



RAIN INDUSTRIES LIMITED

RIL/SEs/2023

April 3, 2023

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>
--	---

Dear Sir/Madam,

Sub: Notice and 48th Annual Report of Rain Industries Limited ('Company') - Reg.

**Ref: i) Compliance with Regulation 34 (1) of SEBI (LODR) Regulations, 2015
ii) Scrip Code: 500339 (BSE) & Scrip Code: RAIN (NSE)**

With reference to the above stated subject, we bring to your kind notice that pursuant to the applicable provisions of SEBI (LODR) Regulations, 2015, as amended from time to time ('Listing Regulations'), we wish to inform that the 48th Annual General Meeting ('AGM') of the Company will be held on **Tuesday, the May 2, 2023** at 11.00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 2/2022 and 10/2022 respectively issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 issued by SEBI.

Accordingly, in pursuance of Regulation 34(1) of the Listing Regulations, we enclose herewith the Notice of the 48th AGM and the Annual Report of the Company for the financial year ended December 31, 2022 which is being sent by e-mail to those Members whose e-mail addresses are registered with the Company/Depository Participant(s) ("DP")/ the Company's Registrar and Transfer Agent, KFin Technologies Limited ("KFintech").

In terms of Regulation 46 of the Listing Regulations, the said Annual Report and Notice of 48th Annual General Meeting and other relevant documents will also be available on the website of the Company at www.rain-industries.com.

Further, in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, the Company is providing the facility to its Members to exercise their right to vote by electronic means on the businesses specified in the Notice convening the 48th Annual General Meeting of the Company, through remote e-Voting services of KFin Technologies Limited as well as e-Voting during the AGM.



RAIN INDUSTRIES LIMITED

The Company has fixed Tuesday, April 25, 2023 as the cut-off date to determine the eligibility of the Members entitled to cast their vote by electronic means and attend the AGM scheduled to be held on Tuesday, the May 2, 2023 at 11.00 A.M through VC/OAVM Facility. Accordingly, the voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cutoff date i.e. April 25, 2023. The remote e-Voting period commences on Saturday, April 29, 2023 (10.00 Hours IST) and ends on Monday, May 1, 2023 (17.00 Hours (IST)). The e-Voting instructions and the process to join meeting through VC/OAVM is set out in the said AGM Notice.

This is for your information and record.

Thanking you,

Yours faithfully,
for Rain Industries Limited

S. Venkat Ramana Reddy
Company Secretary



Sustainable ambitions.
Responsible actions.
Resilient progress.

Sustainable ambitions. Responsible actions. Resilient progress.



Over the past few years, climate change, energy shortages, resource scarcity and, of course, the COVID pandemic dominated the news headlines. Their debilitating effects are evident in countless ways in our lives. Additionally, businesses and economies across the world are grappling with high inflation, supply-chain disruptions, and manpower shortages, owing to the various geopolitical issues and challenges posed by the pandemic.

To thrive – let alone survive – against this backdrop, businesses need to be resilient, dynamically adjusting and even reinventing their operations and strategies. The ability to anticipate and adapt to changing times and situations that are likely to disrupt the business landscape is paramount.

For more than 150 years, RAIN and our legacy companies have evolved with each era, ambitiously and responsibly adapting and pivoting to maintain sustained growth and success.

Our **sustainable ambitions** drive our commitment towards supporting circularity, developing future-focused products, contributing to environmental stewardship and becoming an incident-free organisation.

In this endeavour, we have been investing in advanced technologies and efficient processes while taking **responsible actions** towards shared value creation for our stakeholders.

These efforts have helped us meet emerging needs of customers, ensuring employee safety and professional development, contributing community welfare, and reducing our environmental impact, demonstrating our **resilient progress** towards a more sustainable organisation.

[Read more page 08](#)



What's inside



Corporate overview

- 02 RAIN at a glance
- 04 Our presence
- 06 Vice Chairman's message

Cover story

- 10 Supporting circularity through upcycling
- 11 Building a future-focused product portfolio
- 12 Contributing to environmental sustainability
- 13 Becoming an incident-free organisation

Value creation approach

- 14 Our capitals
- 16 Value creation model
- 18 External environment
- 20 Strategic priorities
- 22 Stakeholder engagement

Business segment review

- 26 Carbon
- 30 Advanced Materials
- 34 Cement

Capital-wise performance

- 38 Financial capital
- 42 Manufactured capital
- 46 Intellectual capital
- 50 Human capital
- 56 Social and relationship capital
- 62 Natural capital

Governance

- 70 Governance at RAIN
- 74 Board of Directors
- 78 Risk management

82 Awards and recognition

Statutory reports

- 84 Notice
- 96 Board's Report
- 178 Management discussion and analysis
- 182 Report on corporate governance

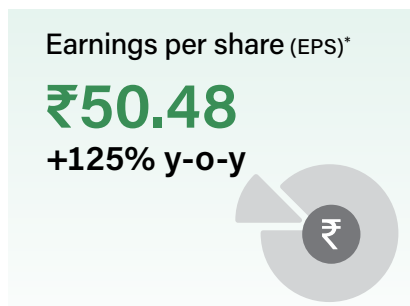
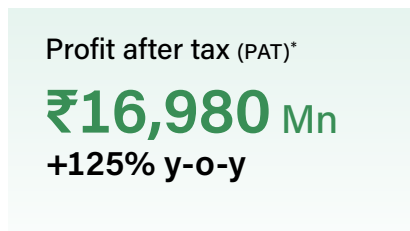
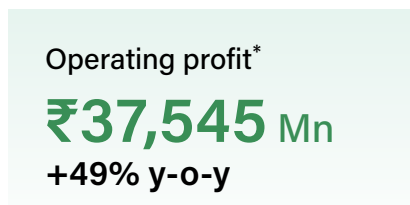
Financial statements

- 212 Standalone financial statements
- 276 Consolidated financial statements

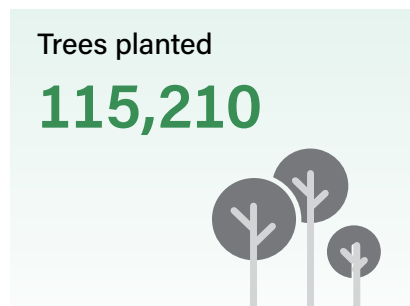
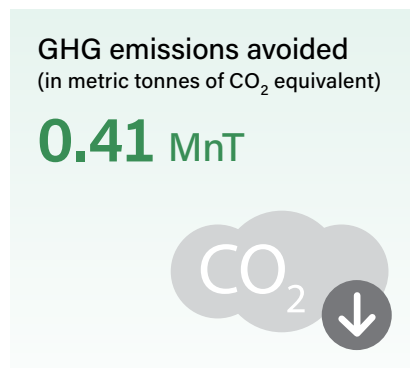
Key performance highlights CY22



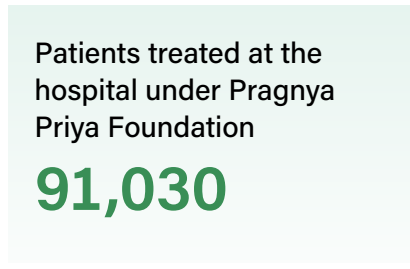
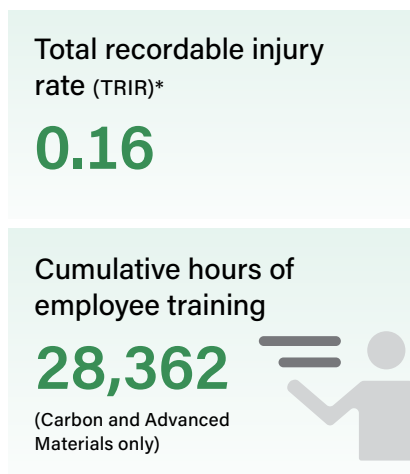
Financial



Environment



People and community



*Adjusted with exceptional items

Creating more sustainable materials for a better future

RAIN is a global manufacturer of a diverse portfolio of products that are critical raw materials for a variety of industries.

We are a vertically integrated company with three business segments: Carbon, Advanced Materials, and Cement.

Our scale, innovation capabilities, high-grade products, and prudent decision-making enable us to capitalise on opportunities, mitigate risks, meet customer demands, and embed sustainability into our operations.

#1

Global producer of coal tar pitch (CTP)

#2

Global producer of calcined petroleum coke (CPC)

16

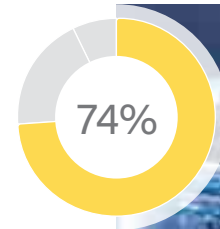
Production facilities across three continents: Asia, Europe and North America

Our businesses

Share of total revenue

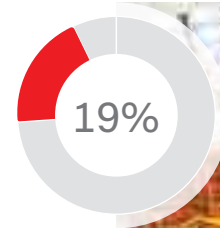
Carbon

As the world's largest producer of CTP and second-largest of CPC, we supply essential raw materials to diverse industries globally through our Carbon segment.



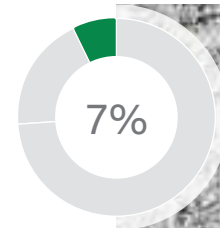
Advanced Materials

With the aim of developing high-value and eco-friendly advanced materials for multiple global industries, we realigned our product portfolio and formed this business segment in 2019.



Cement

With two integrated cement plants in South India, we manufacture high-quality, high-performance cement to meet the rising demand for durable and sustainable construction in the region.



Key products



- Calcined petroleum coke
- Coal tar pitch
- Other carbon products
- Energy (electricity and steam generated from waste-heat recovery processes)

Read more page 26

Industries we serve

- Aluminium
- Graphite
- Carbon black
- Wood preservation
- Titanium dioxide
- Refractory
- Others

- Engineered products
- Chemical intermediates
- Resins



Read more page 30

- Specialty chemicals
- Coatings
- Adhesives
- Automotive
- Lithium-ion batteries/energy storage
- Construction
- Petrochemical
- Others

- Ordinary portland cement
- Portland pozzolana cement



Read more page 34

- Construction

Core strengths



Strong market position

Our ability and intent to continuously expand our business operations through strategic investments and partnerships has enabled us to become a leading global producer of carbon-based products.



Large-scale integrated facilities

Our vertically integrated facilities enable us to develop higher-margin downstream products, improving efficiency and achieving economies of scale.



Flexible and multimodal global supply chain

Our supply-chain network is geographically diverse, spanning three continents and utilising different modes of transportation, including pipelines, conveyor belts, trains, trucks, containers, barges, and ships, as well as our own deep-water ship terminals.

Global customer base

Our strategically located facilities and an extensive and integrated global supply chain enable us to source our raw materials in a cost-effective manner while ensuring timely delivery of products to customers.



13
Carbon plants



5
Advanced
Materials plants



2
Cement plants



Region-wise revenue (%)





Map not to scale and for representation purpose only.

- Calcined petroleum coke plant
- Waste-heat recovery power plant
- Coal tar pitch plant
- Waste-heat recovery steam plant
- ★ Advanced materials plant
- Flue-gas desulfurization plant
- ▲ Cement plant
- Solar power plant

①

USA

- ● Lake Charles, Louisiana
- ● Robinson, Illinois
- ● Chalmette, Louisiana
- ● Gramercy, Louisiana
- ● Norco, Louisiana
- ● Purvis, Mississippi

②

Canada

- ★ Hamilton, Ontario

③

Belgium

- ★ ● Zelzate

④

Germany

- ★ ● Castrop-Rauxel
- ● Duisburg

⑤

Poland

- ★ Kędzierzyn - Koźle

⑥

RUSSIA

- Cherepovets

⑦

India

- ● ● Visakhapatnam, Andhra Pradesh
- ● ● Atchutapuram, Andhra Pradesh
- ▲ ● ● Nandyal, Andhra Pradesh
- ▲ ● ● Suryapet, Telangana

Progressing with focus and fortitude



Dear RAIN shareholders,

We began 2022 continuing to ride the wave of momentum that we enjoyed during the second half of 2021, when the economic impact of COVID began to subside and the pent-up demand from the first year of the pandemic gave way to enthusiastic commercial activity.

In addition to robust demand for nearly all of our products during the first half of 2022, we also benefitted – significantly – from what we had termed “opportunistic” margins, which resulted from the time lag between rising sales prices and raw material cost resets. At the same time, we cautioned throughout the first and second quarters that our high earnings and EBITDA were not the “new normal.” Although we were happy to capitalise on this profitable period, we also knew that this would be a temporary phenomenon.

As expected, in the third quarter – after eight consecutive periods of increased revenue and EBITDA – the opportunity margins began to shrink as our raw material costs began to catch up with the price of our finished products. In addition, the gradual reduction of natural gas supplies by Russia through the Nord Stream pipeline resulted in rising energy costs across Western Europe.

Perhaps the hardest hit by the energy situation were European aluminium smelters that do not have access to

low-cost hydroelectric power. The rising cost of fossil-fired electricity – coupled with rapidly falling London Metal Exchange (LME) prices for aluminium led to a number of smelter shutdowns and curtailments. As the world's largest producer of coal tar pitch (CTP) and second-largest producer of calcined petroleum coke (CPC), two essential materials for the anodes required for aluminium smelting, reduced production in Europe began to impact demand for our CTP and (to a certain extent) CPC.

The situation in Europe also impacted us in several other ways during the second half of 2022. First, a continuation of high energy prices increased our production costs and led to margin erosion for many products. It also forced us to make the difficult-but-prudent decision in September to temporarily shut down our energy-intensive units in Germany until energy costs return to more normal levels.

Elsewhere, inflation motivated many European consumers to curb discretionary spending, causing a

domino effect of reduced demand across the production chain. The falloff in demand also resulted in layoffs in various industries in Europe, elevating concerns about regional job security, which then further eroded demand for a range of manufactured goods that included our distillation and advanced materials products. And in North America, we ended the year with the usual seasonality as sales of products such as creosote and sealer base were winding down heading into winter. Finally, in India, while demand for our Priya cement products remained reasonably strong, the profitability of the segment was impacted by increased fuel prices leading to higher production costs.

While that sounds like a dismal ending to what started out as a promising year, our fourth-quarter EBITDA of ₹ 6,895 million was squarely within our historical normal range. For the year, we finished 2022 with:

- Revenue of ₹ 210,110 million, which represented an increase of more than 45% compared with ₹ 145,268 million in 2021
- Operating profit (or adjusted EBITDA) of ₹ 37,545 million, which was up more than 49% compared with ₹ 25,174 million in the previous year
- Strong safety performance with our fourth-consecutive year with a total recordable injury rate below 0.2, ranking us as a ‘best-in-class’ company compared with our industry peers

Looking ahead, things are returning to the “old normal,” and we anticipate that our near-term performance will be within the typical operating range we have guided to in the past. While fears of an economic recession have subsided a bit in the early months of 2023, it remains a possibility. Similarly, while China has finally reopened for business following months of Zero COVID Policy-related lockdowns, its near-term outlook remains a question mark. And, of course, as long as high energy costs, inflation and layoffs continue to impact Europe, demand by our customers in the region will remain soft.

We are responding to these challenges in a number of ways. First, given the energy-intensive nature of our advanced materials production, we are doing all we can to optimise our energy consumption and maximise our output, thus reducing our production cost per tonne of material.

We also believe that all the work we have done in recent years to cut costs, improve efficiencies, increase our capacity utilisation and plant reliability, and secure affordable, reliable and more-sustainable supplies of raw materials will play an important role in helping to preserve earnings, margins to a certain extent and our sustainability standing despite changing economic conditions.

Another priority for us in 2023 is restoring our Advanced Materials business to sustained profitability. During 2022, the segment experienced two quarters of negative EBITDA, caused by a variety of factors including high energy and raw material costs, reduced demand for advanced-materials products as consumers postponed discretionary purchases, and the temporary closure of our energy-intensive units. By discontinuing some of our most energy-intensive products, while increasing the production of PETRORES®, CARBORES® and other products with healthy margins, we

expect to see improved performance from our Advanced Materials segment in 2023 – assuming that we see some stabilisation of energy costs.

Elsewhere, we are continuing to work on commercialising our proprietary anhydrous carbon pellets (ACP). While commercial adoption is a marathon rather than a sprint, and the aluminium industry is slow to adapt to new technologies and processes, we have received positive feedback from several smelter customers that have taken ACP shipments for industrial tests. Ultimately, we believe ACP will offer energy-saving benefits for aluminium producers, and it will help us by reducing the GPC fines that are currently combusted during the calcination process. If ACP can reduce our GPC loss by approximately 10%, the cost savings would be significant, especially when GPC prices are high. Just as important, the resulting reduction in CO₂ and SO₂ emissions would provide us and our customers with a very tangible sustainability benefit.

In India, we continue to work with regulatory authorities to gain relief from GPC-import restrictions for our new vertical-shaft calciner in the Andhra Pradesh Special Economic Zone, Visakhapatnam, as it is meant for catering to export markets. Moreover, RAIN's CPC plants are the only calcination facilities in India with continuous operating flue-gas desulphurisation systems that remove 98-99% of our plants' SO₂ emissions and waste-heat recovery systems that enable our plants to generate clean electricity. This is important because these investments in sustainability have made us the best-positioned company in our industry to drive the government's pollution-reduction goals while providing the anode-grade CPC that is needed to support continued growth of India's aluminium industry.

Speaking of sustainability, rest assured that our commitment is unwavering, and our work will continue in 2023 and

beyond. As you explore this annual report, you will read about a number of recent activities and accomplishments across the RAIN landscape that are reducing our carbon footprint, preserving natural resources, and developing new products and processes that will help our customers to attain their sustainability goals. Examples include the expansion of the solar power installations at our cement plants in India and the increased use of alternative raw materials by our carbon distillation business, which is resulting in products with a lower emissions profile than those typically produced with coal tar.

As we move forward into 2023, it is tempting to look in the rear-view mirror and bask in the successful year, but the fact is, the high demand and margins that we enjoyed during much of last year was abnormal, not a transition to a “new normal”. At RAIN, our management team and employees around the world fully understand that we have reverted to the “old normal” and that uncertainty and new challenges lie ahead.

The good news is that the team at RAIN is resilient and resourceful, and we have successfully weathered many challenges over the years. In the process, we have learned from those experiences, and as a result we are reasonably well positioned to manage situations that come our way during 2023 and beyond.

On behalf of the 2,640 employees at RAIN, we appreciate your ongoing support, and we are committed to retaining your trust and confidence in the year ahead.

Sincerely,

Jagan Reddy Nellore
Vice Chairman
February 27, 2023

Translating aspirations into actions



Supporting circularity through upcycling

Our strong commitment to circularity is evident in our products, which enable closed material cycles and convert by-products into productive applications.

[Read more page 10](#) 

We continue to develop innovative, future-ready products to fulfil emerging needs of customers through a responsible and forward-thinking approach. Over the past two years, we have focused on developing a long-term roadmap for sustainability by identifying key material topics and how to best respond and meet stakeholder expectations.





Building a future-focused product portfolio

By leveraging our leadership in innovation, we strive to produce eco-friendly and sustainable products for a better tomorrow.

[Read more page 11](#)



Becoming an incident-free organisation

Our quest to be an industry leader in safety, health and environment can be seen in our many activities and targeted initiatives to protect the well-being of our employees and surrounding communities.

[Read more page 13](#)



Contributing to environmental sustainability

We are committed to environmental stewardship by minimising our footprint, upgrading processes, and producing cleaner and greener materials.

[Read more page 12](#)



Supporting circularity through upcycling

Our business model is built on resource efficiency and carbon productivity. At RAIN, resource efficiency begins with our raw materials, as we upcycle industrial by-products that would otherwise be used inefficiently to produce high-value materials for diverse industries across our three business segments.



By extending the useful life of these industrial by-products and preventing them from being used in inefficient and highly polluting ways or disposed as waste, we support the transition to a circular economy.



Upcycling in the Carbon segment

In this business segment, we convert by-products from the oil-refining and steel industries to create high-value, carbon-based products that are used in aluminium smelting, titanium dioxide production, automobile tyres and other global industries. This way, we increase the productive lifecycle of carbon for the benefit of society.

Upcycled

2,454,292
tonnes in thousands
of industrial by-products
into critical raw materials for
various industries in terms of
finished goods produced

[Read more page 29](#) 



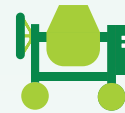
Upcycling in the Advanced Materials segment

This segment extends our carbon-processing value chain by further refining a portion of this output into advanced-material products that are critical to specialty chemicals, painting, automotive, and other global industries.

Converted

354,513
tonnes in thousands
of by-products from our
carbon value chain to create
value-added advanced
materials in terms of finished
goods produced

[Read more page 33](#) 



Upcycling in the Cement segment

Our upcycling efforts also extend to the cement business, where we blend fly ash (generated during coal-fired power generation) with clinker to produce cement used in buildings and other construction applications requiring high-strength concrete.

Utilised

752,468
tonnes in thousands
of fly ash from coal-fired
power plants in our cement
production in terms of raw
materials consumed

[Read more page 37](#) 

Building a future-focused product portfolio

Today, customers seek products that offer better performance in all functional aspects, while being more energy efficient and environmentally friendly. We strive to meet customer and societal expectations by producing cleaner, faster and lighter products for 21st-century applications.



Our R&D efforts are focused on sustainability, specifically on proactively addressing global trends, challenges and the resulting changing regulatory requirements. Over the years, we have been investing in advanced technologies and processes to develop materials for tomorrow.



Anhydrous carbon pellets (ACP)

We believe that this proprietary and value-added calcined product has a bright future due to its potential for energy savings and emissions reduction, as well as its ability to improve our GPC utilisation.

[Read more page 28](#)



Hydrogenated hydrocarbon resins (HHCR) products

To serve the growing demand for cleaner and contaminant-free products, such as adhesives used in hygiene products and food packaging, due to regulatory changes and societal expectation, we have built a portfolio of 'water-white' resins at our new HHCR facility in Germany.

[Read more page 49](#)



PETRORES® and LiONCOAT®

These trademarks represent engineered-product lines of specifically designed carbon precursor materials for particle coating and binding of battery anode materials used in all lithium-ion batteries. In the manufacture of battery anode materials, they are transformed into carbon constituents like thin amorphous carbon-particle surface coatings that are critical for battery-cell performance because they affect battery durability, safety, and stored energy capacity, as well as charging and discharging speed.

[Read more page 48](#)





Contributing to environmental sustainability

We are constantly working to improve our energy-management systems, by investing in steam cogeneration and waste-heat recovery plants, producing solar electricity, and optimally utilising the energy generated by our own processes.

In order to drive energy efficiency and reduce our environmental footprint, we have been implementing the following initiatives:



Waste-heat recovery (WHR) systems

To reduce our dependency on power generated from fossil fuels, we have been investing in waste-heat recovery systems that enable us to reduce our carbon footprint.

~131 MW

Waste-heat recovery power generation capacity

~59 MW

Waste-heat recovery steam generation capacity

[Read more page 64](#) 



Solar energy

Beyond waste-heat recovery, we also made investments in solar power plants. Building on our progress in solar-power adoption, we expanded our solar capacity from 3 MW in 2021 to 16.6 MW in 2022.

16.6 MW

Solar-generated electricity capacity

[Read more page 65](#) 



Flue-gas desulphurisation (FGD) systems

We have made significant investments in flue-gas desulphurisation systems at many of our calcination facilities to reduce sulphur-dioxide emissions and meet all regulatory requirements for air-quality standards.

5

Flue-gas desulphurisation plants

[Read more page 66](#) 



Becoming an incident-free organisation

Acting responsibly with a focus on safety, health, and the environment is ingrained in RAIN's DNA. Our ambition is to create a more mature and sustainable safety culture that will enable us to increase productivity and operational discipline, while also allowing for highly competitive organic growth.

We have introduced several initiatives to instill a culture of safety across the organisation to constantly improve our safety, health and environment performance each year, with the ultimate goal of one day eliminating all recordable incidents.



Quest for Zero

Launched in 2018 with the goal to become an incident-free organisation.

[Read more page 52](#)



Life-Saving Rules

Introduced in 2020 to help ensure workplace health and safety for everyone. While all safety rules are important, our Life-Saving Rules specify the required knowledge and expected behaviours to protect all personnel from life-threatening incidents.

[Read more page 53](#)

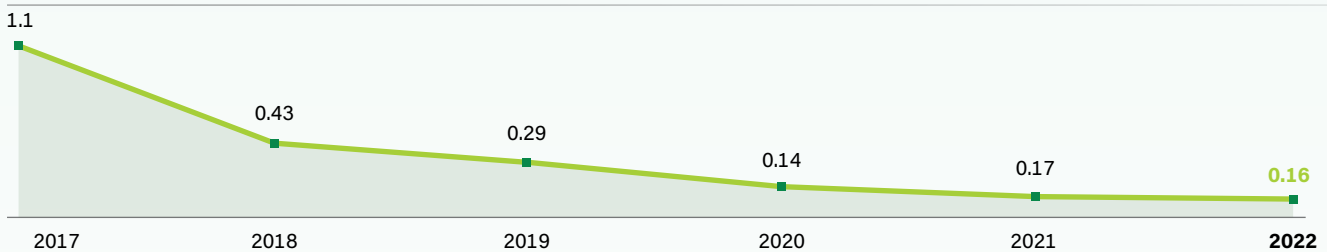


President's Safety Excellence Awards

Initiated in 2021 to recognise our production facilities that achieve an incident-free milestone for one or more years.

[Read more page 54](#)

Total Recordable Incident Rate (TRIR)*



■ Total Recordable Incident Rate

*TRIR calculated for Carbon and Advanced Materials segments

Unlocking value through our six capitals

We utilise various resources to run our business operations and deliver sustainable value for our stakeholders. Our aim is to maximise the value we create through effective allocation and management of the six capitals.



Financial capital

We are disciplined in how we allocate our financial resources. We use cash generated by operations, divestments, debt and equity financing, and other sources to sustain and transform our business, reward our shareholders, and fund growth.

[Read more page 38](#) 



Manufactured capital

We convert industrial by-products into critical high-value raw materials for other industries and operate reliably by investing in our plants and equipment. These investments also help us manage our environmental footprint and meet regulatory requirements.

[Read more page 42](#) 



Intellectual capital

Our proprietary and licenced technologies, software, procedures, and protocols have positioned our businesses as leaders in their respective industries and stay ahead through various R&D investments and continued initiatives to drive operational excellence and digitisation.

[Read more page 46](#) 



Human capital

We need high-performing, innovative, and diverse people with the right skills and experience to continue to grow and steer our business and operate our facilities efficiently. We prioritise the safety and well-being of our 2,640 employees, while providing them learning and growth opportunities.

[Read more page 50](#)



Social and relationship capital

We incorporate the needs of our stakeholders into our business to create an enabling environment and deliver on our commitments. We take a multi-stakeholder approach and actively engage with each stakeholder group to ensure we solve problems, enhance the quality of life and make strategic progress.

[Read more page 56](#)



Natural capital

In our operations, we use natural resources to leverage our upcycling efforts to convert industrial by-products (mainly petrochemical and steel) into value-added product streams. We also undertake various initiatives including renewable energy, water conservation, waste management to help preserve the environment.

[Read more page 62](#)


Creating shared value for all

At RAIN, we are committed to creating long-term value for our stakeholders through our unique value creation model.

This includes delivering high-quality products to our customers, while also supporting the growth and success of our employees, partners and the communities in which we operate. We are constantly seeking new ways to become more resilient and sustainable, keeping a close eye on the external environment.


CAPITALS

Resources utilised




Financial

- Equity: ₹ 84,268 million
- Net debt: US\$ 958 million
- Capex: US\$ 85 million




Manufactured

- Carbon plants: 13
- Advanced Materials plants: 5
- Cement plants: 2
- WHR steam plants: 4
- WHR power plants: 6




Intellectual

- R&D centres and laboratories: 5




Human

- No. of employees: 2,640
- No. of man-hours training: 28,362*



Social and relationship

- CSR expenditure: ₹ 94 million



Natural

- Water consumption: 4.1 Mn m³
- Energy consumption: 3.9 Mn MWh (primary and secondary energy input plus WHR-based energy produced)

Governance

Value creation process

How we create value

Business segments

Inbound

Raw materials



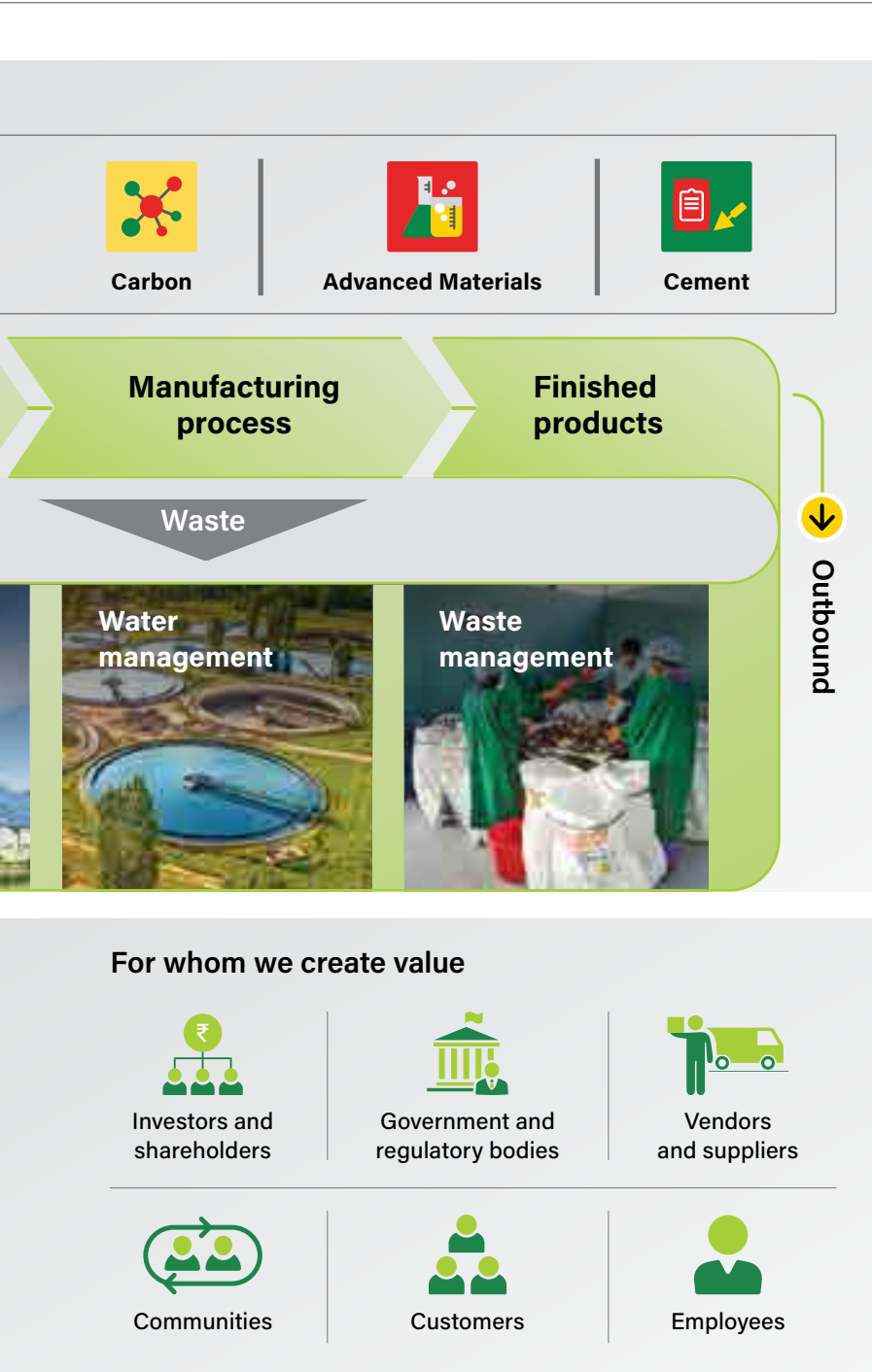
Emission control

Strategic priorities

- 1 Ensuring reliability and sustainable partnerships
- 2 Leveraging innovation leadership
- 3 Optimising assets and resources

Read more page 20 [→](#)

* Carbon and Advanced Materials employees



Value created

Financial

- Revenue: ₹ 210,110 million
- EBITDA: ₹ 37,545 million

Manufactured

Capacity utilisation

- Carbon: **71%**
- Advanced Materials: **71%**
- Cement: **78%**

Intellectual

- New products launched: **17**

Human

- TRIR: **.16[#]**

Social and relationship

- **2,328** students benefitted
- **91,030** patients received healthcare services

Natural

- Self-generated steam from waste heat: **602,000 MWh**
- Self-generated electricity from waste heat: **520,000 MWh**
- Solar power generated: **7.079 MWh**

[#] Carbon and Advanced Materials segments

A watchful eye on evolving trends

In 2022, the global economy faced multiple headwinds including high inflation, energy shortages and supply disruptions due to the Russia-Ukraine conflict. Further, ongoing COVID lockdowns in China also had a significant impact. At RAIN, we have been closely monitoring the macroeconomic developments and adapting our strategies accordingly.

Macro trends



Strong long-term outlook for aluminium

During the first half of CY22, demand for aluminium was generally strong. But in the second half, smelters across the world –particularly those in Europe without access to hydroelectric power–had to cut production due to prolonged high energy costs and aluminium prices on the London Metals Exchange declining below US\$ 2,300/tonne. Despite these challenges, the long-term demand for aluminium remains strong due to its rising applications in various industries.



Our response

We are working to expand sales to smelters and anode producers in other parts of the world where energy costs are lower. We are also pursuing opportunities to sell more calcined petroleum coke and coal tar pitch to other industries not as heavily impacted by recent economic conditions.



Rising costs for raw materials and energy

During CY22, a continued rise in raw material costs and energy prices as well as scarcity of natural gas were key concerns, particularly in Europe due to the conflict between Russia and Ukraine. This impacted the operations of aluminium smelters in Europe and across the world as well as other key industries to which we supply our products. It has also been a key concern for our operations.



We have been actively reducing our energy consumption and evaluating the costs and benefits of each of our operating units in Europe. We have prioritised cost management and enhanced efficiency in the face of a challenging market. This includes optimising the movement of raw materials and finished goods, as well as reducing operating costs.



Global supply chain disruption

Supply of raw materials is likely to be a growing concern due to the ongoing geopolitical tensions in Europe, along with the lockdowns in China due to continued emergence of new variants of COVID.



We are working towards diversifying our supply, while collaborating with customers. We are trying to help our customers in expanding their product specifications so that we can continue to provide the materials they require as available feedstocks degrade in quality.



Growing adoption of green steel

As the steel industry moves towards more efficient electric-arc furnaces (EAFs), it brings changes in the supply and demand of certain materials. The decrease in blast-furnace usage is leading to a decline in metallurgical coke production and, in turn, a decrease in coal tar availability.

At the same time, another trend emerges. The shift to EAFs drives up demand for graphite carbon electrodes, which are crucial for these furnaces.

This transformation highlights the complex interplay of supply and demand in the industry, creating new opportunities for innovation and efficiency as well as the need to adapt and manage the new dynamic.



We are proactively developing and sourcing alternative raw materials in response to the decreasing availability of coal tar caused by the shift to EAFs. Simultaneously, we are capitalising on the increasing demand from green-steel producers for graphite carbon electrodes made from our coal tar pitch.



Rising construction and infrastructure activities in India

India is the world's second-largest cement producer with an estimated production capacity of 565 million tonnes in 2022, accounting for 8% of global production. Despite this, per capita consumption is low, with demand expected to grow 7-8% in 2023 due to rural housing, urban real estate and government infrastructure spending.

Indian cement market overview

380-390 MnT
Estimated cement production volume in FY23

Source: Market source



We will continue to focus on increasing sales, especially closer to our plants, by running marketing and promotional activities. We are also prioritising cost optimisation through strategic procurement of raw materials.

Strengthening foundations for sustained growth

At RAIN, we are committed to growth that is not just profitable, but also sustainable and impactful. From reducing our carbon footprint and becoming a reliable partner to driving innovation and expanding our capabilities, we are working tirelessly to strengthen the foundations of our business.



Ensuring reliability and sustainable partnerships

At RAIN, we are constantly seeking ways to not only meet, but exceed the expectations of our customers by prioritising supply security. We understand that our customers rely on us to provide them with the materials they need when they need them. That is why we are dedicated to building strong partnerships with our customers and working tirelessly to maintain our status as a preferred supplier.

Initiatives undertaken

We are committed to expanding our capabilities to import raw materials for our calcination facilities and export finished products from those plants. We are currently working in close collaboration with the authorities to secure adequate raw material supply, ensuring our continued reliability as a partner for our customers.

We are also deeply focused on sustainability and the role we can play in creating a better future by reducing carbon footprints across the value chain. One way we do this is by optimising our cogeneration of clean energy from waste-heat reduction systems. This not only helps us to produce lower-carbon CPC and other products at some of our sites, but also enables us to support our customers' sustainability goals.

Progress and achievements

One of the major accomplishments has been the commercialisation of our vertical-shaft calciner in India, which is helping us attract key customers interested in the higher-density CPC produced using this technology. Additionally, we have been able to secure long-term agreements for GPC, allowing us to secure raw materials in a tightening market.

Optimising assets and resources

As we aspire to become the lowest-cost producer in the CPC and CTP industries, we prioritise:

- Capturing cost savings by leveraging our scale, strong network of raw material suppliers and long-term relationships.
- Seizing market opportunities and introducing new products in Carbon segment by leveraging our flexible infrastructure and R&D capability.
- A commitment to be a reliable and responsive business partner.

Initiatives undertaken

- RAIN invested in flexible manufacturing assets for increased productivity and reliability in calcination and distillation facilities.
- Extended chartered fleet to address tight tanker market and provide supply security at reasonable cost.
- Extended strategic customer and supplier contracts in 2022 for market stability.

Progress and achievements

- RAIN continues to be the largest producer of coal-tar derived products.
- RAIN Carbon is well-poised to tackle the feedstock challenges related to the "green steel" transition, which creates massive opportunities for our carbon products while necessitating a raw material shift due to declining coal-tar availability. RAIN also invested in flexible manufacturing assets and extended it to our North American facilities.
- Our R&D capability enabled us to identify a wide array of feedstocks and applications.

Leveraging innovation leadership

Our Advanced Materials business continues to play a pivotal role in driving innovation and sustainability, as well as converting industry by-products into essential ingredients in everyday manufacturing processes and end products. Our focus on innovation will remain a defining factor for our Company and the markets we serve.

Initiatives undertaken

- We are leveraging our portfolio of proprietary materials such as anhydrous carbon pellets and hydrogenated hydrocarbon resin products for new-age applications.
- We have been helping global and regional leaders in the specialty chemicals, hydrocarbon resins and battery-anode materials segments through our upcycled by-products.

Progress and achievements

- Introduced new variants of our NOVARES® portfolio for tyres, coatings, and adhesive applications.
- Improved formulations of our NOVARES® Pure series of hydrogenated hydrocarbon resins, which have been well received by customers.
- Developed NOVARES® Pure 1120 and 2120 hydrogenated hydrocarbon resins.
- Switched to petro-based indene fractions to produce our NOVARES® C resins.

Prioritising stakeholder interests

At RAIN, we believe that understanding the expectations, needs and aspirations of our stakeholders is vital to building trust and responding to market challenges and opportunities. We view our stakeholders as partners in our journey and strive to effectively engage with them to create shared value.



How we engage with stakeholders

Enabling stakeholder input in business decision-making by understanding their concerns and interests

Enhancing stakeholder communication and promoting a culture of ongoing engagement to build positive relationships

Strengthening stakeholder trust and confidence in our processes, decisions and activities

Stakeholders

Investors and shareholders



Government/Regulatory bodies



Vendors and suppliers



Customers



Communities



Employees



The support of our investors and shareholders is crucial for continuous access to capital and the ability to make progress on our strategies and reach our objectives. RAIN is committed to creating value for its shareholders by implementing scalable business strategies.

As a responsible corporate citizen, RAIN understands that a symbiotic relationship with the government and regulatory bodies can go a long way in bringing seamless progress.

Maintaining our relationship with vendors and suppliers of raw materials and indirect services plays a vital role in our ability to meet the needs of our customers.

As a customer-centric Company, our ability to meet fast-evolving consumer needs is a priority. Delivering quality products and expanding our customer base are imperatives for growth.

For us, shared prosperity is of paramount importance. We are making a sustained effort to create resilient communities by contributing to the enhancement and growth of our surrounding communities. As our neighbours prosper, our Company aspires to prosper with them.

Our people, their ideas and their passion are the key forces driving our Company's forward trajectory. Their dedicated approach and winning mindset bring our ambitions to life.

Engagement platforms

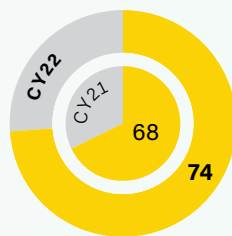
- Conducting analyst meetings
 - Sharing investor presentations, quarterly financial results
 - Conducting the Annual General Meeting of shareholders
 - Regularly filing various statutory or informative reports and Information with stock exchanges
 - Issuing press releases
-
- Interacting with statutory/regulatory bodies, such as stock exchanges, tax departments, Security Exchange Board of India and other government departments as and when required
-
- Conducting vendor meetings
 - Having procurement policies and vendor-selection processes
 - Face-to-face and electronic correspondence
 - Establishing a vendor-grievance redressal process
 - Conducting supplier visits and meetings as well as vendor-review meetings
-
- Requesting proposals from customers
 - Conducting client visits and meetings
 - Making initial contacts and pitches
 - Addressing client feedback
 - Building relationship in sales
 - Identifying emerging client needs
-
- Conducting site visits and local community meetings
 - Issuing press releases for organisational awareness
 - Providing financial support to build and maintain community-based infrastructure in villages, such as roads and community centres
 - Contributing to local welfare activities in the US through support of organisations such as United Way and Habitat for Humanity
 - Maintaining schools and hospitals through the Pragnya Priya Foundation in rural Telangana and Andhra Pradesh in India and supporting education through the RÜTGERS Foundation in Europe
-
- Offer Global and Regional Leadership Development programmes to grow and nurture our future leaders
 - Conduct annual performance evaluations and agree on personal-development activities for all our employees
 - Implemented a global learning-management system to provide web-based trainings and digitalise our learning administration
 - Conducted an employee-satisfaction survey to assure that RAIN is a great place to work
 - Instituted global HR policies related to recruiting, onboarding of new employees, and compensation and benefits

Establishing a strong foothold across industries

Carbon



Revenue share (%)



Towards a low-carbon aluminium industry

Through our subsidiary Rain Carbon, we conducted a 'cradle-to-gate' study for Alouette, the largest aluminium smelter in the Americas. We estimated the scope 1, 2, and 3 emissions for primary aluminium production. We also calculated a detailed carbon footprint of the anode supply chain, including CTP and CPC. The study found that Alouette's primary aluminium production had some of the lowest carbon emissions in the world, at 3,914 kg CO₂e/tonne of aluminium. This represented a carbon footprint that was approximately 75% lower than the global average for aluminium smelters and 25% lower than the average Canadian hydroelectric-powered smelter. According to ISO 14067 standard, the carbon footprint of CPC produced in calciners with waste-heat-recovery (WHR) is lower compared to CPC from calciners without WHR, as carbon credits are earned from avoided emissions from the recovered energy.

