4.83	0.62
(b) Other current assets	2.03	2.71
Total current assets	2,549.69	985.34
Total assets	12,000.33	12,763.45
	EQUITY AND LIABILITIES	
(a) Equity Share Capital	672.69	672.69
(b) Other Equity	8,442.40	8,504.05
Total equity	9,115.09	9,176.74
2. Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	521.09	2,699.16
(b) Provisions	6.36	6.57
Total non-current liabilities	527.45	2,705.73
Current liabilities		
(a) Financial Liabilities		
(i) Trade payables	-	-
(A) total outstanding dues of micro enterprises and small enterprises	5.91	3.83
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	2,295.66	739.88
(ii) Other financial liabilities	37.14	14.88
(b) Other Current liabilities	2.32	1.30
(c) Provisions	16.76	121.09
(d) Current tax liabilities, net	2,357.79	880.98
Total current liabilities		
Total equity and liabilities	12,000.33	12,763.45



	Particulars	Year ended December 31, 2020 Audited	Year ended December 31, 2019 Audited
A. Cash flow from operating activities			
Profit before tax		346.43	387.17
Adjustments for :			
Depreciation and amortisation expense	6.43	5.86	
Interest and other borrowing costs	121.39	186.70	
Interest income	(117.05)	(231.72)	
Dividend received from Subsidiaries	(369.41)	(366.34)	
Liabilities / provisions no longer required written back	(0.57)	-	
Foreign exchange loss, net	10.62	8.54	
Operating profit / (loss) before working capital changes	(2.16)	(9.79)	
Adjustments for changes in working capital:			
Trade receivables	3.22	277.22	
Financial assets and other assets	(3.82)	20.65	
Trade payables	2.44	(311.86)	
Other current liabilities	22.47	(10.30)	
Other financial liabilities	(7.69)	(0.38)	
Provisions	2.49	1.58	
Cash generated from / (used in) operations	16.95	(32.88)	
Income taxes (paid) / refund received, net	(40.50)	164.46	
Net cash (used in) / from operating activities	(23.55)	131.58	
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets, including capital advances	(5.63)	(1.00)	
Loans repaid during the year	710.76	172.15	
Bank deposits and other bank balances	7.25	0.03	
Interest received	115.02	205.61	
Dividend received from Subsidiaries	369.41	366.34	
Net cash from investing activities	1,196.81	743.13	
C. Cash flow from financing activities			
Repayment of non-current borrowings	(711.70)	(172.37)	
Interest and other borrowing costs paid	(120.02)	(181.49)	
Dividend paid	(336.34)	(336.35)	
Net cash used in financing activities	(1,168.06)	(690.21)	
Net increase in cash and cash equivalents (A+B+C)	5.20	184.50	
Cash and cash equivalents - opening balance	202.67	18.17	
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.09)	-	
Cash and cash equivalents - closing balance	207.78	202.67	



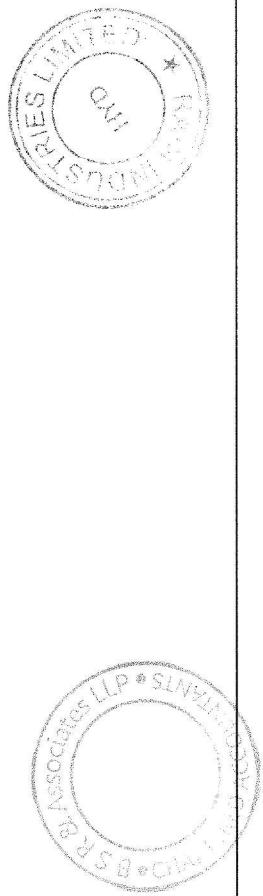
Net increase in cash and cash equivalents (A+B+C)
 Cash and cash equivalents - opening balance
 Effect of exchange differences on restatement of foreign currency cash and cash equivalents
 Cash and cash equivalents - closing balance

8 Effective January 1, 2020, the Company adopted Ind AS 116, Leases, using the modified retrospective approach replacing the existing lease standard. The adoption of the standard did not have any impact to the financial results of the Company.

9 The segment results are included in Consolidated Audited Financial Results in compliance with Ind AS 108 "Operating Segments".

10 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.

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



Place: Hyderabad
Date: February 25, 2021

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

N Radha Krishna Reddy
Managing Director
DIN: 00021052

A handwritten signature in black ink, appearing to read "N Radha Krishna Reddy".