



RAIN INDUSTRIES LIMITED
(Formerly Rain Commodities Limited)

RIL/SEs/2015

May 6, 2015

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: 40th Annual Report of the Company - Reg
Ref : Scrip Code: 500339 (BSE) and Scrip code : RAIN (NSE)

With reference to the above stated subject, we bring to your kind notice that the 40th Annual General Meeting of the Company will be held on Thursday, the June 11, 2015 at 11:00 A M at KLN Prasad Auditorium, Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana State.

In this connection, please find enclosed herewith the following:

1. Form – A (Standalone) signed by the Managing Director, Chairman of the Audit Committee, Statutory Auditors and Chief Financial Officer;
2. Certified True copy of Statutory Auditors Report (Standalone);
3. Form – A (Consolidated) signed by the Managing Director, Chairman of the Audit Committee, Statutory Auditors and Chief Financial Officer;
4. Certified True copy of Statutory Auditors Report (Consolidated); and
5. Six copies of 40th Annual Report for the Financial Year ended 31st December, 2014.

This is for your information and records.

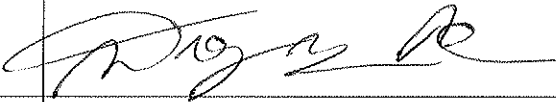
Thanking you,

Yours faithfully,
for Rain Industries Limited


S. Venkat Ramana Reddy
Company Secretary

FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company:	Rain Industries Limited
2.	Annual standalone financial statements for the year ended	December 31, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by	
	Mr. N. Jagan Mohan Reddy Managing Director	
	Mr. T. Srinivasa Rao Chief Financial Officer	
	Mr. S. L. Rao Chairman of Audit Committee	
	Statutory Auditors of the company B S R & Associates LLP Mr. Sriram Mahalingam	Refer our Audit Report dated February 27, 2015 on the standalone financial statements of the Company For B S R & ASSOCIATES LLP Chartered Accountants (Firm Registration No. 116231W/10-100024)  Sriram Mahalingam Partner Membership No. 049642 Hyderabad, Date : 27.02.2015

B S R & Associates LLP

Chartered Accountants

8-2-618/2, Reliance Humsafar,
4th Floor, Road, No. 11,
Banjara Hills
Hyderabad - 500 034. India.

Telephone +91 40 3046 5000
Fax +91 40 3046 5299

INDEPENDENT AUDITOR'S REPORT

To the Members of
Rain Industries Limited (formerly Rain Commodities Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Rain Industries Limited (Formerly Rain Commodities Limited), ("the Company"), which comprises the Balance Sheet as at December 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

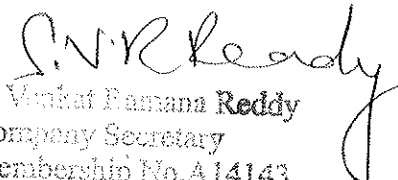
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") and Section 133 of the Companies Act, 2013 ("2013 Act") to the extent applicable. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

Certified True Copy
For Rain Industries Limited


S. Venkat Ramana Reddy
Company Secretary
Membership No. A14143

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

Registered Office:
1st Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011.

Rain Industries Limited (formerly Rain Commodities Limited)
Independent Auditor's Report (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act/ 2013 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227 (3) of the Act/ Section 143(3) of the 2013 Act to the extent applicable, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act and Section 133 of the 2013 Act to the extent applicable;



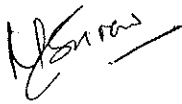
Rain Industries Limited (formerly Rain Commodities Limited)
Independent Auditor's Report (continued)

- (c) on the basis of written representations received from the directors as on December 31, 2014, and taken on record by the Board of Directors, none of the director is disqualified as on December 31, 2014, from being appointed as a director in terms of sub-section (2) of Section 164 of the 2013 Act.

for B S R & Associates LLP

Chartered Accountants

Firm registration Number: 116231W/ W-100024



Sriram Mahalingam

Partner

Membership Number: 049642

Hyderabad

February 27, 2015

Rain Industries Limited (formerly Rain Commodities Limited)
Annexure to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report of even date to the members of Rain Industries Limited (formerly Rain Commodities Limited) ("the Company") on the financial statements for the year ended December 31, 2014. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in a period of two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, physical verification of all fixed assets was carried during the previous financial year.
- (c) Fixed assets disposed of during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) As explained to us, the Company's activities primarily include service revenue and trading in inventory of petroleum coke products. No trading activity was carried out during the year and no inventory was held during and as at the year end. Thus, paragraph 4(ii) of the Order is not applicable.
- (iii) (a) The Company has granted loans to two subsidiary companies covered in the register maintained under Section 301 of the Companies Act, 1956 ("the Act")/ Section 189 of the Companies Act, 2013 ("2013 Act") (as applicable). The maximum amount outstanding during the year was Rs. 3,023,013 thousands and the year-end balance of such loans was Rs. 2,495,991 thousands. The Company has not granted any loan to firms or other parties covered in the register maintained under Section 301 of the Act/ Section 189 of the 2013 Act (as applicable).
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to two subsidiary companies listed in the register maintained under Section 301 of the Act/ Section 189 of the 2013 Act (as applicable) are not, prima facie, prejudicial to the interest of the Company.
- (c) In the case of loans granted to two subsidiary companies listed in the register maintained under Section 301 of the Act/ Section 189 of the 2013 Act (as applicable), the borrowers have been generally regular in repaying the principal amounts as stipulated and in the payment of interest.
- (d) There are no overdue amounts of more than Rupees one lakh in respect of loans granted to two subsidiary companies listed in the register maintained under Section 301 of the Act/ Section 189 of the 2013 Act (as applicable).
- (e) The Company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 of the Act/ Section 189 of the 2013 Act (as applicable) and accordingly clause 4(iii)(f) and clause 4(iii)(g) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are



Rain Industries Limited (formerly Rain Commodities Limited)
Annexure to the Independent Auditor's Report (continued)

for the Company's specialised requirement and that goods sold and services rendered are for the specialised requirement of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weaknesses in the internal control system during the course of the audit.

- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts and arrangements referred to in Section 301 of the Act/ Section 189 of the 2013 Act (as applicable) have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs.5 lakhs with any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except for certain services rendered that are for the specialised requirements of the buyers for which suitable alternative sources are not readily available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appears reasonable.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act/ Section 148(2) of the 2013 Act (as applicable) for any of the goods sold/ services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Wealth Tax, Customs Duty, Service Tax, Investor Education and Protection Fund and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance and Excise duty.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales-tax, Wealth Tax, Customs Duty, Service Tax and other material statutory dues that were in arrears as at December 31, 2014 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Sales tax, Wealth tax, Service tax and Customs duty which have not been deposited with appropriate authorities on account of any disputes. However, the Company disputes the following Income tax dues:



Rain Industries Limited (formerly Rain Commodities Limited)
Annexure to the Independent Auditor's Report (continued)

<i>Name of the Statute</i>	<i>Nature of the Dues</i>	<i>Amount in thousands (Rs.)</i>	<i>Period to which the amount relates</i>	<i>Forum where dispute is pending</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>91,243 (91,243)*</i>	<i>AY 2004-05</i>	<i>Honorable High Court of Andhra Pradesh</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>158,773 (12,808)*</i>	<i>AY 2008-09</i>	<i>Income Tax Appellate Tribunal</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>167,759</i>	<i>AY 2009-10</i>	<i>Income Tax Appellate Tribunal</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>200,440</i>	<i>AY 2010-11</i>	<i>Income Tax Appellate Tribunal</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>54,760</i>	<i>AY 2011-12</i>	<i>Deputy Commissioner of Income Tax</i>

*Amount in parenthesis represents amount paid under protest.

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanation given to us and on the basis of our examination of the books of account, the term loans obtained by the Company were applied for the purpose for which such loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

Rain Industries Limited (formerly Rain Commodities Limited)
Annexure to the Independent Auditor's Report (continued)

- (xviii) The Company has not made any preferential allotment of shares to companies/firms/ parties covered in the register maintained under Section 301 of the Act/ Section 189 of the 2013 Act (as applicable).
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for B S R & Associates LLP

Chartered Accountants

Firm registration Number: 116231 W/ W-100024



Sriram Mahalingam

Partner

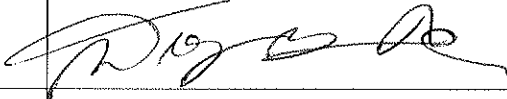
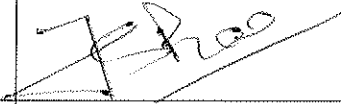
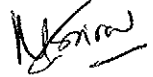
Membership Number: 049642

Hyderabad

February 27, 2015

FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company:	Rain Industries Limited
2.	Annual Consolidated financial statements for the year ended	December 31, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	Signed by	
	Mr. N. Jagan Mohan Reddy Managing Director	
	Mr. T. Srinivasa Rao Chief Financial Officer	
	Mr. S. L. Rao Chairman of Audit Committee	
	Statutory Auditors of the company B S R & Associates LLP Mr. Sriram Mahalingam	Refer our Audit Report dated February 27, 2015 on the consolidated financial statements of the Company For B S R & ASSOCIATES LLP Chartered Accountants, (Firm Registration No. 116231W/100024  Sriram Mahalingam Partner Membership No. 049642 Hyderabad, Date: 27-02-2015

B S R & Associates LLP

Chartered Accountants .

8-2-618/2, Reliance Humsafar,
4th Floor, Road, No. 11,
Banjara Hills
Hyderabad - 500 034. India.

Telephone +91 40 3046 5000
Fax +91 40 3046 5299

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Rain Industries Limited (Formerly Rain Commodities Limited)

We have audited the accompanying Consolidated Financial Statements of Rain Industries Limited (formerly Rain Commodities Limited) ("the Company") its subsidiaries and associates (collectively referred to as the "Rain Group"), which comprise the Consolidated Balance Sheet as at December 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the applicable financial reporting framework. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

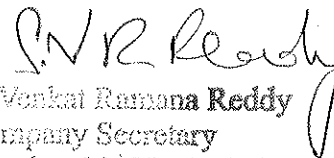
Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Certified True Copy
For Rain Industries Limited


S. Venkat Ramana Reddy
Company Secretary
Membership No. A14143

B S R & Associates (a partnership firm with
Registration No. BA69226) converted into
B S R & Associates LLP (a Limited Liability
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with effect from October 14, 2013

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Mumbai - 400 011.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Rain Group as at December 31, 2014;
- (ii) in the case of Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements and other financial information of certain subsidiaries and associates which have been audited by other auditors whose reports have been furnished to us, and our opinion is based on the report of other auditors. The attached consolidated financial statements include total assets of Rs. 118,793,559 thousands as at December 31, 2014, total revenues of Rs. 91,764,561 thousands and net cash out flows amounting to Rs. 218,179 thousands in respect of the aforementioned subsidiaries and share of loss from associates of Rs. 1,238 thousands for the year then ended.

for B S R & Associates LLP

Chartered Accountants

Firm registration Number: 116231W/ W-100024



Sriram Mahalingam

Partner

Membership Number: 049642

Hyderabad

February 27, 2015