16 %

Reduction in carbon footprint in CPC production due to the applied carbon credit at our US calciner in Lake Charles, compared to other sites without WHR systems

<https://link.springer.com/article/10.1007/s11837-022-05501-y>

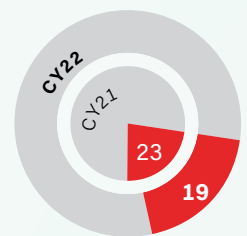
Read more page 26



Advanced Materials



Revenue share (%)



Enhancing corrosion protection in industrial applications

RAIN's NOVARES® resins provide durable corrosion protection for industrial plants, maritime vessels, and pipelines. When added to paints and coatings, they increase resistance to moisture and aqueous media in civil engineering structures and other industrial applications.

Benefits of NOVARES® resins:

- Reduced moisture absorption
- Improved condensation resistance
- High heat resistance
- High film strength, and abrasion resistance

These properties allow the resins to extend the life of the formulation. In addition, they provide increased surface protection, particularly in automobile manufacturing, where cavity protection is necessary for the lifetime of the vehicle.

Read more page 30

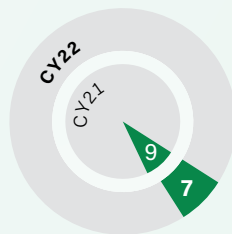


Our innovation leadership and consistent commitment to excellence and customer satisfaction have helped us become a trusted partner for our clients across the globe.

Cement



Revenue share (%)



Commitment to sustainable cement production

Over the past decade, we have made significant progress in producing cement responsibly and sustainably. We produce portland pozzolona cement (PPC), which consists of up to 30% fly ash, a by-product of coal-fired power plants that would otherwise end up in landfills. Our PPC production has increased from two-thirds to nearly three-fourths of our total production, significantly reducing the amount of carbon-intensive ordinary portland cement we produce and enabling us to use less limestone per tonne of cement.

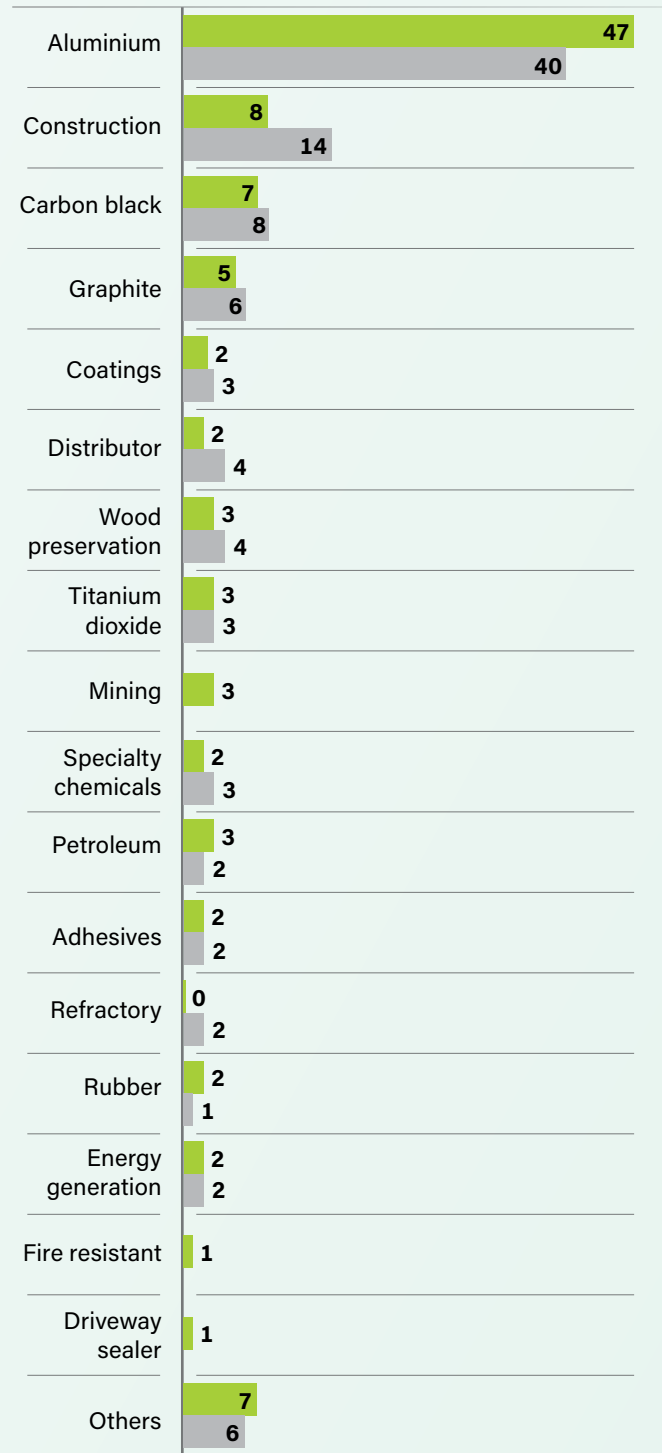
We have also reduced the thermal and electricity intensity of our production by replacing fossil fuels with solar power plants and waste-heat recovery systems.

Overall, our commitment to sustainable cement production has led to a significant reduction in our carbon footprint and a positive impact on the environment.

[Read more page 34](#)



Revenue by end industry (%)



■ CY22 ■ CY21



Maximising value of industrial by-products

Through our wholly owned subsidiary Rain Carbon Inc., we produce calcined petroleum coke, coal tar pitch, and other carbon products. These are critical raw materials for the production of aluminium, steel, and many additional products.

2.43 Mn MT
Sales volume

₹155,418 Mn
Revenue

23%
Operating margin

74%
Contribution to consolidated revenue

Business strength

Our global network of plants and flexible logistics infrastructure helps us maintain a reliable supply of raw materials and ensures consistent calcined petroleum coke and coal tar pitch deliveries to our customers. This enabled us to continue producing CPC and CTP despite the declining availability of anode-grade green petroleum coke. This was driven by continued softness in refinery production of automobile and aviation fuels due to the COVID pandemic's impact in some parts of the world as well as reduced steel production.



Our carbon products



Calcined petroleum coke (CPC)



Coal tar pitch (CTP)



Other carbon products

(creosote oil, carbon black oil and others)

Raw materials used

Green petroleum coke (GPC), a by-product of crude oil refining

Coal tar, a by-product of metallurgical coke used in the iron and steel industries

Coal tar, a by-product of metallurgical coke used in the iron and steel industries

Manufacturing process

Using rotary-kiln and vertical-shaft technologies in a high-temperature process called calcining, which removes moisture and volatile matter from GPC

Produced through distillation of coal tar. Distillation is a process that separates the components of a product based on different boiling points

Produced through distillation of coal tar. Distillation is a process that separates the components of a product based on different boiling points

Uses

Raw material for anodes used in the production of primary aluminium as well as for the steel and titanium-dioxide industries

Raw material for anodes used by the aluminium industry as well as for the graphite and refractory industries

Raw materials used by the wood treatment, carbon black, construction and other industries

Our capabilities

Eight production units with a production capacity of 2.4 MTPA in North America and Asia

Five coal tar distillation plants with a capacity of 1.3 MTPA in Europe and North America

Five coal tar distillation plants with a capacity of 1.3 MTPA in Europe and North America

Key highlights of CY22

Optimising ACP production for commercial success

In our quest to commercialise our proprietary anhydrous carbon pellets (ACP), we primarily focused on improving and stabilising the performance of our ACP production facility in CY22. This helped us better understand the new material and novel production process as well as find ways to increase productivity and reduce costs. We are happy with the current quality and density of the ACP and recently provided two major global customers with calcined ACP for testing.

End industries driving CPC sales

In CY22, aluminium continued to be the primary driver of CPC sales, followed by the titanium dioxide industry.

Operating landscape

The availability of high-quality raw materials, specifically low-sulphur anode-grade green petroleum coke (GPC) for calcination, has been a key concern.

Our response

We are maximising utilisation of marginal GPC available in India by leveraging our blending capabilities. We combine shot coke with other raw materials to produce CPC blends that meet customer requirements. In addition, we are working to strengthen our relationships with GPC suppliers in India, while establishing cost-effective goals. We are also working with customers to help them expand their CPC specifications so we can broaden our use of the green petroleum cokes available.

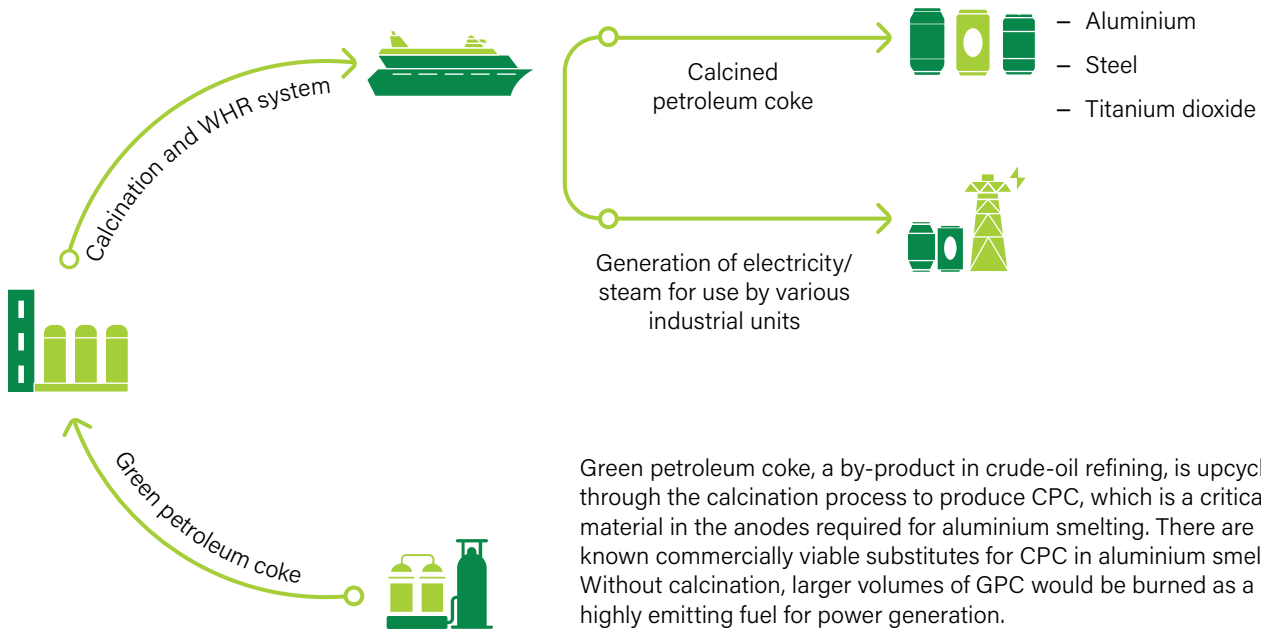


Way forward

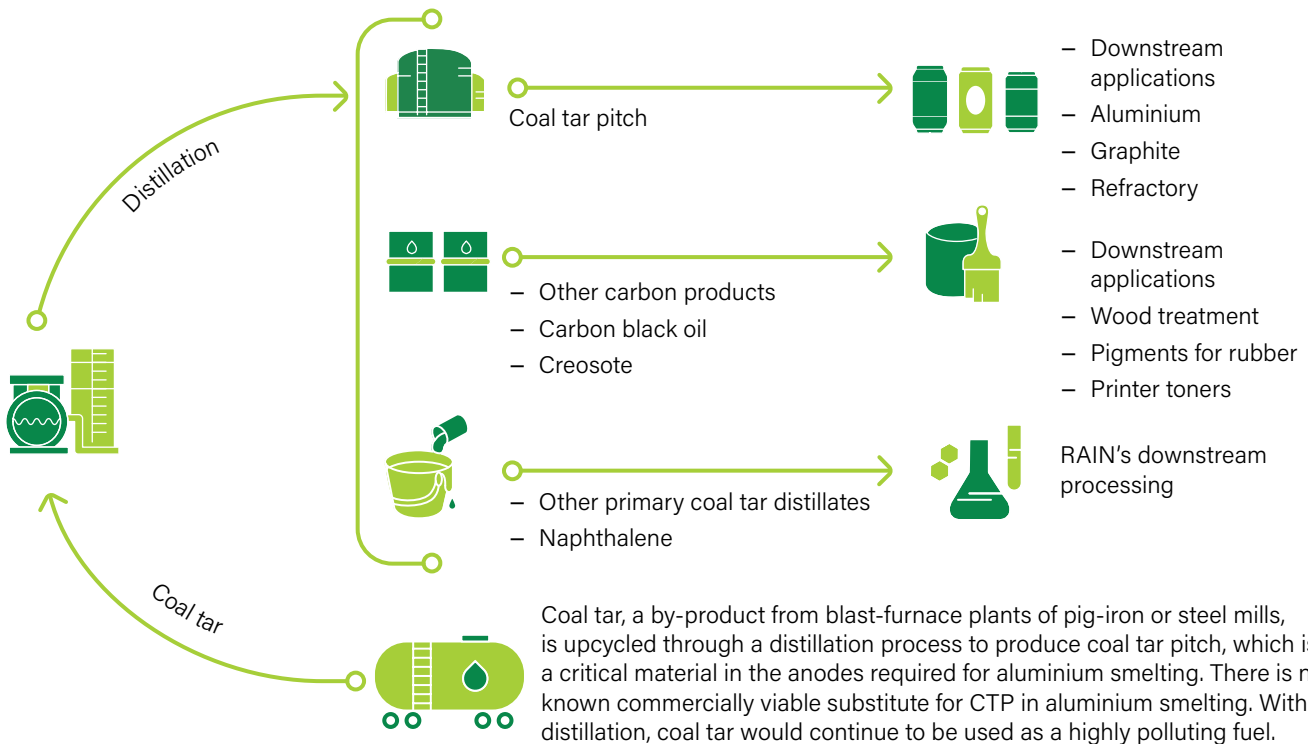
As we enter CY23, our focus will be on reducing costs and improving the reliability and efficiency of our operations in the calcination business. For the distillation business, our top priority is to secure affordable feedstocks as the transition to green steel impacts the availability of coal tar. We are also exploring more cost-effective and environmentally friendly alternatives for feedstock such as petro tar.



Calcination upcycling value chain



Distillation upcycling value chain





Extending our value chain for future-ready products

We are a global leader in large-scale production of advanced materials, leveraging innovative technology for the downstream transformation of a portion of our carbon output, petrochemicals, and other raw materials.

With facilities in Europe and North America, the Advanced Materials segment manufactures raw materials for cleaner, lighter, and more environmentally friendly 21st-century applications in the specialty chemicals, coatings, construction, petroleum, energy storage and other global industries.

0.31 mn MT
Sales volume

₹39,362 Mn
Revenue

3%
Operating margin

19%
Contribution to consolidated revenue






Business strength

We are a global leader in the advanced materials industry, with a strong commitment to sustainability. Our product portfolio consists of high-value, eco-friendly materials that serve multiple growing industries, including specialty chemicals, coatings, construction, automotive, and energy storage. We are known for our innovation and leadership in the industry, and constantly strive to improve our manufacturing processes and increase production capabilities. Our focus on the growing advanced materials sector positions us for continued success in the future.



Our advanced material products

	 Engineered products	 Chemical intermediates	 Resins
Raw materials used	Coal tar pitch and petroleum tar	Naphthalene oil, crude benzene and cracker residues	Carbo-indene C9 feedstock
Manufacturing process	Pitch and cracker residues manufactured from a highly reduced concentration of PAHs.	Produced from our internal production process of naphthalene oil, which is further processed into downstream products such as phthalic anhydride, that serve as key raw materials in various industries. Distillation of crude benzene	Downstream refining of naphthalene and other inputs
Finished products	CARBORES® PETRORES® LIONCOAT® Sealer coatings	Refined naphthalene Phthalic anhydride Modifiers Benzene Toluene Xylene Solvents Fuel additives	Carbon resins Hydrogenated resins Hydrogenated hydrocarbon resins Phenolics
Production locations	Belgium, Canada, Germany and Poland	Belgium and Germany	Germany

Key highlights of CY22

Our advanced resins have seen strong interest and acceptance from customers. With three out of four European HHCR competitors shut down and the potential for a supply vacuum in Europe due to COVID's impact on Chinese exports, there is opportunity for our Company to fill the demand once economic conditions improve – especially for European customers desiring a local supplier with shorter logistics.

Elsewhere, demand for our PETRORES® and LIONCOAT® specialty coatings for energy storage continues to expand, as these products are important materials in lithium-ion batteries for electric vehicles.

[Read more page 48](#)



Operating landscape

In CY22, the escalation of energy costs and tight supplies of natural gas in Europe were the key concerns for the Advanced Materials segment. Consequently, they impacted our operations and that of other players in the regional manufacturing sector. The ongoing energy issues are anticipated to persist in the near term and may impact operations of energy-intensive industry customers and, subsequently, demand for some of our products.

Our response

While our advanced materials plants are energy intensive, we were able to hedge a portion of our European gas requirements. Moreover, we have the ability to substitute roughly half of our gas requirements in Germany and Belgium with non-gas alternatives, such as petroleum-derived fuels.

To prepare for the potential worsening of the energy situation, we have conducted a thorough analysis of the energy-intensity of each production unit at our European plants. That said, we are committed to returning to full operations when the situation improves.





Way forward

Over the past five years, we have invested heavily in developing a strong product portfolio in our Advanced Materials business. In CY23, our focus will be on strengthening cash flow. We also want to leverage the strong demand of our engineered products, such as PETRORES®, CARBORES® and LP Sealer Base.



Advanced Materials upcycling value chain

Fractions from our coal tar distillation as well as carbon-rich feedstocks procured from third parties are further processed to produce a range of advanced materials products for various industries and downstream applications.



Cementing and reinforcing our leadership position

We are one of the largest cement producers in South India, producing high-quality ordinary portland cement (OPC) and portland pozzolana cement (PPC) under the Priya Cement brand. Our two plants are vertically integrated and located strategically near our limestone mines.

The demand for cement in South India continues to be strong. However, the increase in fuel and freight costs has impacted our margins in line with the rest of the industry in South India. In response, we are working on alternative measures to reduce costs to bring our margins back to the normal levels.

89%
Capacity utilisation

₹15,330 Mn
Revenue

7%
Contribution to consolidated revenues

9%
Operating margin



Business strength

The integrated nature of our plants helps us remain cost competitive. Further, our presence close to key markets helps us in better managing logistics. In addition, our investments in renewable energy is helping us reduce our energy costs. Notably, more than 31%* of energy consumed during the year by the Cement segment was from renewable sources. Our focus on upcycling industrial waste helped us generate more than 74.5% in 2022 of our sales from blended cement (77.9% in 2021), reducing our dependence on conventional resources and prolonging the lifespan of our limestone reserves.

* Unit 1 at Suryapet 33% and Unit 2 at Nandyal 29%



Our cement products



Ordinary Portland Cement (OPC)



Portland Pozzolana Cement (PPC)

Raw materials used

Limestone, gypsum and fly ash, a by-product from thermal power plants

Limestone, gypsum and fly ash, a by-product from thermal power plants

Share of total production

25%

75%

Uses

Load-bearing structural concrete works, such as columns, beams and slabs in high-rise buildings, commercial and industrial complexes, and infrastructure projects, including roads, runways, bridges and flyovers.

Reinforced-cement concrete for residential construction, most commonly used in plastering, brickwork and mass concrete work.

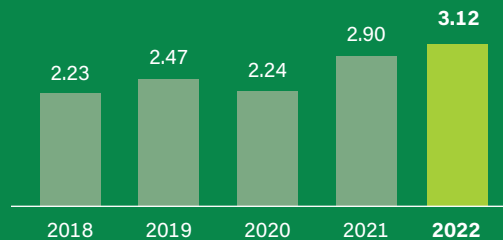
Production locations

Andhra Pradesh and Telangana, India

Andhra Pradesh and Telangana, India

Key highlights of CY22

Cement sales volume (Mn)



While focusing on business growth, we have done our part to contribute to environment sustainability in our cement business including investments in solar power and achieving water positivity at both plants.

Our Nandyal plant was the winner in Mines Safety Week held by Mines and Safety Association Karnataka, Zone II, part of the Directorate General of Mines Safety.

Operating landscape

The Indian cement industry continues to remain attractive, and demand is expected to grow by 7-8% in 2023. Despite being the second-largest producer in the world, India's per capita cement consumption remains considerably lower than the global average. The housing segment continues to lead cement demand in the country, followed by the infrastructure and industrial sectors. Out of India's 565 MTPA installed capacity, nearly half is located in the Southern part of the country.

Cement demand in the coming years will continue to be driven by the housing sector (60-63% of total demand). As disposable income rises, more people are moving to urban areas and looking for affordable housing, thereby leading to increased cement demand from the housing sector. National highways continue to be built at a high pace along with accelerated construction activities across metropolitan railway and airport projects. Further, e-commerce growth is driving the demand for warehouse spaces, which in turn is increasing the demand for cement.

Key triggers of cement demand



Housing for All

Budgetary allocation of ₹ 48,000 crore by government of India to shore up construction activities.



Urban Housing

Decade-low inventory, coupled with decadal high absorption rate, is driving new launches.



Roads

Strong construction momentum driven by continued focus on the Bharatmala project.



Industrial

Growing traction in the industrial and commercial segments driven by Production Linked Incentive schemes, revived corporate capex plans and growth of e-commerce.



Metro & Airports

Operational metropolitan train coverage length has increased threefold over last few years. The government has proposed to double the operational length by FY25. The number of airports in India is planned to increase from 140 to 220 by 2025.



Irrigation

Sector driven by Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) and river-linking projects.



Our response

We are committed to sustainable cement production, utilising 30% fly ash in portland pozzolana cement and implementing renewable energy and waste-heat recovery systems to reduce our carbon footprint. Going forward, we are focused on increasing sales, marketing and promotions, and reducing environmental impact. In addition, we are committed to expanding the segment's solar capacity, promoting waste management and water replenishment, and exploring carbon-neutral fuels in CY23 and beyond.



Way forward

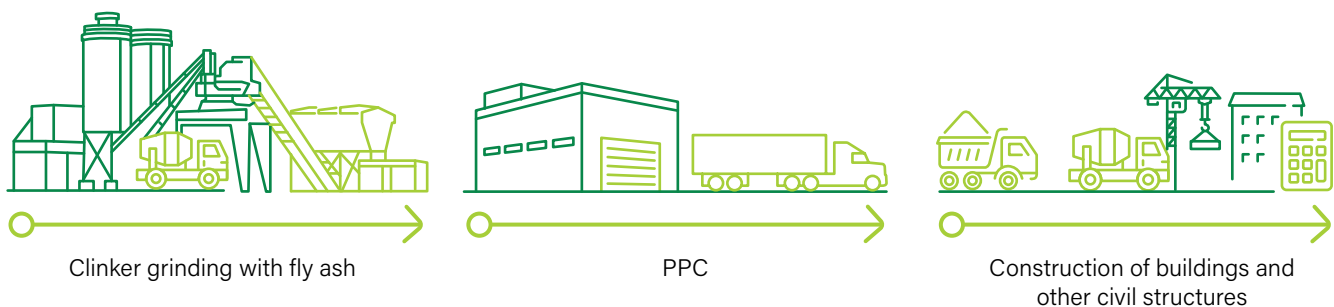
Our priority moving forward is to enhance our competitiveness and sustainability. To achieve this, we will focus on increasing sales, particularly in regions near our plants to maintain profitability in the face of rising input costs. We will also conduct marketing and promotional activities to generate leads and retain customers.

Additionally, we also focus on optimising operational costs through streamlining and digitising paperwork-heavy processes, upgrading equipment to meet modern standards, implementing strategic procurement of raw materials, optimising inventory management, and investing in training to improve workforce productivity.

We will reduce our environmental impact by increasing our renewable energy capacity, promoting waste reduction, reusing and recycling, expanding water-replenishment efforts, and exploring the use of carbon-neutral alternate fuels to decrease our dependence on fossil fuels and lower our carbon emissions.

Cement upcycling value chain

Fly ash is a by-product produced by coal-fired thermal power plants. The fly ash generated in thermal power plants is usually dumped into ash ponds to avoid environmental hazards of contamination. We blend fly ash to produce portland pozzolana cement, thereby upcycling fly ash into building materials. This process optimises the use of limestone and preserves the same for future generation.





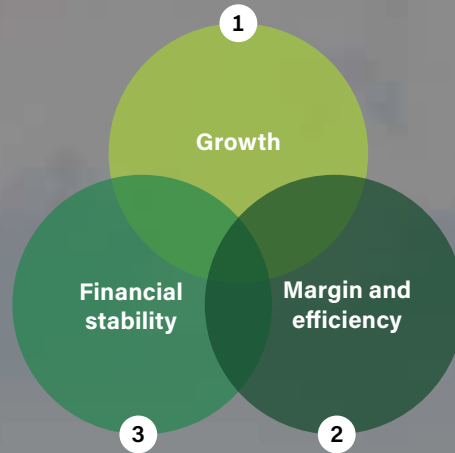
Maintaining financial prowess

Our Company's prudent financial management has enabled us to sustain growth and maintain financial stability for years. In the face of challenges such as energy shortages and rising raw materials costs, we have prioritised improving efficiency, optimising costs, carefully managing our inventories and other measures.





Focus areas



Stakeholders impacted

Investors and shareholders

Employees

Vendors and suppliers

Communities

Government and regulatory bodies

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

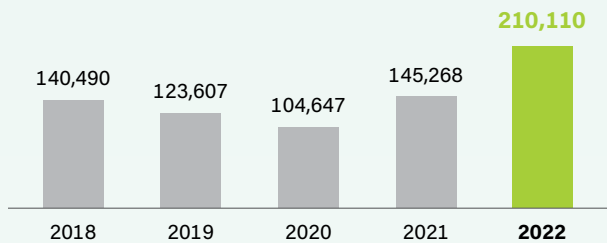
1

Growth

Revenue

During the year, our revenue increased primarily due to strong demand for most of our products.

Revenue (₹ in Mn)

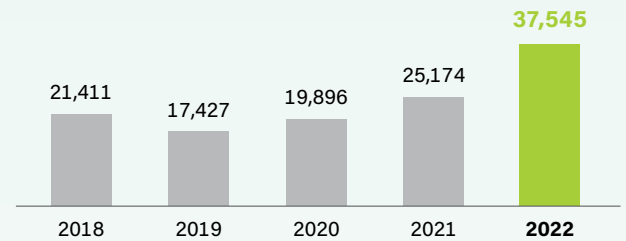


2

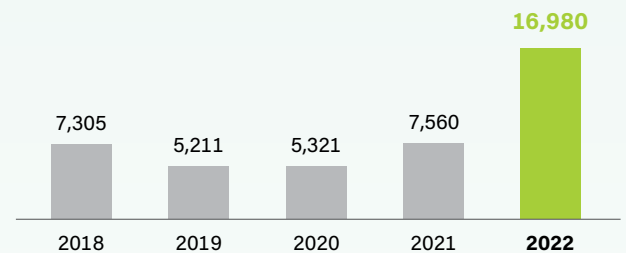
Margin and efficiency

During the past year, we experienced a reduction in margin in our Advanced Materials and Cement segments owing to high energy costs, raw material price increases and curtailments of capacity in the aluminium industry due to high energy costs in Europe. To address this, we have been implementing various cost-control measures. This includes finding cost-effective and more efficient ways to conduct plant turnarounds and routine maintenance, manage manpower expenses and reduce energy consumption at our facilities. We are also working on improving our utilisation of raw materials to increase the yield of CPC from every tonne of GPC we process. These efforts will help us offset inflation and improve our margins.

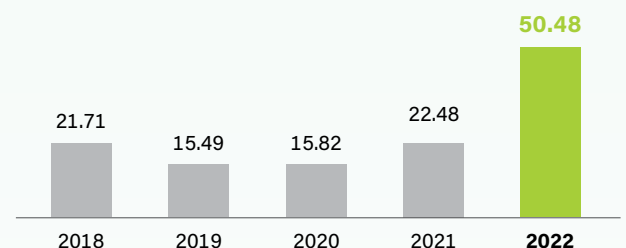
Operating profit (₹ in Mn)



Profit after tax (₹ in Mn)



Earnings per share (₹)

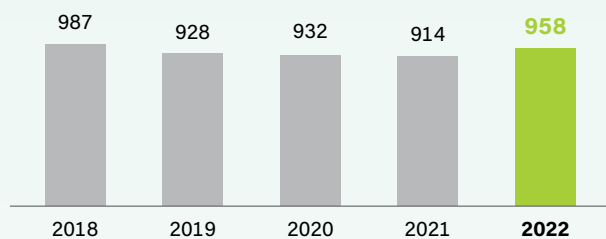


3

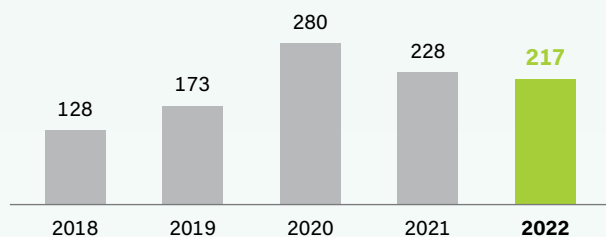
Financial stability

Maintaining financial stability is a business imperative for us. We do this by minimising our use of working capital through careful inventory management, and by optimising the utilisation of our operations to deliver products efficiently to our customers. Key factors in achieving this include a focus on quality, timely delivery, strong relationships with suppliers and customers, and competent management.

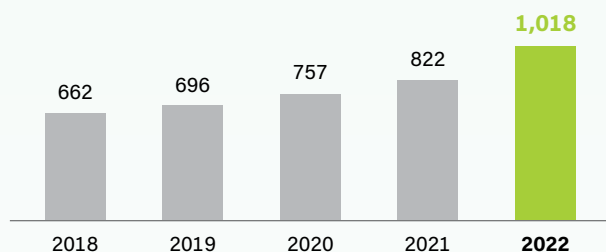
Net debt (US\$ in Mn)



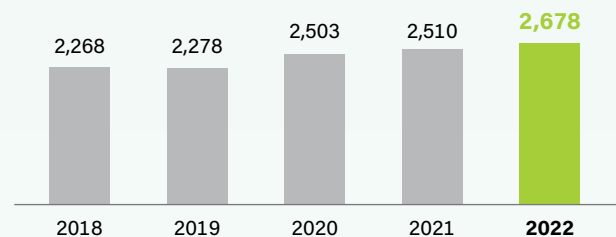
Cash and cash equivalents (US\$ in Mn)



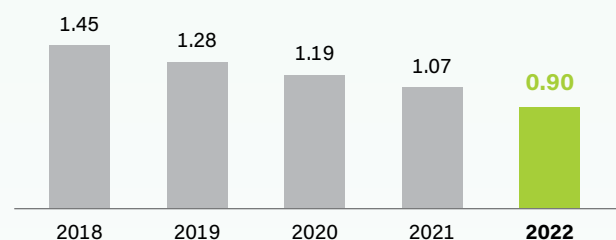
Net worth (US\$ in Mn)



Total assets (US\$ in Mn)



Net debt to net worth (in Multiples)





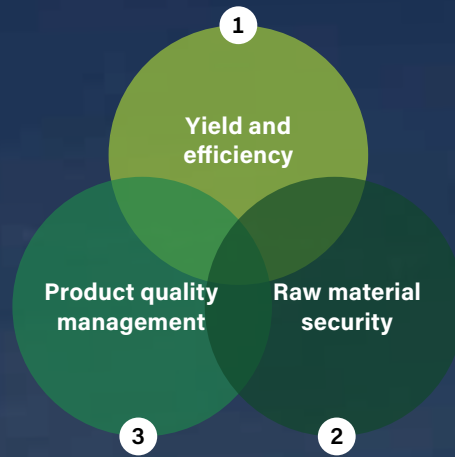
Optimising our facilities for improved output

At the heart of our success lies our unparalleled approach to managing manufactured assets. We strive for excellence in every aspect, from maximising yield to reducing costs, and increasing efficiency. We achieve this through our commitment to conserve energy, secure supplies of raw materials, and maintain rigorous quality control.





Focus areas



Stakeholders impacted



SDGs impacted



1

Focus on yield and efficiency

We continue to focus on optimising production at each of our facilities. We are constantly striving to improve our yield of CPC through various efforts, such as vaporising smaller amounts of green petroleum coke fines during the calcination process, increasing capacity utilisation and plant reliability, and securing more sales to keep our calciners running at full capacity. We are also working closely with our customers to optimise the available green cokes and meet their specific product specifications. By helping customers expand their CPC specifications so we can utilise marginal cokes that were previously not used, we are able to draw from a larger pool of green cokes and increase the efficiency and profitability of our operations.



2

Securing reliable raw materials supplies

Given the reduced oil-refining activity during the pandemic and the declining availability of high-quality, low-sulphur pet cokes, it is crucial for us to secure our supply of green petroleum coke. To ensure reliable access, we have been entering term agreements and maintaining strong relationships with our suppliers. In addition, we are working with our customers to expand their product specifications so that we can utilise more marginal cokes to better control costs and overcome difficulties in obtaining raw material supplies.



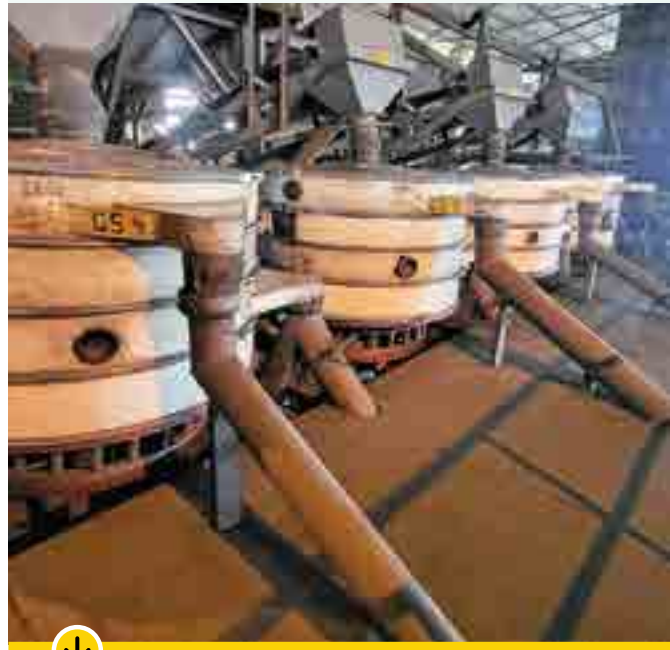
3

Enhancing product quality

In our efforts to produce high-quality calcined petroleum coke and coal tar pitch (the most essential ingredients for aluminium-anode production), we have put a lot of work into optimising our calcination and distillation processes. There is a strong interaction between these two Carbon businesses, and we make sure to keep our customers informed about how the products can best be used together in the production of anodes for smelting. Through ongoing research and development and close collaboration with our customers, we are able to identify opportunities for adjustments in our products to ensure optimal performance in the anode-production process.

Key initiatives for product quality

- Commenced commercial operation of the vertical-shaft calciner in India, resulting in a higher bulk-density product with positive customer feedback
- Installed a CPC-crushing and screening system at the new vertical-shaft calciner plant in India in CY22 to produce denser particle-size products
- Installed a dedicated CPC-crushing and screening system at the Lake Charles calciner in US to improve ability to meet particle-size specs for non-anode customers
- Achieved general improvement in CPC bulk density in US through raw material quality improvements



CPC-screening system to fulfil customer requirements

We successfully implemented process and product innovations in two of our calcining plants. Integrated CPC-crushing and -screening systems were installed at the vertical-shaft calciner in India's Andhra Pradesh Special Economic Zone (SEZ) and the Lake Charles calcining plant in the US. The system installed in the SEZ was designed to reduce the CPC maximum particle size to meet specific customer specifications, while also reducing dust generation.

At the Lake Charles calciner, a custom-designed system was installed to improve the control of the particle size of the CPC, resulting in a higher-quality product for customers and improved efficiency in producing specific-sized products at the calciner.



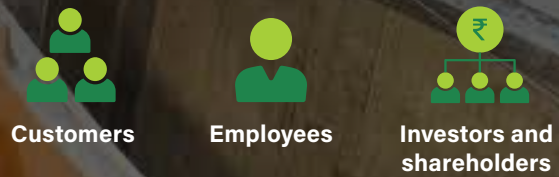
Unleashing our unique abilities that set us apart

Our Company's wealth of knowledge, expertise, innovation capabilities, and proprietary technologies and processes have enabled us to establish a unique position in our industries. During the year, we leveraged these strengths to develop innovative products for a cleaner and greener future.

Focus areas



Stakeholders impacted



SDGs impacted



1

Product development

Our state-of-the-art rubber lab in Duisburg, Germany, will significantly improve our technical services and targeted product development for the rubber industry. In 2022, we also:

- Introduced NOVARES® TM 85 AS and TM 100 AS for use in tyres, coatings, and adhesive applications
- Launched improved formulations of our NOVARES® Pure series of hydrogenated hydrocarbon resins, which were well received by customers
- Switched to petro-based indene fractions to produce our NOVARES® C resins



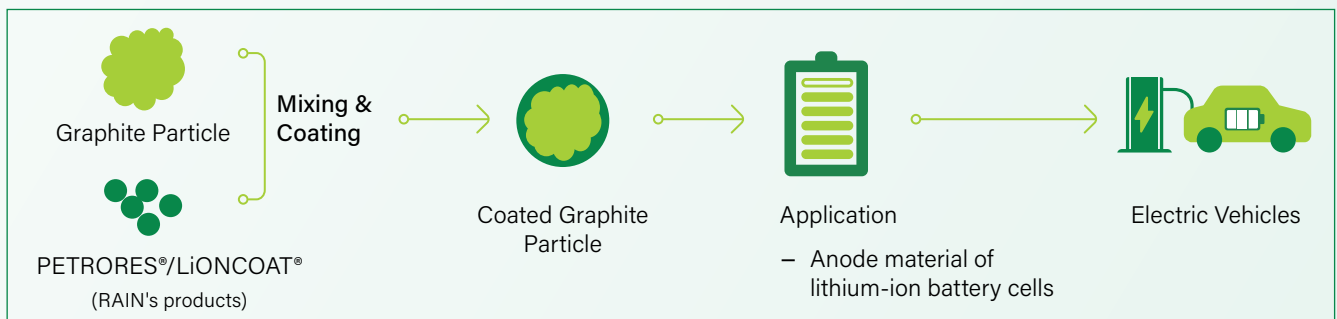
Developing innovative materials for lithium-ion batteries

We have been developing innovative engineered products used in lithium-ion batteries to meet the growing demand for electromobility. In CY21, we added two new products — PETRORES® and LiONCOAT® LM — to our line of thermoplastic carbon precursors. These products are used in the production of graphite-based anode materials for lithium-ion batteries. In recent years, demand for lithium-ion batteries has been rising due to their vast application in consumer electronics like smartphones, power tools and electric vehicles as well as future uses including energy-storage systems for peak-shaving in renewable energy grids.

In CY23, we will be participating in a publicly funded European Research and Innovation project to increase sustainable production of synthetic graphite anode materials for lithium-ion batteries. Through our Competence Centre Precursors

& Distillates in Belgium and Competence Centre Carbon Technology in Germany, we will work with 12 other companies and academic centres over 36 months to improve all tiers of the value chain from raw materials to end-use of the battery.

We also aim to strengthen our position as a carbon raw material supplier by meeting the technical requirements for higher purity and a diversified product portfolio for battery materials in the automotive and energy-storage markets. For this, we are identifying alternative raw materials to diversify and secure our supply chain to stay ahead in this fast-growing market. We are also collaborating with battery-material producers to expand and innovate our PETRORES® and LiONCOAT® lines with new specialised products, while exploring new opportunities to increase our market share through strategic investments.



2

Digitalisation at RAIN

In 2022, we announced a transition to a digital performance-evaluation system using SAP SuccessFactors. The new system offers several benefits including reduced paperwork and easier access to employee performance-development data. It also allows for transparent tracking of employee development and easy evaluation and processing of agreed personnel-development measures. While the evaluation process and criteria remain the same, the digital system streamlines administration for employees, managers, and the HR team.



Advancing our innovation leadership in the resins and modifiers business

With the goal to build a future-ready product portfolio, we developed new pure monomer resins and hydrogenated hydrocarbon resin product series.

In addition to the introduction of the NOVARES® resin products described on page 48 in 2022, our R&D team in Europe discovered that compounding our NOVARES® Pure 1120 and 2120 hydrogenated hydrocarbon resins into high-density polyethylene (HDPE) resulted in increased stiffness and improved gas-barrier properties for air and humidity. These HDPE compounds can serve as a sustainable alternative to polystyrene in consumer goods production.

In addition to product innovation, we made efforts to improve sustainability in our operations. We transitioned our Duisburg plant in Germany from coal tar-based feedstocks to upcycled petroleum-based aromatic industrial by-products. This was motivated by an expected decrease in the availability of coal tar in Europe and the desire to reduce our carbon footprint. We also switched to petro-based indene fractions to produce our NOVARES® C resins, which improved security of supply and reduced the carbon footprint of downstream products. These efforts demonstrate our commitment to meeting the needs of our customers, while also prioritising environmental stewardship.



Our most invaluable assets

Our progress over the years has been the result of the dedication, ingenuity and tenacity of our people. Their commitment is evident in our financial and operational performance, as well as the way we have successfully transformed the Company over the years. We invest in developing a workplace that nurtures talent and provides opportunities for personal and professional growth.

Developing a singular RAIN culture

Our human resources team has implemented a standardised onboarding process using our online learning-management system. This ensures that all global employees are familiar with our Company's mission, vision and values, policies and safety practices. Every new employee will also be paired with a mentor to assist with any questions or issues that may arise during their early days on the job.

Focus areas



Stakeholders impacted



Employees

SDGs impacted



1

Safety, health and environment

We place the utmost importance on occupational health and safety as well as environmental stewardship. Our goal is to create a zero-incident workplace, where our employees can work comfortably and safely.

Our safety now prioritises top-down decision-making, while still valuing employee feedback and involvement. This includes increased management involvement through inspections, improved communication and tracking of safety statistics, and preventative measures to reduce the risk of employees performing unfamiliar tasks.



Quest for Zero

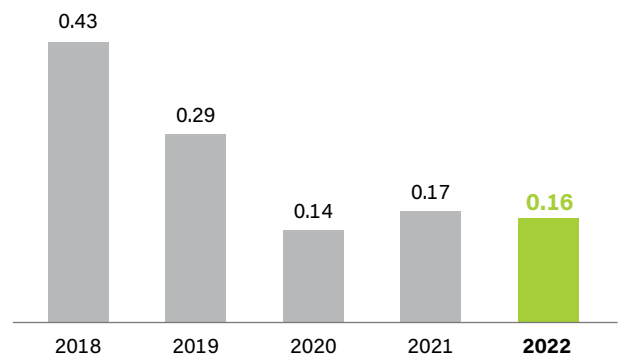
We launched this initiative in 2018 with the objective of becoming an incident-free organisation and avoiding serious consequences for our people, communities, environment, assets, and corporate reputation. The development of a culture in which employees are encouraged to adopt safety as a behaviour in all aspects of their lives, is at the core of this initiative.

To integrate this into our workplace culture, we provide organisation-wide training and awareness-raising activities. This has enabled employees to recognise potentially hazardous actions and conditions as well as to act proactively and independently to implement preventive measures. We also collaborated with DuPont Sustainable Solutions on several initiatives to improve operational safety and optimise our expertise and processes.

