

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, B Wing, 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

Independent Auditor's Report on Annual Standalone Financial Results of Rain Industries Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015

To the Board of Directors of Rain Industries Limited

Opinion

We have audited the annual standalone financial results of Rain Industries Limited for the year ended 31 December 2019, 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 these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable 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 2019.

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 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 results 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.

Board of Directors' Responsibilities for the Standalone Financial Results

These annual standalone financial results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation of these 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 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report on Annual Standalone Financial Results of Rain Industries Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (continued)

In preparing the annual standalone financial results, 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 also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Board of Directors.
- Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. 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 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 financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.



Independent Auditor's Report on Annual Standalone Financial Results of Rain Industries Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (continued)

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

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 financial results include the results for quarter ended 31 December 2019 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the current financial year which were subject 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: 20049642AAAAAS9155

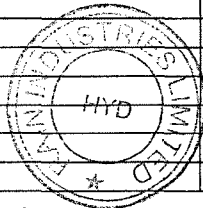
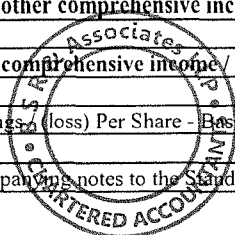
Place: Hyderabad
Date: February 28, 2020

R I L

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

(Rupees in Millions except per share data)						
Statement of Standalone Audited Financial Results for the Quarter and Year ended December 31, 2019						
Particulars		Quarter ended			Year ended	
		December 31, 2019 Audited - see Note 9 below	September 30, 2019 Unaudited	December 31, 2018 Audited - see Note 9 below	December 31, 2019 Audited	December 31, 2018 Audited
1	Income					
	(a) Revenue from operations	297.47	153.78	431.71	637.91	1,053.53
	(b) Other income	417.47	48.77	495.37	610.16	1,037.89
	Total income	714.94	202.55	927.08	1,248.07	2,091.42
2	Expenses					
	(a) Purchases of stock-in-trade	211.96	72.66	327.37	301.59	725.52
	(b) Employee benefits expense	46.19	44.75	49.74	187.16	187.10
	(c) Finance costs	44.46	46.11	54.65	186.70	196.08
	(d) Depreciation and amortisation expense	1.42	1.48	1.52	5.86	5.20
	(e) Loss / (gain) on foreign currency transactions and translations (net)	2.52	11.39	(16.42)	8.22	34.28
	(f) Other expenses	51.41	37.95	56.02	171.37	169.90
	Total expenses	357.96	214.34	472.88	860.90	1,318.08
3	Profit / (loss) before tax (1-2)	356.98	(11.79)	454.20	387.17	773.34
4	Tax expense / (benefit)					
	- Current tax	23.49	(3.10)	98.17	32.78	168.68
	- Deferred tax	-	-	-	-	-
5	Net profit / (loss) for the period/year (3-4)	333.49	(8.69)	356.03	354.39	604.66
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	0.09	-	0.07	0.09	0.07
	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)	0.09	-	0.07	0.09	0.07
7	Total comprehensive income / (loss) for the period/year (5+6)	333.58	(8.69)	356.10	354.48	604.73
8	Earnings / (loss) Per Share - Basic & Diluted (of INR 2/- each)	0.99	(0.03)	1.06	1.05	1.80
		<i>(not annualised)</i>	<i>(not annualised)</i>	<i>(not annualised)</i>		
(See accompanying notes to the Standalone Audited Financial Results)						

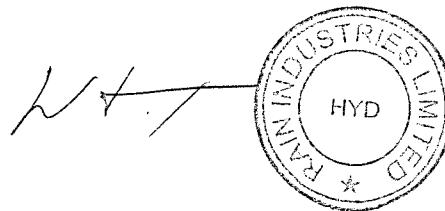
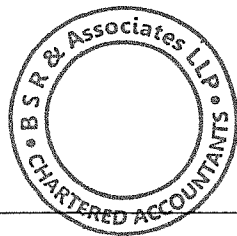


/ s /

Notes:

- 1 The Standalone Audited Financial Results were reviewed by the Audit Committee on February 27, 2020 and approved by the Board of Directors at their meeting held on February 28, 2020.
- 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, 2019 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 The Board of Directors of the Company at their meeting held on November 13, 2019, 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, 2019 and no further dividend has been recommended for the said year.
- 5 Effective January 1, 2019, the Company adopted Ind AS 115, Revenue from Contracts with Customers, using the modified retrospective approach replacing the existing revenue recognition requirements. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results of the Company and no adjustments are made to retained earnings upon adoption.
- 6 **Statement of Standalone Assets and Liabilities:**

