

B S R & Associates LLP

Chartered Accountants

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Independent Auditor's 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 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- 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 2022.

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 obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

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,

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

Independent Auditor's Report (Continued)

Rain Industries Limited

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 are 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual 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.



Independent Auditor's Report (Continued)

Rain Industries Limited

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

- a. The standalone annual financial results include the results for the quarter ended 31 December 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231W/W-100024

Vikash Somani

Vikash Somani

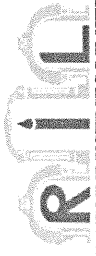
Partner

Hyderabad

27 February 2023

Membership No.: 061272

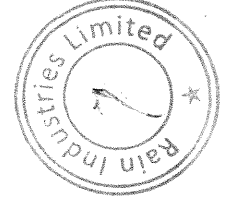
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RAIN INDUSTRIES LIMITED
CIN: L26942TG1974PLC001693

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(Rupees in Millions, including in notes, except per share data)						
Statement of Standalone Audited Financial Results for the Quarter and Year ended December 31, 2022						
Particulars	Quarter ended		Year ended		December 31, 2021	December 31, 2021
	December 31, 2022	September 30, 2022	December 31, 2022	December 31, 2021		
	Audited - see Note 8 below	Unaudited	Audited	Audited - see Note 8 below	Audited	Audited
1 Income						
(a) Revenue from operations	190.78	104.92	540.74	233.12	535.47	535.47
(b) Other income	42.70	427.87	502.98	427.18	501.42	501.42
Total income	233.48	532.79	1,043.72	660.30	1,036.89	1,036.89
2 Expenses						
(a) Cost of materials consumed	-	-	-	-	-	-
(b) Purchases of stock-in-trade	16.20	12.64	61.30	135.07	193.35	193.35
(c) Changes in inventories of stock-in-trade	-	-	-	-	-	-
(d) Employee benefits expense	77.91	70.54	273.51	59.26	214.38	214.38
(e) Finance costs	28.83	20.81	80.16	14.56	80.95	80.95
(f) Depreciation and amortisation expense	1.68	1.68	6.73	1.49	6.23	6.23
(g) Loss on foreign currency transactions and translations (net)	11.30	24.23	67.56	1.32	8.37	8.37
(h) Other expenses	98.12	31.92	230.59	46.51	142.79	142.79
Total expenses	234.04	161.82	719.85	258.21	646.07	646.07
3 Profit / (loss) before exceptional items and tax (1-2)	(0.56)	370.97	323.87	402.09	390.82	390.82
4 Exceptional items	-	-	-	-	-	-
5 Profit / (loss) before tax (3-4)	(0.56)	370.97	323.87	402.09	390.82	390.82
6 Tax expense / (benefit)						
- Current tax	(1.11)	48.49	47.38	73.27	73.12	73.12
- Deferred tax	(0.05)	(1.93)	(0.98)	6.06	6.06	6.06
Total tax expense / (benefit), net	(1.16)	46.56	46.40	79.33	79.18	79.18
7 Net profit for the period/year (5-6)	0.60	324.41	277.47	322.76	311.64	311.64

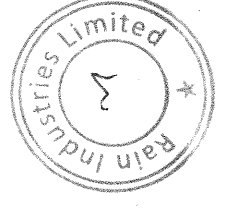


8	Other comprehensive income / (loss) (net of tax) for the period/year							
(a)	Items that will not be reclassified to profit or loss:							
	Remeasurements of defined benefit plans	(0.01)	-	2.67	(0.01)			2.67
	Income tax relating to items that will not be reclassified to profit or loss	-	-	(0.87)	-			(0.87)
(b)	Items that will be reclassified to profit or loss	-	-	-	-			-
	Total other comprehensive income (net of tax)	(0.01)	-	1.80	(0.01)			1.80
9	Total comprehensive income for the period/year (7+8)	0.59	324.41	324.56	277.46			313.44
10	Paid-up equity share capital (Face value of INR 2/- per share)	672.69	672.69	672.69	672.69			672.69
11	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet)				8,360.60			8,419.49
12	Earnings / (Loss) Per Share - Basic & Diluted (Face value of INR 2/- each)	0.00	0.96	0.96	0.82			0.93
	(See accompanying notes to the Standalone Audited Financial Results)							

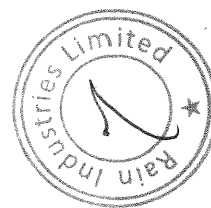
- The Standalone Audited Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 27, 2023.
- The Standalone Audited Financial Results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the 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 Standalone Financial Results for the year ended December 31, 2022 along with previous year presented have been audited by the statutory auditors of the Company. An unqualified report has been issued by them thereon.
- The Board of Directors at its meeting held on July 29, 2022 has declared an interim dividend of 50% (INR 1 per equity share of par value of INR 2 each amounting to INR 336.35) and no further dividend has been recommended for the financial year ended December 31, 2022.