Our Quest for Zero is an ongoing initiative, and through employee adoption of programmes like STOP™, Life-Saving Rules, and Safety First 2.0, we have achieved four consecutive years with a total recordable injury rate (TRIR) under 0.3 including a TRIR of 0.16 at our Carbon and Advanced Materials facilities in 2022. This has led to the prevention of about 100 recordable injuries since 2017.

Our safety performance exceeds the industry benchmark (as measured by the US Bureau of Labor Statistics) and is comparable with the best-in-class companies among our peer group.

Total Recordable Incident Rate



Life-Saving Rules

Although we have seen marked improvement in our safety, health and environmental (SHE) performance during the past decade, we recognise that safety should never be taken for granted.

In 2020, we started the Life-Saving Rules campaign, focusing on near-misses and unsafe conditions that could result in injury, and the need for increased safety-related communication at all levels of our organisation.

The rules also emphasise training to raise awareness about non-routine hazards during process changes, project construction and start-ups, and planned shutdowns for repairs and maintenance.



In 2022, we continued our efforts to promote safety in the workplace through this ongoing initiative. This multi-year campaign focused on work-authorisation and confined-space training. Beyond the Life-Saving Rules, we launched Safety First 2.0 in May as part of our Quest for Zero initiative. Safety First 2.0 includes:

- Mandatory safety, health and environment walks at production facilities led by managers and employees to identify and address potential risks
- Semi-annual in-person meetings with all in-house contractors to identify and implement at least five safety improvements
- Improving our Management of Change system
- Mandatory refresher training following any incidents or injuries
- Roll out of hazard-identification training with annual refresher courses
- Development of monthly key performance indicators to track preventative-maintenance efforts

We also developed new best practices for Management of Change and our Hazards and Operability Study, as well as additional hazard-identification training.

Safety First 2.0



At Rain Carbon, we are constantly evaluating our safety needs and taking actions to address them. Based on our safety statistics from recordable injuries, high-level incidents and process-safety incidents throughout CY21 and CY22, we decided to implement 'Safety First 2.0', a six-step process that includes regular 'safety walkthroughs'.

During these walkthroughs, corporate and plant managers tour the production-facility property with at least one field employee, discussing the process(es) observed and identifying where things could go wrong. Rain Carbon President Gerry Sweeney personally participated in the first two management safety walks at our Castrop-Rauxel and Duisburg plants in Germany. During his three-hour walks at each plant, employees were asked to describe their work processes and identify potential hazards from a personal and process-safety perspective.



The team would then discuss preventive measures that could be implemented to mitigate the identified risks.

The goal of Safety First 2.0 and the walkthroughs is to serve as another important step in our Quest for Zero journey to become an incident-free company. The initiative has been well received by employees and has helped to further solidify a culture of safety awareness and risk reduction.

President's Award for Excellence in Safety 2022

In CY22, 10 Rain Carbon production facilities were recognised for their outstanding safety performance, having gone one or more years without a recordable injury, through our second annual President's Award for Excellence in Safety 2022.

No. of consecutive years without a recordable incident	Award	Facility
10+ years	Platinum Medal	Purvis, USA
5-10 years	Gold Medal	Vizag, India
3-5 years	Silver Medal	Atchutapuram, India Duisburg, Germany Gramercy, USA Hamilton, Canada Kędzierzyn-Koźle, Poland Robinson, USA
1-3 years	Bronze Medal	Lake Charles, USA Norco, USA

2

Training and development

We are cognisant that the skills, motivation, and readiness of our people to face current and future challenges have a significant impact on the global success of our organisation. To ensure that our employees have the necessary knowledge, skills and tools, we provided a number growth and learning opportunities, including our:

- Global and Regional Leadership Development Programmes
- IT skills and cybersecurity trainings
- Employee performance-evaluation trainings
- Additional technical-skills training and professional development
- Apprenticeship programme at the Castrop-Rauxel facility in Germany

In 2022, our subsidiary Rain Carbon resumed in-person leadership training programmes. In September 2022, 10 employees from Belgium, India, Germany and US participated in a Global Leadership Training module on Intercultural Management in Castrop-Rauxel, Germany. During the year, we also conducted regional training sessions in North America and Europe, as well as a short course on training leaders to train in India.

Elsewhere, the Company continued to utilise its online learning-management training system to train employees on various work-related topics.

In our Carbon and Advanced Materials segments, we have initiated an effort to enhance the digital competence of each employee. This includes a systematic gap analysis, the development of function-specific training programmes and a reassessment after three years.



3

Fostering employee engagement

In CY22, we conducted our first-ever employee engagement and satisfaction survey to figure out more ways to improve the workplace. The strengths identified in the survey included relationships with colleagues, work environment, and leadership. However, the survey identified corporate culture, organisation and structure, and communication as the three lowest-ranking areas.

To address the areas where we can improve, our HR team developed an action plan together with the management team:

- Conducting more frequent town hall meetings to update employees about the state of the business, quarterly results and business-unit performance
- Creating greater efficiency in work processes, such as paying invoices and submitting purchase orders as well as ensuring that all employees understand the Company's Code of Business Conduct and Ethics
- Building stronger networks among the various countries in RAIN's global footprint for experience exchanges and knowledge sharing on a more intensive level for better appreciation and understanding of how each location contributes to the overall organisation to enhance corporate culture



Building long-lasting relationships

Our commitment to create value for our customers, suppliers, and communities is driven by our ambition to be a reliable partner. We work to foster mutually beneficial relationships built on trust and reliability, and it is this approach that sets us apart in the industry. We constantly strive to improve output, efficiency, and cost-effectiveness, while also prioritising community development.



Focus areas



Stakeholders impacted



SDGs impacted





1

Customer satisfaction

Becoming a customer-centric organisation

Our sustained global leadership and success are the outcome of the strong and diverse customer portfolio we have built over the years, as well as our ongoing efforts to strengthen those relationships.



Carbon

We have long-standing supply relationships with the world's leading aluminium and TiO₂ producers. This is a validation that RAIN has an excellent market reputation as a dependable CPC supplier.

Over the last two decades, we have published numerous joint technical papers in collaboration with various industry partners. In 2021, we completed a detailed carbon-footprint study of our carbon products with one of our major aluminium smelting customers (see page 24). This has made way for increased credibility and transparency regarding our products and our ability to help smelters move closer to their goal of producing low-carbon aluminium.

ISO 9001 certified

Quality management system since 1991



Advanced Materials

For this segment, we constantly work to improve customer relationships through one-on-one meetings, training seminars, collaborative projects with clients, and social media-based marketing. In addition, we conduct customer-satisfaction surveys and responsive actions based on customer feedback.



Cement

With over 2,000 registered dealers, we are a prominent cement supplier in the Indian states of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Kerala, Odisha, and Maharashtra. As we strive to enhance the infrastructure of India, we are making our products easier to handle and more accessible to customers.

In doing so, we help our small distributors and dealers who cannot afford to purchase and store large quantities of cement at once by offering two new services in collaboration with our freight transportation and logistics provider.

Garuda: It provides direct deliveries to nearby towns from our Suryapet and Nandyal cement plants.

Free Door-Delivery Service:

It delivers cement from our dozen warehouses to customers in Hyderabad's developing areas, free of labour costs associated with unloading cement bags from trucks.

2

Community development

Commitment towards community welfare

At RAIN, we are committed to enhancing the quality of life in neighbouring communities through impactful corporate social responsibility (CSR) initiatives. These are intended to address various social concerns across our operations in the areas of healthcare, education and rural development.

Our CSR programmes are tailored to address the social issues or needs unique to each region. We have dedicated CSR-related organisations in India and Europe, and we collaborate with external non-profit organisations in North America.



Pragnya Priya Foundation in India

RÜTGERS Foundation in Europe

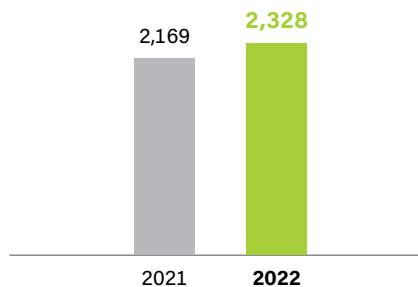
External non-profit organisations in North America

CSR activities in India

Promoting quality education

Under the Pragnya Priya Foundation, we have established three schools in rural Telangana and Andhra Pradesh to serve local students, including those from low-income families. In partnership with one of India's leading digital-education providers, these schools are equipped with innovative technology-based learning solutions that enhance student engagement and teaching effectiveness.

Students benefitted under Pragnya Priya Foundation



Rural-development initiatives

Apart from health and education, we undertake various projects for the overall development of the unprivileged communities around our manufacturing facilities. We promote and support growth initiatives in collaboration with local governments.

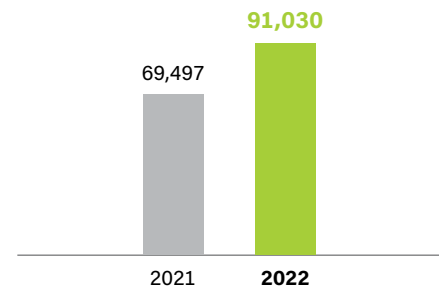
During 2022, our contributions included:

- Financial and building-material assistance for the construction and maintenance of community-based infrastructure in villages such as roads, bridges, culverts, drains, and community centres

Facilitating primary healthcare to the underserved

The Pragnya Priya Foundation has also established three hospitals in Telangana and Andhra Pradesh. These hospitals are in remote areas, where no other medical facilities within a 30-km radius. All three hospitals are certified by the National Accreditation Board for Hospitals and Healthcare Providers (NABH) and have test laboratories and other specialised equipment.

Patients benefitted under Pragnya Priya Foundation



- Contributing to local welfare activities
- Donating building material for the construction of local government offices
- Supporting the repair work of government schools
- Contributing to Green Visakha for planting and maintaining trees to create social forests and improving the air quality in Vizag

CSR activities in North America

We undertake various CSR activities to transform lives in our surrounding communities by working with local schools to help drive education in areas of science, technology, engineering, and mathematics. We also promote volunteerism by employees, assisting food pantries, Habitat for Humanity homebuilding efforts, coaching local sports teams and more. Our Rain Carbon subsidiary also provides 50% in matching funds for employee donations to our local United Way chapters, and over the years we have partnered with our employees to contribute nearly US\$2 million to support their activities.

CSR activities in Europe

Through the RÜTGERS Foundation, our goal is to make science, technology, and computer science lessons more tangible and engaging for pre-college students by creating immersive science and research experiences for students. In addition, the foundation has increasingly promoted scientific networks and supported scientific exchanges across disciplines. It helps young people transition from pre-college education to universities and professional opportunities by awarding scholarships.



Habitat for Humanity build

We are committed to enhancing the quality of life in the communities in which we operate. As part of this commitment, we have established a Women Build Partnership with Habitat for Humanity International. In recent years, employees from the Rain Carbon subsidiary's US business office in Covington, Louisiana, have volunteered and provided financial support to help build 'Habitat homes' for local families in need. This commitment has enabled us to create strength, stability and self-reliance in the local community, and is a building block for the success of Rain Carbon and its local communities.



Community involvement

At our Rain Carbon subsidiary, six Building Blocks for Success represent the key beliefs and behaviors we are committed to as an organisation. Our Community Involvement building block includes supporting educational, social and charitable causes, both as a Company and as individuals.

3

Vendor and supplier management



Supply chain control

Our supply chain organisation is made up of in-house teams of specialists supported by data-analytics experts across India, Europe, and North America. With this unique strength, we gain valuable insights into areas for improvement and opportunities to improve efficiency and lower logistics costs while also improving sustainability.

Our facilities and supply chains are flexible and use multiple modes of transportation such as pipelines, trains, trucks, barges, and ships to receive and ship materials directly or through third-party locations. To ensure efficient and sustainable material movement, we leverage our exclusive-use vehicles and terminals while maintaining strong relationships with logistics providers. We prioritise cost reduction and sustainability of our supply chain, with a focus on maximising utilisation rates and reducing emissions through data analytics and partnerships with vehicle suppliers.



Supply chain sustainability

Our commitment to sustainability is evident in our supply chain, where we prioritise reducing our carbon footprint. This is achieved through a combination of multi-modal transportation, fully loaded vehicles, and a flexible fleet of tanker ships that reduce fleet size and costs.

Our efforts have led to strategic partnerships with key vehicle suppliers and have earned us a reputation as a first-class, industry-leading service provider. As a supply partner, you will be joining us in our mission to create a sustainable supply chain that benefits both our business and the environment.

Initiatives undertaken during CY22

- Switched transportation mode from container to a more efficient barge + ship combination for a key raw material, further reducing road traffic for our supplier and for the community surrounding our site in Belgium
- Hired an additional, exclusive-use ocean vessel to transport our raw materials and finished products back and forth across the Atlantic Ocean in a more efficient loop where the ship is fully utilised
- Proactively undertook major structural upgrades at two of our US deep-water terminals to ensure a safe working environment for our employees and visiting vessels
- Kicked-off a major project to enhance barge-to-vessel trans-loading capabilities at one of our US terminals including upgrading our environmental control systems
- Rolled out a new truck-fleet monitoring system in India to provide powerful, new data that can be harnessed to improve the efficiency of our logistical operations



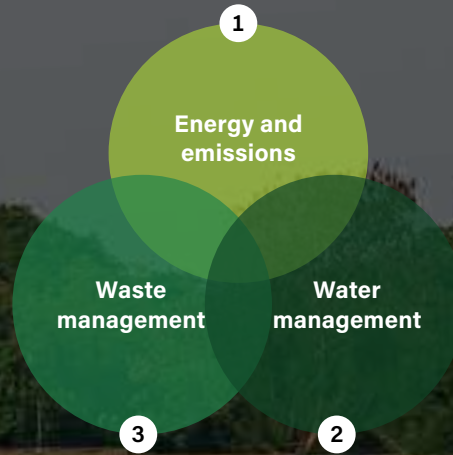
Towards environmental stewardship

Keeping a close eye on global challenges, such as climate change, resource scarcity, pollution and waste, we are committed to conducting our business in an environmentally and socially responsible manner. We strive to use natural resources as efficiently as possible while reducing our environmental impact through targeted initiatives.





Focus areas



Stakeholders impacted

Four icons representing stakeholders: a briefcase for Employees, two people in a circle for Communities, a person with a truck for Vendors and suppliers, and a government building for Government and regulatory bodies.

SDGs impacted

Five SDG icons: 6 Clean Water and Sanitation (water tap), 7 Affordable and Clean Energy (sun), 11 Sustainable Cities and Communities (buildings), 12 Responsible Consumption and Production (infinity symbol), and 13 Climate Action (globe).



Waste-heat recovery system

To improve energy efficiency, we invest in waste-heat recovery and steam co-generation facilities by utilising the heat generated by our production processes. We use the steam and electricity generated from our waste-heat recovery systems for our plants as well as supply to other businesses. In addition, we help local power grids to reduce their dependence on power generated from fossil-fuel by supplying some of our electricity from our waste-heat recovery plants.

We also link chemical production with energy co-generation at three of our carbon distillation and advanced materials sites, supplying the heat and steam produced by our exothermic processes to third parties or other areas in our production facilities. Five of our carbon calcination facilities, located in India and the US, also co-generate electricity from the waste heat of their operations. We use and are expanding the use of similar technologies to produce electricity from waste heat in our cement-production process in India.



Energy generated from WHR systems

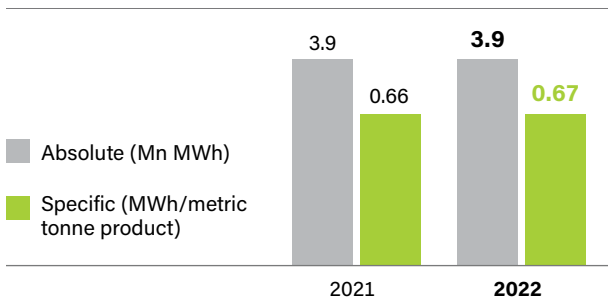
1.1 Mn MWh
2021: 1.2 Mn MWh

1

Energy and climate change

Monitoring our energy usage and greenhouse gas (GHG) emissions data is a crucial step in reducing the effects of climate change.

Energy consumption (primary and secondary energy input plus WHR-based energy produced)



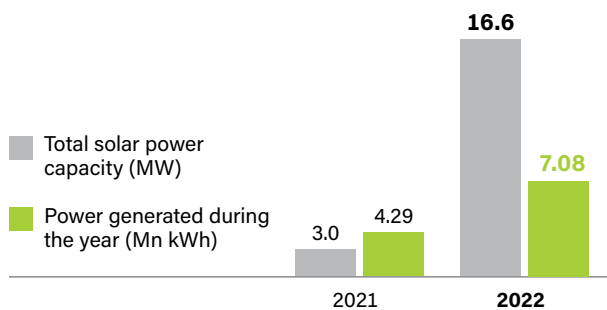


Investing in solar power

Apart from waste-heat recovery, we have made significant investments in photovoltaic solar power generation. Over the past couple of years, this has helped us reduce our CO₂ footprint by lowering our reliance on electricity generated from fossil fuels.

During CY22, we commissioned two additional ground-mounted solar power plants: 3.6 MW in Suryapet, 10 MW in Nandyal.

Solar capacity

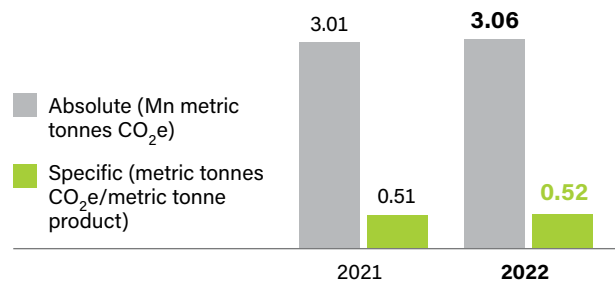


Emission control

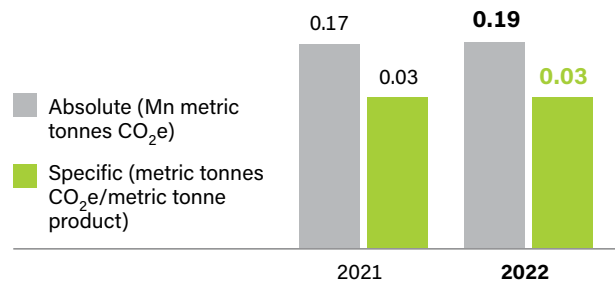
We undertake various emission-control measures to reduce the environmental impact of our operations. To ensure that industrial emissions from our activities are under the regulatory norms, we continuously track and monitor emissions data of our plants.

- Five of our eight calcination plants across India and US are equipped with flue-gas desulphurisation to reduce sulphur-dioxide emissions
- We have implemented leak-detection and repair systems at our carbon distillation and advanced materials facilities to proactively check for fugitive losses of benzene, toluene, and xylene (BTX) emissions on a regular basis
- Most of our coal tar distillation units are equipped with wet scrubbers to lower air emissions. These scrubbers, which are typically found in tank farms, remove particles and gases from waste-gas streams

GHG emission (Scope 1)



GHG emission (Scope 2)



Reducing SOx and NOx emissions

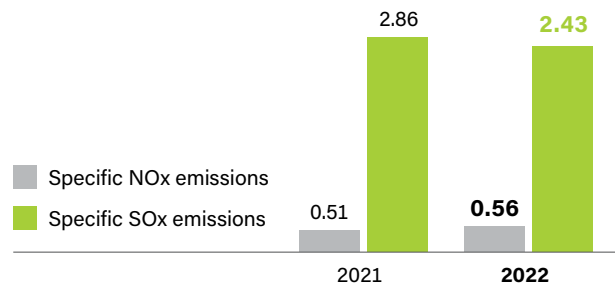
NOx and SOx emissions primarily occur at our carbon calcination sites due to the nature of the various raw materials processed at those manufacturing facilities. To reduce these emissions from our processes, we have been investing in efficient flue-gas treatment systems and in environmentally friendly technologies.

In Germany, our Castrop-Rauxel distillation and advanced materials facility has an integrated waste-gas incineration plant, which includes a denitrification (DeNOx) and a flue-gas desulphurisation (FGD) plant for treating flue gases from exhaust gas combustion. Because of the low-sulphur fuel used, the FGD reduces the SO₂ load of the flue gases from waste-gas combustion by 95%; the other flue gases produce only marginal SO₂ emissions. An activated carbon-filter system cleans the exhaust air from the biological wastewater treatment, significantly reducing volatile organic compounds emissions.

To reduce SOx air emissions, we use a flue-gas desulphurisation system at our Zelzate distillation and advanced materials facility in Belgium. In addition, a DeNOx unit is being built and will be operational by CY23. This unit will cut the Zelzate site's total NOx emissions by 60%.



Specific NOx and SOx emissions (kg/metric tonne)



Carbon footprint studies of products and facilities

In CY22, we continued to calculate the carbon footprint of our products. The purpose of the evaluation was to be transparent with customers and strengthen our commitment towards developing products with a lower carbon footprint. We conducted carbon-footprint studies of different products including more than 60 resins from our advanced materials business as well as processes for the production of pitch, naphthalene, creosote oil, and carbon black oil by our carbon distillation business.

Additionally, we began evaluating our carbon footprint on a site-level basis. The base models for the Castrop-Rauxel and Duisburg sites in Germany have been established, with preliminary results being evaluated. Going forward, we will be evaluating the carbon footprint of other sites.

Other environmental initiatives during 2022

At our cement business plants, we have undertaken extensive plantation drives using the Miyawaki method. These plantations not only enhance the biodiversity of the regions but also help in reducing our carbon footprint.

10,990 saplings

planted covering an area of 12 acres in Suryapet plant

93,200 saplings

planted covering an area of 27.5 acres in Nandyal

2

Water management

Through sustainable water management, we are making a positive contribution to global water-related challenges, such as availability and quality. We strive to reduce our freshwater consumption by using biological wastewater treatment, water recycling, and cooling circuits at multiple facilities.



Freshwater consumption (Mn m³)

4.1



Water-treatment systems

To reduce our freshwater consumption, we have water-treatment plants in place at multiple facilities. We continue to add new plants and improve the existing ones by installing advanced water-treatment processes and technologies.

At many of our sites, we perform studies for recycling water and avoiding waste or wastewater by using activated charcoal or reverse osmosis. We also try to divide wastewater streams as early as possible to achieve higher recycle rates. For example, at the Zelzate plant in Belgium, we combine many actions to prevent water contamination such as installing leak-free pumps as well as continuous or periodic measurements of the pumps and piping systems. Installation of closed sampling points and renovation of equipment such as pipe racks and containments are also an ongoing process. This is accompanied by routine inspections.



Achieved a positive water balance index during CY22

1.49
in Suryapet (Unit 1)

Enhancing water treatment processes at Hamilton, Canada

The Hamilton plant in Canada has its own sewage system. To reduce groundwater infiltration even further, the system is inspected on a regular basis and has undergone major repairs in recent years, including pipeline relining and catch-basin lining. These activities reduce the possibility of quality issues and an excessive amount of discharged water.

We also have a stormwater-treatment unit that collects and treats all stormwater at the facility. By adding a reverse-osmosis unit to the stormwater-treatment unit, the site will recycle significant volumes of water and reduce the use of potable water. The unit will be commissioned in 2023.

Our Hamilton facility can now handle all process wastewater generated on-site, rather than shipping it off-site for treatment by a third party. Another advantage is the avoidance of steam production due to a 10-15% reduction in total energy consumption as a result of the installation of vacuum pumps and the elimination of the use of stripping steam in both primary distillation units. Vacuum pumps will be installed in the secondary distillation unit in 2023.

Efficient use of water at Vizag and Gramercy sites

At our Vizag calcination plant in India, all sewage water is treated and used to water the green belt that surrounds the site. Apart from that, the wastewater from our Vizag waste-heat power plant and its auxiliary cooling-tower blowdown water are reused in the flue-gas desulphurisation process. These processes improve our site's water efficiency and reduce our freshwater consumption per tonne of material produced.

At the Gramercy calcination facility in the US, fine particles of green petroleum coke (GPC) that are lost during the calcination process are recovered from settling ponds on the plant site. The reclaimed GPC fines are recycled as feedstock that can be transformed into usable calcined petroleum coke. Since 2018, this water treatment/settling system has minimised raw-material waste at the site and supported our efforts to minimise the loss of GPC.



3

Waste management

At RAIN, we strive to maximise resource efficiency by converting as much raw materials as possible into products, while minimising waste volumes. We have implemented different measures to reduce waste across our global operations.

Resource-efficiency initiatives

At our Castrop-Rauxel facility in Germany, we operate a raw material-recovery plant, where we process the suspensions from the facility's water-purification processes, extracting materials that can then be used as secondary raw materials.

At our Hamilton facility in Canada, drippings from our unloading lines are now collected and fed into our raw material storage units for processing, instead of being disposed off as waste.

Sustainable use of our industrial by-products

At our Vizag calcining facility in India, we supply the sulphate lime by-product to local brick manufacturers, who use it as a key blend component instead of sending it to landfill. This reduces the environmental impact, while also providing employment to the brick industry. At the Atchutapuram vertical-shaft calciner, our newest FGD system employs an ammonia-scrubbing technology, the by-product of which is ammonia sulphate, which can be used as a fertiliser by the local agricultural community.

In the US, the lime by-products from our flue-gas desulphurisation systems are useful in a variety of agricultural and geo-mechanical applications.

We have also implemented a system at our Hamilton plant in Canada where pitch residues are recovered and remelted for use as a saleable product while leading to a reduction of hazardous waste. At our Zelzate plant in Belgium, we collect high-sulphur by-products and transform them into sulfuric acid, which is sold to other industries. These efforts not only benefit the environment but also contribute to the growth of our business.



Zero waste to landfill in the Cement segment

We initiated a sustainable waste-management programme to achieve the goal of 'zero waste' by focusing on regulatory compliance and maximum resource recovery. For this, we have a waste-converter unit in each cement plant.

Recyclable or reusable waste (dry, wet, and unrecoverable/reject) generated daily at each site is now segregated at the source for compositing, recycling, or upcycling. Non-recyclable waste, such as multi-layered plastic packaging and segregated combustible fractions, is burned in the kiln.

4+ tonnes

Organic wet waste converted to compost in Unit 1

~10 tonnes

Organic wet waste converted to compost in Unit 2

Sound governance for sustained growth



Effective leadership and governance are the cornerstones of our business and strategy to drive sustained growth. Our Board of Directors ensures that the organisation is effectively governed by upholding the highest standards of corporate governance. In addition, we ensure complete adherence to appropriate and relevant industry norms, organisational policies, codes of conduct and internal control systems.

Our core values, stemming from a strong ethical foundation



Our governance philosophy

At the core, we are committed to meeting the aspirations of all our stakeholders, and we believe that operating our business on the principles of transparency, integrity, and accountability are critical drivers of business growth, while creating sustained value for stakeholders. While we are structured as a group of entities, each with their own individual management and systems, we function as a single unit, aligned with our collective purpose.

Ethics and compliance

Our Board oversees the administration of the RAIN Group's Code of Business Conduct and Ethics (the 'Code of Conduct'), which applies to all directors, officers and employees of Rain Industries Limited and its subsidiaries (collectively, the 'RAIN Group'). The Code of Conduct reflects the Group's commitment to doing business with integrity and provides a general roadmap for the directors, officers and employees to follow, as they perform their day-to-day responsibilities.

We comply with applicable laws, regulations, codes and policies as well as the highest ethical standards. As our industry evolves, our values continue to serve as the pillar through which we express who we are and what we believe in.

A culture of integrity is critical to achieving sustainable growth. High levels of trust, together with a strong business reputation, make it easier to attract and retain talented people, customers and suppliers, forge productive relationships in our local communities, and pave the way for confidently entering new markets. Compliance is an essential element of our culture of integrity, requiring responsible conduct by all employees, directors and third-party business partners in accordance with all applicable laws, internal codes, and policies.

Code of Conduct

The fundamental standards that staff members must adhere to are outlined in the Company's Code of Conduct. Additionally, we have a strong integrity and compliance programme that involves educating and training employees on the Code of Conduct. The programme helps employees to be familiar with the leadership expectations on behaviours and compliance, legal requirements, how to avoid conflicts of interest, how to provide a safe and healthy workplace, how to protect our property and information, how to make the best use of information technology resources, and how to report any suspected unethical or illegal behaviour without fear of retaliation.

387 hours
of training provided to employees in Europe
and North America on the Code of Conduct

To ensure that our people understand and abide by the Code of Conduct, we sought confirmation from all employees in Europe and North America through periodic internal audits and assessments of the implementation and effectiveness of the code.



Greater focus on environment, social and governance (ESG) issues

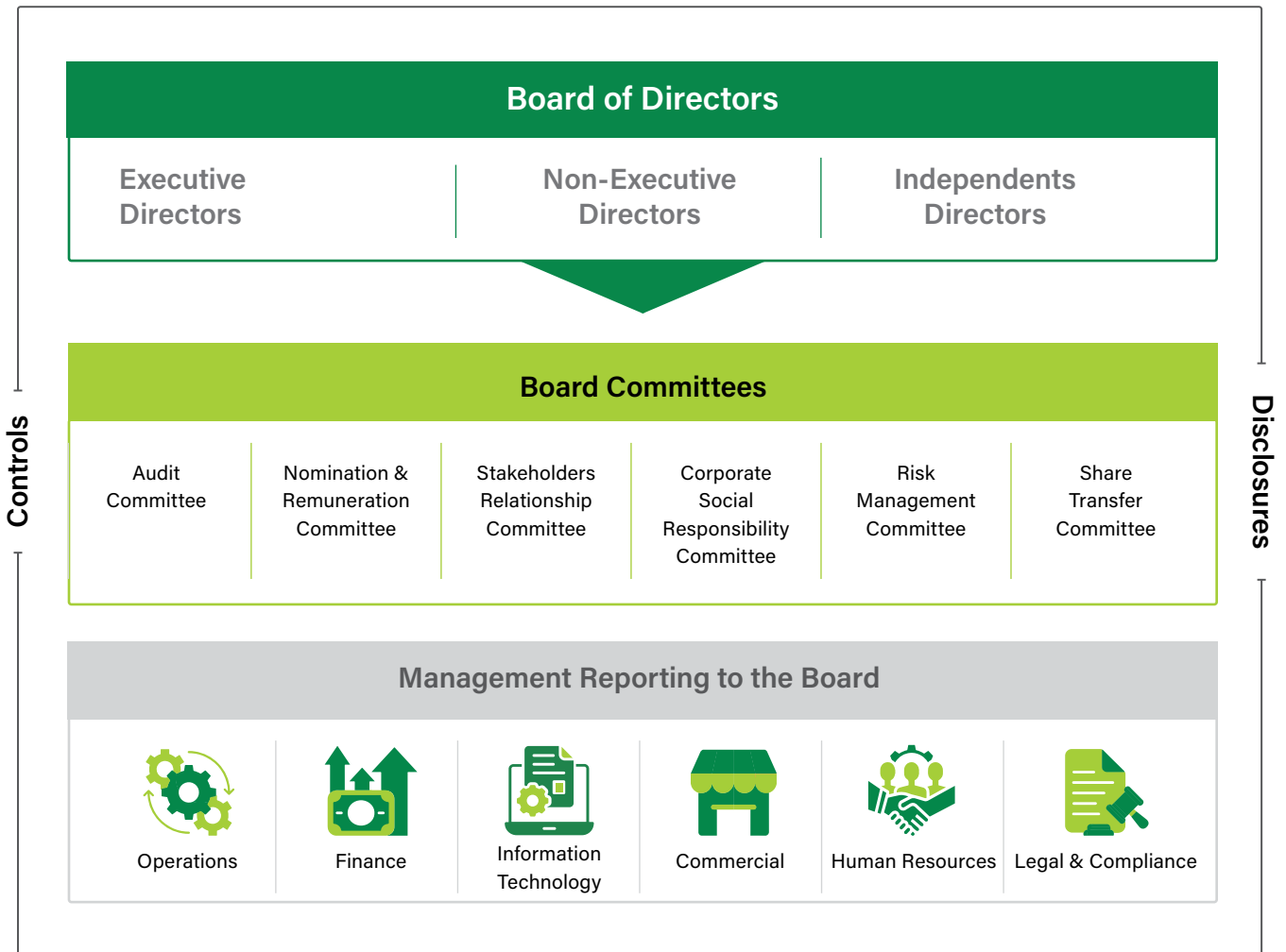
Aligned with the needs of our stakeholders, ESG issues remained a key priority for the Board of Directors over the last couple of years. Our Board has been increasingly emphasising the need to adopt ESG best practices across the organisation. We are continuously mapping our performance against our peers and have a host of initiatives planned over the short and medium terms.

Governance structure

Our corporate-governance framework includes rules and guidelines that support accountability, competence, and transparency. The structures are established in the best interests of the Company and its stakeholders, supporting effective and ethical leadership, responsible business practices, and sustainability. The governance structures enable the Board to exercise effective control, while allowing for the delegation of authority. They are frequently evaluated.

At the apex are the Board of Directors and various committees. The Board plays a vital role in the oversight and management of the RAIN Group and exercises

independent judgment in overseeing management performance on behalf of shareholders and other stakeholders. It is chaired by an Independent Director, and the Board is responsible for overall strategy development, alliances, leadership development, international opportunities, strengthening governance practices and enhancing brand value, along with our global image and reputation. Our governance structure helps in clearly determining the responsibilities of each business entity and entrusts them with powers that help fulfil those responsibilities in the most effective manner. It also allows us to retain our organisational DNA, while facilitating effective delegation of authority and empowerment at all levels.



[Read Corporate Governance Report on 182](#) 

A well-balanced Board

The Board comprises a mix of Executive and Independent Directors with experience ranging from construction, manufacturing, finance and capital markets, among others, bringing valuable insights for driving business growth.

62.5%

of the Board comprises Independent Directors

25%

of the Board comprises women Directors

25%

of the Board comprises Directors from diverse nationalities

Board competency matrix

The diversity and skillset of the Board ensures navigating the organisation towards sustainable progress.

Skills/ area of specialisation	Number of directors with developed competency
Leadership	8 out of 8
Strategy and commercial acumen	6 out of 8
Finance and credit management	8 out of 8
Health, safety and sustainability	5 out of 8
Equity and capital markets	4 out of 8
Manufacturing and production	4 out of 8
Oil refining and energy production	4 out of 8

Board and board committees

The Board of Directors is responsible for overseeing the Company's strategic plans, monitoring and evaluating its economic, financial and non-financial performances, electing and evaluating the members of the Executive Board, and deliberating on corporate policies, among others. The committees formed by the Board play an important role in enhancing standards of governance and effectiveness within the Group.

Committee	Responsibilities	Chairperson
Audit	Regularly reviews financial statements, internal audit reports, audit plans, significant findings, adequacy of internal controls, compliance with accounting standards and more	Ms. Radhika Vijay Haribhakti
Nomination and Remuneration	Reviews the remuneration of Directors and persons who may be appointed to senior management and key managerial positions	Ms. Radhika Vijay Haribhakti
Corporate Social Responsibility	Engaged in determining and reviewing CSR expenditure, social projects and their implementation and impact	Mr. Jagan Mohan Reddy Nellore
Risk Management	Periodically reviews risk assessment and minimisation procedures that ensure that executive management controls risks through a properly defined framework, in addition to reviewing major risks and proposed action plans	Mr. Jagan Mohan Reddy Nellore
Stakeholder Relationship	Responsible for resolving shareholder grievances	Mr. N. Sujith Kumar Reddy
Share Transfer	Approves the transmission of shares, split of shares, consolidation of shares and issue of duplicate share certificates	Mr. N. Sujith Kumar Reddy



Leading with experience and foresight



Mr. Brian Jude McNamara **Chairman of the Board and Independent Director**

Mr. Brian Jude McNamara is a former banker with 34 years of experience in project finance, corporate finance and investment management. He had worked in investment operations at International Finance Corporation (IFC) in Washington D.C. from 1991 to 2015 with responsibilities in investment strategy, business development and project financing for a range of sectors across emerging markets including chemicals, textiles, general manufacturing and mining. He has extensive investment experience in project evaluation, financial structuring and investment management across the chemicals, fertilisers, carbon black, plastics, fibres, specialty chemicals and primary metals industries.

Prior to joining IFC, Mr. McNamara worked in the corporate finance division of Solvay Chemicals (Belgium) and in banking and investment management in Brussels, Belgium and Dublin, Ireland.

Mr. McNamara holds a bachelor's degree in economics and philosophy from Bristol University in England and a master's degree in finance and banking from University College Dublin in Ireland.

He is presently a Director on the Board of Rain Industries Limited and is also a Director on the Board of its subsidiaries, namely Rain Cements Limited, Rain CII Carbon (Vizag) Limited and Rain Carbon Inc.

Mr. N. Radhakrishna Reddy **Managing Director**

Mr. N. Radhakrishna Reddy has more than 54 years of experience in the construction and cement industries. He has been a Director of the Company since 1984.

Currently, he is also on the Board of Rain Cements Limited, Renuka Cement Limited, PCL Financial Services Private Limited, Arunachala Holdings Private Limited, Apeetha Enterprises Private Limited and Pragnya Priya Foundation.

Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee	Stakeholders Relationship Committee	Share Transfer Committee	Chairperson

Mr. Jagan Mohan Reddy Nellore **Vice Chairman and Non-Executive Director**



Mr. Jagan Mohan Reddy Nellore brings 30 years of experience to the Company in the finance, commercial and operations areas. Mr. Nellore is the founder of Rain CII Carbon (Vizag) Limited, which had been originally incorporated as Rain Calcining Limited and commenced production of calcined petroleum coke (CPC) and electricity in 1998 in India. He spearheaded the vision, strategy and execution of the globalisation of the Indian entity's business model through the acquisition of Rain CII Carbon LLC of the US (formerly CII Carbon, LLC) and by combining the US and Indian CPC business strategies in 2007 as well as through the 2013 acquisition of RÜTGERS N.V., a coal tar pitch (CTP) and chemicals producer.

Mr. Nellore has successfully integrated the acquired entities to create the world's leading industrial carbon producer. Mr. Nellore holds a bachelor of science degree in industrial engineering from Purdue University, US.

Mr. Nellore is the Chief Executive Officer of Rain Carbon Inc. and Member of the Boards of Rain CII Carbon (Vizag) Limited, Rain Cements Limited, Renuka Cement Limited, Sujala Investments Private Limited, Rain Enterprises Private Limited, Pragnya Priya Foundation, Rain Commodities (USA) Inc., Rain CII Carbon LLC, USA, and Rain Carbon Inc.

Mr. N. Sujith Kumar Reddy **Non-Executive Director**



Mr. N. Sujith Kumar Reddy has more than 31 years of experience in the manufacturing and construction industries. He is the Managing Director of Rain Cements Limited, which manufactures and sells cement under the brand name "Priya Cement". He is also the Director of Renuka Cement Limited, PCL Financial Services Private Limited, Arunachala Holdings Private Limited, Apeetha Enterprises Private Limited, Nivee Holdings Private Limited, Nivee Property Developers Private Limited and Pragnya Priya Foundation. He holds a bachelor's degree in commerce.



Leading with experience and foresight



■ **Mr. Varun Batra** ■ **Independent Director**

Mr. Varun Batra is a senior finance professional with more than 32 years of experience in the fields of private equity, special situations, corporate finance and capital markets, credit and relationship management across various corporate and financial institutional customers. He has relevant experience in relationship, risk and product management, and debt and equity investing across the capital structure. Mr. Batra is a graduate in mathematics from St. Xavier's College, Mumbai and post-graduate in management from the Indian Institute of Management (IIM), Ahmedabad.

Mr. Batra has built and led teams in both large and small organisations with direct frontline and profit-centre responsibility. He is currently a Senior Partner and heads the Mumbai office for Baring Private Equity Partners Advisors LLP and Baring Private Equity India Investment Managers LLP.

He was a Managing Director at Citibank N.A where he worked during 1997-2010. During his tenure at Citibank, he built and led Citigroup's Special Situations proprietary investments in India. Prior to that he headed the corporate finance and capital markets business and was earlier responsible for relationships with customers of non-banking financial institutions. He worked in ANZ Grindlays Bank, Mumbai during the period from 1991 to 1996.

He is presently a Director on the Board of Rain Industries Limited, Aditya Auto Products and Engineering (India) Private Limited and Sanchi Techstarter Private Limited.

■ **Ms. Nirmala Reddy** ■ **Independent Director**

Ms. Nirmala Reddy worked as a financial sector consultant for the World Bank, Washington, DC, during 1995-2006. Her assignments were on credit intermediation, sustainability, privatisation, appraisal of development banks and financial institutions in projects located in Mongolia, Guyana, Egypt and Jordan. She also worked on projects for the Asian Development Bank in Thailand and the African Development Bank in Cote de l'voire. Earlier, she was a career banker having joined the State Bank as a probationary officer in 1969. She has 23 years of experience in banking operations, foreign exchange, as head of merchant banking in her career with Vijaya Bank and served as Director of correspondent banking with American Express Bank Ltd. Bombay. She was trained in the bank's branches in New York, London and Frankfurt. Ms. Reddy holds a master's degree in political science from Osmania University, Hyderabad. She has also studied French and Japanese.

She is presently a Director on the Boards of Rain Industries Limited, Rain Cements Limited, Rain CII Carbon (Vizag) Limited, Nugget Estates Private Limited, Nugget Realty & Ventures Private Limited and President for Globe Enterprises LLC.

Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee	Stakeholders Relationship Committee	Share Transfer Committee	Chairperson

Ms. Radhika Vijay Haribhakti **Independent Director**

Ms. Radhika Haribhakti has over 31 years of experience in commercial and investment banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch. She has advised several large corporations and led their equity and debt offerings in domestic as well as international capital markets. She now offers advisory services as RH Financial but is primarily engaged as an Independent Director on multiple Corporate Boards.

She serves as an Independent Director on the Boards of Rain Industries Limited, EIH Associated Hotels Limited, ICRA Limited, Navin Fluorine International Limited, Pipeline Infrastructure Limited, Torrent Power Limited, Bajaj Finance Limited and Bajaj Finserv Limited.

She has also been closely involved with issues of women empowerment and financial inclusion and has served on Boards of non-profits for over 18 years, including 12 years as Chairperson. She is the former Chair of Friends of Women's World Banking (FWWB), a pioneer in the microfinance sector in India that supported the growth of several startups- into leading micro-finance institutions. She has also chaired the Board of Swadhaar FinAccess, engaged in promoting financial literacy amongst women in economically disadvantaged communities. She has also served on the Governing Council and Jury of Citigroup Micro Enterprise Award and CII's National Committee on Women Empowerment. She has also been co-convener of 'Training for Women on Corporate Boards,' a FICCI – FLO initiative.

She is a graduate in commerce from Gujarat University and a post-graduate in management from the Indian Institute of Management (IIM), Ahmedabad.

Mr. Robert Thomas Tonti **Independent Director**

Mr. Robert Thomas Tonti has over 41 years of experience, primarily centred on the calcining of petroleum coke and energy production with experience in oil refining and aluminium smelting. He holds a bachelor of science degree in chemical engineering from Rensselaer Polytechnic Institute, Troy, New York, US and an MBA from International Institute for Management Development, Lausanne, Switzerland.