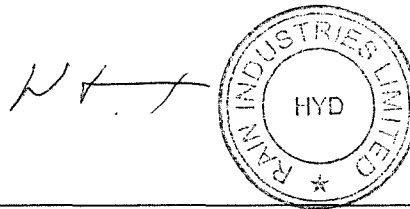
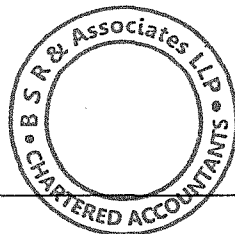
Particulars	As at December 31, 2019	As at December 31, 2018
	Audited	Audited
ASSETS		
1. Non-current assets		
(a) Property, Plant and Equipment	70.05	74.83
(b) Other Intangible assets	1.22	1.30
(c) Financial Assets		
(i) Investments	9,169.65	9,169.65
(ii) Loans	2,281.70	2,904.32
(d) Deferred tax asset, net	1.45	1.45
(e) Non-current tax assets, net	254.04	311.21
(f) Other non-current assets	-	0.72
Total non-current assets	11,778.11	12,463.48
2. Current assets		
(a) Financial Assets		
(i) Trade receivables	49.92	327.16
(ii) Cash and cash equivalents	202.67	18.17
(iii) Bank balances other than cash and cash equivalents	42.79	42.82
(iv) Loans	686.63	170.98
(v) Other financial assets	0.62	55.79
(b) Other current assets	2.71	2.34
Total current assets	985.34	617.26
Total assets	12,763.45	13,080.74
EQUITY AND LIABILITIES		
(a) Equity Share Capital	672.69	672.69
(b) Other Equity	8,504.05	8,485.92
Total equity	9,176.74	9,158.61



2. Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,699.16	3,308.70
(b) Provisions	6.57	4.97
Total non-current liabilities	2,705.73	3,313.67
Current liabilities		
(a) Financial Liabilities		
(i) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	3.83	315.70
(ii) Other financial liabilities	739.88	224.04
(b) Other Current liabilities	14.88	25.18
(c) Provisions	1.30	1.41
(d) Current tax liabilities, net	121.09	42.13
Total current liabilities	880.98	608.46
Total equity and liabilities	12,763.45	13,080.74

7 Statement of Standalone Cash flows:

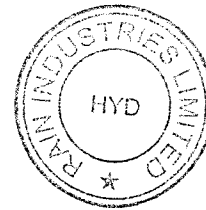
Particulars	As at	Year ended
	December 31, 2018	December 31, 2018
	Audited	Audited
A. Cash flow from operating activities		
Profit before tax	387.17	773.34
Adjustments for :		
Depreciation and amortisation expense	5.86	5.20
Interest and other borrowing costs	186.70	196.08
Interest income	(231.72)	(180.99)
Dividend received from Subsidiaries	(366.34)	(846.26)
Foreign exchange (gain) / loss, net	8.54	34.05
Operating loss before working capital changes	(9.79)	(18.58)
Adjustments for changes in working capital:		
Trade receivables	277.22	(312.17)
Financial assets and other assets	20.65	(24.91)
Trade payables	(311.86)	322.31
Other current liabilities	(10.30)	0.63
Other financial liabilities	(0.38)	5.15
Provisions	1.58	1.17
Cash used in operations	(32.88)	(26.40)
Income taxes (paid) / refund received, net	164.46	(165.30)
Net cash from/(used in) operating activities	131.58	(191.70)



B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets, including capital advances	(1.00)	(9.16)
Loans given to subsidiaries during the year	-	(1,472.90)
Loans repaid during the year	172.15	1,492.74
Bank deposits and other bank balances	0.03	(3.34)
Interest received	205.61	183.25
Dividend received from Subsidiaries	366.34	846.26
Net cash from investing activities	743.13	1,036.85
C. Cash flow from financing activities		
Proceeds from non-current borrowings	-	1,472.80
Repayment of non-current borrowings	(172.37)	(1,461.00)
Interest and other borrowing costs paid	(181.49)	(194.62)
Dividend paid	(336.35)	(672.69)
Net cash used in financing activities	(690.21)	(855.51)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	184.50	(10.36)
Cash and cash equivalents - opening balance	18.17	28.53
Cash and cash equivalents - closing balance	202.67	18.17

- 8 The segment results are included in Consolidated Audited Financial Results in compliance with Ind AS 108 "Operating Segments".
- 9 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.
- 10 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 28, 2020



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

N Radha Krishna Reddy
Managing Director
DIN: 00021052