5 Statement of Standalone Balance Sheet:

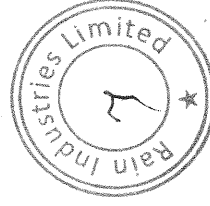
Particulars	As at December 31, 2022 Audited	As at December 31, 2021 Audited
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	69.27	72.77
(b) Intangible assets	0.76	0.92
(c) Financial assets		
(i) Investments	9,493.26	9,170.65
(ii) Loans	-	1,040.24
(iii) Other financial assets	1.27	1.06
(d) Non-current tax assets, net	73.91	104.42
(e) Other non-current assets	3.53	0.36
Total non-current assets	9,642.00	10,390.42



2. Current assets		
(a) Financial assets		
(i) Trade receivables	114.58	174.80
(ii) Cash and cash equivalents	147.80	185.23
(iii) Bank balances other than cash and cash equivalents	67.04	32.15
(iv) Loans	830.09	536.26
(v) Other financial assets	23.20	3.94
(b) Other current assets	9.65	5.55
Total current assets	1,192.36	937.93
Total assets	10,834.36	11,328.35
EQUITY AND LIABILITIES		
(a) Share capital	672.69	672.69
(b) Other equity	8,360.60	8,419.49
Total equity	9,033.29	9,092.18
2. Liabilities		
Non-current liabilities		
(a) Financial liabilities	-	1,486.05
(i) Borrowings	7.64	6.85
(b) Provisions	4.41	5.39
(c) Deferred tax liability, net		
Total non-current liabilities	12.05	1,498.29
Current liabilities		
(a) Financial liabilities	1,655.72	534.28
(i) Borrowings		
(ii) Trade payables	-	-
(A) total outstanding dues of micro enterprises and small enterprises	52.25	126.47
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	41.61	40.24
(iii) Other financial liabilities	5.42	4.36
(b) Other current liabilities	4.57	3.07
(c) Provisions	29.45	29.46
(d) Current tax liabilities, net		
Total current liabilities	1,789.02	737.88
Total equity and liabilities	10,834.36	11,328.35



Particulars	Year ended December 31, 2022	Year ended December 31, 2021
	Audited	Audited
A. Cash flow from operating activities		
Profit before tax	323.87	390.82
Adjustments for :		
Depreciation and amortisation expense	6.73	6.23
Profit on sale of property, plant and equipment (net)	(0.02)	-
Interest and other borrowing costs	80.16	80.95
Interest income	(71.28)	(75.76)
Dividend income from non-current investments	(393.37)	(410.74)
Interest on income-tax under Section 234B refund	(22.64)	-
Loss on foreign currency transactions and translations (net)	70.61	9.52
Operating profit before working capital changes	(5.94)	1.02
Adjustments for changes in working capital:		
Trade receivables	61.29	(121.12)
Loans and other assets	(8.41)	(53.77)
Trade payables	(74.26)	101.13
Other current liabilities	1.06	(16.10)
Other financial liabilities	0.58	(4.91)
Provisions	2.27	3.91
Cash used in operations	(23.41)	(89.84)
Income taxes received / (paid), net	1.99	(44.42)
Net cash used in operating activities	(21.42)	(134.26)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(3.12)	(9.45)
Proceeds from sale of property, plant and equipment	0.08	-
Loans given to subsidiaries	-	(1,486.05)
Loans repaid by subsidiaries	863.63	2,293.09
Investment in subsidiary	(322.61)	(1.00)
Fixed/restricted deposits with banks placed	(79.60)	(32.15)
Fixed/restricted deposits with banks refunded	39.08	35.54
Interest received	56.21	72.85
Dividend income from non-current investments	393.37	410.74
Net cash from investing activities	947.04	1,283.57
C. Cash flow from financing activities		
Proceeds from non-current borrowings	-	1,498.00
Repayment of non-current borrowings	(553.68)	(2,257.64)
Interest and other borrowing costs paid	(73.02)	(75.87)
Dividend paid	(336.35)	(336.35)
Net cash used in financing activities	(963.05)	(1,171.86)
Net decrease in cash and cash equivalents (A+B+C)	(37.43)	(22.55)
Cash and cash equivalents - opening balance	185.23	207.78
Cash and cash equivalents - closing balance	147.80	185.23



- 7 Where financial results contain both consolidated and standalone financial results of the parent, segment information is required to be presented only in the consolidated financial results. Accordingly, segment information has been presented in the consolidated financial results.
- 8 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.
- 9 On 24 March 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III to the Companies Act, 2013, applicable for financial period commencing from 1 April 2021. The Group has incorporated the changes as per the said amendment in these financial statements.

Place: Hyderabad
Date: February 27, 2023

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



N Radha Krishna Reddy
Managing Director
DIN: 00021052