Early engineering experience in aluminium smelting and petrochemicals led to Mr. Tonti becoming a start-up manager of the then Calciner Industries Inc., for the 1988 acquisition of their calcining plants by private investors. His technical experience in production includes the optimisation of supply chains, logistics and freight movements, raw material quality control, customer service and the design of control systems for calciners. His executive procurement experience includes the purchase and transport of bulk materials (petroleum coke) worldwide, while his executive operations experience includes environmental affairs, negotiation and administration of union labour contracts, and the management of the predecessor company's salaried and hourly personnel at five US facilities. His executive business-development experience includes creation of steam- and power-generation projects, their commercial contracts and governmental and investor-owned utility relations. His executive M&A experience includes acquisition, staffing and restarting of facilities.

He is an Independent Director on the Board of Rain Industries Limited and Rain Carbon Inc, a wholly owned subsidiary of the Company.

Mitigating risks with prudence

Since we operate globally and in a dynamic external environment, our business is exposed to various risks. To proactively identify and manage key risks, while achieving our strategic goals, we have a multi-layered risk management system as well as a governance and internal control framework in place.

We have a well-designed methodology for identifying risks at the individual business level, both for existing operations and ongoing projects. Each week, we hold business-level review meetings to review the risks identified, their impact on operations, and the mitigation measures that need to be taken. Each business division of the Group has developed its own risk management procedure, which is reviewed by the Risk Management Committee.

Risk management framework

Our risk management architecture is designed to provide a simple, consistent and clear framework for managing and reporting risks from the Group's operations to the Board. It allows us to identify risks in important areas, such as operational, regulatory, business, commercial, financial, people and so on, thereby enabling us to effectively manage different risks.

Additionally, we identify opportunities within the identified risks and allocate resources to effectively take advantage of these opportunities. Using this framework, we strive to achieve our strategic objectives, while maintaining a competitive advantage.



Board Level

With the assistance of our Risk Management Committee and Audit Committee, our Board devises a risk-specific strategy and outlines risk-mitigation measures considering potential risk sources. The two committees support the Board in risk management by identifying and assessing changes in risk exposure, reviewing risk-control measures, and authorising appropriate corrective actions.

Audit Committee

The Audit Committee is made up of Directors with diverse backgrounds, who oversee the risk management procedures and the internal control systems. The Audit Committee reviews the risk management procedures periodically, during the evaluation of the Company's quarterly financial results. The Audit Committee contributes to the overall evaluation of the risk management plan, considering the Group's strategic, legal, ethical, financial, and operational objectives.

Risk Management Committee

To deal with the various risks that the Company faces in its day-to-day operations, the Risk Management Committee (RMC) formulated a Risk Management Policy. Every week, business-segment CEOs attend business-level review meetings to discuss risks identified, mitigation measures taken, and the status of the measures deployed.

In addition to identifying crucial risks across the organisation, RMC plans mitigation measures that are appropriate and reliable. The Committee takes responsibility for frequent updates on certain identified risks, depending on their nature, significance, and likely impact on the business. The Committee also reviews the risk communication process from time to time as well as the Risk Management Policy, based on the changing industry dynamics and complexity.

Management and operation-level team

The department heads are responsible for risk management within their departments. The key risks to the Group are recognised, and a response strategy is developed and reported to the RMC. Senior managers establish clear roles and responsibilities from the beginning. A weekly meeting is held with all ground-level workers, including legal, sales, distribution, procurement, logistics, and networks, to proactively identify any internal or external risks and discuss mitigation strategies.

RMC reviews its Risk Management Policy on a regular basis to keep up with changing industry dynamics and rising complexity. The RMC oversees assessing the duties and responsibilities of the risk officers and risk champions.

Internal Control Systems

Our risk management framework is built on efficient internal control and governance systems. The controls are designed in such a way that any risk discovered anywhere in the world is promptly conveyed to risk champions and department heads.

The internal control framework strives to provide a comprehensive and coordinated approach to evaluating and managing risks to create long-term value. The financial internal controls have been documented, embedded, and digitised in our SAP system.

The internal auditors at RAIN constantly review the internal control systems and flow of risk communication and improve the systems when needed. Risk assessment monitoring is included in the Company's annual internal-audit programme and reviewed by the Audit Committee every quarter. The combination of independent governance, assurance and oversight structures, combined with automated risk management, controls and compliance monitoring, ensures integrity of financial reporting, management of internal controls and ensures compliance with statutory laws, regulations and the Company's policies. These provide a foundation that enables the optimal use and protection of assets and facilitates the accurate and timely compilation of financial statements and management reports.

Key risks and our response

Risk type	Our response	Stakeholders impacted
Strategic risks		
Inability to sell higher volumes	<ul style="list-style-type: none"> – Expand market share and ensure customer retention – Leverage channel financing to provide additional liquidity – Consistent focus on cost across cycles – Ensure access to critical facilities, which secure market penetration – Shift and adapt with customer requirements 	<ul style="list-style-type: none"> – Customers – Suppliers – Investors
Fluctuation in exchange and interest rates	<ul style="list-style-type: none"> – Board-approved foreign-exchange policy – Monitor the foreign-exchange open exposure and cover the open exposure, if any, from time to time to mitigate the foreign-exchange risk – Ensure the borrowings are naturally hedged to mitigate the foreign-exchange risk 	<ul style="list-style-type: none"> – Regulatory authorities – Investors
Operational risks		
Environment protection	<ul style="list-style-type: none"> – Comply with all applicable norms using the best-in-class technology – Enhance readiness to comply with future norms – Embed the concept of a circular economy in operations – Develop products that are safe and have better environmental performance throughout their lifecycle 	<ul style="list-style-type: none"> – Communities – Society – Suppliers – Customers
Contamination of GPC and CPC during stevedoring, transit and storage	<ul style="list-style-type: none"> – Visit refineries, study logistic chains and storage places – Initiate measures with Indian refineries and stevedores to minimise contamination at load port/rake loading – Standardise operating procedures and pre-inspection prior to transit and storage – Monitor the load port – Appoint independent surveyors and train them to take preventive measures, especially for GPC – Change CPC-loading mechanism from coir-mat sling to bin-and-grab – Ensure that the workforce is trained and supervised by the surveyors 	<ul style="list-style-type: none"> – Customers – Suppliers
Decarbonisation policies/threats	<ul style="list-style-type: none"> – Continue business diversification into areas, such as electric vehicles and upcycling or recycling – Continue to monitor carbon capture, usage and storage development and partnership opportunities – Continue to evaluate and develop more substantial greenhouse gas-reduction strategies 	<ul style="list-style-type: none"> – Investors – Employees
Talent management	<ul style="list-style-type: none"> – Continue people-friendly policies to become a preferred employer – Provide better and more flexible compensation for deserving candidates – Offer opportunities for skill enhancement and career development at all levels – Enhance gender diversity – Deliver platforms for greater interaction between employees and senior leaders – Develop multiple sources of recruitment methods for identifying and selecting right candidates – Focus on long-term succession planning – Create a positive working environment 	<ul style="list-style-type: none"> – Employees

Risk type	Our response	Stakeholders impacted
Information technology	<ul style="list-style-type: none"> – Secure SAP application with a disaster-recovery site with a recovery-point objective of an hour and recovery-time objective of two hours – Follow a stringent change-management procedure to make configuration changes for hardware and software – Ensure that authorisations to perform transactions and view reports are governed by the principle of 'Need to Know' and 'Segregation of Duty' – Equip all the network infrastructure at all locations with redundancies in case of local failure(s) – Conduct half-yearly review of authorisations by the business team to ensure that sanctity of authorisations is maintained – Utilise the implemented multi-factor authentication to improve access security, mandatory employee cyber training, and centralised security-software updating as well as reduce access points and enhance global cyber-insurance coverage to avoid hacking attacks – Use the change-management policy to govern the creation of and changes to the authorisations 	<ul style="list-style-type: none"> – Investors – Employees
Compliance risks		
Occupational health and safety	<ul style="list-style-type: none"> – Achieve incident-free safety performance based on detailed action plan initiated under the STOP™ programme of DuPont Sustainable Solutions (DSS) and our new Life-Saving Rules initiative – Train employees by DSS-approved trainers – Provide medical facilities and health insurance for all employees – Ensure compliance with all legal and regulatory requirements 	<ul style="list-style-type: none"> – Employees
Process safety	<ul style="list-style-type: none"> – Ensure that all process-related risks are well described and mitigation activities are implemented and continued – Emphasise proper maintenance to ensure facilities are compliant with the right-to-operate requirements 	<ul style="list-style-type: none"> – Employees
Regulatory compliance risk	<ul style="list-style-type: none"> – Communicate key statutory and regulatory developments as well as key judicial rulings affecting interpretation of important laws to the Board on an ongoing basis – Ensure periodic monitoring of segment-wise compliance – Circulate a compliance calendar – Align corporate performance objectives with regulatory-compliance requirements 	<ul style="list-style-type: none"> – Government – Regulatory authorities

Laurels for excellence and achievement

Industrial awards

Nandyal cement plant received overall 1st prize in the Mines Safety Week held by the Mines Safety Association Karnataka, Zone II, part of the greater Directorate General of Mines Safety



Sustainability ratings



EcoVadis Gold sustainability rating for carbon distillation and advanced materials businesses in Belgium and Germany



EcoVadis Silver sustainability rating for carbon calcination business in the US



Statutory reports

- 84 Notice
- 96 Board's Report
- 178 Management discussion and analysis
- 182 Report on corporate governance

Financial statements

- 212 Standalone financial statements
- 276 Consolidated financial statements

Rain Industries Limited

Registered Office: Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India
CIN: L26942TG1974PLC001693 Phone No: 040-40401234 Email: secretarial@rain-industries.com
Website: www.rain-industries.com

Notice

Notice is hereby given that the 48th Annual General Meeting (AGM) of the Members of Rain Industries Limited (the Company) will be held on Tuesday, the May 2, 2023 at 11:00 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 2/2022 and 10/2022 issued by Ministry of Corporate Affairs (MCA Circulars), to transact the businesses mentioned below.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

Ordinary Business:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended December 31, 2022 and reports of Board and Auditors thereon.
2. To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the Financial Year ended December 31, 2022 and Report of Auditors thereon.
3. To approve and ratify interim dividend of ₹ 1 per equity share for the financial year ended December 31, 2022.
4. To appoint a Director in place of Mr. N Sujith Kumar Reddy (DIN: 00022383) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Statutory Auditors of the Company.

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, consent of the members of the Company be and is here by accorded for appointment of S. R. Batliboi & Associates LLP, Chartered Accountants, (FRN: 101049W/E300004) as the Statutory Auditors of the Company for a period of 5 (Five) consecutive years from the conclusion of this 48th Annual General Meeting till

the conclusion of the 53rd Annual General Meeting of the Company to be held in Financial year 2028 (for the Financial Year January 1, 2023 - December 31, 2023 to January 1, 2027 - December 31, 2027), in place of BSR & Associates LLP, Chartered Accountants, (FRN: 116231W/W-100024) whose tenure expires at this Annual General Meeting, on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and Statutory Auditors.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question or difficulty in connection herewith and incidental hereto."

Special Business:

6. To appoint Ms. B. Shanti Sree as an Independent Director of the Company.

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded for appointment of Ms. B. Shanti Sree (DIN: 07092258), as an Independent Director of the Company for a period of 5 years i.e., from February 28, 2023 to February 27, 2028 and she shall not be liable to retire by rotation, who has submitted a declaration that she meets the criteria of independence as provided in Section 149 of the Act.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution."

By order of the Board
for **Rain Industries Limited**

S. Venkat Ramana Reddy

Company Secretary

M. No. A14143

Place: Hyderabad

Date: February 27, 2023

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 has permitted the holding of the Annual General Meeting ("AGM") through Video Conference/Other Audio Visual Means, without the physical presence of the Members at a common venue.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, 48th AGM of the Company being conducted through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) herein after called as "e-AGM".

e-AGM: The Company has appointed KFin Technologies Limited (KFinTech), Registrars and Transfer Agents, to provide Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.

2. Pursuant to the provisions of the circulars on the VC/ OAVM (e-AGM):
 - a. Members can attend the meeting through login credentials provided to them to connect to Video Conference (VC)/Other Audio-Visual Means (OAVM) Physical attendance of the Members at the Meeting venue is not required.
 - b. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.
3. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote

at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC/OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

4. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
5. The attendance of the Members (member's logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. In line with the Ministry of Corporate Affairs ("MCA") vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated January 15, 2021 SEBI/ HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023, the Notice calling the e-AGM and Annual Report has been uploaded on the website of the Company at <https://www.rain-industries.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at <https://www.bseindia.com> and <https://www.nseindia.com> respectively. The Notice and Annual Report is also available on the website of e-voting agency KFin Technologies Limited at the website address <https://evoting.kfintech.com>.

The Annual Report for the Financial year ended December 31, 2022 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's Report or other documents required to be attached therewith (together referred to as Annual Report).

7. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Limited at einward.ris@kfintech.com. Members are requested to submit request letter mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updation of email address. Members holding shares in dematerialised mode are requested to register / update their email addresses with their Depository Participants.
8. Profile of Mr. N Sujith Kumar Reddy who is being re-appointed as Director and Ms. B. Shanti Sree who is being appointed as an Independent Director are annexed to Notice and Report on Corporate Governance.
9. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of ₹ 46,17,360 of the Company for the Financial Year ended December 31, 2015 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.
10. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed Dividend amounts lying with the Company as on May 6, 2022 (date of last Annual General Meeting) on the website of the Company (www.rain-industries.com) and also on the website of Ministry of Corporate Affairs.
11. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection Fund (IEPF) are given below:

Sl. No.	For the Financial year ended	Percentage of Dividend	Date of Declaration	Due date for transfer to the Investor Education and Protection Fund
1	December 31, 2016 (Interim dividend)	50%	August 13, 2016	September 14, 2023
2	December 31, 2017 (Interim dividend)	50%	August 11, 2017	September 10, 2024
3	December 31, 2017 (Final dividend)	50%	May 11, 2018	June 10, 2025
4	December 31, 2018 (Interim dividend)	50%	November 14, 2018	December 13, 2025
5	December 31, 2019 (Interim dividend)	50%	November 13, 2019	December 12, 2026
6	December 31, 2020 (Interim dividend)	50%	October 30, 2020	December 5, 2027
7	December 31, 2021 (Interim dividend)	50%	October 30, 2021	December 3, 2028
8	December 31, 2022 (Interim dividend)	50%	July 29, 2022	September 1, 2029

The Shareholders who have not en-cashed the aforesaid dividends are requested to make their claim to the Secretarial Department, Rain Industries Limited, Rain Center, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India, e-mail: secretarial@rain-industries.com.

12. Unclaimed Equity shares held in the suspense account are maintained with Stock Holding Corporation of India Limited, G6-G10, East Block, Swarna Jayanthi Commercial Complex, Ameerpet, Hyderabad – 500002, Telangana State, India, vide Client ID: IN301330 and DP ID: 40195702.
13. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), all shares on which dividend has not been claimed for seven consecutive years or more shall be transferred to IEPF Authority.

The Company has transferred 4,97,439 equity shares to Investor Education and Protection Fund during the financial Year ended December 31, 2022.

To Claim the equity shares and dividend which were transferred to the Investor Education and Protection Fund, the shareholders are requested to visit the website of the Company i.e., www.rain-industries.com to know the procedure for claiming the Shares and Dividend transferred to the Investor Education and Protection Fund Authority.

The Shareholders who have not encashed the dividends are requested to make their claim to the Secretarial Department, Rain Industries Limited, Rain Center, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India, e-mail: secretarial@rain-industries.com.

14. The Securities and Exchange Board of India ("SEBI") and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service ("ECS"), NEFT, RTGS facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders account, elimination of loss of instruments in transit or fraudulent encashment, etc. The Shareholders holding shares in Physical form are requested to update their Bank Account details by submitting the Electronic Clearing Service ("ECS") form available on the website of the Company at <https://www.rain-industries.com/>

Instructions for the members for attending the e-AGM through video conference / other audio-visual mode:

- i. **Attending the e-AGM:** Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM at <https://emeetings.kfintech.com/> by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
- ii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- iii. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via

Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- v. Facility of joining the AGM through VC/OAVM shall be open 15 minutes before the time scheduled for the AGM.
- vi. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
- vii. **Submission of Questions/queries prior to e-AGM:** Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e., secretarial@rain-industries.com at least 2 days before the date of the e-AGM, so as to enable the Management to keep the information ready. Please note that, member's questions will be answered only if they continue to hold the shares as of cut-off date.

Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.kfintech.com/> and click on the tab "Post Your Queries Here" to post their queries/ views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

- viii. **Speaker Registration before e-AGM:** Shareholders who wish to register as speakers at the AGM are requested to visit <https://emeetings.kfintech.com> register themselves between April 27, 2023 (10.00 Hours IST) and April 28, 2023 (17.00 Hours IST).
- ix. Facility of joining the AGM through VC/OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
- x. Members who need technical assistance before or during the AGM, can contact KFinTech at <https://evoting.kfintech.com/>

Corporate members intending to send their authorised representatives to attend the Annual General Meeting through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company.

Instructions for E-Voting:

In terms of the provisions of Section 108 and 109 of the Companies Act, 2013 (the Act) read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to members holding shares as on April 25, 2023 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process and poll.

The procedure and instructions for e-voting are as follows:

Step 1:

Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2:

Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Details on Step 1 are mentioned below:

Login method for remote e-Voting for Individual shareholders holding securities in demat mode:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> I. To register click on link: https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in point no.1 <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e., KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e., KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1

Type of shareholders	Login Method
	<p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <p>I. Visit URL: www.cdslindia.com</p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e., KFintech where the e- Voting is in progress.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Details on Step 2 are mentioned below:

Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".

- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Rain Industries Limited - Annual General Meeting' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorising its representative on its behalf to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id dvm@dvmgopalandassociates.in with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name and Event No."
2. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at *KFIN Technologies Limited (Unit: Rain Industries Limited), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, Telangana State, India.*
 3. Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013 and the rules made thereunder, and Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the rules made thereunder are available for inspection at the registered office of the Company.
 4. As required under Listing Regulations and Secretarial Standard - 2 on General Meetings, details in respect of Directors seeking appointment/re-appointment at the Annual General Meeting is separately annexed hereto. Directors seeking appointment/re-appointment have furnished requisite declarations under Section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.

Instructions for members for voting during the e-AGM session:

- 1 The e-voting window shall be activated upon instructions of the Chairman during the e-AGM.
- 2 E-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.
- 3 Members/shareholders, attending the e-AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting shall be eligible to cast their vote through e-voting system available during the e-AGM.
- 4 Members who have voted through Remote e-Voting will be eligible to attend the e-AGM, however, they shall not be allowed to cast their vote again during the e-AGM.

General information:

1. The Company's equity shares are Listed at (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, Maharashtra, India; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai - 400051, Maharashtra, India and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2022 -2023.

General instructions

- (i) Members holding shares either in demat or physical mode who are in receipt of Notice, may cast their votes through e-voting.
- (ii) Members opting for e-voting, for which the USER ID and initial password are provided in a separate sheet. Please follow steps under heading 'INSTRUCTIONS FOR E-VOTING' above to vote through e-voting platform.
- (iii) The e-voting period commences from 10.00 Hours (IST) on April 29, 2023 to 17.00 Hours (IST) on May 1, 2023. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of April 25, 2023 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (iv) The Company has appointed Mr. DVM Gopal, Practising Company Secretary (Membership No. 6280 and CP No. 6798) in his absence Ms. Ansu Thomas, Practising Company Secretary (Membership No. 8994 and CP No. 16696) having address at 6/3/154-159, Flat No. 303, 3rd Floor, Royal Majestic, Prem Nagar Colony, Near Banjara Hills Care Hospital, Khairtabad, Hyderabad - 500004, Telangana, India as the Scrutiniser to conduct the voting process (e-voting and poll) in a fair and transparent manner.

- (v) The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the Annual General Meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report containing the details with respect to votes cast in favour, against, neutral/abstained, shall submit the Report to the Chairman of the Company.

- (vi) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 48th Annual General Meeting of the Company scheduled to be held on

Tuesday, May 2, 2023, the results declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.rain-industries.com> and on the website of KFinTech, <https://evoting.kfintech.com/>, within 48 hours of conclusion of the Annual General Meeting.

By order of the Board
for **Rain Industries Limited**

S. Venkat Ramana Reddy

Company Secretary
M. No. A14143

Place: Hyderabad
Date: February 27, 2023

Statement setting out material facts pursuant to section 102 of the Companies Act, 2013, in respect of item no. 5 and 6 of the notice

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution No. 5 and 6.

Item No. 5

To appoint the Statutory Auditors of the Company.

Pursuant to shareholders' approval accorded at the 43rd Annual General Meeting (AGM) held on May 11, 2018, M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration Number: 116231W/W-100024) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the said meeting till the conclusion of the 48th AGM.

The Board of Directors has, based on the recommendation of the Audit Committee and subject to approval of the shareholders, appointed M/s. S. R. Batliboi & Associates LLP (Firm Regn. No. 101049W/E300004) as Statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of the 48th AGM till the conclusion of the 53rd AGM (for the Financial Year January 1, 2023 - December 31, 2023 to January 1, 2027 - December 31, 2027).

M/s. S.R. Batliboi & Associates LLP (part of S.R. Batliboi & Associates network of audit firms) is one of the leading firms providing audit and assurance services in India. They have presence across India with offices in 13 cities. S.R. Batliboi & Associates LLP is a member of global network of firms with a capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments and possesses the market standing and technical knowledge best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

M/s. S.R. Batliboi & Associates LLP have given their consent to act as the Auditors of the Company and have confirmed that their appointment, if made, will be within the limit specified under sections 139 and 141 of the Act. They have also confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board, based on the recommendations of the Audit Committee, approved a fee of ₹ 5.75 Million, towards audit of financial statements plus applicable taxes and reimbursement

of out-of-pocket expenses, for the financial year ending December 31, 2023. There is an increase of ₹ 0.44 Million in the audit fee as compared to the previous auditor representing widening of the audit scope and increased complexity of the audit.

The fees for the balance period will be paid subject to the approval of Audit Committee and the Board of Directors every year.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

Item No. 6

To appoint Ms. B. Shanti Sree as an Independent Director of the Company.

The Nomination and Remuneration Committee at their Meeting held on February 27, 2023 and the Board of Directors at their Meeting held on February 27, 2023 have appointed Ms. B. Shanti Sree as an Independent Director of the Company for a period of 5 years i.e., from February 28, 2023 to February 27, 2028 based on her skills, experience and knowledge. The appointment is subject to the approval of the shareholders by passing a Special Resolution.

A brief justification for appointment of Ms. B. Shanti Sree as an Independent Director of the Company is as under:

- Ms. B. Shanti Sree has over 38 years' experience in the field of taxation, accountancy and auditing.
- She is fellow member of the Institute of Chartered Accountants of India and a Practising Chartered Accountant. She is a designated Partner of M/s. Tukaram & Co LLP, Chartered Accountants, Hyderabad. She is also a registered Insolvency Professional with Insolvency and Bankruptcy Board of India.
- She is serving as an Independent Director on the Boards of Nava Limited, Nava Bharat Energy India Limited, B.N. Rathi Securities Limited, Rain Cements Limited and Rain CII Carbon (Vizag) Limited.
- Looking into her knowledge of various aspects relating to the accountancy, taxation and auditing, it is thought appropriate to appoint her as an Independent Director of the Company.

A notice under Section 160 of the Companies Act, 2013 is received from a member of the Company proposing candidature of Ms. B. Shanti Sree.

The Company also received from Ms. B. Shanti Sree: i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms. B. Shanti Sree fulfils the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and she is independent of the management.

The Resolution set out at Item No. 6 of the notice is put forth for consideration of the members as a Special Resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Ms. B. Shanti Sree as an Independent Director of the Company.

The Letter of appointment of Ms. B. Shanti Sree setting out the terms and conditions of appointment shall be available for inspection by members electronically. Members seeking to inspect the same can send an e-mail to secretarial@rain-industries.com.

The details as required under Secretarial Standards on General Meetings is attached as Annexure-II to this Notice.

Brief Profile of Ms. B. Shanti Sree:

Ms. B. Shanti Sree (61 Years) is a fellow member of the Institute of Chartered Accountants of India and a Practicing Chartered Accountant.

She is a designated Partner of M/s. Tukaram & Co LLP, Chartered Accountants, Hyderabad.

She is also a registered Insolvency Professional with Insolvency and Bankruptcy Board of India.

She served as a Nominee Director on the Board of State Bank of Hyderabad from March 21, 2015 to March 31, 2017 i.e., till the date of merger with SBI.

She served as a Governing council member from 2008 to 2012 and as a President for the year 2010-11 of "The AP Tax Bar Association".

She is currently serving as an Independent Director of Nava Limited, Nava Bharat Energy India Limited, B.N. Rathi Securities Limited and also Trustee on the Board of M/s. Pullela Gopichand Badminton Foundation.

She is also an External member, Board of studies, Department of Commerce, Osmania University College for Women (Autonomous University), Koti, Hyderabad.

Keeping in view of her vast expertise and knowledge, it will be in the interest of the Company that Ms. B. Shanti Sree be appointed as an Independent Director of the Company.

She is not holding any equity shares of the Company and she is not related to any Director or Manager or the Key Managerial Personnel of the Company.

Except Ms. B. Shanti Sree, none of the Directors on the Board or Manager or the Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution set out at Item No. 6 of the Notice.

Ms. B. Shanti Sree is not debarred from holding the office of Independent Director by virtue of any Order of SEBI or any other Authority.

Your Directors recommend the Special Resolution for your approval.

Annexure-I to the Notice dated February 27, 2023

Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on Tuesday, May 2, 2023

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]

S. No.	Particulars	Name of the Director
1	DIN	Mr. N Sujith Kumar Reddy 00022383
2	Date of birth and Age	July 26, 1971, 51 Years
3	Qualification	Graduate in Commerce
4	Experience and expertise in specific functional areas	More than 31 years of experience in manufacturing and Construction Industry.
5	Brief resume	Resume is given in the Corporate Governance Report forming part of Annual Report.
6	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Son of Mr. N. Radhakrishna Reddy, Managing Director and brother of Mr. Jagan Mohan Reddy Nellore, Director.
7	Nature of appointment (appointment/ re-appointment)	Retires by rotation and offers himself for re-appointment.
8	Terms and Conditions of appointment/ re-appointment	Appointment as a Non-Executive Director subject to retirement by rotation.
9	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Nil
10	Date of first appointment on the Board	March 22, 1992
11	Shareholding in the Company including shareholding as a beneficial owner;	Holds 1,00,28,770 Equity Shares
12	The number of Meetings of the Board attended during the year	4 out of 5
13	Directorship Details of the Board	<ol style="list-style-type: none"> 1. Rain Cements Limited 2. Renuka Cement Limited 3. PCL Financial Services Private Limited 4. Arunachala Holdings Private Limited 5. Apeetha Enterprises Private Limited 6. Nivee Holdings Private Limited 7. Nivee Property Developers Private Limited 8. Pragnya Priya Foundation
14	Membership / Chairmanship of Committees of other Boards	Member: Corporate Social Responsibility Committee of Rain Cements Limited

Annexure-II to the Notice dated February 27, 2023

Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on Tuesday, May 2, 2023

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]

S. No.	Particulars	Name of the Director
1	DIN	Ms. B. Shanti Sree 07092258
2	Date of birth and Age	May 17, 1962 and 61 years
3	Qualification	Chartered Accountant and Registered Insolvency Professional
4	Experience and expertise in specific functional areas	38 years of experience in the field of taxation, accountancy and auditing.
5	Brief resume	Resume is given in the Explanatory Statement forming part of Notice.
6	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to Directors, Manager and other Key Managerial Personnel of the Company
7	Nature of appointment (appointment / re-appointment)	Appointment as an Independent Director of the Company.
8	Terms and Conditions of appointment / re-appointment	Ms. B. Shanti Sree to be appointed as an Independent Director for a period of 5 years i.e., from February 28, 2023 to February 27, 2028.
9	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Nil
10	Date of first appointment on the Board	February 28, 2023
11	Shareholding in the Company	Nil
12	The number of Meetings of the Board attended during the year	N.A.
13	Directorship Details of the Board	1. Nava Limited 2. Nava Bharat Energy India Limited 3. B.N. Rathi Securities Limited 4. Rain Cements Limited 5. Rain CII Carbon (Vizag) Limited
14	Membership/ Chairmanship of Committees of other Boards	1. Member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Nava Bharat Energy India Limited. 2. Member of Audit Committee, Risk Management Committee and Corporate Social Responsibility Committees of Nava Limited. 3. Chairman of Stakeholders Relationship Committee, Member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of B. N. Rathi Securities Limited.
15	In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	She is a Practicing Chartered Accountant and has more than three decades of experience in the field of taxation, accountancy and auditing.
16	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board.	<ul style="list-style-type: none"> – Independent Director in Nava Limited and also member of the following Committees: <ul style="list-style-type: none"> a) Audit Committee b) Corporate Social Responsibility Committee c) Risk management Committee – Independent Director in B.N. Rathi Securities Limited and also Chairman and member of the following Committees: <p>Chairman:</p> <ul style="list-style-type: none"> – Stakeholders Relationship Committee <p>Member:</p> <ul style="list-style-type: none"> a) Audit Committee b) Nomination and Remuneration Committee c) Risk Management Committee
17	Names of listed entities from which the person has resigned in the past three years	1. Hariom Pipe Industries Ltd

By order of the Board
for **Rain Industries Limited**

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

Place: Hyderabad
Date: February 27, 2023

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 48th Annual Report and the Audited Financial Statements (standalone and consolidated) for the Financial Year ended December 31, 2022:

Financial Results

A) Standalone

The Standalone performance for the Financial Year ended December 31, 2022 is as under:

The Financial Summary

		(₹ in Million)	
Sl. No. Particulars	December 31, 2022	December 31, 2021	
1	Revenue from operations	540.74	535.47
2	Profit before finance cost, depreciation and tax expense	410.76	478.00
3	Finance Cost	80.16	80.95
4	Profit before depreciation and tax expense	330.60	397.05
5	Depreciation and amortisation expense	6.73	6.23
6	Profit before Tax Expense	323.87	390.82
7	Tax Expense	46.40	79.18
8	Profit After Tax Expense	277.47	311.64
9	Add: Surplus at the beginning of the year	453.25	509.12
10	Total Available for appropriation	730.72	820.76
Appropriations:			
11	Dividend including taxes	336.35	336.35
12	Transfer to general reserve	0.00	31.16
13	Surplus carried to Balance Sheet	394.37	453.25

B) Consolidated

The Consolidated performance for the Financial Year ended December 31, 2022 is as under:

The Financial Summary

		(₹ in Million)	
Sl. No. Particulars	December 31, 2022	December 31, 2021	
1	Revenue from operations	210,109.97	145,267.82
2	Profit before finance cost, depreciation and amortisation expense, impairment loss, share of (loss)/profit of associates and tax expense	36,875.98	25,708.39
3	Finance cost	5,237.40	4,789.14
4	Profit before depreciation and amortisation expense, impairment loss, share of (loss)/profit of associates and tax expense	31,638.58	20,919.25
5	Depreciation and amortisation expense	7,903.10	7,981.53
6	Profit before impairment loss, share of (loss)/profit of associates and tax expense	23,735.48	12,937.72
7	Impairment loss	465.64	168.07
8	Profit before share of (loss)/profit of associates and tax expenses	23,269.84	12,769.65
9	Share of profit/(loss) of associates (net of income tax)	2.83	(5.45)
10	Profit before tax expense	23,272.67	12,764.20

(₹ in Million)

Sl. No. Particulars	December 31, 2022	December 31, 2021
11 Tax expense	7,503.70	5,828.79
12 Profit after tax expense	15,768.97	6,935.41
13 Non-controlling interests	1,382.52	1,133.83
14 Profit after tax expense after non-controlling interests	14,386.45	5,801.58
15 Add: Surplus at the beginning of the year	56,730.62	51,296.55
16 Total Available for appropriation	71,117.07	57,098.13
Appropriations:		
17 Dividend including taxes	336.35	336.35
18 Transfer to general reserve	0.00	31.16
19 Surplus carried to the Balance Sheet	70,780.72	56,730.62

State of the Company's Affairs

During the year under review, the Company achieved revenue of ₹ 541 million and net profit of ₹ 277 million on a standalone basis. During the same period, the consolidated revenue was ₹ 210,110 million and net profit was ₹ 14,386 million.

The global economy rebounded after the significant impact of Coronavirus (COVID-19) pandemic in 2021. Beginning 2022, pent-up demand resulted in robust sales of nearly all our products, helping us in generating strong revenues and EBITDA. However, by end of the year, new challenges emerged including whether an overtaxed global supply chain could keep up with rising demand and our ability to source key raw materials such as green petroleum coke and coal tar pitch in an increasingly tight market. Also, during the year, we have seen soaring energy costs in Europe, which impacted our performance to some extent. However, we have implemented proactive measures to minimise the risk to our production facilities in the western Europe in the event that the Russia-Ukraine conflict disrupts natural gas flows. We have also responded to high energy prices by hedging a good portion of our natural gas contracts into the second quarter, and we are pursuing measures to reduce the energy intensity of our plants and preserve the margins in our business in these extreme conditions.

Business Outlook

Cautionary Statement

RAIN Industries Limited along with its subsidiary companies in India and abroad are together referred to as "RAIN Group" or "the Company".

Statements in this business outlook describing RAIN Group's estimates and expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied. Important factors that could impact RAIN Group's operations include economic conditions affecting demand and supply for the products manufactured by RAIN Group; price conditions in the domestic and overseas markets in which RAIN Group operates; changes in government regulations, tax laws and statutes; and other incidental factors.

Overview

RAIN Group is one of the world's largest producers of calcined petroleum coke and coal tar pitch. The Company operates in three key business verticals: Carbon, Advanced Materials and Cement. RAIN Group has 16 manufacturing facilities in seven countries across three continents and continues to grow through capacity expansions and mergers and acquisitions throughout the world across all business segments.

Our Carbon business segment converts the by-products of oil refining (i.e., green petroleum coke or "GPC") and metallurgical coke production (i.e., coal tar) into high-value carbon-based products [i.e., calcined petroleum coke (or "CPC"), coal tar pitch (or "CTP") and other carbon products (or "OCP")] that are critical raw materials for the aluminium, graphite, carbon black, wood preservation, titanium dioxide, refractory, and other global industries.

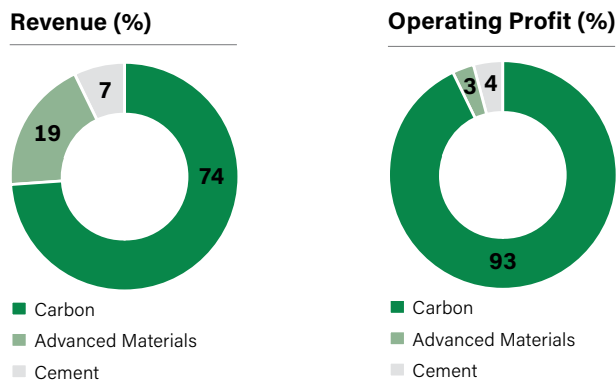
Our Advanced Materials business segment carries out the innovative downstream transformation of a portion of our carbon output, petrochemicals and other raw materials into high-value materials that are critical to the specialty chemicals, coatings, construction, automotive, petroleum, energy storage and other global industries.

Our Cement business segment produces high-quality ordinary portland cement (or "OPC") and portland pozzolana cement (or "PPC") consumed largely by the civil construction and infrastructure industries within South India.

Our scale and process sophistication provide us the flexibility to capitalise on market opportunities by selecting raw materials from a wide range of sources across various geographies, adjusting the composition of our product mix and producing products that meet stringent customer specifications, including several specialty products.

Our global manufacturing footprint and our integrated worldwide logistics network have strategically positioned us to capitalise on market opportunities by addressing raw material supply and product demand on a global basis in both established (mainly North America and Europe) and emerging markets (mainly Asia and the Middle East).

Revenue and operating profit contributions from our three business segments for the year 2022 are as follows:



1. Carbon

Our Carbon business segment consists of calcined petroleum coke ("CPC"), coal tar pitch ("CTP") and derivatives of coal tar distillation including carbon black oil, creosote oil, naphthalene oil, other aromatic oils and co-generated energy from waste-heat recovery. This segment contributed approximately 74% of the consolidated revenue of RAIN Group for CY 2022.

The Carbon business converts the by-products of oil refining and metallurgical coke production into high-value, carbon-based products that are crucial for the manufacturing of aluminium, graphite, carbon black, wood preservation, titanium dioxide, refractory and other global industries.

Environment-friendly and energy-efficient practices have made RAIN Group's Carbon business highly efficient and sustainable. The Carbon business co-generates energy

at five calcined petroleum coke plants with a combined power generation capacity of approximately 112 MW. Further, the Company has made substantial investments in flue-gas desulphurisation ("FGD") to reduce emissions at its Carbon segment's plants in India and in the United States. These strategic investments give RAIN Group a competitive advantage in the CPC industry and play a critical role in our sustainability efforts.

1.1. Calcined Petroleum Coke ("CPC")

RAIN Group carries on the business of manufacturing and selling of CPC through its wholly owned subsidiaries in India and the USA. RAIN Group has six CPC manufacturing plants in the United States and two in India with an aggregate production capacity of approximately 2.4 million tonnes per annum.

CPC is produced from GPC, a granular black solid that is a by-product of the crude-oil refining process, through a process known as "calcining". This process removes moisture and volatile matter from the GPC at a very high temperature.

CPC is produced in two primary qualities:

- (i) anode-grade CPC (a raw material essential to the aluminium smelting process), and
- (ii) industrial-grade CPC (for use in the manufacturing of titanium dioxide and other industrial applications).

Anode-grade CPC represents approximately 78% of global CPC production, and industrial-grade CPC represents the remaining 22%. For every tonne of primary aluminium produced, approximately 0.4 tonnes of CPC is required.

Worldwide CPC production for CY 2022 was about 30.4 million tonnes, 72% of which was produced in China and North America, comprising 62% of global demand. China continues to play a dominant role in the CPC industry, and its share of the world's CPC production is estimated to remain at 57-60% in the near term. China and North America will maintain a positive surplus. Due to a large gap between production and demand in the Middle East, Asian calciners are expected to increase their focus on the region for the surplus capacity.

As per recent industry estimates, worldwide demand for CPC reached 30.3 million tonnes in 2022, and it is expected to grow to 33.1 million tonnes by 2027, representing a CAGR of 1.8%. Worldwide production of CPC aggregated to 30.4 million tonnes in 2022, and it is expected to grow to 33.1 million tonnes by 2027, representing a CAGR of 1.7%.

At the same time, the availability of high-quality raw materials continues to be a challenge – especially low-sulphur, anode-grade GPC for our calcination business. In terms of GPC pricing, decreased Chinese GPC production has prompted China to import more GPC, triggering increased competition and higher costs on the seaborne market. We will be watching the Chinese production and energy situation, which could continue to experience volatility well into 2023.

In late 2021, CPC production at the vertical shaft calciner began to ramp up and during 2022 the plant ran available lines at high capacity and we have seen the positive response from the customers. Looking ahead, we continue to work with Indian authorities to secure a specific GPC import allocation for the vertical shaft calciner.

Regarding anhydrous carbon pellet (ACP) production facility, we are confident about the product and have supplied industrial trial samples to a few of our customers during the year, who have provided positive feedback and requested additional ACP to run follow-up trials. We believe that this proprietary and value-added calcinable product has a promising future, thanks to its energy-savings and emissions-reduction potential as well as its ability to improve our GPC utilisation. However, we view ACP as an evolving product, and it will take time to get to commercial output and contribution to the bottom line.

Threats & Challenges – CPC

The main, on-going threat for the CPC industry remains the availability of suitable-quality GPC. GPC is a by-product of the oil refining process and is not produced to meet the supply needs or quality specifications of CPC or aluminium producers. Changes in the economics of processing sour crudes over the past 15-20 years have resulted in a trend towards refining more sour crudes. While petroleum refineries continue to build refining capacity (and therefore, indirectly increase GPC production), the global supply of traditional anode-grade GPC is expected to grow at a slower pace as refineries are processing more sour crude, which results in the production of lower-quality (fuel-grade) GPC. Thus, global CPC producers have experienced, and may continue to experience, a decline in the availability of high-quality anode-grade GPC. In addition, the global transition to electric vehicles could result in reduced demand for gasoline, thereby impacting the amount of available GPC, regardless of quality.

CPC quality directly influences anode quality in the performance of aluminium smelters. To meet the aluminium industry's demand for consistent quality

of anode-grade CPC, RAIN Group works closely with smelters to expand existing quality specifications, allowing the use of more non-traditional anode coke ("NTAC") in blends for the production of anode-grade CPC without compromising on quality. RAIN Group's patented Isotropic Coke Experiment ("ICE") technology is one method of utilising grades of GPC previously not considered acceptable to produce anode-grade CPC. Our proprietary ACP is another product innovation to address the expected future shortfall in availability of anode-grade GPC.

It is expected that India will continue to lead CPC demand growth in the world (excluding China) as a result of capacity expansions by major aluminium producers in the country over next few years.

With the restrictions on the import of GPC by calciners and on the import of CPC by aluminium smelters, capped at 1.40 million tonnes per annum and 0.50 million tonnes per annum respectively by the Hon'ble Supreme Court of India, the additional requirement of both calciners and smelters will have to be met from domestic supplies within India. Further, the Hon'ble Supreme Court of India has directed the Ministry of Environment to finalise the standards of emissions from calciners during September 2019. The Ministry of Environment has issued the draft emission standards for calciners on May 31, 2022 and the final emission standards are not yet issued. RAIN Group – with its flue-gas desulphurisation systems at its existing calciner in Visakhapatnam and the new vertical-shaft calciner, is complying with the draft emission standards announced by the Ministry of Environment and RAIN Group is the only calciner in India that is complying with the draft emission standards regulations compared to all other calciners in India. However, in the absence of any favorable rulings we would not expect any increase in capacity utilisation during 2023.

Another threat which currently the market is viewing is about new inert anode technology replacing the carbon-anode technology. However, we are closely monitoring the technology developments in the experimental inert anode space. As we understand, inert anode technology still has some significant barriers to overcome before it could become a commercially viable alternative to carbon anode technology. For instance, it appears that the production of inert anodes requires a significantly higher energy-intensive process than carbon anodes. Developers will need to solve that issue before an inert anode could be commercially viable. Another significant challenge is that producers will need to construct new inert anode-specific smelters as it does not appear current smelters can be retrofitted. Obviously, producers

would need to make significant capital investments and work through the regulatory and technology challenges of building new smelters just to transition to an alternative anode product. At this point, we are in alignment with the industry's current expectations that it will be 2030 or beyond before we see real progress. That said, there should be no immediate or midterm impact to Rain's current business.

1.2. Coal Tar Pitch ("CTP") and Other Carbon Products

RAIN Group operates four coal tar distillation facilities in Belgium, Canada, Germany and Russia, with an aggregate primary coal tar distillation capacity of approximately 1.3 million tonnes per annum. Coal tar distillation is carried out in Belgium, Canada and Germany through wholly owned subsidiaries, and coal tar distillation is carried out in Russia through a joint venture.

Coal tar is a liquid by-product derived from the conversion of metallurgical coal into metallurgical coke. During this conversion, approximately 80% of the coal volume is processed into metallurgical coke. Metallurgical coke is an important reducing agent and energy source in blast furnaces that produce pig iron and steel. Consequently, the supply of coal tar is correlated to pig iron production, which, in turn, is driven by steel production.

Every tonne of metallurgical coke produced yields on average 0.04 tonnes of coal tar by-product. Coal tar is the main raw material in the coal tar distillation process. The coal tar distillation process can be categorised into two stages: (i) primary coal tar distillation ("primary distillation") and (ii) downstream processing of selected products of primary distillation into co-generated refined products ("downstream"). With a distillation yield of approximately 48%, CTP is the main end-product in the coal tar distillation business and therefore crucial for its growth. Coal tar distillation also yields naphthalene oil (approximately 12%) and aromatic oils (approximately 40%).

Coal Tar Pitch:

As per recent industry estimates, global demand for CTP aggregated to approximately 7.7 million tonnes in CY 2022. This is expected to grow to approximately 8.4 million tonnes by CY 2027, representing a CAGR of 1.7%. Global production of CTP aggregated to approximately 7.7 million tonnes in CY 2022 and is expected to grow to approximately 8.4 million tonnes by CY 2027, representing a CAGR of 1.7%.

Geographically, CTP production is led by China, followed by Europe and other Asian countries with these three markets having an estimated aggregate share of 93% during CY 2022.

Seventy-one percent of the world's CTP production is used as an essential raw material required to produce carbon anodes for aluminium smelting. For every tonne of primary aluminium produced, approximately 0.1 tonne of CTP is required. Therefore, production of primary aluminium is an important determinant of demand for CTP. The second-largest CTP end-user, consuming approximately 10% of global production, is graphite electrode producers. Graphite electrodes are used in the manufacturing of steel, silicon metal, alloys, and other key global materials, using electric arc furnaces. Elsewhere, demand for CTP is increasing as a key component in the production of lithium-ion batteries and solar panels.

The aluminium industry is the largest consumer of calcined petroleum coke and coal tar pitch. Global demand for primary aluminium aggregated to approximately 68.9 million tonnes in CY 2022 and is expected to grow to approximately 76.1 million tonnes by CY 2027, representing a CAGR of 2.0%. Global production of primary aluminium aggregated to 69.1 million tonnes in CY 2022 and is expected to grow to 76.2 million tonnes by CY 2027, representing a CAGR of 2.0%.

Of the total production of Aluminium during CY 2022, it is estimated that 58% was from China, 13% from Europe (including Russia) and 9% from North America. Production of primary aluminium is growing in Asia (excluding China) and the Middle East, and these two markets contributed 6% and 5% of global primary aluminium production during CY 2022.

The demand for aluminium is expected to be driven by electrical conductors, construction, increased usage in automobiles and significant growth in the packaging industry.

Aluminium continues to chip away at steel's position as the metal of choice for the automotive industry. Due to more stringent regulations and societal pressure to improve fuel economy, automobile manufacturers are increasing their use of lighter materials such as aluminium for the structural shell of vehicles as well as closing panels such as the hood, trunk and doors. Aluminium producers will continue to innovate with new alloys and production processes to meet the automotive industry's demand.

Other Carbon Products (Naphthalene and other Aromatic Oils):

Naphthalene is used both in the production of dispersants by the construction industry, and as superplasticisers to produce concrete and gypsum. Therefore, demand for naphthalene is correlated to construction industry.

Naphthalene is also used in the production of phthalic anhydride (PA) as a substitute for ortho-xylene as it is more cost-effective. RAIN Group's Advanced Materials segment produces phthalic anhydride, and a majority of the raw material (naphthalene) is supplied internally.

Aromatic oils, such as creosote oil and carbon black oil are sold to a variety of industries. Creosote oil is used by the wood-treatment industry for the impregnation and preservation of wood. The majority of this production is sold to the North American market as the European market has seen decreased demand due to environmental restrictions.

Carbon black oil is primarily sold to the carbon black industry, which produces carbon black for the tyre and rubber industries. Therefore, demand for our carbon black oil is dependent on these end industries.

Threats & Challenges – CTP and Other Carbon Products

The main threat to the distillation business remains the on-going availability of reliable quantities of coal tar from the steel industry. With approximately 10% of global coal tar production coming from the EU's 27 countries, the region's supply of coal tar meets most of the coal tar requirements for RAIN Group's distillation operations, which are located predominantly in Europe.

Steel production using electric arc furnaces is becoming more prevalent due to various factors including its superior technology and lower emissions compared to traditional blast furnaces. As a result, coal tar production is limited to the existing capacities of metallurgical coke ovens.

Although the aluminium industry has experienced production and consumption growth on a long-term basis, there may continue to be cyclical periods of weak demand that could result in decreased primary aluminium production. RAIN Group's sales have historically declined during such cyclical periods of weak global demand for aluminium.

Increasing demand from traditional end customers as well as demand from more recent applications such as lithium-ion batteries and solar panels are gradually

tightening the global balance for supply of CTP. In the event of future coal tar and CTP shortages, petroleum pitch would be the most reliable alternative for the aluminium industry, as it can be blended with coal tar pitch for preparing the carbon anodes.

Naphthalene and aromatic oils (other by-products in primary distillation) are subject to the demand and supply dynamics of the construction and automotive industries and changes in prices of correlated commodities. Any decrease in prices of fuel oil and ortho-xylene could reduce margins and competitiveness of naphthalene and aromatic oils.

1.3. Co-generated Energy

RAIN Group is committed to environmental compliance at all of its facilities. As part of this commitment, RAIN Group has made significant investments in waste-heat recovery ("WHR") systems, primarily in the Carbon segment at its CPC plants, and additionally in the Advanced Materials and Cement segments. RAIN Group co-generates energy through waste heat recovered in the calcining process. Currently, RAIN Group has co-generation energy plants at five Carbon segment CPC plants with an aggregate capacity of 112 MW.

The operation of these waste-heat recovery units reduces greenhouse gas emissions by offsetting the use of fossil fuels that otherwise would be required to produce an equivalent amount of energy. This significantly reduces RAIN Group's carbon footprint.

As further evidence of RAIN Group's commitment to the environment and sustainability, it has made substantial investments in flue-gas desulfurisation at its CPC plants in India and USA to significantly reduce the emission of Sulphur-dioxide to meet all regulatory requirements for air-quality standards.

Threats & Challenges – Energy

Energy production from CPC production is proportional to the waste heat produced during calcination process. The output is subject to the volume and quality of raw material being processed in calcination. Any decrease in capacity utilisation in calcination or change in raw material quality will directly influence the generation of energy. A substantial part of the energy produced is sold to external customers for industrial use.

Availability of alternate economical sources of energy, such as solar energy, to these industries in the future could cause a reduction in sales of energy by RAIN Group.

A trend of moderating tariffs in India continues to impact revenues from the sale of energy. Part of the energy generated at our CPC plants, as well as our phthalic anhydride and cement operations, is captively used to power those operations, mitigating the risk of fluctuating energy tariffs. Energy revenues in USA are less subject to fluctuations as much of these sales are under long-term agreements with fixed prices.

2. Advanced Materials

RAIN Group is a global leader in the production of advanced materials through the innovative downstream transformation of a portion of our carbon output, petrochemicals and other raw materials into high-value materials that are critical to the specialty chemicals, coatings, construction, automotive, petroleum and other global industries. RAIN Group operates advanced materials production facilities in Belgium, Germany, Canada and Poland.

RAIN Group produces 0.65 million tonnes of advanced materials product per annum. Its products have applications ranging from rubber tyres to adhesive, and from energy storage to pharmaceutical products. To expand and diversify the segment, RAIN Group now operates a hydrogenated hydrocarbon resins ("HHCR") plant at its integrated carbon and advanced materials site in Castrop-Rauxel, Germany with an initial capacity of 30,000 tonnes. This plant will produce various advanced resin products with full flexibility of operations using special proprietary and patented technology of RAIN Group.

RAIN Group produces advanced materials in two parallel production processes:

- Downstream processing and refining of aromatic distillates
- Petroleum derivatives, such as C9 and C10, which serve as raw materials for the production of a range of advanced material products

About 19% of RAIN Group's consolidated revenue for CY 2022 was from this segment. The Advanced Materials business can be classified broadly into three sub-product categories: engineered products, chemical intermediates and resins.

2.1. Engineered Products

RAIN Group's innovative CARBORES® binder, an engineered pitch product, combines the advantages of coal tar pitch products and phenolic resins. Coal tar pitch contains polycyclic aromatic hydrocarbons (PAHs)

that require special safety precautions during its use. CARBORES® is a substitute binder used in carbon-containing refractory products and graphite products, created with reduced concentration of PAHs. While designed for refractory products, the chemical profile of CARBORES® also allows it to be substituted for standard coal tar pitch in other applications.

The Company's portfolio of engineered products also includes PETRORES®, which is used in specialty applications such as lithium-ion batteries and energy storage.

2.2. Chemical Intermediates

Our main chemical intermediates are BTX products (Benzene, Toluene and Xylene) and Phthalic Anhydride. BTX is produced from the secondary distillation of crude benzene, a liquid by-product derived during the conversion of metallurgical coal into metallurgical coke used for pig iron and steel production. Substantially all of the crude benzene we use as raw material is procured from third parties. Benzene, Toluene and crude Xylene are critical inputs for several chemical-based substances, including solvents for inks and paints. Our main naphthalene derivative product is Phthalic Anhydride (PA), which is used in construction, plastics and as specialty chemicals in other industries.

2.3. Resins

RAIN Group manufactures aromatic hydrocarbon resins and hydrogenated hydrocarbon resin products based on either petrochemical or coal tar distillate raw materials. Coal tar based resins are used primarily for applications in coatings and rubber tyres while petrochemical based resins are used primarily for applications in adhesives and printing inks. The Company introduced a family of colourless resins used in colour-sensitive applications such as tape and book bindings.

The Company also produces phenolics, which are used for applications in leather treatment, electric wire enamels and pharmaceuticals.

In addition, the waste heat generated by the Company's exothermic PA production process is captured and converted into steam for in-house use as a sustainable alternative to generating steam from additional fossil fuels.

Outlook

In 2023, we expect to benefit from increasing demand for our CARBORES® engineered product, which is used in refractory and graphite products, as well as our PETRORES® specialty coating for lithium-ion batteries.

We also anticipate that sales volumes of the rest of our Advanced Materials products will remain stable, with Resins business having good demand.

A particular focus in the coming year will be on optimising the productivity of our HHCR facility. Due to unprecedented increase in the energy prices, we temporarily shut-down the plant in September 2022. However, with energy prices softening beginning 2023, we are evaluating the scenarios to re-start the plant at the earliest.

As with the Carbon distillation business, this segment faces the continued challenge of coal tar availability and rising cost for the raw material. Moreover, soaring energy prices in Europe could remain an issue in the near term as process of these segment products are more energy intensive compared to our distillation products. In response, we are pursuing measures to reduce the energy intensity of our plants and preserve the margins in our business to the extent possible in these extreme conditions.

Threats & Challenges – Advanced Materials

Key threats to RAIN Group's Advanced Materials business are volatility in commodity prices and Chinese competition. The price of crude benzene, C9 and C10 fractions largely depend on the price of crude and fuel oil. Tariffs implemented by the United States have caused Chinese products to compete in the European market. We expect this to continue until a comprehensive trade agreement between the two countries is finalised.

RAIN Group tries to mitigate its pricing and procurement risks through an integrated global management of sales and procurement, optimised processes and long-term agreements with suppliers to ensure reliable sourcing of raw materials.

The quarterly operating results fluctuate due to a variety of factors that are outside our control, including inclement weather conditions, which in the past have affected operating results. Historically, our operating results have been lower in the first and fourth quarters as compared to the second and third quarters partly due to the seasonality of certain products sold in Europe and North America that are not in high demand in cold weather. We are working to pass the unprecedentedly increased energy costs as well as increasing raw material costs to our customers. We have also hedged energy costs partially to reduce the impact in the coming year.

3. Cement

RAIN Group has two integrated cement plants, one each in the states of Telangana and Andhra Pradesh, India with an aggregate installed capacity of 4 million tonnes per annum. About 7% of the consolidated revenue of RAIN Group for CY 2022 was from the Cement business segment.

RAIN Group's cement plants manufacture two grades of cement: ordinary portland cement ("OPC") and portland pozzolana cement ("PPC"). The plants are strategically located near the primary raw material source of limestone. Of the total cement produced, PPC grade accounts for about 75% and OPC grade about 25%.

RAIN Group has been working constantly to reduce the output cost by introducing efficient energy measures, such as waste-heat recovery power plants and the use of fuel-grade green petroleum coke to heat the furnace at our cement plants. Stringent standards stipulated by Bureau of Indian Standards (BIS) are applied in cement production to attain consistency in quality.

The major costs in the production of cement are (a) power and fuel and (b) freight and transportation, which constituted 36% and 26% respectively of total revenues during CY 2022.

RAIN Group constantly works to improve efficiencies in logistics, such as entering long-term contracts with transport contractors for transporting cement to all dealers spread across South India. The downside risk is that any increase in fuel prices could adversely affect freight costs.

The Cement business segment consumes up to 29MW of electricity. RAIN Group supplements these segment's power requirements with electricity generated at its CPC plant in Visakhapatnam and from two waste-heat recovery power plants with an aggregate capacity of 11 MW in the Kurnool and Suryapet cement plants. Since 2020, we are investing in Solar Power Plants to meet the requirement of electricity in our Cement business and set-up a cumulative Solar Power Plant capacity of 16 MW. We plan to install additional 2 MW in 2023. With these measures, the Company generates significant savings in its energy costs.

Cement Industry Growth in India

India is the second largest cement producer in the world and accounted for over 7% of the global installed capacity. The Indian cement industry was estimated to

have a total production capacity of ~550 million tonnes in 2022 and is expected to add 80 million tonnes of capacity by FY24. India's overall cement production accounted for 356 million tonnes (MT) in FY22 and 294 million tonnes (MT) in FY21. Cement is a cyclical commodity with a high correlation to GDP. The Indian housing sector, including the low-cost and affordable housing segment, accounts for close to two thirds of total consumption. The other major consumers of cement include infrastructure at 20% and the rest by industrial capex.

As per the report published by a Rating Agency, the country's cement production will climb by around 6%-8% over fiscal years 2023 and 2024, following a 21% jump for the fiscal year ended March 2022. A growing housing sector, which typically accounts for 60%-65% of India's cement consumption, will remain a key demand driver. Also, continued large investments in roads and infrastructure projects will fuel cement demand. India built 12,000 kilometres of highways in 2022 alone and this momentum will continue in 2023 and 2024, supported by various government initiatives. While cement demand remained solid in the world's second-largest cement market for most of fiscal 2023, profitability slid sharply, largely owing to elevated costs of pet coke, coal and diesel. A sequential, quarter-on-quarter, decline in these costs will prevent a further sharp decline in profitability.

In the Union Budget 2023-24, the government has allocated \$1.8 billion for the creation of safe housing, clean drinking water and sanitation, and increasing road and telecom connectivity, among other initiatives. The government has also allocated \$9.6 billion to address urban housing shortages.

Due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement capacity utilisation on a pan-India basis is expected to improve steadily over next few years. In particular, demand is expected to be boosted by infrastructure development in Tier-2 and Tier-3 cities, driven by government initiatives such as Pradhan Mantri Awas Yojana (PMAY), Smart Cities Mission and Swachh Bharat Abhiyan.

Cement, being a bulk commodity, is freight-intensive, and transporting it over long distances can be costly. This has resulted in cement being largely a regional play, with the industry being divided into five main regions in India: North, South, West, East and Central. The southern states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka together account for nearly one third of the country's total installed capacity.

Current Position

The physical and chemical transformation process which take place during the production of any cement clinker releases CO₂. In response, RAIN Group has invested heavily in a combination of CO₂-offsetting, power-generation systems in our Cement segment. We have done this through a combination of constructing photovoltaic solar power panels and implementing waste-heat recovery power plants, similar to those used at the calcination plants in our Carbon segment. The adoption of these environmentally favorable, captive power-generation technologies enabled us to significantly reduce our greenhouse gas emissions by reducing our reliance on electricity from the grid in India, where most power is generated from high CO₂-emitting coal.

Near Future

Looking ahead, cement demand will continue to be closely linked to economic growth. Today, India is the fastest-growing major economy in the world. Global bodies such as the International Monetary Fund and the World Bank maintain that India's GDP will grow faster than other major countries during the next few years. While India's economy still must recover to pre-pandemic levels, think tanks expect India to grow at a rapid pace on the back of carefully curated policy interventions from the government addressing inflation, unemployment and other key economic issues.

Higher allocation for infrastructure– US\$ 26.74 billion in roads and US\$ 18.84 billion in railways in Union Budget FY 2022-23, is likely to boost demand for cement.

Threats & Challenges – Cement

In spite of increase in demand and production for Cement in the recent past, the cost of the power, fuel and freight required to meet this increased demand are expected to rise, which would impact operating margins.

Listing of Equity Shares

The Company's equity shares are listed on the following Stock Exchanges:

- (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India; and
- (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India.

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the Financial Year 2022-23.

Subsidiary Companies

The Subsidiary Companies situated in India and Outside India continue to contribute to the overall growth in revenues and overall performance of the Company.

As per the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the Financial Statements of the Subsidiary Companies/ Associate Companies/Joint Ventures in Form AOC-1 is annexed to this Board's Report as **Annexure - 1**.

The detailed policy for determining material subsidiaries as approved by the Board is uploaded on the Company's website and can be accessed at the Web-link: <https://rain-industries.com/investors/#policies>

Performance and contribution of each of the Subsidiaries, Associates and Joint Ventures

As per Rule 8 of the Companies (Accounts) Rules, 2014, a Report on the Financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to the overall performance of the Company during the Financial Year ended December 31, 2022 is annexed to this Board's Report as **Annexure - 2**.

Consolidated Financial Statements

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements for the financial Year ended December 31, 2022 forms part of the Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate Audited accounts of its Subsidiaries on its website www.rain-industries.com and a copy of separate Audited Financial Statements of its Subsidiaries will be provided to shareholders upon their request.

Share Capital

The Paid-up Share Capital of the Company as on December 31, 2022 is ₹ 672,691,358 divided into 336,345,679 Equity Shares of ₹ 2 each fully paid up.

Variations in Net worth

The Standalone Net worth of the Company for the Financial Year ended December 31, 2022 is ₹ 2,443.81 Million as compared to ₹ 2,502.69 Million for the previous Financial year ended December 31, 2021 and the Consolidated Net worth of

the Company for the Financial Year ended December 31, 2022 is ₹ 73,575.09 Million as compared to ₹ 59,524.99 Million for the previous Financial year ended December 31, 2021.

Number of Meetings of the Board of Directors

During the year, five Board meetings were held.

The dates on which the Board meetings were held are February 25, 2022, May 4, 2022, July 29, 2022, August 29, 2022 and November 3, 2022.

Details of the attendance of the Directors at the Board meetings held during the Year ended December 31, 2022 are as follows:

Name of the Director	Number of Board Meetings	
	Held	Attended
Mr. N. Radhakrishna Reddy	5	5
Mr. Jagan Mohan Reddy Nellore	5	5
Mr. N. Sujith Kumar Reddy	5	4
Ms. Radhika Vijay Haribhakti	5	5
Ms. Nirmala Reddy	5	5
Mr. Varun Batra	5	5
Mr. Brian Jude McNamara	5	5
Mr. Robert Thomas Tonti	5	5

Management Discussion and Analysis

The Management Discussion and Analysis forms an integral part of this Report and provides details of the overall Industry structure and developments, Opportunities and Threats, Segment-wise or product-wise performance, Outlook, Risks and concerns, Internal control systems and their adequacy, financial performance with respect to operational performance and state of affairs of the Company's various businesses viz., Carbon, Advanced Materials, Cement along with Material developments in Human Resources / Industrial Relations front, including number of people employed and details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations, details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof and Disclosure of Accounting Treatment during the Financial Year.

Directors' Responsibility Statement as required under Section 134 of the Companies Act, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2022 and of Profit and Loss Account of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended December 31, 2022 on a going concern basis;
- v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on Declaration given by Independent Directors under Section 149

The Independent Directors have submitted declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following Independent Directors:

Ms. Radhika Vijay Haribhakti, Chairperson, Ms. Nirmala Reddy, Mr. Varun Batra, Mr. Brian Jude McNamara and Mr. Robert Thomas Tonti.

- Brief description of the terms of reference:
 - formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
 - For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate

the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a) use the services of an external agency if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
 - devising a policy on diversity of board of directors;
 - identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
 - whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - recommend to the board, all remuneration, in whatever form, payable to senior management.

Nomination and Remuneration Committee meetings

During the period from January 1, 2022 to December 31, 2022, Nomination and Remuneration Committee Meeting was held on November 3, 2022.

Attendance at the Nomination and Remuneration Committee Meeting

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Ms. Radhika Vijay Haribhakti	Chairperson	1	1
Ms. Nirmala Reddy	Member	1	1
Mr. Varun Batra	Member	1	1
Mr. Brian Jude McNamara	Member	1	1
Mr. Robert Thomas Tonti	Member	1	1

Particulars of Loans, Guarantees, Securities or Investments under Section 186

The details of Loans, Guarantees, Investments and Security made during the Financial Year ended December 31, 2022 is given in compliance with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the same is annexed to the Board's Report as **Annexure – 3**.

Particulars of Contracts or Arrangements with Related Parties

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All the related party transactions are approved by the Audit Committee and Board of Directors.

The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the Financial Year ended December 31, 2022 in prescribed Form AOC-2 is annexed to this Board's Report as **Annexure - 4**.

The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the web link is <https://www.rain-industries.com/investors/#shareholders-information>.

Transfer of amount to Reserves

The Board of Directors do not propose to transfer any amount to General Reserve for the Financial Year ended December 31, 2022. An amount of ₹ 397.38 Million is retained in the retained earnings.

Dividend

The Board of Directors of the Company at their Meeting held on July 29, 2022 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 ended December 31, 2022 and same was paid to the shareholders and no further dividend has been recommended for the Financial Year ended December 31, 2022.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

Dividend Distribution Policy

The Company has adopted the Dividend Distribution Policy to determine the distribution of dividend in accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The Dividend Distribution Policy is available on the Company's website, at <https://www.rain-industries.com/investors/#policies>.

Annual Return

Annual Return in Form MGT-7 is available on the Company's website, the web link for the same is <https://rain-industries.com/investors>

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Act read with the Companies (Accounts) Rules, 2014 is annexed to this Board's Report as **Annexure - 5**.

Risk Management Committee

The Risk Management Committee consists of the following Directors:

Mr. Jagan Mohan Reddy Nellore, Chairman,
Mr. N. Sujith Kumar Reddy, Member and Mr. Brian Jude McNamara, Member.

Mr. T. Srinivasa Rao is the Chief Risk Officer and Mr. S. Venkat Ramana Reddy acts as Secretary to the Committee.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat risks. The Risk management procedures are reviewed by the Audit Committee and the Board of Directors on a quarterly basis at the time of review of the Quarterly Financial Results of the Company.

Brief description of terms of reference

1. To formulate a detailed Risk Management Policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly Environment, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

Risk Management Committee Meetings

During the Financial Year, Risk Management Committee Meetings were held on February 18, 2022, July 21, 2022 and October 20, 2022.

Attendance at the Risk Management Committee Meeting:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Jagan Mohan Reddy Nellore	Chairman	3	3
Mr. N. Sujith Kumar Reddy	Member	3	3
Mr. Brian Jude McNamara	Member	3	3

Corporate Social Responsibility (CSR)

Corporate Social Responsibility reflects the strong commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large.

The Company believes in undertaking business in a way that will lead to overall development of all stakeholders and society.

The Board of Directors of the Company have constituted a Corporate Social Responsibility Committee comprising of the following Directors:

Mr. Jagan Mohan Reddy Nellore, Chairman, Mr. N. Sujith Kumar Reddy, Member and Ms. Nirmala Reddy, Member (Independent Director).

Corporate Social Responsibility policy was adopted by the Board of Directors on the recommendation of Corporate Social Responsibility Committee.

During the year, the Company has spent ₹ 1 Million on CSR activities.

The Company along with its subsidiaries in India has spent an amount of ₹ 223.81 Million towards CSR activities during last 3 years.

A report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Board's Report as **Annexure - 6**.

During the Financial Year, Corporate Social Responsibility Committee Meeting was held on April 25, 2022.

Attendance at the Corporate Social Responsibility Committee Meeting:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Jagan Mohan Reddy Nellore	Chairman	1	1
Mr. N. Sujith Kumar Reddy	Member	1	1
Ms. Nirmala Reddy	Member	1	1

Stakeholders Relationship Committee

The Stakeholders Relationship Committee consists of following Directors:

Mr. N. Sujith Kumar Reddy, Chairman, Mr. N. Radhakrishna Reddy, Member, Mr. Jagan Mohan Reddy Nellore, Member and Ms. Nirmala Reddy, Member (Independent Director).

During the Financial Year, Stakeholders Relationship Committee Meetings were held on April 25, 2022 and October 20, 2022.

Attendance at Stakeholders Relationship Committee Meeting:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. N. Sujith Kumar Reddy	Chairman	2	2
Mr. N. Radhakrishna Reddy	Member	2	2
Mr. Jagan Mohan Reddy Nellore	Member	2	2
Ms. Nirmala Reddy	Member	2	2

Terms of Reference

- (i) Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, non-receipt of new/duplicate certificates, etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Share Transfer Committee

The Share Transfer Committee consists of following Directors:

Mr. N. Sujith Kumar Reddy, Chairman, Mr. N. Radhakrishna Reddy, Member and Mr. Jagan Mohan Reddy Nellore, Member.

The Committee meets every week/15 days to oversee and review all matters connected with the securities transfers and review the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

Mechanism for Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017, the Company has adopted the criteria recommended by the SEBI.

The Directors were given Six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

The Board of Directors have appointed Mr. DVM Gopal, Practicing Company Secretary as scrutinizer for Board evaluation process.

The Directors have sent the duly filled forms to Mr. DVM Gopal after evaluation.

Mr. DVM Gopal based on the evaluation done by the Directors, has prepared a report and submitted the Evaluation Report.

The Chairperson based on the report of the scrutinizer has informed the rankings to each Director and also informed that based on the Evaluation done by the Directors and also report issued by Mr. DVM Gopal, the performance of Directors is satisfactory, and they are recommended for continuation as Directors of the Company.

Familiarization programmes imparted to Independent Directors

The Members of the Board of the Company have been provided opportunities to familiarize themselves with the Company, its Management and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations and the industry in which it operates.

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Executive Directors and Senior Management provide an overview of the operations and familiarize the new Non-Executive Directors on matters related to the Company's values and commitments. They are also introduced to the organisation structure, constitution of various committees, board procedures, risk management strategies, etc.

Strategic presentations are made to the Board where Directors get an opportunity to interact with Senior Management. Directors are also informed of the various developments in the Company through Press Releases, emails, etc.

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

The Statutory Auditors and Internal Auditors of the Company make presentations to the Board of Directors on Financial Statements and Internal Controls. They will also make presentation on regulatory changes from time to time.

The details of the familiarisation programme are available on the website: <https://www.rain-industries.com/>

Directors

The Shareholders of the Company have approved the re-appointment of Mr. Varun Batra (DIN: 00020526), as an Independent Director of the Company for a period of 5 years i.e., from February 28, 2023 to February 27, 2028.

The Board of Directors of the Company at their meeting held on February 27, 2023 have appointed Ms. B. Shanti Sree (DIN: 07092256) as an Independent Director for a term of 5 years i.e., from February 28, 2023 to February 27, 2028 and the same is being placed before the shareholders of the Company in this 48th Annual General Meeting for their approval.

Mr. Nirmala Reddy is ceased to be an Independent Director of the Company with effect from February 28, 2023 consequent to completion of her second term as an Independent Director.

Except the above, there has been no change in the Board of Directors during the Financial Year ended December 31, 2022.

Mr. N Sujith Kumar Reddy, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

Key Managerial Personnel

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Mr. N. Radhakrishna Reddy - Managing Director
 Mr. T. Srinivasa Rao - Chief Financial Officer
 Mr. S. Venkat Ramana Reddy - Company Secretary

Meeting of Independent Directors

A separate meeting of the Independent Directors was held under the Chairmanship of Mr. Varun Batra, Independent Director on November 3, 2022, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

Registration of Independent Directors in Independent Directors Databank

All the Independent Directors of your Company have been registered and are members of Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA).

Online Proficiency Self-Assessment Test

All Independent Directors of the Company have passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affairs (IICA).

Confirmation and Opinion of the Board on Independent Directors

All the Independent Directors of the Company have given their respective declaration/ disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and

without any external influence. Further, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possesses requisite expertise, experience and qualifications to discharge the assigned duties and responsibilities as mandated by the Companies Act, 2013 and Listing Regulations diligently.

Board Diversity

The Company has over the years been fortunate to have eminent persons from diverse fields to serve as Directors on its Board. Pursuant to the SEBI Listing Regulations, the Nomination & Remuneration Committee of the Board has formalised a policy on Board Diversity to ensure diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The Policy on diversity is available on the Company's website and can be accessed on web link at <https://www.rain-industries.com/investors/#policies>.

Statement of particulars of appointment and remuneration of managerial personnel

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Board's Report as **Annexure - 7**.

Directors and Officers Insurance ('D&O')

As per the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance ('D&O') for all its Directors and members of the Senior Management.

Code of Conduct

Board of Directors have adopted and oversee the administration of the RAIN Group's Code of Business Conduct and Ethics (the 'Code of Conduct'), which applies to all Directors, Officers and Employees of Rain Industries Limited and its subsidiaries (collectively, the 'RAIN Group'). The Code of Conduct reflects the Group's commitment to doing business with integrity and in full compliance with the law and provides a general roadmap for all the Directors, Officers and Employees to follow as they perform their day-to-day responsibilities with the highest ethical standards. The Code of Conduct also ensures that all members of RAIN Group perform their duties in compliance with applicable laws and in a manner that is respectful of each other and the RAIN Group's relationships with its customers, suppliers

and shareholders, as well as the communities and regulatory bodies where the Group does business.

Deposits

The Company has not accepted any deposits from the public in terms of Chapter V of the Companies Act, 2013. Hence, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Statutory Auditors

M/s. BSR and Associates LLP, (ICAI Regn. No.116231W/W-100024), Chartered Accountants has been the Auditors of the Company for a period of two consecutive terms. Pursuant to Section 139 of the Companies Act, 2013, an audit firm which has completed two terms of five consecutive years cannot be re-appointed as the Auditor of the Company. Accordingly, the two terms of five consecutive years of the present auditors expires at the conclusion of the forthcoming 48th Annual General Meeting. The Board of Directors of the Company based on the recommendation of the Audit Committee, propose the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, (FRN: 101049W/E300004) as the Statutory Auditors of the Company.

The Company has received a written consent, eligibility letter and other necessary declarations and confirmations from M/s. S. R. Batliboi & Associates LLP, stating that they satisfy the criteria provided under Section 141 of the Companies Act, and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

If approved by the Members, the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants as the Statutory Auditors will be for a period of five consecutive years commencing from the conclusion of 48th Annual General Meeting till the conclusion of the 53rd Annual General Meeting.

Auditors Report

There are no qualifications, reservations or adverse remarks or disclaimer made by BSR & Associates LLP, Chartered Accountants (ICAI Regn. No.116231W/W-100024), Statutory Auditors in their report for the Financial Year ended December 31, 2022.

Secretarial Auditors Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed DVM & Associates LLP, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended December 31, 2022.

The Secretarial Auditors Report issued by DVM & Associates LLP, Practicing Company Secretaries in Form MR-3 is annexed to this Board's Report as **Annexure - 8**.

The Secretarial Auditors Report does not contain any qualifications, reservation or adverse remarks or disclaimer.

Secretarial Audit of Material Unlisted Indian Subsidiaries

The Material Unlisted Subsidiaries of your Company i.e., Rain Cements Limited (RCL) and Rain CII Carbon (Vizag) Limited (RCCVL) undertakes Secretarial Audit every year under Section 204 of the Companies Act, 2013. The Secretarial Audit of RCL and RCCVL for the Financial Year ended December 31, 2022 was carried out pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report of RCL issued by Mr. Vikas Sirohiya, Practicing Company Secretary, partner at P. S. Rao and Associates, Practicing Company Secretaries and Secretarial Audit Report of RCCVL issued by Mr. DVM Gopal, partner at DVM & Associates LLP, Practicing Company Secretaries does not contain any qualification, reservation or adverse remark or disclaimer.

The Secretarial Auditors Report of RCL and RCCVL in Form MR-3 are annexed to this Board's Report as **Annexure - 8A** and **Annexure - 8B**.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year ended December 31, 2022 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by Mr. DVM Gopal, Practicing Company Secretary has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year and same is annexed to this Board's Report as

Annexure - 8C.

Board's response on Auditor's qualification, reservation or adverse remarks or disclaimer made.

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their report or by the Practicing Company Secretary in the Secretarial Audit Report for the year.

Internal Auditors

The Board of Directors of the Company has appointed Ernst & Young LLP as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended December 31, 2022. Further, the Company has an in-house internal audit department to carry-out extensive internal audits and special management reviews of all operating subsidiary Companies in India, Europe and United States of America.

Maintenance of Cost Records specified by the Central Government under Section 148 of the Companies Act, 2013

The provisions relating to maintenance of Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013 is not applicable to the Company.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Directors or Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

Audit Committee

The Audit Committee consists of the following Members (all are Independent Directors):

Ms. Radhika Vijay Haribhakti, Chairperson, Mr. Varun Batra, Member, Mr. Brian Jude McNamara, Member and Mr. Robert Thomas Tonti, Member.

There has been no such incidence where the Board has not accepted the recommendation of the Audit Committee during the year under review.

Six Audit Committee Meetings were held during the Financial Year ended December 31, 2022. The maximum time gap between any two meetings was not more than one hundred and twenty days.

The Audit Committee meetings were held on February 24, 2022, May 3, 2022, July 28, 2022, August 29, 2022, September 19, 2022 and November 2, 2022.

Attendance at the Audit Committee Meetings

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Ms. Radhika Vijay Haribhakti	Chairperson	6	6
Mr. Varun Batra	Member	6	6
Mr. Brian Jude McNamara	Member	6	6
Mr. Robert Thomas Tonti	Member	6	6

Corporate Governance

The Company has a rich legacy of ethical governance practices and committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximise shareholder value.

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding

compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

Vigil Mechanism (Whistle Blower Policy)

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy.

The Company has adopted a Whistle Blower Policy establishing a formal vigil mechanism for the Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website i.e., https://www.rain-industries.com/assets/pdf/ril-whistle-blower-policy-10-11-2015_20180725124703.pdf.

The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All employees of the Company are covered under the Whistle Blower Policy.

Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of ₹ 46,17,360 of the Company for the Financial Year ended December 31, 2015 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013 on September 19, 2022.

During the year, 4,97,439 equity shares were transferred to IEPF.

The Company has transferred an amount of ₹ 31,78,211 towards dividend to IEPF on the shares which were already transferred to IEPF.

Information in respect of unclaimed dividend and due dates for transfer to the IEPF are given below:

Sl. No.	For the Financial year ended	Percentage of Dividend	Date of Declaration	Due date for transfer to IEPF
1	December 31, 2016 (Interim dividend)	50%	August 13, 2016	September 14, 2023
2	December 31, 2017 (Interim dividend)	50%	August 11, 2017	September 10, 2024
3	December 31, 2017 (Final dividend)	50%	May 11, 2018	June 10, 2025
4	December 31, 2018 (Interim dividend)	50%	November 14, 2018	December 13, 2025
5	December 31, 2019 (Interim dividend)	50%	November 13, 2019	December 12, 2026
6	December 31, 2020 (Interim dividend)	50%	October 30, 2020	December 5, 2027
7	December 31, 2021 (Interim dividend)	50%	October 30, 2021	December 3, 2028
8	December 31, 2022 (Interim dividend)	50%	July 29, 2022	September 1, 2029

Unclaimed Equity shares held in the suspense account are maintained with Stock Holding Corporation of India Limited, G6-G10, East Block, Swarna Jayanthi Commercial Complex, Ameerpet, Hyderabad – 500002, Telangana State, India, vide Client ID: IN301330 and DP ID: 40195702

30, 2022, the Company has opened "Rain Industries Limited Unclaimed Securities Suspense Escrow Account" to transfer the unclaimed securities.

Insurance

All properties and insurable interests of the Company have been fully insured.

In Compliance with SEBI Circulars SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 and SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December

Adequacy of Internal Financial Controls with reference to the Financial Statements

The Corporate Governance Policies guide the conduct of affairs of the Company and clearly delineates the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance. The Code of Conduct for Senior Management and Employees of the Company (the Code of Conduct) commits Management to financial and accounting policies, systems and processes. The Corporate Governance Policies and the Code of Conduct stand widely communicated across the Company at all times.

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company maintains all its records in ERP (SAP) System and the workflow and approvals are routed through ERP (SAP).

The Company has appointed Internal Auditors to examine the internal controls and verify whether the workflow of the organisation is in accordance with the approved policies of the Company. In every Quarter, while approval of Financial Statements, the Internal Auditors present to the Audit Committee, the Internal Audit Report and Management Comments on the Internal Audit observations. The reports of in-house internal auditors are reviewed by the audit committees of respective subsidiary companies and the minutes of the meetings and key observations of the in-house internal audit team are reported to the Audit Committee of the Company on a quarterly basis.

The Board of Directors of the Company have adopted various policies such as Related Party Transactions Policy, Whistle Blower Policy, Material Subsidiaries Policy, Corporate Social Responsibility Policy, Anti-Corruption and Anti Bribery policy, Risk Management Policy, Dissemination of material events Policy, Documents preservation policy, Monitoring and Reporting of Trading by Insiders, Code of Internal Procedures and conduct for Regulating, monitoring and reporting of trading by Insiders, Code of Practices and Procedures for Fair Disclosures, Policy on Prevention of Fraud and Internal Financial Control Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company recognises Internal Financial Controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the Internal Financial Controls to future periods are subject to the risk that the Internal Financial Control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

Names of Companies, which have become or ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies during the year

During the year under review, Rain Carbon Holdings LLC, a Wholly Owned Subsidiary has merged with Rain Carbon Inc., a Wholly Owned Subsidiary.

Change in the nature of business

There has been no change in the nature of business of the Company.

The details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

There have been no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

During the year under review, no application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

Material changes and commitments

There are no material changes and commitments affecting the financial position of the Company which occurred between the Financial Year ended December 31, 2022 to which the Financial Statements relates and the date of signing of this report.

Financial Year of the Company

The Company has wholly owned subsidiary Companies situated in India and outside India. The Companies situated outside India follow the Financial Year from January 1 to December 31 and they contribute significant revenue to the consolidated revenue of the Company and their statutory financials, tax filings are also made on this basis in the respective jurisdictions where they are registered. A

common Financial Year of the Company and its Subsidiary Companies has synergies in closing of accounts, compilation and disclosure of data, internal control assessment and audit thereof and preparation of Consolidated Financial Statements, hence, the Company is following the Financial Year from January 1 to December 31.

The Company Law Board vide its order dated October 16, 2015 permitted the Company to follow the Financial Year from January 1 to December 31.

Business Responsibility and Sustainability Report

The 'Business Responsibility and Sustainability Report (BRSR) of your Company for the year ended December 31, 2022 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **Annexure - 9**.

Credit Rating

India Ratings and Research has revised Rain Industries Limited's (the Company) Outlook to Stable from Negative while affirming the Long-Term Issuer Rating at 'IND A/Stable'.

Nomination and Remuneration Policy

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Employees of the Company, to harmonise the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 as

The following is a summary of sexual harassment complaints received and disposed off during the year:

S. No.	Particulars	Status of the No. of complaints received and disposed off
1	Number of complaints on Sexual harassment received	Nil
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programme against sexual harassment carried out	The Company regularly conducts necessary awareness programmes for its employees
5	Nature of action taken by the employer or district officer	Not Applicable

Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaints during the year.

amended from time to time, the policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated.

Nomination and Remuneration policy of the Company forms part of this Annual Report and the policy is also available on the Company's website at: <https://rain-industries.com/investors/#policies> as **Annexure - 10**.

Human Resources

The Company believes that the quality of its employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through effective communication, meetings and negotiation.

Prevention of Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not received any complaints during the year.

The Company regularly conducts awareness programs for its employees.

Initiatives for Stakeholder and Customer relationship

The Company has an effective Investor Relations Program ("IR") through which the Company continuously interacts with the investor community across various channels (Periodic Earnings Calls, Individual Meetings, Participation in One-on-One interactions and group meetings). The Company ensures that critical information about the Company is available to

all the investors by submitting all such information to the Stock Exchanges and also uploading the information on the Company's website under the Investors section.

The Company strives to adopt emerging best practices in IR and building a relationship of mutual understanding with investors and analysts.

We place our customers at the center of everything we do, aiming to provide relevant products effortlessly through the channels they choose. Development and investment of robust customer relationship management structures can be very costly. Rain has, therefore, taken great care in recognising the processes and frameworks that require attention to meet the targets of greater efficiency. It requires us to spend significant management time but at the same time, leads to better business and a better brand.

Customer satisfaction is the most important measure of success in our industry. All the effort we put in everyday gets translated into our high Customer retention and repeat customer volume. We reach out to key influencers from our customers to get their feedback about our products. In addition, we seek inputs on their future roadmap and priorities. This helps us measure the health of our relationships with our customers and what we can do to add value.

Environment, Health and Safety

The Company considers it is essential to protect the Earth and limited natural resources as well as the health and wellbeing of every person.

The Company strives to achieve safety, health and environmental excellence in all aspects of its business activities. Acting responsibly with a focus on safety, health and the environment to be part of the Company's DNA.

In line with the 'Go Green' philosophy, the Company is continuously adopting new techniques to eliminate and minimise the environmental impact. Various projects have been implemented by the Company to use alternate sources of energy wherever possible.

The Company does not just talk about 'Sustainability', it follows in true letter and spirit; Sustainability is about how RAIN operates. RAIN strives to promote Circular Economy and deliver Societal Value. RAIN's approach is to innovate, collaborate and educate communities.

With an intensive focus on safety, we have achieved decline in our total recordable injury rate (TRIR).

We firmly believe that we can progress only as fast as the successful implementation and acceptance of our safety programmes and initiatives.

Our aim is to build a more mature and sustainable safety culture that will allow us to increase our productivity and operational discipline and facilitate highly competitive organic growth.

Our safety culture is centrally driven with a global Safety, Health and Environment (SHE) organisation steering our Company-wide programmes.

Occupational health is a key aspect of Rain's safety activities. Currently, there are several health programmes initiated at each site and location, including global health days with dedicated initiatives.

Process safety is an integral part of our mission to operate in the safest manner possible by increasing the efficiency and reliability of our operations.

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr. S. Venkat Ramana Reddy, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementing of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code.

Reconciliation of Share Capital Audit

As required by the SEBI Listing Regulations, quarterly audit of the Company's share capital is being carried out by an independent Practicing Company Secretary with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Practicing Company Secretary's Certificate in regard to the same is submitted to BSE and the NSE and is also placed before the Board of Directors.

Acknowledgements

We express our sincere appreciation and thank our valued Shareholders, Customers, Bankers, Business Partners/ Associates, Financial Institutions, Insurance Companies,

Central and State Government Departments for their continued support and encouragement to the Company. We are pleased to record our appreciation of the sincere and dedicated services of the employees and workmen at all levels.

Place: Hyderabad
Date: February 27, 2023

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy

Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore

Director
DIN: 00017633

Annexure - 1

FORM NO. AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint ventures

Part- A- Subsidiaries

S. No	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries (Refer Note 1 below)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/(Benefit)	Profit/(Loss) after Taxation	Other Comprehensive Income/(Loss)	Total Comprehensive Income/(Loss)	Proposed Dividend	% of shareholding	Contribution to the overall performance of the Company
1	Rain Cements Limited	19.11.2003	31.12.2022	INR	298.05	7,953.89	11,728.47	11,728.47	16.09	16,193.73	1,011.05	236.41	775.64	12.22	787.87	-	100	3%
2	Rain Commodities (USA) Inc.	13.01.2006	31.12.2022	US\$	906.67	14,276.11	23,777.09	23,777.09	-	-	252.14	(16.05)	268.19	(126.49)	141.70	318.39	100	1%
3	Rain Verticals Limited	06.04.2021	31.12.2022	INR	1.00	(0.42)	0.86	0.86	-	-	(0.06)	-	(0.06)	-	(0.06)	-	100	0%
4	Renuka Cement Limited	14.01.2011	31.12.2022	INR	74.98	182.64	258.15	258.15	-	-	(45.94)	1.21	(47.14)	-	(47.14)	-	100	0%
5	Rain Carbon Inc.	15.09.2010	31.12.2022	US\$	17,777.87	4,222.44	67,160.73	67,160.73	-	-	4,672.92	(46.27)	4,719.19	(95.85)	4,623.34	689.02	100	19%
6	Rain Global Services LLC	27.03.2008	31.12.2022	US\$	0.26	(0.26)	-	-	-	-	-	-	-	-	-	-	100	0%
7	Rain CII Carbon (Vizag) Limited	23.04.2008	31.12.2022	INR	81.80	23,035.64	31,939.20	31,939.20	-	30,698.77	9,062.98	2,309.57	6,753.41	1.32	6,754.73	-	100	27%
8	Rain CII Carbon LLC	19.07.2007	31.12.2022	US\$	13,639.83	24,938.54	1,02,618.17	1,02,618.17	-	92,589.47	11,137.97	2,261.45	8,876.52	2,398.40	11,274.92	4,874.57	100	35%
9	OOO Rain Carbon LLC	26.05.2017	31.12.2022	RUB	0.01	243.49	638.31	638.31	-	1.04	26.46	5.25	21.21	27.58	48.79	-	100	0%
10	Rain Carbon Canada Inc.	04.01.2013	31.12.2022	CAD	2,027.94	5,971.68	10,183.19	10,183.19	-	4,040.54	665.61	183.15	502.66	432.69	935.35	1,498.83	100	2%
11	Rain Carbon BV	04.01.2013	31.12.2022	EURO	724.80	14,184.54	20,966.21	20,966.21	-	44,006.70	31,265.55	772.07	2,354.48	825.06	3,180.54	4,364.50	100	9%
12	VFT France S.A	04.01.2013	31.12.2022	EURO	797.28	522.28	1,326.00	1,326.00	-	1.87	27.23	-	27.23	16.35	43.58	-	100	0%
13	Rumba Invest BVBA & Co. KG (5)	04.01.2013	31.12.2022	EURO	-	(2.06)	1,523.86	1,523.86	-	-	104.57	-	104.57	(0.16)	104.41	-	94.9	0%
14	Rain Carbon Germany GmbH (5)	04.01.2013	31.12.2022	EURO	2,226.59	11,361.01	44,367.17	44,367.17	124.33	59,278.92	(2,769.81)	(212.14)	(2,557.67)	3,287.02	729.35	-	99.7	-10%
15	RÜTGERS Resins BV	04.01.2013	31.12.2022	EURO	74.20	1,804.39	1,889.61	1,889.61	-	-	28.17	5.62	22.55	87.81	110.36	-	100	0%
16	Severtar Holding Ltd.	04.01.2013	31.12.2022	EURO	10.31	2,281.50	2,293.53	2,293.53	-	-	(10.57)	-	(10.57)	129.44	118.87	2,107.26	65.3	0%
17	OOO RÜTGERS Severtar	04.01.2013	31.12.2022	RUB	296.44	9,478.22	11,853.48	11,853.48	-	16,038.97	5,013.38	1,005.97	4,007.41	521.16	4,528.57	-	65.3	16%
18	Rain Carbon Poland Sp. z o.o	04.01.2013	31.12.2022	PLN	195.70	327.82	605.68	605.68	-	2,057.62	85.86	16.29	69.57	(6.36)	63.21	33.31	100	0%
19	Rain Carbon (Shanghai) Trading Co. Ltd.	06.01.2014	31.12.2022	CNY	31.12	82.14	254.42	254.42	-	515.10	3.70	0.21	3.49	2.91	6.40	-	100	0%

(₹ in Million)

Annexure - 1

S. No	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries (Refer Note 1 below)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/ (Loss) before Taxation	Tax Expense/ (Benefit)	Profit/ (Loss) after Taxation	Other Comprehensive Income/ (Loss)	Total Comprehensive Income/ (Loss)	Proposed Dividend	% of share-holding	Contribution to the overall performance of the Company
20	Rain Carbon Wohnimmobilien GmbH & Co. KG (5)	20.08.2015	31.12.2022	EURO	0.14	202.29	237.16	237.16	-	11.401	(11.57)	5.45	(17.02)	9.01	(8.01)	-	100	0%
21	Rain Carbon Gewerbeimmobilien GmbH & Co. KG (5)	21.08.2015	31.12.2022	EURO	0.14	768.41	857.78	857.78	-	1.35.77	66.94	17.79	49.15	25.39	74.54	-	100	0%
22	Rain Carbon GmbH (5)	27.11.2015	31.12.2022	EURO	3.62	11,818.47	60,499.74	60,499.74	-	1,37.98	124.32	820.30	(695.98)	2,366.63	1,670.65	-	100	-3%

Notes:

- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates as at December 31, 2022. Exchange rates as on the last date of the financial year are INR/USD - 82.79; INR/EURO - 88.15; INR/RUB - 1.13; INR/CNY - 11.98; INR/PLN - 18.83; INR/CAD - 61.05.
- Refer Note 2(a) of Consolidated Financial Statements to see relation with the subsidiary, percentage equity holding and Country of incorporation for each of subsidiary.
- Financial information is based on Audited Results of the subsidiaries. The reporting period of the subsidiary is same as that of holding Company.
- Investments except in case of investments in subsidiaries.
- Controlled companies in German fiscal unity, income according to local GAAP transferred to Rain Carbon GmbH and taxed on consolidated basis.

1 Names of subsidiaries which have been liquidated or sold during the year.

S.No.	Name of the Company	Address
		Nil

Part B - Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S.No.	Name of Associates/ Joint Ventures	Date on which the Associate or Joint venture was associated or acquired	Latest audited Balance Sheet Date	Shares of Associate /Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				No.	Amount of Investment in Associates/ Joint Venture				Extent of Holding %	i. Considered in Consolidation
1	InfraTec Duisburg GmbH (IDGmbH)	04.01.2013	31.12.2021	7,500	94.29	30	As the group has only ability to exercise significant influence but not control over these investees	94.29	2.83	6.60

₹ in Millions

1 Names of associates or joint ventures which are yet to commence operations

S.No.	Name of the Company and Address
	Nil

2 Names of associates or joint ventures which have been liquidated or sold during the year.

S.No.	Name of the Company and Address
	Nil

On behalf of the Board of Directors
for **Rain Industries Limited**

Place: Hyderabad	N. Radhakrishna Reddy Managing Director	Jagan Mohan Reddy Nellore Director	T. Srinivasa Rao Chief Financial Officer	S. Venkat Ramana Reddy Company Secretary
Date: February 27, 2023	DIN: 00021052	DIN: 00017633	M. No.: F29080	M. No.: A14143

Annexure - 2

FORM NO. AOC -1

Report on the Performance and Financial position of each of the Subsidiaries, Associates and Joint Ventures Companies of the Company.

(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

Part- A- Subsidiaries

₹ in Millions																		
S. No	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries (Refer Note 1 below)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/(Benefit)	Profit/(Loss) after Taxation	Other Comprehensive Income / (Loss)	Total Comprehensive Income / (Loss)	Proposed Dividend	% of share-holding	Contribution to the overall performance of the Company
1	Rain Cements Limited	19.11.2003	31.12.2022	INR	29805	7,953.89	11,728.47	11,728.47	16.09	16,193.73	1,011.05	235.41	775.64	12.22	787.87	-	100	3%
2	Rain Commodities (USA) Inc.	13.01.2006	31.12.2022	US\$	90667	14,276.11	23,777.09	23,777.09	-	-	252.14	(16.06)	268.19	(126.49)	141.70	318.39	100	1%
3	Rain Verticals Limited	06.04.2021	31.12.2022	INR	1.00	(0.42)	0.86	0.86	-	-	(0.06)	-	(0.06)	-	(0.06)	-	100	0%
4	Renuka Cement Limited	14.01.2011	31.12.2022	INR	7498	182.64	258.15	258.15	-	-	(45.94)	1.21	(47.14)	-	(47.14)	-	100	0%
5	Rain Carbon Inc.	15.09.2010	31.12.2022	US\$	17,777.87	4,222.44	67,160.73	67,160.73	-	-	4,672.92	(46.27)	4,719.19	(95.85)	4,623.34	689.02	100	19%
6	Rain Global Services LLC	27.03.2008	31.12.2022	US\$	0.26	(0.26)	-	-	-	-	-	-	-	-	-	-	100	0%
7	Rain CII Carbon (Vizag) Limited	23.04.2008	31.12.2022	INR	81.80	230,356.64	31,939.20	31,939.20	-	30,698.77	9,062.98	2,309.57	6,753.41	1.32	6,754.73	-	100	27%
8	Rain CII Carbon LLC	19.07.2007	31.12.2022	US\$	13,639.83	24,938.54	1,02,618.17	1,02,618.17	-	92,599.47	11,137.97	2,261.45	8,876.52	2,398.40	11,274.92	4,874.57	100	35%
9	OOO Rain Carbon LLC	26.05.2017	31.12.2022	RUB	0.01	243.49	638.31	638.31	-	1.04	26.46	5.25	21.21	27.88	48.79	-	100	0%
10	Rain Carbon Canada Inc.	04.01.2013	31.12.2022	CAD	2,227.94	5,971.68	10,183.19	10,183.19	-	4,040.54	685.81	183.15	502.66	432.69	935.35	1,498.83	100	2%
11	Rain Carbon BV	04.01.2013	31.12.2022	EURO	72,480	14,184.54	20,966.21	20,966.21	-	44,006.70	31,265.55	772.07	2,354.48	826.06	31,805.4	4,364.50	100	9%
12	VFT France S.A	04.01.2013	31.12.2022	EURO	79,728	522.28	1,326.00	1,326.00	-	13.87	27.23	-	27.23	16.35	43.58	-	100	0%
13	Rumba Invest BVBA & Co. KG (5)	04.01.2013	31.12.2022	EURO	-	(2.06)	1,523.86	1,523.86	-	-	104.57	-	104.57	(0.16)	104.41	-	94.9	0%
14	Rain Carbon Germany GmbH (5)	04.01.2013	31.12.2022	EURO	2,226.59	11,361.01	44,367.17	44,367.17	124.33	59,278.92	(2,769.81)	(212.14)	(2,557.67)	3,287.02	729.35	-	99.7	-10%
15	RÜTGERS Resins BV	04.01.2013	31.12.2022	EURO	74,200	1,804.39	1,889.61	1,889.61	-	-	281.7	5.62	22.55	87.81	110.36	-	100	0%
16	Severtar Holding Ltd.	04.01.2013	31.12.2022	EURO	10,310	2,281.50	2,293.53	2,293.53	-	-	(10.57)	-	(10.57)	129.44	118.87	210,726	65.3	0%
17	OOO RÜTGERS Severtar	04.01.2013	31.12.2022	RUB	296.44	9,478.22	11,853.48	11,853.48	-	16,088.97	5,013.38	1,005.97	4,007.41	521.16	4,528.57	-	65.3	16%

Annexure - 2

		₹ in Millions																
S.No	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the financial year in the case of foreign subsidiaries (Refer Note 1 below)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/(Benefit)	Profit/(Loss) after Taxation	Other Comprehensive Income/(Loss)	Total Comprehensive Income/(Loss)	Proposed Dividend	% of share holding	Contribution to the overall performance of the Company
18	Rain Carbon Poland Sp. z o.o	04.01.2013	31.12.2022	PLN	19570	32782	60568	60568	-	2,057.62	8586	16.29	6957	(636)	6321	3331	100	0%
19	Rain Carbon (Shanghai) Trading Co.Ltd.	06.01.2014	31.12.2022	CNY	3112	8214	25442	25442	-	515.10	370	0.21	349	291	640	-	100	0%
20	Rain Carbon Wohnimmobilien GmbH & Co.KG (5)	20.08.2015	31.12.2022	EURO	014	20229	23716	23716	-	11.401	(11.57)	5.45	(1702)	901	(801)	-	100	0%
21	Rain Carbon Gewerbeimmobilien GmbH & Co.KG (5)	21.08.2015	31.12.2022	EURO	014	78841	85778	85778	-	135.77	6694	1779	4915	2539	7454	-	100	0%
22	Rain Carbon GmbH (5)	27.11.2015	31.12.2022	EURO	362	11,818.47	60,499.74	60,499.74	-	137.98	124.32	820.30	(69598)	2,366.63	1,670.65	-	100	-3%

Notes:

- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates as at December 31, 2022. Exchange rates as on the last date of the financial year are INR/USD - 82.79; INR/EURO - 88.15; INR/RUB - 1.13; INR/CNY - 11.98; INR/PLN - 18.83; INR/CAD - 61.05.
 - Refer Note 2(a) of Consolidated Financial Statements to see relation with the subsidiary, percentage equity holding and Country of incorporation for each of subsidiary.
 - Financial information is based on Audited Results of the subsidiaries. The reporting period of the subsidiary is same as that of holding Company.
 - Investments except in case of investments in subsidiaries.
 - Controlled companies in German fiscal unity, income according to local GAAP transferred to Rain Carbon GmbH and taxed on consolidated basis.
- 1 Names of subsidiaries which have been liquidated or sold during the year.**

S.No.	Name of the Company	Address
		Nil

Part B - Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S.No.	Name of Associates/ Joint Ventures	Date on which the Associate or Joint venture was associated or acquired	Latest audited Balance Sheet Date	Shares of Associate /Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				No.	Amount of Investment in Associates/ Joint Venture				Extent of Holding %	i. Considered in Consolidation
1	InfraTec Duisburg GmbH (IDGmbH)	04.01.2013	31.12.2021	7,500	94.29	30	As the group has only ability to exercise significant influence but not control over these investees	94.29	2.83	6.60

₹ in Millions

1 Names of associates or joint ventures which are yet to commence operations

S.No.	Name of the Company and Address
	Nil

2 Names of associates or joint ventures which have been liquidated or sold during the year.

S.No.	Name of the Company and Address
	Nil

On behalf of the Board of Directors
for **Rain Industries Limited**

S. Venkat Ramana Reddy

Company Secretary

M. No.: A14143

N. Radhakrishna Reddy

Managing Director

DIN: 00021052

Jagan Mohan Reddy Nellore

Director

DIN: 00017633

T. Srinivasa Rao

Chief Financial Officer

M. No.: F29080

Place: Hyderabad

Date: February 27, 2023

Annexure - 3

Particulars of Loans, Guarantees, Investments and Security under Section 186 of the Companies Act, 2013

(₹ in Million)

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/ acquisition/ giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/ Unlisted entities)	Amount of loan/ security/ acquisition / guarantee	Time period for which it is made/ given	Date of passing Board Resolution	Purpose of loan/ security/ acquisition / guarantee	For loans	
							Rate of interest	Date of maturity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Acquisition	18.05.2022	Rain Carbon LLC Registered Office: Bakhrushina Street 32 block 1 Moscow, Russia. (a wholly owned subsidiary)	Euro 3.95 Million (INR: 322.61 Million)	Not Applicable	February 25, 2022	Investment in a Wholly owned Subsidiary	Not Applicable	Not Applicable

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Place: Hyderabad
Date: February 27, 2023

Annexure - 4**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

- There are no contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm's length basis.
- Contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis are as follows:

(₹ in Million)

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances if any	Justification for entering into contracts
1	Rain Cements Limited (Wholly owned Subsidiary)	Revenue from Shared Services	From January 01, 2022 to December 31, 2022	₹ 77.77 Million	February 25, 2021 and February 25, 2022	NIL	Rain Industries Limited (the Company) has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to its Subsidiary Companies in India and outside India. Accordingly, the Company has entered into contracts to provide shared services to Subsidiary Companies.
2	Rain Cements Limited (Wholly owned Subsidiary)	Provide premises on lease	From January 01, 2022 to December 31, 2022	₹ 7.73 Million	February 25, 2021, February 25, 2022 and November 3, 2022	NIL	Rain Industries Limited (the Company) has own building at which its Registered Office is situated. For operational convenience and for better co-ordination, Rain Cements Limited (Wholly owned Subsidiary) Registered Office is also located in the same building at which the Company's registered Office is situated. Hence, the Company has entered into a lease agreement with Rain Cements Limited. The rent received by Rain Industries Limited is similar to the Rent prevailing in surrounding buildings.
3	Rain Cements Limited (Wholly owned Subsidiary)	Reimbursement of travel and other expenses to Rain Cements Limited towards Solar power plant at Tadipatri	From January 01, 2022 to December 31, 2022	₹ 2.35 Million	February 25, 2022	NIL	Actual amount incurred by Rain Cements Limited towards travel and other expenses will be reimbursed by the Company.
4	Rain CII Carbon Limited (Vizag) Limited (Wholly owned Subsidiary)	Revenue from Shared Services	From January 01, 2022 to December 31, 2022	₹ 87.00 Million	February 25, 2021 and February 25, 2022	NIL	Rain Industries Limited (the Company) has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to its Subsidiary Companies in India and abroad. Accordingly, the Company has entered into contracts to provide shared services to Subsidiary Companies.

(₹ in Million)

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances if any	Justification for entering into contracts
5	Rain CII Carbon (Vizag) Limited (Wholly owned Subsidiary)	Provide premises on lease	From January 01, 2022 to December 31, 2022	₹ 7.74 Million	February 25, 2021 and February 25, 2022	NIL	Rain Industries Limited (the Company) has own building at which its Registered Office is situated. For operational convenience and better coordination, Rain CII Carbon (Vizag) Limited (a wholly owned subsidiary Company) Registered Office is also located in the same building at which the Company's Registered Office is situated. Hence, the Company has entered into a lease agreement with Rain CII Carbon (Vizag) Limited. The rent received by Rain Industries Limited is similar to the Rent prevailing in surrounding buildings.
6	Rain CII Carbon (Vizag) Limited (Wholly owned Subsidiary)	Reimbursement of Demurrages, Travel Expenses, Insurance and other expenses by Rain CII Carbon (Vizag) Limited	From January 01, 2022 to December 31, 2022	₹ 9.65 Million	February 25, 2021 and February 25, 2022	NIL	Rain Industries Limited is the Holding Company of Rain CII Carbon (Vizag) Limited. Rain Industries Limited has incurred certain expenditure on behalf of Rain CII Carbon (Vizag) Limited and same was reimbursed by Rain CII Carbon (Vizag) Limited.
7	Rain CII Carbon (Vizag) Limited (Wholly owned Subsidiary)	Sale of Hydrated Lime	From January 01, 2022 to December 31, 2022	₹ 61.65 Million	February 25, 2021 and February 25, 2022	NIL	Rain Industries Limited is the Holding Company of Rain CII Carbon (Vizag) Limited, Rain Industries Limited trades in Hydrated Lime. Rain Industries Limited has expertise in selling and Negotiating with the suppliers. Rain CII Carbon (Vizag) Limited to get benefit of competitive price, purchases hydrated lime from Rain Industries Limited.
8	Rain CII Carbon (Vizag) Limited (Wholly owned Subsidiary)	Purchase of Office Equipment (Furniture and Fixtures)	December 23, 2022	₹ 0.56 Million	February 27, 2023	NIL	Rain Industries Limited provides shared services to Rain CII Carbon (Vizag) Limited (Wholly Owned Subsidiary Company). The shared services office at which some furniture and fixtures belonging to Rain CII Carbon (Vizag) Limited are being used by the Company. Since Rain Industries Limited is utilising the furniture belonging to Rain CII Carbon (Vizag) Limited, it is thought appropriate to purchase the furniture from Rain CII Carbon (Vizag) Limited. The price at which the office furniture is purchased is at the same price at which it could have been bought from third parties.
9	Rain Carbon Inc., (Wholly owned Subsidiary)	Revenue from Shared Services	From January 01, 2022 to December 31, 2022	₹ 316.74 Million	April 29, 2021 and February 25, 2022	NIL	Rain Industries Limited (the Company) has set-up a Shared Service Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to its Subsidiary Companies in India and abroad. Accordingly, the Company has entered into contracts to provide shared services to Subsidiary Companies.

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Place: Hyderabad
Date: February 27, 2023

Annexure - 5**The Conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014****A. Conservation of Energy**

- 1) The steps taken or impact on conservation of energy: -N.A.-
- 2) The steps taken by the Company for utilising alternate sources of energy: -N.A.-
- 3) The Capital investment on energy conservation equipments: -N.A.-

B. Technology Absorption

- i. The efforts made towards technology absorption
NIL
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution
NIL
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
NIL
- iv. The expenditure incurred on Research and Development -N.A.-

C. Foreign Exchange Earnings and out go

- 1) The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows

Particulars	(₹ in Million)	
	December 31, 2022	December 31, 2021
Used	92.85	78.67
Earned	726.54	707.91

Place: Hyderabad
Date: February 27, 2023

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Annexure - 6

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility reflects the strong commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in a way that will lead to overall development of all stakeholders and society.

This policy shall apply to all CSR initiatives and activities taken up at the various work-center and locations of Rain Industries Limited (RIL), for the benefit of different segments of the society. The objective of the Company is:

- To ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities in & around its Work Centre and results, over a period of time, in enhancing the quality of life & economic wellbeing of the local people.

- To generate, through its CSR initiatives, a goodwill for RIL and help reinforce a positive & socially responsible image of RIL as a corporate entity.

In accordance with the requirements under the Companies Act, 2013, Our Company's CSR activities, amongst others, will focus on:

- i) Providing health care, maintaining of hospitals, Ambulances and conducting medical camps;
- ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; and
- iii) Rural development projects.

RIL may identify activities apart from the aforementioned activities for carrying out the CSR activities and those identified activities need to be approved by the CSR Committee or Board of Directors.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Jagan Mohan Reddy Nellore	Chairman	1	1
2	Mr. N. Sujith Kumar Reddy	Member	1	1
3	Ms. Nirmala Reddy	Member	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

<https://www.rain-industries.com/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

The average CSR obligation of the Company in past 3 years was ₹ 1.33 Million, hence, the impact assessment is not applicable to the Company.

5. (a) Average net profit of the Company as per section 135(5):

	For the Financial Year ended December 31 (₹ Million)		
	2021	2020	2019
Net Profit	(16.32)	(22.98)	20.83
Average Net Profit for the preceding three Financial Years	(6.16)		

(b) Two percent of average net profit of the Company as per section 135(5):

Nil. However, the Company has spent ₹ 1 Million.

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: N.A.**(d) Amount required to be set off for the financial year, if any: N.A.****(e) Total CSR obligation for the financial year [(b)+(c) - (d)]: Nil****6. (a) (i) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ Million)	Amount spent in the current financial Year (₹ Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(a) (ii) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ Million)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name.	CSR Registration Number
1.	Health and Education	Promotion of Health and Education	Yes	Maintenance of Schools and Hospitals in: Suryapet District, Telangana State, India; Kurnool District, Andhra Pradesh State, India; and Nellore District, Andhra Pradesh State, India.		₹ 1 Million	No	The amount was spent through Pragnya Priya Foundation, a Section 25 Company under Companies Act, 1956 (Section 8 of Companies Act, 2013).	
Total						₹ 1 Million			

(b) Amount spent on Administrative Overheads: Nil**(c) Amount spent on Impact Assessment, if applicable: Nil****(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 1 Million****(e) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ Million)	Amount Unspent (₹ Million)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 1 Million	Nil	N.A.	N.A.	Nil	N.A.

(f) Excess amount for set off if any

Sl. No.	Particular	Amount (₹ Million)
(i)	Two percent of average net profit of the Company as per section 135(5)	(Nil)
(ii)	Total amount spent for the Financial Year	1
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ Million)	Balance Amount in Unspent CSR Account under section 135(6) (₹ Million)	Amount spent in the reporting Financial Year (₹ Million)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years. (₹ Million)	Deficiency, if any
					Amount (₹ Million)	Date of transfer		
1.	FY 2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	FY 2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY 2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NO

If Yes, enter the number of Capital assets created/acquired - NIL

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

For and on behalf of Corporate Social Responsibility Committee
for **Rain Industries Limited**

Jagan Mohan Reddy Nellore
Chairman of CSR Committee
DIN: 00017633

N. Sujith Kumar Reddy
Member
DIN: 00022383

Place: Hyderabad
Date: February 27, 2023

Annexure - 7**Statement of particulars as per Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.**

The remuneration and perquisites provided to the employees and Management are at par with the industry levels. The remunerations paid to the Managing Director and Senior Executives are reviewed and recommended by the Nomination and Remuneration Committee.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year

S. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. N. Radhakrishna Reddy (Managing Director)	NIL
2	Mr. Jagan Mohan Reddy Nellore (Vice Chairman)	NIL
3	Mr. N. Sujith Kumar Reddy (Non-Executive Director)	NIL
4	Mr. Varun Batra (Independent Director)	1.69
5	Ms. Radhika Vijay Haribhakti (Independent Director)	1.69
6	Ms. Nirmala Reddy (Independent Director)	1.51
7	Mr. Brian Jude McNamara (Independent Director)	1.87
8	Mr. Robert Thomas Tonti (Independent Director)	0.93

*Median remuneration of Employees: ₹ 9,89,991/-

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

S. No.	Name of the Director / KMP	Percentage Increase in Remuneration
1	Mr. N. Radhakrishna Reddy (Managing Director)	NIL
2	Mr. Jagan Mohan Reddy Nellore (Vice Chairman)	NIL
3	Mr. N. Sujith Kumar Reddy (Non-Executive Director)	NIL
4	Mr. Varun Batra (Independent Director)	15.17
5	Ms. Nirmala Reddy (Independent Director)	7.9
6	Ms. Radhika Vijay Haribhakti (Independent Director)	15.17
7	Mr. Brian Jude McNamara (Independent Director)	27.59
8	Mr. Robert Thomas Tonti (Independent Director)	NIL
9	Mr. T. Srinivasa Rao (Chief Financial Officer)	12
10	Mr. S. Venkat Ramana Reddy (Company Secretary)	12

(iii) The percentage increase in the median remuneration of employees in the financial year: 11.7%**(iv) The number of permanent employees on the rolls of Company:** There are 159 permanent employees on the rolls of the Company.

- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The Average percentile increase already made in the salaries of employees is 12%

There is only one Managing Director. There has been no increase in the managerial remuneration for the financial year.

- (vi) The Remuneration paid to the Board of Directors and to Key Managerial Personnel is as per the Remuneration policy of the Company.

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Place: Hyderabad
Date: February 27, 2023

Statement of Particulars of Employees Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name & Designation	Remuneration received	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the Company
1	Mr. N. Radhakrishna Reddy (Managing Director)	Nil	Regular	Undergraduate More than 53 years of experience in Construction and Cement Industry.	March 31, 2019	81 Years	N.A.	N.A.	Father of Mr. Jagan Mohan Reddy Nellore, Director and Mr. N. Sujith Kumar Reddy, Director.
2	Mr. T. Srinivasa Rao, (Chief Financial Officer)	₹ 21.19 Million	Regular	B. Com, FCA	01.04.2012	56	Vice President (Finance) of Rain CII Carbon (Vizag) Limited	N.A.	N.A.

* Mr. N. Radhakrishna Reddy, Managing Director has not been paid any remuneration during the financial year ended December 31, 2022.

Note: There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5(2) (i), (ii) & (iii) of the Companies (Appointment and Remuneration) Rules, 2014

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Place: Hyderabad
Date: February 27, 2023

Statement of Particulars of Employees Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

List of Top 10 salaried employees for the Financial Year ended December 31, 2022

S. No.	Name and Designation	Remuneration received during the period from January 1, 2022 to December 31, 2022	Nature of Employment	Qualifications and experience of the Employee	Date of commencement of Employment	Age	The last employment held before joining the Company	Whether is a relative of any Director or Manager of the Company	The percentage of equity shares held by the Employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5
1	Mr. T. Srinivasa Rao, Chief Financial Officer	₹ 21.19 Million	Regular	B. Com, FCA 36 Years	01.04.2012	56	Vice President (Finance) of Rain CII Carbon (Vizag) Limited	N.A.	N.A.
2	Mr. Balasubramanian Ramaswamy, Chief Internal Auditor	₹ 10.73 Million	Regular	B. Com, ICWAI 38 Years	21.04.2017	55	Metro Cash & Carry India	N.A.	N.A.
3	Mr. Srinivas Rao Vedula, General Manager Global SSO	₹ 7.27 Million	Regular	B. Com, CA 26 Years	16.12.2021	51	United Health Group	N.A.	N.A.
4	Mr. K. Shankar Sathish, General Manager – IT SAP	₹ 7.05 Million	Regular	B. Com, ACA, ICWAI 21 Years	26.09.2016	46	Archean Group	N.A.	N.A.
5	Mr. S. Venkat Ramana Reddy, Company Secretary	₹ 6.20 Million	Regular	M.Com, LLB, ACS 20 Years	01.02.2008	50	Suryalata Spinning Mills Limited	N.A.	N.A.
6	Mr. U.S. Sarang Pani, GM - Corporate Reporting	₹ 4.89 Million	Regular	B. Com, CA and CWA 16 Years	23.06.2014	39	Dr. Reddy's Laboratories Ltd	N.A.	N.A.
7	Mr. Ramasamy Guhan, Head-Microsoft Office 365	₹ 4.22 Million	Regular	M. Sc - Comp Science 19 Years	12.10.2020	48	Capgemini	N.A.	N.A.
8	Mr. Madhu Babu Gondi Dy.GM-SAP	₹ 4.16 Million	Regular	MFM 21 Years	21.12.2015	51	Delta Technology International Services	N.A.	N.A.
9	Mr. V. P. Srikanth, Dy. General Manager – Legal	₹ 3.89 Million	Regular	B.Sc., BL 29 Years	11.02.2008	58	Advanta India	N.A.	N.A.
10	Mr. Udayagiri Pavan Kumar, AGM - Internal Controls	₹ 3.64 Million	Regular	CA 16 Years	06.08.2018	35	Texvista International Pte Ltd	N.A.	N.A.

*Mr. N. Radhakrishna Reddy, Managing Director has not been paid any remuneration during the financial year ended December 31, 2022.

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Place: Hyderabad
Date: February 27, 2023

Annexure - 8**Secretarial Audit Report**

For the Financial Year Ended 31st December, 2022

FORM NO MR 3

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members,
Rain Industries Limited
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Rain Industries Limited** (hereinafter called as "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have conducted verification and examination of the books, papers, minutes books, forms, returns filed and other records as maintained and facilitated by the Company, and according to the examinations carried out by us and explanations and information furnished and representations made to us by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended on 31st December, 2022 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended December 31, 2022 ("Audit Period") and we report that during the period under review the Company has complied with the provisions of the following Acts, Rules, Regulations, Guidelines and Standards:

- 1.1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 1.2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

- 1.3. The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- 1.4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 1.5.3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - 1.5.4. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.6. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.

2. The Company is carrying on the business of sale of products and duty scripts and providing shared support services to its subsidiary companies and holding investments in its Subsidiary Companies. In view of the management, there are no Industry Specific Laws applicable to the Company.

3. We further report that:

- 3.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors. There were no changes in the composition of the Board of Directors during the Financial Year under review.
- 3.2 Notice is given to all the Directors electronically to schedule the Board and Committee Meetings at least 7 days in advance and agenda and detailed notes on agenda were sent in advance.
- 3.3 There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- 3.4 Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken unanimously.
- 3.5 The Company has complied with the requirements of Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015. i.e., maintenance of Structured Digital Database (SDD) and submission of Compliance Certificate to the Stock Exchanges.

3.6 It is to be noted that for the Audit Period there are no events, which would attract the following Acts:

- i. SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
- ii. SEBI (Delisting of Equity Shares) Regulations, 2009.
- iii. SEBI (Buyback of Securities) Regulations, 1998.
- iv. SEBI (Share Based Employee Benefits) Regulations, 2014.
- v. SEBI (Issue of capital and disclosure requirements) Regulations, 2009
- vi. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021

3.7 There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. We further report that during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **DVM & Associates LLP**
 Company Secretaries
 L2017KR002100
 Peer review Certificate No. 890/2020

DVM Gopal
 Partner
 M No: F 6280
 CP No: 6798
 UDIN: F006280D003177338

Place: Hyderabad
 Date: 21.02.2023

Note: This report is to be read with our letter of even date, which is annexed, and form an integral part of this report.

Annexure

To
The Members,
Rain Industries Limited
Hyderabad.

Our Report of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have obtained reasonable assurance that the statements prepared, documents or Records maintained by the Company are free from misstatement.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DVM & Associates LLP**
Company Secretaries
L2017KR002100
Peer review Certificate No. 890/2020

DVM Gopal
Partner
M No: F 6280
CP No: 6798
UDIN: F006280D003177338

Place: Hyderabad
Date: 21.02.2023

Annexure 8A**Form No.MR-3****Secretarial Audit Report**

for the Financial Year ended December 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Rain Cements Limited
"Rain Center", 34, Srinagar Colony,
Hyderabad-500073,
Telangana State, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rain Cements Limited**, (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on December 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December 31, 2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- III. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (Not applicable to the Company during the audit period);
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018 (Not applicable to the Company during the audit period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period); and
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Not Applicable to the Company during the audit period)

V. The Company has during the audit period covering the financial year ended on December 31, 2022 complied with the statutory provisions listed below, specifically applicable to the Company:

- a. Mines Act, 1952 read with Mines Rules, 1955;
- b. Mines and Mineral (Regulation and Development) Act, 1957 read with Mineral Conservation and Development Rules, 1988;
- c. Cement (Quality Control) Order, 2003;
- d. The Atomic Energy Act, 1962 read with Atomic Energy (Radiation Protection) Rules, 2004;
- e. The Explosive Act 1884 read with Explosive Rules, 2008;
- f. The Static & Mobile Pressure Vessels (Unfired) Rules, 1981;
- g. Cylinder Rules, 2004;
- h. Ammonium Nitrate Rules, 2012;
- i. Limestone And Dolomite Mines Metallic Ferrous Mine Regulations, 2012;
- j. The Explosives Act, 2008 read with rules made thereunder;
- k. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
- l. The Hazardous Wastes (Managements Handling and Trans Boundary Movement) Rules, 2008;
- m. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
- n. Water (Prevention & Control of Pollution) Cess Act, 1977;

- o. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
- p. The Noise Pollution (Regulation and Control) Rules, 2000;
- q. Indian Boilers Act, 1923;

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. Further, there were no changes in the composition of the Board of Directors of the Company during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **P S Rao & Associates**
Company Secretaries

Vikas Sirohiya

Partner

M. No. 15116

C.P. No. 5246

PR: 710/2020

UDIN: A015116D003147564

Place: Hyderabad

Date: 14.02.2023

Note: This report is to be read with our letter of even date which is annexed as '**Annexure-A**' and forms an integral part of this report.

Annexure A

To
The Members,
Rain Cements Limited
"Rain Center", 34, Srinagar Colony,
Hyderabad-500073,
Telangana State, India.

Our report of even date is to be read along with this letter.

Secretarial Audit Report of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
3. We have followed the audit practises and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
4. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
5. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
7. We have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.
8. We further report that examination / audit of financial laws such as direct and indirect tax laws, labour laws has not been carried out by us as part of this Secretarial Audit.

Disclaimer

9. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Place: Hyderabad
Date: 14.02.2023

For **P S Rao & Associates**
Company Secretaries

Vikas Sirohiya
Partner
M. No. 15116
C.P. No: 5246
PR : 710/2020
UDIN: A015116D003147564

Annexure 8B**Secretarial Audit Report**

For The Financial Year Ended 31st December, 2022

FORM NO MR 3

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members,
Rain CII Carbon (Vizag) Limited
Hyderabad

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Rain CII Carbon (Vizag) Limited** (hereinafter called as **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have conducted verification and examination of the books, papers, minutes books, forms, returns filed and other records as maintained and facilitated by the Company, and according to the examinations carried out by us and explanations and information furnished and representations made to us by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended on 31st December, 2022 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended December 31, 2022 ("Audit Period") and we report that during the period under review the Company has complied with the provisions of the following Acts, Rules, Regulations, Guidelines and Standards:
 - 1.1. The Companies Act, 2013 (the Act) and the Rules made there under;
 - 1.2. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- 1.3. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment.
- 1.4. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
2. The Company is engaged in the business of manufacture and sale of Calcined Petroleum Coke and generation and supply of electricity. In view of the Management, the following Industry Specific Acts are applicable to the Company and have been complied with:
 - 1) Andhra Pradesh Factories Rules, 1950 (Prescribed under Rule 55, 55-A and 56).
 - 2) Andhra Pradesh Pollution Control Board Water Act, 1974 and Air Act, 1981.
 - 3) The Petroleum Act, 1934.
 - 4) Indian Boiler Act No V of 1923, Section 7/8 and Indian Boiler Regulation, 1950.
 - 5) Atomic Energy Act, 1962.
 - 6) Weights and Measures Act, 2011.
 - 7) Indian Electricity Act, 1910.
 - 8) The Factories Act, 1948.
3. We further report that:
 - 3.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent

Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the Financial Year under review.

- 3.2 Notice is given to all the Directors electronically to schedule the Board Meetings at least 7 days in advance and agenda and detailed notes on agenda were sent in advance.
 - 3.3 There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
 - 3.4 Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken unanimously.
- 3.5 The Company being an un-listed Company, the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable to the Company.
 - 3.6 There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.
4. We further report that during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Hyderabad
Date: 13.02.2022

For **DVM & Associates LLP**
Company Secretaries
L2017KR002100
Peer review Certificate No. 890/2020

DVM Gopal
Partner
M No: F 6280
CP No: 6798
UDIN: F006280D003147231

Note: This report is to be read with our letter of even date, which is annexed, and form an integral part of this report.

Annexure

To
The Members,
Rain CII Carbon (Vizag) Limited
Hyderabad

Our Report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have obtained reasonable assurance that the statements prepared, documents or records maintained by the Company are free from misstatement.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DVM & Associates LLP**
Company Secretaries
L2017KR002100
Peer review Certificate No. 890/2020

DVM Gopal
Partner
M No: F 6280
C.P. No: 6798
UDIN: F006280D003147231

Place: Hyderabad
Date: 13.02.2023

Annexure 8C**Secretarial Compliance Report of Rain Industries Limited**

For The Financial Year Ended December 31, 2022

We, DVM & Associates LLP, Company Secretaries, having our office situated at No. 6/3/154-159, Flat No. 303, 3rd Floor, Royal Majestic Apartment, Prem Nagar Colony, Near Care Hospital, Road No. 1, Banjara Hills, Hyderabad – 500004, Telangana State, India, have examined:

- (a) all the documents and records made available to us and explanation provided by Rain Industries Limited ("the Listed Entity");
- (b) the filings/ submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity;
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification for the Financial Year ended December 31, 2022 ("Review Period") in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Listed Entity during the Review Period)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Listed Entity during the Review Period);**

Place: Hyderabad
Date: 10.02.2023

- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Listed Entity during the Review Period)**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Listed Entity during the Review Period)**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Listed Entity during the Review Period)**

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

Based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- (b) There were no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
- (c) The actions taken by listed entity to comply with the observations made in previous reports does not arise during the review period.
- (d) Since the auditor has already been appointed, the terms of appointment of the auditor have been suitably modified to give effect to 6(A) and 6(B) of SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019.

For **DVM & Associates LLP**
Company Secretaries
L2017KR002100
Peer review Certificate No. 890/2020

DVM Gopal
Partner
M No: F 6280
C.P. No: 6798
UDIN: F006280D003135516

Annexure - 9

Business Responsibility & Sustainability Reporting for the Financial year ended December 31, 2022

As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

SECTION A: GENERAL DISCLOSURES**I. Details of the listed entity****1. Corporate Identity Number (CIN) of the Listed**

Entity: L26942TG1974PLC001693

2. Name of the Listed Entity: Rain Industries Limited**3. Year of Incorporation:** March 15, 1974**4. Registered office address:** Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India.**5. Corporate address:** Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana State, India.**6. E-mail:** secretarial@rain-industries.com**7. Telephone:** 040-40401234**8. Website:** www.rain-industries.com**9. Financial year for which reporting is being done:**

January 1, 2022 to December 31, 2022.

10. Name of the Stock Exchange(s) where shares are listed: BSE Limited and National Stock Exchange of India Limited**11. Paid-up Capital:** ₹ 67,26,91,358

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: Mr. S. Venkat Ramana Reddy, Company Secretary, Telephone: 040-40401234, Email: secretarial@rain-industries.com.

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): Consolidated Basis

II. Products/ Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Carbon	Carbon Products (Calcined Petroleum Coke, Green Petroleum Coke and Coal Tar Pitch)	73.97
2	Advanced Materials	Engineered Products, Petrochemical Intermediates, Naphthalene Derivates and Resins	18.73
3	Cement	Manufacture of Cement	7.30

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code*	% of total Turnover contributed
1	Carbon Products (Calcined Petroleum Coke, Green Petroleum Coke and Coal Tar Pitch)	191	72.75
2	Manufacture and Sale of Cement	239	7.30
3	Electric Power Generation, Transmission and Distribution	351	1.41
4	Advanced Materials	201	18.54

* As per National Industrial Classification, 2008 - Ministry of Statistics and Programme Implementation.

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	1	5
International	12	1	13

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	7 States i.e., Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Maharashtra, Odisha and Kerala.
International (No. of Countries)	Six i.e., Germany, Belgium, Russia, Canada, Poland, and United States of America

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports is 83% of the total turnover of the entity.

- c. A brief on types of customers

Aluminium, Graphite, Construction, Wood preservation, Adhesives, Rubber, Refractory, Coating etc.,

IV. Employees

18. Details as at the end of Financial Year:

- a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	739	580	78.5%	159	21.5%
2.	Other than Permanent (E)*	31	20	64.5%	11	35.5%
3.	Total employees (D+E)	770	600	77.9%	170	22.1%
Workers						
4.	Permanent (F)	792	774	97.7%	18	2.3%
5.	Other than Permanent (G)*	99	93	93.9%	6	6.1%
6.	Total workers (F+G)	891	867	97.3%	24	2.7%

*incl. apprenticeship

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years):

	FY 2022 (Turnover rate in current FY)			FY 2021 (Turnover rate in previous FY)			FY 2020 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.8%	9.1%	10.5%	15.76%	1.07%	16.83%	10.59%	0.93%	11.52%
Permanent Workers	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- b. Differently abled Employees and worker:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1.	Permanent (D)	8	4	50%	4	50%
2.	Other than Permanent (E)	0	0	n/a	0	n/a
3.	Total differently abled employees (D+E)	8	4	50%	4	50%
Differently Abled Workers						
4.	Permanent (F)	18	18	100%	0	0%
5.	Other than permanent (G)	0	0	n/a	0	n/a
6.	Total differently abled workers (F+G)	18	18	100%	0	n/a

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	2	25%
Key Management Personnel	2	Nil	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of Holding / Subsidiary / Associate Companies / Joint Ventures

Sl. No.	Name of the Holding / Subsidiary / Associate Companies / Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Rain Cements Limited	Subsidiary Company	100	Yes
2	Rain CII Carbon (Vizag) Limited	Subsidiary Company	100	Yes
3	Rain Verticals Limited	Subsidiary Company	100	Yes
4	Renuka Cement Limited	Subsidiary Company	100	Yes
5	Rain Carbon Inc.	Subsidiary Company	100	Yes
6	Rain Global Services LLC	Subsidiary Company	100	Yes
7	Rain Commodities (USA) Inc.	Subsidiary Company	100	Yes
8	Rain CII Carbon LLC	Subsidiary Company	100	Yes
9	Rain Carbon Canada Inc.	Subsidiary Company	100	Yes
10	Rain Carbon BV	Subsidiary Company	100	Yes
11	VFT France S.A	Subsidiary Company	100	Yes
12	Rumba Invest BVBA & Co. KG	Subsidiary Company	94.9	Yes
13	Rain Carbon Germany GmbH	Subsidiary Company	99.7	Yes
14	RÜTGERS Resins BV	Subsidiary Company	100	Yes
15	Severtar Holding Ltd.	Subsidiary Company	65.3	Yes
16	OOO RÜTGERS Severtar	Subsidiary Company	65.3	Yes
17	OOO Rain Carbon LLC	Subsidiary Company	100	Yes
18	Rain Carbon Poland Sp. z. o. o	Subsidiary Company	100	Yes
19	Rain Carbon (Shanghai) Trading Co. Ltd.	Subsidiary Company	100	Yes
20	Rain Carbon Wohnimmobilien GmbH & Co. KG	Subsidiary Company	100	Yes
21	Rain Carbon Gewerbeimmobilien GmbH & Co. KG	Subsidiary Company	100	Yes
22	Rain Carbon GmbH	Subsidiary Company	100	Yes
23	InfraTec Duisburg GmbH (IDGmbH)	Associate Company	30	Yes

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
(ii) Turnover (in ₹): ₹ 540.74 Million (Standalone)
(iii) Net worth (in ₹): ₹ 2,446.81 Million (Standalone)

VII. Transparency and Disclosures Compliances

23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)			FY 2021 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil

Note: Web-link for grievance redress policy: <https://www.rain-industries.com/>

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022 Current Financial Year			FY 2021 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes	197	Nil	Nil	188	Nil	Nil
Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	N.A.	Nil	Nil	Nil	Nil	Nil	Nil

Note: Web-link for grievance redress policy: <https://www.rain-industries.com/>

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk/ Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the Risk or Opportunity (Indicate positive or negative implications)
1	Conservation – water, energy and waste recycling	Opportunity	Responsible use of resources that includes water conservation efforts, improving energy efficiency, reducing emissions, efficient waste disposal approaches, designing innovative solutions to reduce, reuse and recycle, supports the Company's actions towards sustainable growth.	-	Positive, Conservation of resources leads to - Positive economic benefit as it brings about cost saving. - Efficient usage of resources, - Regulatory compliance and beyond
2	Renewable energy	Opportunity	Renewable energy initiatives forms an important aspect of the Company's sustainability driven pursuits, which is also a promising solution to climate change problem	-	Positive, even though the ROI is longer it has in store inevitable benefits of i) Reduction in overall energy cost ii) Reduction in emissions.
3	Learning and development	Opportunity	Training is one of the key factors in equipping employees to contribute sustainably.	-	Positive, Consistent efforts towards training in the areas of Quality and Environment, health and safety (EHS) equips the work force to meet a surge in demand of the business.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
Policy and management processes																		
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
c. Web Link of the Policies, if available	www.rain-industries.com																	
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All the policies are in comparable with the best practices in the industry.																	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y									
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Y	Y	Y	Y	Y	Y	Y	Y	Y									
Governance, leadership and oversight																		
7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): Yes																		
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies).	Name: Mr. Jagan Mohan Reddy Nellore Designation: Director DIN: 00017633																	
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes Name: Mr. Jagan Mohan Reddy Nellore Designation: Director DIN: 00017633 Telephone Number: 040-40401234 e-mail id: secretarial@rain-industries.com																	
10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
										N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Code of Conduct and Ethics	100
Key Managerial Personnel	1	Code of Conduct and Ethics	100
Employees other than BoD and KMPs	1	Code of Conduct and Ethics	100
Workers	1	Code of Conduct and Ethics	100

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/ Fine	N.A.	N.A.	N.A.	N.A.	No
Settlement	N.A.	N.A.	N.A.	N.A.	No
Compounding	N.A.	N.A.	N.A.	N.A.	No
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment	N.A.	N.A.	N.A.		No
Punishment	N.A.	N.A.	N.A.		No

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
N.A.	N.A.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has policy on Anti-Bribery and Anti-Corruption covers the Company and its subsidiaries. The web-link to the policy is <https://www.rain-industries.com/investors/#policies>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022 (Current Financial Year)		FY 2021 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: Nil

Leadership Indicators:

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Board of Directors has to give declarations about his/her interest or concern in other Companies, bodies corporate, firms or other association of individuals in Form MBP-1. If any Director is interested in the item of agenda at the time of meetings, he/she will vacate the Board to avoid conflict of interests.

PRINCIPLE 2**Businesses should provide goods and services in a manner that is sustainable and safe****Essential Indicators:**

1. Percentage of Research and Development (R&D) and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total Research and Development (R&D) and capex investments made by the entity, respectively:

	Current Financial Year (2022)	Previous Financial Year (2021)	Details of improvements in environmental and social impacts
Research and Development (R&D)	RCI CDAM: 45% RCI CC: 80%	Rain Cements: 16% RCI CDAM: 40% RCI CC: 50%	Rain Cements: XRF+SEQ & Compact XRD RCI: Reduced environmental footprint, use of renewable materials
Capex	For Rain Cement: tbd For Rain Carbon Inc: 42%	For Rain Cement: 36% For Rain Carbon Inc: 31%	For Rain Cement: Pulse jet Bag filter for Cement mill 2 achieved dust emission below 30 mg/nm ³ in stack, 1 MW Ground mounted Solar Power Plant and 31.9 kw roof top Solar power Plant at mines Garage, Organic waste converter unit for colony, Electric, Auto, motorcycles, excavator with Rock Breaker to avoid secondary blasting. Import of pollution control equipment for Anhydrous Carbon Pellets (ACP) Project for SEZ plant, Visakhapatnam. For Rain Carbon Inc.: Measures for CY2022 include: Castrop-Rauxel: (1) Replacement of first KTD furnace to reduce NOx emissions. (2) Finalising of connection to waste water system to AKE. (3) Installation of wastewater pretreatment plants to reduce hazardous substances in waste water. (4) ongoing project of dust-free big-bag filling unit for Carbores to avoid hazardous dust emissions. Hamilton: (1) Energy efficiency measures (2) Wastewater reduction Zelzate: (1) Renewal noise reduction panel Pitch truck conversion to closed loading

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

- b. If yes, what percentage of inputs were sourced sustainably?

The Company and its Subsidiary Companies practices are targeted at seeking cost optimisation, ensuring environment sustainability, societal interest and resource efficiency. The criteria used for selection of suppliers/ vendors go beyond cost relevance and include resource efficiency, product quality, life cycle, environment impact, etc. Company gives preference in selection of vendors which comply with the various principles of sustainability.

The criteria for procurement of equipment is based upon resource efficiency, mainly comprising of but not limited to energy efficiency, fuel efficiency, emission control, etc.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Subsidiary Companies in India are engaged in the business of manufacture and sale of Cement and Calcined Petroleum Coke. In the process of manufacture of Cement and Calcined Petroleum Coke, plants generate electricity

through waste heat recovery-based power plants which converts the waste heat generated into electricity. In the manufacture of Cement, there is no solid or liquid waste arising from this process. For distillation and calcination, the major part of our products are intermediates and are converted into CO₂. Thus, there are no end-consumer products that can be reclaimed.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No): **Yes**

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same: **Yes.**

Leadership Indicators:

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? **No**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
N.A.	N.A.	N.A.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Fly Ash	19% (Share by weight)	20% (Share by weight)
Advanced Materials	Advanced Materials/Resins & Modifiers: < 1%	Advanced Materials/Resins & Modifiers: < 1%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022 (Current Financial Year)			FY 2021 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
E-waste	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Hazardous waste	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other waste "nonhazardous waste"	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators:

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	580	564	92.2%	507	87.4%	306	52.7%	306	52.7%	0	0%
Female	159	149	93.7%	125	78.6%	149	93.7%	114	71.7%	0	0%
Total	739	713	96.5%	632	85.5%	455	61.6%	420	56.8%	0	0%
Other than Permanent employees*											
Male	20	18	90%	18	90%	15	75.0%	15	75.0%	0	0%
Female	11	10	90.9%	10	90.9%	10	90.9%	10	90.9%	0	0%
Total	31	28	90.3%	28	90.3%	25	80.6%	25	80.6%	0	0%

*incl. apprenticeship

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	774	753	97.3%	640	82.7%	331	42.7%	331	42.8%	0	0%
Female	18	16	88.9%	13	72.2%	15	83.3%	10	55.6%	0	0%
Total	792	769	97.1%	653	82.4%	346	43.7%	332	41.2%	0	0%
Other than Permanent workers*											
Male	92	92	100%	92	100%	76	82.6%	76	82.6%	0	0%
Female	6	6	100%	6	100%	6	100%	6	100%	0	0%
Total	98	98	100%	98	100%	82	83.7%	82	83.7%	0	0%

*incl. apprenticeship

2. Details of retirement benefits, for Current FY and Previous Financial Year* (*only India)

Benefits	FY 2022 Current Financial Year			FY 2021 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others (please Specify)	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. * (*only India)

YES, <https://www.rain-industries.com/>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Benefits	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, depending on the grievance: Rain Carbon Inc. reporting & escalation policy – general non-compliance topics, grievance via the workers council regarding workplace grievances, grievance via the anti-discrimination officer for discrimination topics, grievances via data protection officer for data protection topics. If a disabled person feels discriminated the employee can contact also the severe disabled representative.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY (Current Financial Year)			FY (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of Employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	244	72	29.5%	240	72	30.0%
- Male	180	55	30.5%	178	55	30.9%
- Female	64	17	26.5%	62	17	27.4%
Total Permanent Workers	273	209	76.6%	259	198	76.4%
- Male	265	206	77.7%	252	195	77.4%
- Female	8	3	37.5%	7	3	42.9%

8. Details of training given to employees and workers:

Category	FY 2022 (Current Financial Year)					FY 2021 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
No. (B)		% (B / A)	No. (C)	% (C / A)	No. (E)		% (E / D)	No. (F)	% (F / D)	
Employees										
Male	600	443	73.8%	415	69.1%	574	413	71.9%	364 *	63.4%*
Female	170	143	84.1%	135	79.4%	170	119	0.7%	124 *	72.9%*
Total	770	586	76.1%	550	71.4%	744	532	71.5%	488*	65.6% *

Category	FY 2022 (Current Financial Year)					FY 2021 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No.(E)	% (E / D)	No. (F)	% (F / D)
Workers										
Male	768	621	80.9%	511	66.5%	729	615	84.4%	489*	67.1%*
Female	25	21	84.0%	17	68.0%	26	22	84.6%	19*	73.1%*
Total	793	642	81.0%	528	66.6%	755	637	84.4%	508*	67.3%*

*no data available for Rain bv

9. Details of performance and career development reviews of employees and worker:

Category	FY (Current Financial Year)			FY (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	364	260	28.04%	1319	1142	91.02%
Female	73	51	25%	82	61	100.00%
Total	437	311	27.45%	1401	1203	91.11%
Workers						
Male	393	76	19.3%	529	303	57.3%
Female	7	5	71.4%	7	5	71.4%
Total	400	81	20.3%	536	308	57.5%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes. We are implementing additional improvements to our safety management systems, based on recommendations by the National Safety Council, to improve the effectiveness of our existing safety systems and procedures at both of our integrated cement plants.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Our focus will include our Life-Saving Rules campaign, near misses and unsafe conditions that could result in injury, and the need for increased safety related communication at all levels of our organisation. We will also emphasise training to raise awareness about routine and non-routine hazards during process changes, project construction and start-ups, and planned shutdowns for repairs and maintenance.

These areas for improvement are a top priority throughout RAIN and they will enable us to make important progress on our Quest for Zero journey.

The Board of Directors evaluates the framework, focusing on discussions regarding management submissions on risks, identifying crucial risks and approving relevant action plans to mitigate such risks based on priority. The responsibility of assisting the Risk Management Committee on an independent basis lies with the internal audit function armed with the complete status of risk assessments and management. Other activities of the Risk Management Committee include obtaining frequent updates on certain identified risks depending on the nature, significance and possible impact on the business.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.23	1.69
	Workers	0.39	0.00
Total recordable work-related injuries	Employees	4	5
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- Achieve incident-free safety performance based on detailed action plan initiated under the Safety Training Observation Programme (STOP™) programme of DuPont Sustainable Solutions (DDS) and our new Life-Saving Rules Initiative.
- Train employees by DuPont Sustainable Solutions (DDS) approved trainers.
- Provide medical facilities and health insurance for all employees.
- Ensure compliance with all legal and regulatory requirements.

13. Number of Complaints on the following made by employees and workers:

	FY 2022 (Current Financial Year)			FY 2021 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Nil Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Prevention of safety-related incidents is one of our highest priorities. We have an extensive safety programme, which includes formal training for all employees, preventive measures such as pre-job safety analyses and a system aimed at identifying risks, taking corrective actions and preventing incidents. We regularly conduct internal audits of this safety system. Our management team has implemented a structured process for handling, monitoring, documenting and learning from near-miss accidents. We have taken stringent measures to reduce the number of recordable incidents Company wide and the monetary incentives of most employees are linked to fulfilling the Company's safety targets.

Leadership Indicators:

- Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N): Yes

(B) Workers (Y/N): Yes

- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All Statutory Compliances are monitored in SAP – Customised Report, which triggers alerts to people responsible for such compliance and also gets escalated to his / her seniors to avoid any non-compliances.

- Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NIL
Working Conditions	NIL

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

In Rain Carbon Inc., we do not have a standardised process for the assessment of raw material suppliers yet. However, we have started with reviewing our raw material suppliers as well as goods and services providers for evidence of their position on certain criteria.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

- Describe the processes for identifying key stakeholder groups of the entity.

We consider individuals, groups, institutions or entities that contribute to shaping our business that add value or constitute a core part of the business value chain as key stakeholders. Our stakeholders are both internal and external and direct as well as indirect. Our key stakeholders include employees, investors, suppliers and partners, customers, government authorities and the community.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	We use digital as well as physical channels of communication including but not limited to e-mails, leadership touchpoints and appraisal and training programmes for personal and professional growth.	Daily	Through physical and digital channels of communication, we aim to provide our employees an empowering workplace that encourages transparent engagement and the freedom to act, innovate and grow as professionals and individuals. Our ongoing effort is to maintain two-way engagement with colleagues globally including those in corporate officer, manufacturing locations and in the field.
Investors	No	We interact with our shareholders, potential investors and research analysts through investor meetings/ calls, conferences, earnings call, investor events, e-mail, press releases, stock exchange intimations, investor presentations and annual reports.	Quarterly and need based	We engage with them so that they can take an informed decision to invest in our Company. The key areas of engagement includes an update on the business and financial performance, Company's strategy and growth levers, potential opportunities and risks.
Customers	No	Physical and virtual meetings, customer events, calls, e-mail and website.	Daily	We engage with our customers to ensure regular supply of the products, keep them informed about new products, participate in the bids/ tenders and maximise the outreach of our products.
Suppliers & Partners	No	Physical and virtual meetings, supplier forums, partner events, calls, e-mail and website.	Frequent and need based	To make suppliers aware of the requirements of the Company with respect to the quality and other specifications. They are also made aware of the policies of the Company with respect to the ethical practices and also the quality standards maintained by the Company.
Government authorities	No	Our interactions with authorities take place through e-mails, meetings, submissions, etc. as required.	Need-based	With regulatory authorities, our engagement is aimed at discharging responsibilities With policymakers, our engagement aims to understand and discuss matters pertaining to the industry.
Community	No	Our engagement with the community includes physical visits as well as digital channels.	Frequent and need based	With giving back to society as a core tenet of the Company, our corporate social responsibility and employee volunteering programmes target the areas of education, health and Rural Development activities.

Leadership Indicators:

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Consultation with the respective stakeholder groups is done by the relevant business and functional heads. Feedback from such consultations is shared with the Board during the quarterly Board meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Effective engagement helps us connect stakeholder needs with organisational goals, creates the basis of an effective strategy development and unlocks greater shared value for all stakeholders. We use multiple platforms to engage with a wide variety of stakeholders to understand their unique needs and concerns and chart out suitable strategies to address them. Our internal and external stakeholders identified key material topics across ESG that are likely to impact RAIN business like product availability, responsible pricing and affordability, high-quality, safety, anti-bribery and corruption. These topics have been considered in the list of RAIN action areas and our sustainability framework.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Company and its subsidiaries endeavor to bring meaningful difference in the lives of its associated stakeholders in thrust areas like healthcare, infrastructure support and education. Several initiatives towards healthcare, education, sanitation, safe drinking water, integrated rural development, creation of sustainable livelihoods, etc. have been taken under Corporate Social Responsibility activities of the Company and its Subsidiaries.

PRINCIPLE 5**Businesses should respect and promote human rights.****Essential Indicators:**

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: (Employees ever trained / Headcount 31st of December)**

Category	FY 2022 Current Financial Year			FY 2021 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	702	676	96.3%	680	653	96.0%
Other than Permanent*	29	27	93.1%	20	17	85.0%
Total Employees	731	703	96.2%	700	670	95.7%
Workers						
Permanent	742	724	97.6%	706	691	97.9%
Other than Permanent*	96	74	77.1%	77	49	63.6%
Total Workers	838	798	95.2%	783	740	94.5%

*incl. apprenticeship

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022 Current Financial Year					FY 2021 Previous Financial Year				
	Equal to Minimum Wage			More than Minimum Wage		Equal to Minimum Wage			More than Minimum Wage	
	Total (A)	No. (B)	% (B / A)	No. (C)	% (C / A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	580	0	0%	580	100%	563	0	0%	563	100%
Female	159	0	0%	159	100%	155	0	0%	155	100%
Other than Permanent*										
Male	20	0	0%	20	100%	11	0	0%	11	100%
Female	11	0	0%	11	100%	10	0	0%	9	100%
Workers										
Permanent										
Male	776	0	0%	776	100%	734	0	0%	734	100%
Female	25	0	0%	25	100%	26	0	0%	26	100%
Other than Permanent*										
Male	91	0	0%	91	100%	70	0	0%	70	100%
Female	6	0	0%	6	100%	7	0	0%	7	100%

*incl. apprenticeship

3. Details of remuneration/salary/wages, in the following format:

(Amount in ₹)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	15,20,000	2	14,30,000
Key Managerial Personnel	2	1,37,88,991	0	-
Employees other than Board of Directors and KMP	132	9,89,991	25	9,16,461
Workers	0	-	0	-

Note: Details are only for Rain Industries Limited.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have two anti-discrimination officers. If there is a potential discrimination an employee can contact confidentially the anti-discrimination officer. The officer will execute and independent investigation. For all human rights issues employees can bring the issues to a member of the workers council. For employees with severe disability, they can in addition contact the disabled representative per site.

6. Number of Complaints on the following made by employees and workers:

	FY 2022 Current Financial Year			FY 2021 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour /Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company will ensure that the complainant or victim or witnesses are not victimised or discriminated against while dealing with complaints of harassment. However, anyone who abuses the procedure (for example, by maliciously putting an allegation knowing it to be untrue) will be subject to disciplinary action.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above: Not Applicable

Leadership Indicators:

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints: Not Applicable
- Details of the scope and coverage of any Human rights due diligence conducted.

Human rights due diligence is a way for enterprises to proactively manage potential and actual adverse human rights impacts with which they are involved. The prevention of adverse impacts on people is the main purpose of human rights due diligence. It concerns risks to people, not risks to business.

Human rights due diligence involves the actions taken by a Company to both identify and act upon actual and potential human rights risks for employees / workers in its operations, supply chains and the services it uses.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace	NIL
Child Labour	NIL
Forced Labour/ Involuntary Labour	NIL
Wages	NIL
Others – please specify	NIL

We do not have a standardised process for the assessment of raw material suppliers yet. However, we have started with reviewing our raw material suppliers as well as goods and services providers for evidence of their position on certain criteria.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Nil

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Total electricity consumption (A)	1726 TJ	1855 TJ
Total fuel consumption (B)	11507 TJ	11277 TJ
Energy consumption through other sources (C)	929 TJ	375 TJ
Total energy consumption (A+B+C)	14162 TJ	13506 TJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00000006	0.011
Energy intensity (optional) – the relevant metric may be selected by the entity	2.4 GJ/t product	2.3 GJ/t product

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes**

For all environmental KPI's: External certifier DQS

2. Does the entity have any sites / facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes. Target achieved. PAT Cycle 2 - Target 0.0688 toe/ton of the Cement. Achieved 0.0626 toe/ton of Cement.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	1436850	1403415
(ii) Groundwater	2894549	1600150
(iii) Third party water	3259150	1720245
(iv) Seawater / desalinated water	1407155	2117261
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9025466	6869299
Total volume of water consumption (in kilolitres)	4078750	6552
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000045	0.00010
Water intensity (optional) – the relevant metric may be selected by the entity	0.70 m ³ /t product	0.001 m ³ /t product

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes

Det Norske veritas (DNV)

For all environmental data (RCI + Cement sites in India): External certifier DQS

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Implemented for all Indian sites.

From the Overhead tank through pipeline water pumped to Brgs and heat exchangers, the same water collected in a sump further cooled in the cooling tower and stored in soft water tank pumped to overhead tank for recycling. The same was used for Brgs cooling. Installed lotus system in cooling tower discharge for water softening. There is no liquid discharge in the above system. Implementing Zero Liquid Discharge.

Colony STP outlet treated water used for Colony Plantation and Green belt development. Treated water from STP used for Green belt Development. Demineralised Plant effluent water, boiler blow down and auxiliary cooling tower water is reused in process and Sewage Treatment Plants water is used for green belt.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
NOx	Metric tons	2876	2474
SOx	Metric tons	13147	15265
Particulate matter (PM)	Metric tons	966	929
Persistent organic pollutants (POP)	Nil	Nil	Nil
Volatile organic compounds (VOC)	Metric tons	243	255
Hazardous air pollutants (HAP)	Metric tons	168	149
Others – please specify	Nil	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes

a) NEERI and SV Enviro Tech and Global enviro labs; and

b) Stack emissions and Ambient Air quality monitored by Global enviro labs monthly.

For all environmental KPI's (incl. non-GHG emissions): External certifier DQS

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	3055138	3013693
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	188060	165251
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	0.000015	0.00002
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	0.5545 t CO ₂ e/t product	0.5357 t CO ₂ e/t product

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes

NEERI

For all environmental KPI's: External certifier DQS

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

At RAIN, we are aware of the impact of climate change on society and business and therefore, strive to continuously reduce our greenhouse gas (GHG) emissions. Site specific activities to reduce GHG-emissions are in place.

The biggest leverage for reducing GHG emissions in the Calcination business unit is through reduction of emissions in the calcining process. RAIN now has a major project underway in the US to quantify the impact of process changes on calciner CO₂ emissions. Three plants in the US are fitted with a CEMS (continuous emissions monitoring system) which includes a CO₂ analyzer providing accurate CO₂ emissions data in real time. We are actively using these systems to quantify the level of process variability with the goal of setting achievable GHG reduction targets.

An example of a process change is the use of oxygen injection in our kilns instead of natural gas or fuel oil to provide supplemental heat. Oxygen injection substantially reduces the flue gas volume inside the kiln which reduces carryover of fine particle size coke. This reduces CO₂ emissions and increases the yield of CPC per ton of GPC. Currently, this technology is used at our Chalmette, Gramercy and Vizag calciners. Over the 2014-22 period, a detailed analysis of oxygen-injection and other process changes at Vizag showed a kiln yield improvement of 4.5% and CO₂ emissions reduction of 23%.

Another example in 2022, the naphthalene production unit in Castrop-Rauxel was upgraded in terms of energy efficiency. The installation of a more advanced and energy-efficient cooling system, including a new refrigerant, enabled a significant reduction in energy consumption and respective GHG emissions.

Boiler replacement in Castrop: In 2022, one furnace at our site in Castrop-Rauxel (Germany) has been replaced, with three more planned for the years 2023 and 2024 and at least two more by the end of 2025. Besides fulfilling the new requirements for NO_x critical values, the specific energy consumption of each new furnace is going to be reduced by around 30%.

8. Provide details related to waste management by the entity, in the following format:0

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Not assessed	Not assessed
E-waste (B)	Not assessed	Not assessed
Bio-medical waste (C)	Not assessed	Not assessed
Construction and demolition waste (D)	Not assessed	Not assessed
Battery waste (E)	Not assessed	Not assessed
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	49807	29711
Other Non-hazardous waste generated (H) * Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	66017	107259
Total (A+B+C+D+E+F+G+H)	115827	139670
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	60276	44163
(ii) Re-used	3723	8762
(iii) Other recovery operations	3758	Nil
Total	67757	52925
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	6316	6506
(ii) Landfilling	19489	48949
(iii) Other disposal operations	22265	28590
Total	48070	84045

Note: * Other non-hazardous waste is carry forwarded in the year of 2020 from 2019 for recycling.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

For all environmental KPI's: External certifier DQS.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our production processes aim at highest resource efficiency in converting as much raw materials as possible into products and thus minimising waste volumes. We implemented multiple activities across our global operations that are described in the non-statutory section of this report.

All of our facilities go through a chemical approval process to reduce/eliminate employee exposure to hazardous chemicals while reducing or eliminating environmental concerns. The process identifies chemicals reviewed and approved by the responsible BU official and his/her designees.

In our calcination facilities for example, a chemical approval form will be completed by the site and submitted to the S&H Manager, North America for approval. You must give how the chemical will be used and whether or not it will replace an existing chemical. An SDS must also be provided listing any hazards associated with the chemical.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Chalmette	Calcination	Yes
2	Gramercy	Calcination	Yes
3	Lake Charles	Calcination	Yes
4	Zelzate	Coal tar and PFO distillation, benzol distillation and production of PA	Yes (an impact assessment is done extensively in the environmental effect report (MER) and more limited in every permit application where an impact is possible)

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain. (Yes / No)	Relevant Web link
Zelzate: OVA Petro centrifuge + gasoil storage - Permit application (The permit is not yet approved by the authorities. Approval is expected by June 2023)	ESM22100411	06/01/2023 is the date the permit has been submitted to the authorities	Yes (an EIA needs to be done by an expert recognised by the authorities (in this case an expert on air emissions))	People can consult the permit application and form a complaint if they want. They have 1 month to do so.	-

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company has complied with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
			N.A.	

Leadership Indicators:

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	25 TJ	15 TJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	25 TJ	15 TJ

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
From non-renewable sources		
Total electricity consumption (D)	1700 TJ	1855 TJ
Total fuel consumption (E)	11507 TJ	11277 TJ
Energy consumption through other sources (F)	929 TJ	863 TJ
Total energy consumed from non-renewable sources (D+E+F)	14136 TJ	13979 TJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

For all environmental KPI's: External certifier DQS

2. Provide the following details related to water discharged:

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	6405283	8640141
- No treatment	Not assessed	Not assessed -
- With treatment – please specify level of treatment	Not assessed	- Not assessed
(ii) To Groundwater	Nil	Nil
- No treatment	Not assessed	Not assessed -
- With treatment – please specify level of treatment	Not assessed	- Not assessed
(iii) To Seawater	788766	1096722
- No treatment	Not assessed	- Not assessed
- With treatment – please specify level of treatment	Not assessed	- Not assessed
(iv) Sent to third – parties	869840	1148490
- No treatment	Not assessed	- Not assessed
- With treatment – please specify level of treatment	Not assessed	- Not assessed
(v) Others	Nil	Nil
- No treatment	Not assessed	- Not assessed
- With treatment – please specify level of treatment	Not assessed	- Not assessed
Total water discharged (in kilolitres)	4946716	6862747

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Water Audit conducted by Det Norske veritas (DNV) in April 2021.

For all environmental KPI's: External certifier DQS

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Boincherucupalli (V), Peapully (M), Kurnool District, Andhra Pradesh
- (ii) Nature of operations: Clinker and Cement Manufacturing
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	160029	152132
(ii) Groundwater	99004	99270
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres)	259033	252468
Total volume of water consumption (in kilolitres)	259033	251039
Water intensity per rupee of turnover (Water consumed / turnover)	0.000001	-
Water intensity (optional) – the relevant metric may be selected by the entity	Nil	Nil
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

For all environmental KPI's: External certifier DQS

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	N.A.	N.A.
Total Scope 3 emissions per rupee of turnover	-	N.A.	N.A.
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

No impact assessment developed.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Flue gas desulfurisation scrubbers	RAIN has for decades been the recognised pioneers in our sector by investing heavily in technologies that dramatically reduce emissions from our processes. We continuously strive to implement efficient, flue-gas treatment systems and to make new investments in these responsible technologies.	We minimise SO ₂ emissions by utilising state-of-the-art SO ₂ Flue -gas desulfurisation (FGD) systems at seven of our operating plants. <ul style="list-style-type: none"> – Visakhapatnam – 98% – Lake Charles – 60% – Norco – 40% – Chalmette – 65% – Atchutapuram – 99%
2	Leak Detection and Repair (LDAR) Project	For most of our Carbon Distillation and Advanced Materials facilities, RAIN undertook a leak-detection and -repair (LDAR) project to proactively and regularly check for fugitive losses of benzene, toluene and xylene (BTX) emissions. This project was originally initiated at our facility in Zelzate, Belgium in 2010. Due to its success, a similar project was rolled out at our Castrop-Rauxel, Hamilton and Cherepovets distillation facilities in Germany, Canada and Russia, respectively.	Reduction of benzene, toluene and xylene (BTX) Emissions.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

We have emergency preparedness plans in place for each site to address any external and internal disasters. These plans have a clear focus on minimising exposure with hazardous situations and cover various scenarios with clear assignments of responsibilities. This also includes business continuity measures per business segment.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No adverse impact to the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators:

1. a. Number of affiliations with trade and industry chambers/ associations.

Only One. The Company is a member of Federation of Telangana Chamber of Commerce and Industry (FTCCI), Telangana State, India.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the Trade and Industry Chambers/ Associations	Reach of trade and Industry Chambers/ Associations (State/National)
1	Federation of Telangana Chamber of Commerce and Industry (FTCCI)	Telangana, India (State)
2	Cefic	Europe (National)
3	VCI	Germany (National)
4	Essenscia	Belgium (National)
5	Creosote Council III	North America (National)
6	PCTC	USA and Canada (National)
7	RTA	USA(National)
8	ACCCI	North America (National)
9	IECA	USA (National)
10	ASI	Global (National)
11	Concawe	Europe (National)

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
N.A.	N.A.	N.A.

Leadership Indicators:

1. Details of public policy positions advocated by the entity

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
				Nil	

PRINCIPLE 8**Businesses should promote inclusive growth and equitable development.****Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain. (Yes / No)	Relevant Web link
Nil					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Nil						

3. Describe the mechanisms to receive and redress grievances of the community.

The Board of Directors of the Company had adopted the Whistle Blower Policy and appointed an ombudsman. A mechanism has been established for all stakeholders including Directors, employees, vendors and suppliers to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No personnel have been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company: <https://www.rain-industries.com>

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	Nil	Nil
Sourced directly from within the district and neighboring districts	35%	27%

Leadership Indicators:

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Telangana State	Suryapet	₹ 36.35 Million
2	Andhra Pradesh	Nellore & Kurnool	₹ 36.55 Million

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) – No
- (b) From which marginalised /vulnerable groups do you procure- Nil.
- (c) What percentage of total procurement (by value) does it constitute- Nil.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared. (Yes / No)	Basis of calculating benefit share
-	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
-	-	-

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Education	2,328	100
2	Health	91,030	100

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators:

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

On the website of the Company, contact details are provided for redressal of grievances and complaints on the products. The grievances are resolved without any delay.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	Nil
Recycling and/or safe disposal	Nil

3. Number of consumer complaints in respect of the following:

	FY 2022 (Current Financial Year)		Remarks	FY 2021 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

<https://www.rain-industries.com/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services: Not Applicable

Leadership Indicators:

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://www.rain-industries.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We fulfill all legal requirements related to hazard communication including provision of Safety Data Sheets and Product labels to our value chain partners.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Necessary information is placed on the website of the Company.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. The Company and its subsidiary Companies displays product information on the product label as per the requirement of law. The Company has not carried out any formal consumer survey/consumer satisfaction trends. However, the Company keeps track of responses/comments from various stakeholders.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: Nil
- b. Percentage of data breaches involving personally identifiable information of customers: Nil

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Place: Hyderabad
Date: February 27, 2023

Annexure 10**Nomination and Remuneration Policy****Introduction:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonise the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, this Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated.

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration and to recommend to the Board their appointment and removal.
2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Board, its Committees and Individual Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Definitions

- Board means Board of Directors of the Company.
- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means Rain Industries Limited.
- Independent Director means a Director referred to in Section 149 of the Companies Act, 2013 and Regulation

16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Key Managerial Personnel (KMP) means-

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Company Secretary;
- iii. Chief Financial Officer; and
- iv. Such other officer, not more than one level below the Directors who is in Whole time Employment, Designated Key Managerial Personnel by the Board.

'Senior Management' means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including their functional heads.

Applicability

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

A. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

1. Formulate the criteria for determining qualifications, positive attributes and independence of Directors, Key Managerial Personnel and other Employees.
2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
4. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge

and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

B. Eligibility criteria for Appointment of Directors, Key Managerial Personnel and Senior Management

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Other Employees at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director or Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

C. Term and Remuneration

1. Managing Director/Whole-time Director

- i. The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- ii. The remuneration / compensation / commission etc. to the Managing Director or Whole-time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. for Managing Director or

Whole time Directors shall be subject to the approval of the shareholders of the Company and Schedule V of the Companies Act, 2013.

- iii. Where any insurance is taken by the Company on behalf of its Managing Director or Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- iv. The Managing Director or Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders.
- v. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013.
- vi. No Independent Director, who resigns from the Company, shall be appointed as an Executive/ Whole Time Director on the board of the Company, its subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director

2. Chief Financial Officer (C.F.O), Company Secretary (C.S) and Senior Management Personnel

- i. The remuneration / compensation etc. to the Chief Financial Officer, Company Secretary and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.
- ii. The Chief Financial Officer, Company Secretary and Senior Management Personnel shall be

eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee.

3. Independent Director

- i. With effect from April 1, 2022, the appointment, re-appointment or removal of Independent Director of a listed Entity shall be subject to the approval of shareholders by way of Special Resolution and disclosure of such appointment shall be made in the Board's report.
- ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company, he / she shall be eligible for appointment for one more term of 5 years only.
- iii. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

D. Remuneration to Non- Executive / Independent Director

i. Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending

meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

ii. Commission

Commission may be paid within the monetary limit approved by shareholders, computed as per the applicable provisions of the Companies Act, 2013.

E. Composition, Role, Frequency of Meetings and Quorum

The Composition, Role, Frequency of Meetings and Quorum of the Nomination and Remuneration Committee shall be as per the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other requirements as may be prescribed from time to time.

F. Evaluation

The Committee shall carry out evaluation of performance of Board, its Committees and Individual Directors annually.

G. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

H. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Place: Hyderabad
Date: February 27, 2023

Management Discussion and Analysis

1. Company Overview

RAIN Group is one of the world's largest producers of calcined petroleum coke (CPC) and coal tar pitch (CTP). We operate in three key business verticals: Carbon, Advanced Materials and Cement. We have 16 production facilities in seven countries across three continents and continue to grow through capacity expansions, mergers and acquisitions throughout the world across all business segments.

Our Carbon business segment converts the by-products of oil refining [i.e., green petroleum coke (GPC)] and steel production (i.e., coal tar) into high-value carbon-based products [i.e., calcined petroleum coke ("CPC"), coal tar pitch ("CTP") and other carbon products ("OCP")]. These products are critical raw materials for aluminium, graphite, carbon black, wood preservation, titanium dioxide, refractory and several other global industries.

Our Advanced Materials business segment carries out the innovative downstream transformation of a portion of our carbon output, petrochemicals and other raw materials into high-value, eco-friendly raw materials under three sub-segments of engineered products, chemical intermediates and resins, which are critical to the specialty chemicals, coatings, construction automotive, petroleum and several other global industries.

Our Cement business segment produces and markets high-quality ordinary portland cement ("OPC") and portland pozzolana cement ("PPC"), which are consumed largely by the civil construction and infrastructure industries within India.

Our scale and process sophistication provide us the flexibility to capitalise on market opportunities by selecting raw materials from a wide range of sources across various geographies, adjusting the composition of our product mix and offering products that meet stringent customer specifications, including several specialty products.

Our global manufacturing footprint and our integrated worldwide logistics network have also strategically positioned us to capitalise on market opportunities by addressing raw material supply and product demand on a global basis, in both established (mainly North America and Europe) and emerging markets (mainly Asia and the Middle East).

The following operating and financial review is intended to convey the management's perspective on the operating and financial performance of RAIN Group for the year ended December 31, 2022. This should be read in conjunction

with the Company's Standalone and Consolidated Financial Statements, the schedules and notes thereto and the other information included elsewhere in the Annual Report. RAIN Group's Financial Statements have been prepared in compliance with the requirements of the Companies Act, 2013, the guidelines issued by the Securities and Exchange Board of India (SEBI), in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India.

2. Discussion on Financial Performance:

Consolidated Financial Performance:

Particulars	₹ in Million	
	CY 2022	CY 2021
Income from Operations	210,110	145,268
Adjusted Operating Profit	37,545	25,174
Operating Profit (%)	17.9%	17.3%
Profit Before Tax	23,273	12,764
Adjusted Profit After Tax @	16,980	7,560

@ After Non-controlling interest

Operating profit and profit after tax are adjusted with exceptional and one-off items. Please find hereunder the reconciliation of reported operating profit and reported profit after tax with adjusted operating profit and adjusted profit after tax.

Reconciliation	₹ in Million	
	Operating Profit	Profit After Tax
Reported	36,381	14,387
Adjustments:		
Gain on Bond re-purchase (buyback)	(30)	(30)
Insurance claims received during the quarter related to prior periods and other operating income adjustments	(206)	(206)
Gain on sale of polymer business	(33)	(33)
Expenses towards strategic projects and other non-recurring items	1,367	1,367
Costs incurred on account of hurricane at Lake Charles plant in United States	66	66
Impairment of pond pitch/dual-solvent project	-	466
Tax impact on above adjustments	-	(151)
Other tax adjustments	-	1,114
Adjusted	37,545	16,980

During CY 2022, our business generated revenue from operations of ₹ 210.1 billion and operating profit of ₹ 37.5 billion. The revenue in CY 2022 was higher by 44.6% compared to CY 2021 mainly due to higher price realisations and appreciation of USD against INR offset by reduction in volumes and depreciation of Euro against INR. The operating margins in CY 2022 were higher due to increased realisations offset with an increase in raw material costs and other operating costs. As a result, the profit after tax in CY 2022 was ₹ 17.0 billion (i.e., ₹ 9.4 billion higher than the ₹ 7.6 billion generated in CY 2021).

Consequently, the adjusted earnings per share was ₹ 50.49 in CY 2022 as against ₹ 22.48 in CY 2021.

With a better performance in CY 2022 coupled with a strong cash balance of ₹ 18.0 billion and undrawn working capital loans of ₹ 10.6 billion, RAIN Group is well placed to meet its debt-servicing obligations in the future and fund the expansion projects initiated. The major debt repayments are scheduled to start in January 2025.

The paid-up share capital of RAIN Industries Limited as on December 31, 2022, is ₹ 672,691,358, comprising 336,345,679 fully paid-up equity shares of ₹ 2 each.

Details of Key Financial Ratios (Consolidated):

		₹ in Million		
Sl. No	Key Financial Ratios	Financial year 2022	Financial year 2021	Variance
(i)	Debtors Turnover	10.02	10.41	-4%
(ii)	Inventory Turnover	3.21	3.62	-11%
(iii)	Interest Coverage Ratio	7.85	5.57	41%
(iv)	Current Ratio	2.36	2.19	8%
(v)	Net Debt Equity Ratio	0.90	1.07	-15%
(vi)	Adjusted Operating Profit Margin (%)	18%	17%	6%
(vii)	Adjusted Net Profit Margin (%)	8%	5%	60%
(viii)	Return on Net Worth	20%	12%	67%

The interest coverage ratio has increased during the current year as compared to previous year mainly on account of higher operating margin due to increased realisations. Current ratio is higher on account of higher inventory balance due to increase raw material costs.

3. Performance of Carbon Business Segment

₹ in Million		
Particulars	CY 2022	CY 2021
Sales Volumes ('000 Tonnes)	2,430	2,529
Net Revenue	154,613	96,966
Operating Profit	34,792	20,884
Operating Profit (%)	22.5%	21.5%

Our Carbon business segment includes the manufacturing and trading of carbon products comprising CPC, CTP, GPC and other derivatives of coal distillation, including creosote oil, naphthalene, carbon black oil and other basic aromatic oils. Energy produced through waste-heat recovery in the manufacturing of CPC is also included in the Carbon business segment. About 74.0% of RAIN Group's consolidated revenue for CY 2022 was generated from the Carbon business segment.

During CY 2022, the Carbon business segment generated ₹ 154.6 billion in net revenue, an increase of approximately 59.5% as compared to ₹ 97.0 billion generated during CY 2021. The increase in revenue was due to increase in average realisations by approximately 52.1% couple with exchange fluctuation from appreciation of USD against Indian Rupee by 6.3%. The operating margin increased to 22.5% in CY 2022 as compared to 21.5% in CY 2021. Margins increased in the Carbon business due to improved realisations offset by an increase in raw material costs across regions and increase in energy cost in Europe.

With prices stabilising by end of the year, steady-to-increased demand by end-customer industries, we expect the Carbon business segment to continue stabilised margins.

4. Performance of Advanced Materials Business Segment

₹ in Million		
Particulars	CY 2022	CY 2021
Sales Volumes ('000 Tonnes)	310	385
Net Revenue	39,104	32,910
Operating Profit	1,348	1,555
Operating Profit (%)	3.4%	4.7%

Our Advanced Materials business segment mainly comprises engineered products, chemical intermediates and resins, which are derived from our primary distillate – naphthalene – and additional raw materials purchased from third parties. About 18.7% of RAIN Group's consolidated revenue for CY 2022 was from the Advanced Materials business segment.

During CY 2022, our Advanced Materials business segment generated ₹ 39.1 billion in net revenue, an increase of 18.8% as compared to ₹ 32.9 billion during CY 2021. The increase was primarily related to a 38.7% increase in blended price realisations during CY 2022 offset by a 19.5% decrease in sales volumes. The operating margin decreased from 4.7% in CY 2021 to 3.4% in CY 2022 due to an unprecedented increase in energy costs in Europe coupled with incremental operating costs.

With stabilisation of energy prices in Germany, improvement of HHCR plant operations and various cost measures planned during the year, we expect the Advanced Materials business segment to improve in next few years.

5. Performance of Cement Business Segment

Particulars	₹ in Million	
	CY 2022	CY 2021
Sales Volumes ('000 Tonnes)	3,124	2,895
Net Revenue	15,345	13,821
Operating Profit	1,405	2,735
Operating Profit (%)	9.2%	19.8%

Our Cement business segment is engaged in the manufacture and sale of cement. The products include high-quality OPC and PPC. About 7.3% of the consolidated revenue of RAIN Group for CY 2022 was from this business segment. During CY 2022, this segment generated ₹ 15.3 billion in net revenue. Due to an increase in volumes of approximately 7.9% in CY 2022 compared to CY 2021, coupled with an increase in price realisations by 2.9%, there was an increase in revenue by approximately 11.0% compared to ₹ 13.8 billion during CY 2021. The Cement business segment operated at an average capacity utilisation of approximately 79% during CY 2022 compared to approximately 69.5% in CY 2021.

The operating margin of Cement business decreased from 19.8% in CY 2021 to 9.2% in CY 2022 due to higher energy costs partially offset by increased volumes and realisations.

With expected growth in demand from rural markets in South India and implementation of cost-optimisation initiatives, we expect the Cement business segment to perform better in the future.

6. Overall Business And Growth Strategies

RAIN Group aims at process improvement and the development of new, higher-margin products and technologies through research and development (R&D) initiatives. We emphasise performance improvement, sustainability and utilisation of alternative raw materials. The Group intends to maximise efficiencies and minimise costs by combining the purchasing, trading, plant operations, logistics management, finance and R&D functions within each business segment and by executing cost-reduction initiatives.

RAIN Group believes that the scale of its vertically integrated organisation will provide an effective platform to continue to develop higher-margin downstream products. The size and efficient logistic networks of our plants allow RAIN Group to realise economies of scale.

The Group has integrated our coal tar and petroleum tar distillation operations with our downstream operations that efficiently use the products derived from our primary distillation process and allow generation of incremental margins greater than the margins generated through the sale of conventional primary distillation products. Over the next few years, the demand for carbon products, such as CTP and CPC, is expected to grow in Asia and North America. To reinforce our market leadership as a provider of premium carbon products and innovative advanced materials, the Company has undertaken several capacity-expansion projects like the vertical-shaft kiln CPC plant in India and hydrogenated hydrocarbon resins (HHCR) facility in Germany.

7. Internal Control Systems And Their Adequacy

The Company established an in-house internal audit department in India to carry out robust reviews of various RAIN Group companies in India, Europe and North America. Further, Ernst & Young LLP, India (EY) carries out the internal audit of the Company and special reviews of other subsidiary companies, as needed. The observations of both in-house internal auditors and EY and their recommendations are presented to the Audit Committee of the Company. Also, the implementation of recommendations of internal auditors are reviewed during monthly review meetings and reported to the Board of Directors' Audit Committee on a quarterly basis.

RAIN Group has optimal internal control systems and procedures in place to handle all its business processes such as purchasing raw materials and stores, including components, plant and machinery equipment and the sale of goods and other assets.

The Group has clearly defined roles and responsibilities for all managerial positions. Its operating parameters are

monitored and controlled effectively through our SAP ERP software system. RAIN Group has established a global shared-service center in India to support SAP users across its global facilities. This enables effective utilisation of SAP for implementing efficient internal controls and timely reporting of financial and operational information.

8. Human Resource Development and Industrial Relations

RAIN Group employs more than 2,400 people directly and indirectly through our subsidiaries across the globe. The Company believes that the quality of our employees is the key to its success and is committed to providing necessary human-resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancement and evolving workplace requirements.

Our employee-development efforts also included the implementation of a Safety Training Observation Programme (STOP™), which focuses on ways to address unsafe acts and recognise people who act and work safely. Our learning-management system plays an active role in standardising and digitisation of a few processes that are crucial to various work functions, such as administration, documentation, tracking and reporting of the various learning-and-development and training programmes for employees.

Industrial relations during the year continued to be cordial, and RAIN Group is committed to maintaining these relations through effective communication, meetings and negotiation.

9. Safety and Environmental Compliance

We continuously seek to improve safety and reliability at all our production facilities. Our production facilities have been awarded ISO certifications for maintaining quality- and environmental-management standards. These certifications demonstrate RAIN Group's efforts in ensuring high product-quality standards and compliance with environmental laws and regulations.

2022 was another important year in our safety journey, as our commitment to workplace safety resulted in the third consecutive year that our Rain Carbon subsidiary achieved a total recordable injury rate of less than 0.2.

Our production facilities also have been awarded ISO certifications for energy-management systems. We follow a systematic approach in achieving continual improvement

in performance, including energy efficiency, energy security, and energy use and consumption. In addition, our production facilities have been certified for compliance in international occupational health and safety management.

Prevention of safety-related incidents is one of our highest priorities. We have an extensive safety programme, which includes formal training for all employees, preventive measures such as pre-job safety analyses and a system aimed at identifying risks, taking corrective actions and preventing incidents. We regularly conduct internal audits of this safety system. Our management team has implemented a structured process for handling, monitoring, documenting and learning from near-miss incidents. We have taken stringent measures to reduce the number of recordable injuries Company-wide, and the monetary incentives of most employees are linked to fulfilling the Company's safety targets.

10. Statutory Compliance

The Managing Director makes a declaration at each Board meeting regarding compliance with provisions of various statutes after obtaining confirmation from all the operating plants across all subsidiary companies within India and abroad. The Company Secretary ensures compliance with SEBI Regulations and provisions of the Listing Agreement and with the guidelines on insider trading for prevention of the same.

11. Cautionary Statement

Statements in the Boards' Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand/supply conditions, finished-goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company is not obliged to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent development, information or events or otherwise.

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy **Jagan Mohan Reddy Nellore**

Managing Director

Director

DIN: 00021052

DIN: 00017633

Place: Hyderabad

Date: February 27, 2023

Report on Corporate Governance

Company's Philosophy on Code of Governance

Rain Industries Limited ("RIL"/ "the Company") is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximise shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of Promoter, Executive and Independent Directors on the Board.

The Corporate Governance framework of your Company is based on an effective and independent Board, separation of the Board's supervisory role from the Senior Management team and constitution of the Board Committees, as required under applicable laws.

Your Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the Rules made thereunder ("Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws.

Your Company presents this report, prepared in terms of the SEBI Listing Regulations (including the amendments to the extent applicable), enumerating the current Corporate Governance systems and processes at the Company.

1. Board of Directors:

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at December 31, 2022, the Board of Directors ("Board") comprised of Eight Directors, of which Seven are Non-Executive Directors and one is Executive Director. The Company has a Non-Executive Chairman and Five Independent Directors (including Chairman). Independent Directors comprise more than half of the total strength of the Board.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing Regulations. All Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of independence.

Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the Management.

The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board.

The Board has an unfettered and complete access to any information within your Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson.

a. The composition and category of the Board of Directors is as follows:

The Board of your Company comprises of Eight Directors as on December 31, 2022.

None of the Director is a Director in more than 10 Public Limited Companies (as specified in Section 165 of the Act) and Director in more than 7 Listed Entities (as specified in Regulation 17A of the Listing Regulations) or acts as an Independent Director (including any alternate directorships) in more than 7 Listed Companies or 3 equity Listed Companies in case he/she serves as a Whole-time Director/ Managing Director in any Listed Company (as specified in Regulation 17A of the Listing Regulations). Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (as specified in Regulation 26 of the Listing Regulations), across all the Indian public limited Companies in which he/she is a Director.

Board of Directors as on December 31, 2022

S. No.	Name of the Director	Designation	Category
1	Mr. Brian Jude McNamara	Chairman	Independent Director
2	Mr. N. Radhakrishna Reddy	Managing Director	Executive Director (Promoter)
3	Mr. Jagan Mohan Reddy Nellore	Vice Chairman	Non - Executive Director (Promoter)
4	Mr. N. Sujith Kumar Reddy	Director	Non - Executive Director (Promoter)
5	Mr. Varun Batra	Director	Independent Director
6	Ms. Radhika Vijay Haribhakti	Director	Independent Director
7	Ms. Nirmala Reddy	Director	Independent Director
8	Mr. Robert Thomas Tonti	Director	Independent Director

b. Attendance of Directors at the meetings

The details of the attendance of the Directors at the Board meetings held during the Financial Year ended December 31, 2022 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	Number of Board Meetings		Attendance at last Annual General Meeting
	Held	Attended	
Mr. N. Radhakrishna Reddy	5	5	Yes
Mr. Jagan Mohan Reddy Nellore	5	5	Yes
Mr. N. Sujith Kumar Reddy	5	4	Yes
Ms. Radhika Vijay Haribhakti	5	5	Yes
Ms. Nirmala Reddy	5	5	Yes
Mr. Varun Batra	5	5	Yes
Mr. Brian Jude McNamara	5	5	Yes
Mr. Robert Thomas Tonti	5	5	Yes

c. Other Directorships

The number of Directorships and memberships in the Committees of other Companies held by the Directors as on December 31, 2022 are as under:

Name of the Director	No. of other Directorships*	In other Public Companies#	
		Membership	Chairmanship
Mr. N. Radhakrishna Reddy	6	-	-
Mr. Jagan Mohan Reddy Nellore	6	2	-
Mr. N. Sujith Kumar Reddy	8	-	-
Mr. Varun Batra	3	-	-
Mr. Brian Jude McNamara	2	1	1
Ms. Radhika Vijay Haribhakti	7	7	1
Ms. Nirmala Reddy	4	-	-
Mr. Robert Thomas Tonti	-	-	-

* Includes Directorships in the Companies incorporated under the Companies Act, 1956/2013.

Includes only Audit Committee and Stakeholders Relationship Committee (Excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013/Section 25 of the Companies act, 1956).

Names of the Listed Companies wherein the Directors of the Company are Directors:

Sl. No.	Name of the Director	No. of Directorships in other Listed Companies	Name of the other Listed Companies in which Directors of the Company are Directors
1	Mr. N. Radhakrishna Reddy	Nil	N.A.
2	Mr. Jagan Mohan Reddy Nellore	Nil	N.A.
3	Mr. N. Sujith Kumar Reddy	Nil	N.A.
4	Mr. Varun Batra	Nil	N.A.
5	Mr. Brian Jude McNamara	Nil	N.A.
6	Ms. Nirmala Reddy	Nil	N.A.
7	Ms. Radhika Vijay Haribhakti	6	Navin Fluorine International Limited – Independent Director EIH Associated Hotels Limited – Independent Director ICRA Limited – Independent Director Torrent Power Limited – Independent Director Bajaj Finance Limited – Independent Director Bajaj Finserv Limited – Independent Director
8	Mr. Robert Thomas Tonti	Nil	N.A.

d. Board Process

A detailed agenda, setting out the business to be transacted at the Meeting(s), supported by detailed Notes and Presentations is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s). Draft agenda of Board and Committee Meeting(s) is also circulated to the Directors seeking their comments before finalisation of agenda. Audio-Visual mode facilities are provided to enable Directors who are unable to attend the meetings in person, to participate in the meeting via Audio-Visual mode. To enable the Board to discharge its responsibilities effectively and take informed decisions, the Management apprises the Board through a presentation at every Meeting on the overall performance of your Company.

The Board also, inter alia, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to your Company, as well as steps taken by your Company to rectify instances of non-compliances, performance of operating divisions, review of major legal issues, minutes of the Committees of the Board and of Board Meetings of your Company's subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, approval of quarterly/half-yearly/annual results, significant labour problems and their proposed solutions, safety and risk management, transactions pertaining to purchase/disposal of property(ies),

sale of investments, major accounting provisions and write-offs, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public or product liability claims of substantial nature, including judgement or order which may have passed strictures on the conduct of your Company, quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement. The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

The Company has well-established framework for the Meetings of the Board and its Committees which seeks to systematise the decision-making process at the Meetings in an informed and efficient manner. Apart from Board Members and the Company Secretary, the Board and Committee Meetings are also attended by the Chief Financial Officer and wherever required by the Heads of various Corporate Functions.

e. Number of Board Meetings

Five Board Meetings were held during the Financial Year ended December 31, 2022. The maximum time gap between any two consecutive meetings did not exceed One Hundred and Twenty days.

The dates on which the Board meetings were held are February 25, 2022, May 4, 2022, July 29, 2022, August 29, 2022 and November 3, 2022.

f. Disclosure of relationship between Directors inter-se

Mr. N. Radhakrishna Reddy, Managing Director is the father of Mr. Jagan Mohan Reddy Nellore, Director and Mr. N. Sujith Kumar Reddy, Director. Other than Mr. N. Radhakrishna Reddy, Managing Director, Mr. Jagan Mohan Reddy Nellore and Mr. N. Sujith Kumar Reddy, Director, none of the Directors are related to any other Director.

g. Shares held by Non-Executive Directors

The number of equity shares of the Company held by Non-Executive Directors, as on December 31, 2022 are as follows:

Name of the Director	No. of Equity Shares (Face Value of ₹ 2 each) held in the Company
Mr. Jagan Mohan Reddy Nellore	100
Mr. N. Sujith Kumar Reddy	10,028,770
Mr. Varun Batra	NIL
Mr. Brian Jude McNamara	NIL
Ms. Radhika Vijay Haribhakti	NIL
Ms. Nirmla Reddy	NIL
Mr. Robert Thomas Tonti	NIL

h. Familiarization programmes imparted to Independent Directors

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events, Policy on material subsidiaries, Whistle blower policy, Risk Management Policy, Policy on Anti-Corruption and Anti-Bribery, Policy on Prevention of Sexual Harassment and Corporate Social Responsibility policy.

The Statutory Auditors, Internal Auditors and Senior Management of the Company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the Financial Results.

The details of familiarization programme attended by Independent Directors is available on the website: <https://rain-industries.com/investors/disclosure-under-regulation-46#details-of-familiarization-programmes-to-independent-directors>

i. Given below is the chart setting out the skills/expertise/competence of the Board of Directors:

Sl. No.	Name of the Director	Category	Specialisation
1	Mr. N. Radhakrishna Reddy	Managing Director (Promoter)	He has more than 54 years of experience in Construction and Cement Industry.
2	Mr. Jagan Mohan Reddy Nellore	Non-Executive Director (Promoter)	He has more than 30 years of experience in Finance, Commercial and Manufacturing areas.
3	Mr. N. Sujith Kumar Reddy	Non-Executive Director (Promoter)	He has more than 31 years of experience in Manufacturing and Construction Industry.
4	Mr. Varun Batra	Independent Director	He is a Senior finance professional with more than 32 years of experience in the fields of Private Equity, Special Situations, Corporate Finance & Capital Markets, Credit & Relationship Management across various Corporate & Financial Institutional customers.

Sl. No.	Name of the Director	Category	Specialisation
5	Mr. Brian Jude McNamara	Independent Director	He is a former banker with a 34 years career in Project Finance, Corporate Finance and Investment Management.
6	Ms. Radhika Vijay Haribhakti	Independent Director	She has over 31 years of experience in Commercial and Investment Banking.
7	Ms. Nirmala Reddy	Independent Director	She has more than 49 years of experience in Banking, Finance and Project appraisal.
8	Mr. Robert Thomas Tonti	Independent Director	He has over 41 years' experience primarily centered on the Calcining of Petroleum Coke and Energy Production with experience in Oil refining and Aluminum Smelting.

j. Confirmation from the Board

All the Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

- k. No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended December 31, 2022.

Profile of Board of Directors

Brief resume of the Directors, nature of their expertise in specific functional areas and name of Companies in which they hold Directorship and the membership of the Committees of the Board are furnished hereunder:

- **Mr. N. Radhakrishna Reddy, Managing Director**

Mr. N. Radhakrishna Reddy (80 years) is the Managing Director of Rain Industries Limited. He has more than 54 years of experience in Construction and Cement Industry. He has been a Director of the Company since 1984. Currently, he is also on the Board of Rain Cements Limited, Renuka Cement Limited, PCL Financial Services Private Limited, Arunachala Holdings Private Limited, Apeetha Enterprises Private Limited and Pragnya Priya Foundation.

He holds 10,383,730 equity shares in the Company.

Mr. N. Radhakrishna Reddy is father of Mr. Jagan Mohan Reddy Nellore, Vice Chairman and Mr. N Sujith Kumar Reddy, Non-Executive Director. Other than the said Directors, he is not related to any other Director or Manager or the Key Managerial Personnel of the Company.

Mr. N. Radhakrishna Reddy is the member of Stakeholders Relationship Committee and Share Transfer Committee of Rain Industries Limited.

- **Mr. Jagan Mohan Reddy Nellore, Vice Chairman & Non-Executive Director**

Mr. Jagan Mohan Reddy Nellore (56 years) brings with him 30 years of experience to the Company in finance, commercial and operations areas.

Mr. Nellore is presently the Vice Chairman of Rain Industries Limited.

Mr. Nellore is the founder of Rain CII Carbon (Vizag) Limited, which had been originally incorporated as Rain Calcining Limited and commenced production of Calcined Petroleum Coke ("CPC") and Electricity in 1998 in India. He spearheaded the vision, strategy and execution of the globalisation of the Indian entity's business model through the acquisition of Rain CII Carbon LLC of the U.S. (formerly CII Carbon, LLC) and by combining the U.S. and Indian CPC business strategies in 2007 and subsequently in 2013 through the acquisition of RÜTGERS N.V., a Coal Tar Pitch ("CTP") and Chemicals producer.

Mr. Nellore has successfully integrated the acquired entities to create the world's leading industrial carbon producer. Mr. Nellore holds a Bachelor of Science degree in Industrial Engineering from Purdue University, USA.

Mr. Nellore is Chief Executive Officer (CEO) of Rain Carbon Inc. and Member of the Boards of Rain CII Carbon (Vizag) Limited, Rain Cements Limited, Renuka Cement Limited, Sujala Investments Private Limited, Rain Enterprises Private Limited, Pragnya Priya Foundation, Rain Commodities (USA) Inc., Rain CII Carbon LLC, USA, Rain Carbon Inc and CII Carbon Corp.

Mr. Nellore is the member of Stakeholders Relationship Committee, Share Transfer Committee, Chairman of Corporate Social Responsibility Committee and Risk Management Committee of Rain Industries Limited, Member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Rain Cements Limited and Rain CII Carbon (Vizag) Limited.

Mr. Nellore holds 100 equity shares in the Company.

Mr. Nellore is the son of Mr. N. Radhakrishna Reddy, Managing Director and brother of Mr. N. Sujith Kumar Reddy, Director. Other than the said Directors, he is not related to any other Director or Manager or the Key Managerial Personnel of the Company.

- **Mr. N. Sujith Kumar Reddy, Non-Executive Director**

Mr. N. Sujith Kumar Reddy (51 Years) holds a Bachelor's degree in Commerce. He has more than 31 years of experience in manufacturing and Construction Industry. He is the Managing Director of Rain Cements Limited, which manufactures and sells Cement under the brand name "Priya Cement". He is also Director of Renuka Cement Limited, PCL Financial Services Private Limited, Arunachala Holdings Private Limited, Apeetha Enterprises Private Limited, Nivee Holdings Private Limited, Nivee Property Developers Private Limited and Pragnya Priya Foundation.

Mr. N. Sujith Kumar Reddy holds 10,028,770 equity shares in the Company.

Mr. N. Sujith Kumar Reddy is the Chairman of Stakeholders Relationship Committee and Share Transfer Committee, Member of Corporate Social Responsibility Committee and Risk Management Committee of Rain Industries Limited and Member of Corporate Social Responsibility Committee of Rain Cements Limited.

Mr. N. Sujith Kumar Reddy, Director is the son of Mr. N. Radhakrishna Reddy, Managing Director and brother of Mr. Jagan Mohan Reddy Nellore, Vice-Chairman. Other than the said Directors, he is not related to any other Director or Manager or the Key Managerial Personnel of the Company.

- **Mr. Varun Batra, Independent Director**

Mr. Varun Batra (56 years) is a Senior finance professional with more than 32 years of experience in the fields of Private Equity, Special Situations, Corporate Finance & Capital Markets, Credit & Relationship management across various Corporate & Financial Institutional customers. He has relevant experience in Relationship, Risk & Product Management and Debt & Equity investing across the Capital Structure.

Mr. Batra has built and led teams in both large & small organisations with direct Frontline and Profit Centre responsibility. He is currently a Senior Partner and heads the Mumbai office for Baring Private Equity Partners Advisors LLP and Baring Private Equity India Investment Managers LLP.

He was a Managing Director at Citibank N.A where he worked between 1997 – 2010. During his tenure at Citibank, he built and led Citigroup's Special Situations proprietary investments in India. Prior to that he headed the Corporate Finance & Capital Markets business and was earlier responsible for relationships with customers Non-Bank Financial Institutions.

He worked in ANZ Grindlays Bank, Mumbai during the period from 1991 to 1996.

He is presently a Director on the Board of Rain Industries Limited and is also a Director on the Boards of Aditya Auto Products and Engineering (India) Private Limited and Sanchi Techstarter Private Limited.

He is a Member of Audit Committee and Nomination & Remuneration Committee of Rain Industries Limited

Mr. Batra is a Graduate in Mathematics from St. Xavier's College, Mumbai and Postgraduate in Management from the Indian Institute of Management (IIM), Ahmedabad.

He is not holding any equity shares of the Company and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

▪ **Mr. Brian Jude McNamara, Chairman & Independent Director**

Mr. Brian Jude McNamara (60 years) is a former banker with 34 years of experience in project finance, corporate finance and investment management. Mr. McNamara worked in investment operations at International Finance Corporation (IFC) in Washington D.C. from 1991 to 2015 with responsibilities in investment strategy, business development and project financing for a range of sectors across emerging markets including chemicals, textiles, general manufacturing and mining. He has extensive investment experience in project evaluation, financial structuring and investment management across the chemicals, fertilizers, carbon black, plastics, fibers, specialty chemicals and primary metals industries.

Prior to joining IFC, Mr. McNamara worked in the corporate finance division of Solvay Chemicals (Belgium) and in banking and investment management in Brussels, Belgium and Dublin, Ireland.

Mr. McNamara holds a bachelor's degree in economics and philosophy from Bristol University in England and a master's degree in finance and banking from University College Dublin in Ireland.

He is presently a Director on the Board of Rain Industries Limited and is also a Director on the Board of its Subsidiaries namely Rain Cements Limited, Rain CII Carbon (Vizag) Limited and Rain Carbon Inc.

He is a Member of Nomination and Remuneration Committee, Audit Committee and Risk Management Committee of Rain Industries Limited, Member of Audit Committee and Nomination and Remuneration Committee of Rain CII Carbon (Vizag) Limited, Chairman of Audit Committee and Member of Nomination and Remuneration Committee of Rain Cements Limited and Chairman of Audit Committee of Rain Carbon Inc.

He is not holding any equity shares of the Company and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

▪ **Ms. Nirmala Reddy, Independent Director**

Ms. Nirmala Reddy (75 years) worked as a Financial Sector consultant for the World Bank, Washington, DC, during 1995-2006. Her assignments were on credit intermediation, sustainability, privatisation, appraisal of development banks and financial institutions in projects located in Mongolia, Guyana, Egypt and Jordan. She also worked on projects for the Asian Development Bank in Thailand and the African Development Bank in Cote de I'voire. Earlier, she was a career banker having joined the State Bank as a probationary officer in 1969. She has 22 years of experience in banking operations, foreign exchange, as head of merchant banking in her career with Vijaya Bank and served as Director correspondent banking with American Express Bank Ltd. Bombay. She was trained in the Bank's branches in New York, London and Frankfurt. Ms. Reddy holds a master's degree in political science from Osmania University, Hyderabad. She has studied French and Japanese.

She is presently a Director on the Boards of Rain Industries Limited, Rain Cements Limited, Rain CII Carbon (Vizag) Limited, Nugget Estates Private Limited, Nugget Realty & Ventures Private Limited and President for Globe Enterprises LLC.

She is a Member of Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of Rain Industries Limited, Chairperson of Nomination and Remuneration Committee of Rain CII Carbon (Vizag) Limited and Chairperson of Nomination and Remuneration Committee of Rain Cements Limited.

Ms. Reddy is not holding any equity shares of the Company and she is not related to any Director, Manager and other Key Managerial Personnel of the Company.

▪ **Ms. Radhika Vijay Haribhakti, Independent Director**

Ms. Radhika Haribhakti (64 years) has over 31 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch. She has advised several large corporates and led their Equity and Debt offerings in domestic as well as international capital markets. She now offers advisory services as RH Financial but is primarily engaged as an Independent Director on multiple Corporate Boards.

She serves as an Independent Director on the Boards of Rain Industries Limited, EIH Associated Hotels Limited, ICRA Limited, Navin Fluorine International Limited, Pipeline Infrastructure Limited, Torrent Power Limited, Bajaj Finance Limited and Bajaj Finserv Limited.

She is the Chairman of Audit Committee and Nomination & Remuneration Committee of Rain Industries Limited, Member of Audit Committee and Stakeholders' Relationship Committee of Navin Fluorine International Limited, Member of Audit Committee, Risk Management Committee and Chairperson of Nomination & Remuneration Committee of ICRA Limited, Member of Audit Committee and Risk Management Committee of EIH Associated Hotels Limited, Member of Audit Committee, Risk Management Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee of Torrent Power Limited, Chairperson of Audit Committee and Member of Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Risk Management Committee of Pipeline Infrastructure Limited, Member of Stakeholders Relationship Committee and Nomination & Remuneration Committee of Bajaj Finserv Limited and Member of Stakeholders Relationship Committee and Review Committee for Non-Cooperative Borrowers and Chairperson of Nomination & Remuneration Committee of Bajaj Finance Limited.

She has also been closely involved with issues of women empowerment and financial inclusion and has served on Boards of non-profits for over 18 years, including 12 years as Chairperson. She is the former Chair of Friends of Women's World Banking (FWWB), a pioneer in the Microfinance Sector in India that supported several startups grow into leading Micro Finance Institutions. She has also Chaired the Board of Swadhaar Finaccess, engaged in promoting financial literacy amongst women in economically disadvantaged communities. She has also served on the Governing Council and Jury of Citigroup Micro Enterprise Award and CII's National Committee on Women Empowerment. She has also been Co Convener of "Training for Women on Corporate Boards", a FICCI - FLO initiative.

She is a Graduate in Commerce from Gujarat University and a post-graduate in Management from the Indian Institute of Management (IIM), Ahmedabad.

She is not holding any equity shares of the Company and she is not related to any Director or Manager or the Key Managerial Personnel of the Company.

▪ **Mr. Robert Thomas Tonti, Independent Director**

Mr. Robert Thomas Tonti (64 Years) has over 41 years of experience primarily centered on the calcining of petroleum coke and energy production with experience in oil refining and aluminium smelting. He holds a Bachelor of Science degree in Chemical Engineering from Rensselaer Polytechnic Institute, Troy, New York, United States of America and MBA from International Institute for Management Development, Lausanne, Switzerland.

Early engineering experience in aluminium smelting and petrochemicals led to Mr. Tonti becoming a start-up manager of then Calciner Industries Inc., for the 1988 acquisition of their calcining plants by private investors. His production technical experience included the optimisation of supply chains, logistics and freight movements, raw material quality control, customer service and the design of control systems for calciners. Executive procurement experience included the purchase and transport of bulk materials (petroleum coke) worldwide. Executive operations experience included environmental affairs, negotiation and administration of union labour contracts, and the management of the predecessor company's salaried and hourly personnel at five US facilities. Executive business development experience included creation of steam and power generation projects, their commercial contracts and governmental and investor-owned utility relations. His executive M&A experience included acquisition, staffing and restarting of facilities.

He is an Independent Director on the Board of Rain Industries Limited and Rain Carbon Inc, a wholly owned subsidiary of the Company.

He is a Member of Audit Committee and Nomination and Remuneration Committee of Rain Industries Limited and Member of Audit Committee of Rain Carbon Inc.

He is not holding any equity shares of the Company and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

2. Audit Committee

a. Brief description of terms of reference:

The terms of reference of the Audit Committee are as under:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- v. Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- xxi. Examination of the financial statement and the auditors' report thereon;
- xxii. Monitoring the end use of funds raised through public offers and related matters;
- xxiii. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- xxiv. The Audit Committee shall have authority to investigate into any matter or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- xxv. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote;
- xxvi. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- xxvii. Review of Management discussion and analysis of financial condition and results of operations;
- xxviii. Review of statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- xxix. Review of management letters / letters of internal control weaknesses issued by the statutory auditors;
- xxx. Review of internal audit reports relating to internal control weaknesses;
- xxxi. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- xxxii. Review of statement of deviations:
- a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxxiii. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

b. Composition, names of members and Chairperson

- The Audit Committee of the Company comprises of 4 Independent Directors with Ms. Radhika Vijay Haribhakti, Independent Director as its Chairperson.

Composition of Audit Committee:

Name of the Director	Designation
Ms. Radhika Vijay Haribhakti	Chairperson
Mr. Brian Jude McNamara	Member
Mr. Varun Batra	Member
Mr. Robert Thomas Tonti	Member

- The Head of Finance and Accounts, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- As required under the Secretarial Standards, the Chairman of the Committee or in his absence, any other Member of the Committee authorised by him/her on his behalf shall attend the General Meeting of the Company. Ms. Radhika Vijay Haribhakti, Chairman of the Audit Committee, was present at the 47th Annual General Meeting of the Company held on May 6, 2022 to address the Shareholders' queries pertaining to Annual Accounts of the Company.
- The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

c. Audit Committee meetings held and attendance during the Financial year ended December 31, 2022

- Six Audit Committee Meetings were held during the Financial Year ended December 31, 2022. The maximum time gap between any two meetings was not more than one hundred and twenty days.
- The dates on which the Audit Committee Meetings were held are February 24, 2022, May 3, 2022, July 28, 2022, August 29, 2022, September 19, 2022 and November 2, 2022.

Attendance at the Audit Committee Meetings

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Ms. Radhika Vijay Haribhakti	Chairperson	6	6
Mr. Varun Batra	Member	6	6
Mr. Brian Jude McNamara	Member	6	6
Mr. Robert Thomas Tonti	Member	6	6

3. Nomination and Remuneration Committee

a. Brief description of terms of reference

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

b. Composition, name of members and Chairperson

The Nomination and Remuneration Committee comprised of 5 Independent Directors with Ms. Radhika Vijay Haribhakti, Independent Director as its Chairperson.

Composition of the Nomination and Remuneration Committee:

Name of the Director	Designation
Ms. Radhika Vijay Haribhakti	Chairperson
Mr. Varun Batra	Member
Mr. Brian Jude McNamara	Member
Ms. Nirmala Reddy	Member
Mr. Robert Thomas Tonti	Member

The Company Secretary acts as the Secretary of the Committee.

The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

As per section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairperson of the Committee, Ms. Radhika Vijay Haribhakti was present at the 47th Annual General Meeting of the Company held on May 6, 2022.

c. Nomination and Remuneration Committee meetings

- During the Financial Year, Nomination and Remuneration Committee Meeting was held on November 3, 2022.

Attendance at the Nomination and Remuneration Committee Meetings:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Ms. Radhika Vijay Haribhakti	Chairperson	1	1
Ms. Nirmala Reddy	Member	1	1
Mr. Varun Batra	Member	1	1
Mr. Brian Jude McNamara	Member	1	1
Mr. Robert Thomas Tonti	Member	1	1

d. Nomination and Remuneration policy

- The compensation of the Executive Directors comprises of a fixed component and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Committee.
- The Non-Executive Directors are paid Sitting Fees and Commission for attending meetings of the Board/Committees.

e. The Criteria for Evaluation of Independent Directors is given below:

- Qualifications: Professional qualifications;
- Experience: Experience relevant to the entity;
- Knowledge and Competency:
 - How the person fares for effective functioning of the entity and the Board; and
 - Whether the person has sufficient understanding and knowledge of the independence criteria as specified in these regulations and their independence from the management;

- (d) Fulfillment of functions: Whether the person understands and fulfills the functions assigned to him/her by the Board and the law;
- (e) Ability to function as a team: Whether the person is able to function as an effective team-member;
- (f) Initiative: Whether the person actively takes initiative with respect to various areas;
- (g) Availability and attendance: Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay;
- (h) Commitment: Whether the person is adequately committed to the Board and the entity;
- (i) Contribution: Whether the person contributed effectively to the entity and in the Board meetings;
- (j) Integrity: Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.);
- (k) Independence: Whether person is independent from the entity and the Management and there is no conflict of interest; and
- (l) Independent views and judgment: Whether the person exercises his/ her own judgment and voices opinion freely.

f. Terms of Appointment of Independent Directors:

As per Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act, the terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website <https://rain-industries.com/investors/disclosure-under-regulation-46#terms-and-conditions-of-appointment-of-independent-directors>

g. Performance evaluation of Directors

Pursuant to applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration

Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non- Executive Directors and Chairperson of the Board.

Performance Evaluation of Independent Directors, Board of Directors, Committees of Board, Individual Directors, Managing Director, Non-Executive Directors and Chairperson of the Board

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017, the Company has adopted the recommended criteria by SEBI.

The Directors were given 6 Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

The Board of Directors have appointed Mr. DVM Gopal, Practicing Company Secretary as scrutinizer for Board evaluation process.

The Directors have sent the duly filled forms to Mr. DVM Gopal after Evaluation.

Mr. DVM Gopal based on the Evaluation done by the Directors, has prepared a report and submitted the evaluation report.

The Chairperson based on the report of the scrutinizer has informed the rankings to each Director and also informed that based on the Evaluation done by the Directors and also report issued by Mr. DVM Gopal, the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

4. Risk Management Committee

a) Brief description of terms of reference

1. To formulate a detailed Risk Management Policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly Environment, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with

activities of such committees, as per the framework laid down by the board of directors.

b) Composition, name of members and Chairperson

The Risk Management Committee comprised of 3 Directors with Mr. Jagan Mohan Reddy Nellore, Non-Executive Director as its Chairman.

Composition of the Risk Management Committee:

Name of the Director	Designation
Mr. Jagan Mohan Reddy Nellore	Chairman
Mr. N. Sujith Kumar Reddy	Member
Mr. Brian Jude McNamara	Member

Mr. T. Srinivasa Rao is the Chief Risk Officer and Mr. S. Venkat Ramana Reddy acts as Secretary to the Committee.

The minutes of the meetings of the Risk Management Committee are circulated to all the members of the Board.

c) Risk Management Committee meetings

During the Financial Year, Risk Management Committee Meetings were held on February 18, 2022, July 21, 2022 and October 20, 2022.

Attendance at the Risk Management Committee Meeting:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Jagan Mohan Reddy Nellore	Chairman	3	3
Mr. N. Sujith Kumar Reddy	Member	3	3
Mr. Brian Jude McNamara	Member	3	3

d) Risk Management Policy

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board.

The Company has adequate internal control systems and procedures to combat risks. The Risk management procedures are reviewed by the Audit Committee and the Board of Directors on a quarterly basis at the time of review of the Quarterly Financial Results of the Company.

The policy on Risk Management is available on the Company's website, the web link for the same is https://rain-industries.com/assets/pdf/risk-management-policy-22.07.2021_20210804100145.pdf

5. Meeting of Independent Directors

A separate meeting of the Independent Directors was held on November 3, 2022 under the Chairmanship of Mr. Varun Batra, Independent Director, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, Managing Director, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the Board meeting and have been implemented.

6. Lead Independent Director

The Board has appointed Mr. Varun Batra, Chairperson of the Independent Directors Meeting, as the Lead

Independent Director. The role of the lead Independent Director is to provide leadership to the Independent Directors, liaise on behalf of the Independent Directors and ensure the Board's effectiveness to maintain high-quality governance of the organisation and the effective functioning of the Board.

7. Succession planning

The Nomination and Remuneration Committee works with the Board on succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within Board of Directors and the organisation to introduce new perspectives while maintaining experience and continuity.

8. Remuneration of Directors

- a. There were no pecuniary relationship or transactions with any Non-Executive Director of the Company.
- b. The criteria for making payment to Non-Executive Directors is available on the website of the Company i.e., https://www.rain-industries.com/assets/pdf/criteria-for-making-payments-to-non-executive-directors_20220915114553.pdf

c. Non-Executive Directors are paid Sitting Fees and Commission:

Following are the details of Sitting Fees and Commission paid to the Non-Executive Directors during the Financial Year ended December 31, 2022:

Name of the Director	(₹ in Million)		
	Sitting Fees	Commission	Total Amount
Mr. Varun Batra	0.92	0.60	1.52
Mr. Brian Jude McNamara	1.10	0.60	1.70
Ms. Radhika Vijay Haribhakti	0.92	0.60	1.52
Ms. Nirmala Reddy	0.74	0.60	1.34
Mr. Robert Thomas Tonti	0.92	0.60	1.52
Mr. Jagan Mohan Reddy Nellore	-	-	-
Mr. N. Sujith Kumar Reddy	-	-	-

d. The Remuneration paid to the Managing Director during the year is as follows:

Name of the Director and Designation	Salary	Benefits	Bonuses	Pension	Commission	Performance linked incentives	Performance criteria	Service contracts	Notice period	Total
Mr. N. Radhakrishna Reddy Managing Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Appointed for a period of 3 years	3 Months	Nil

There were no severance fees and stock option plan. The appointment of the Managing Director is for a period of Three years on the basis of terms and conditions laid down in the respective resolutions passed by the Members in the General Meetings.

9. Stakeholders Relationship Committee

During the Financial Year, Stakeholders Relationship Committee Meetings were held on April 25, 2022 and October 20, 2022.

a. Composition

The Committee consists of the following Directors:

Name of the Director	Designation
Mr. N. Sujith Kumar Reddy	Chairman (Non-Executive Director)
Mr. N. Radhakrishna Reddy	Member
Mr. Jagan Mohan Reddy Nellore	Member
Ms. Nirmala Reddy	Member (Independent Director)

b. Terms of Reference

- (i) Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, non-receipt of new/duplicate certificates, etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

As per section 178(7) of the Act and the Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. N. Sujith Kumar Reddy was present at the 47th Annual General Meeting of the Company held on May 6, 2022.

10. Share Transfer Committee

a. Composition

The Committee consists of the following Directors:

Name of the Director	Designation
Mr. N. Sujith Kumar Reddy	Chairman (Non-Executive Director)
Mr. N. Radhakrishna Reddy	Member
Mr. Jagan Mohan Reddy Nellore	Member

b. Terms of Reference

- i) The Share Transfer Committee shall approve securities transfers/transmissions, split of Share Certificates, division and consolidation of share certificates, issue of duplicate Share Certificates, deletion of names, etc.; and
- ii) The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

c. Name and designation of Compliance Officer

Mr. S. Venkat Ramana Reddy, Company Secretary

d. Number of Shareholders complaints received and resolved so far.

During the year ended December 31, 2022, the Company has received 197 and resolved 197 complaints.

e. Number of complaints not resolved to the satisfaction of shareholders: Nil.

f. Pending complaints as at the year end: Nil

g. Email-id for Investor Grievances: secretarial@rain-industries.com

11. General Body Meetings:

a) The details of date, location and time of the last three Annual General Meetings held are as under:

Financial year ended 31 December	Date	Time	Venue
2021	May 6, 2022	11.00 A.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 and 02/2021 issued by Ministry of Corporate Affairs (MCA Circulars).
2020	May 10, 2021	11.00 A.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 and 02/2021 issued by Ministry of Corporate Affairs (MCA Circulars).
2019	August 13, 2020	11.00 A.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars).

b) Special Resolutions passed during the previous three Annual General Meetings:

Year	Date	Time	Special Resolutions Passed
2021	May 6, 2022	11.00 A.M.	No Special Resolutions were passed
2020	May 10, 2021	11.00 A.M.	No Special Resolutions were passed
2019	August 13, 2020	11.00 A.M.	No Special Resolutions were passed

c) No Extraordinary General Meeting was held during the past 3 years.

d) Following Special Resolutions were passed Last year through Postal Ballot

1) Person who conducted the Postal ballot exercise

The Company has appointed Mr. DVM Gopal, Practising Company Secretary (Membership No. 6280 and CP No. 6798) as Scrutinizer to conduct the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.

2) Procedure for Postal Ballot

Pursuant to Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated

December 31, 2020, General Circular No. 02/2021 dated January 13, 2021, the General Circular No. 10/2021 dated June 23, 2021, the General Circular No. 20/2021 dated December 8, 2021 and Circular No. 3/2022 dated May 5, 2022 issued by Ministry of Corporate Affairs ("MCA Circulars"), read with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations, that the following Special Resolutions were passed by the Members of the Company through Postal Ballot by remote e-voting process during the Financial Year ended December 31, 2022.

3) Special Resolutions passed last year through Postal Ballot

Re-appointment of Mr. Varun Batra (DIN: 00020526), as an Independent Director of the Company for a period of 5 years i.e., from February 28, 2023 to February 27, 2028.

Voting Results:

Resolution	Category	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100
Re-appointment of Mr. Varun Batra (DIN: 00020526), as an Independent Director of the Company for a period of 5 years i.e., from February 28, 2023 to February 27, 2028	Promoter and Promoter Group	138,378,854	138,378,854	100.0000	138,378,854	0	100.0000	0.0000
	Public-Institutions	6,46,24,527	5,77,37,572	89.3431	5,72,79,268	4,58,304	99.2062	0.7938
	Public- Non-Institutions	13,33,42,298	1,17,08,333	8.7807	1,17,02,062	6,271	99.9464	0.0536
	Total	33,63,45,679	20,78,24,759	61.789	20,73,60,184	4,64,575	99.7765	0.2235

4) No Special Resolution is being proposed at the ensuing Annual General Meeting to be passed through Postal Ballot.

12. Means of Communication

The Company recognises the importance of two-way communication with shareholders and of giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of your Company's corporate governance ethos.

Your Company follows a robust process of communicating with its stakeholders, security holders and investors through multiple channels of communications such as dissemination of information on the website of the Company and Stock Exchanges, Press Releases, Annual Reports and uploading relevant information on its website.

The unaudited quarterly results are announced within forty- five days of the close of each quarter, other than the last quarter. The audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these are considered and approved.

Your Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the Listing Regulations including material information having a bearing on the performance/ operations of the Company and other price sensitive information. All information is filed electronically on the online portal of BSE Limited – Corporate Compliance & Listing Centre (BSE Listing Centre) and on the online portal of National Stock Exchange of India Limited – NSE's Electronic Application Processing System (NEAPS) and www.digitalexchange.nseindia.com.

Regular Presentations are also made to investors and analysts. These presentations and other disclosures which are required to be disseminated on the Company's website under the Listing Regulations have been uploaded on the website of the Company, viz.: <https://www.rain-industries.com/investors/#events-presentations>

The Annual Report of the Company, the quarterly/ half-yearly and the audited financial statements and the official news releases of the Company are also disseminated on the Company's website (<https://www.rain-industries.com/investors/disclosure-under-regulation-46#financial-information>). The quarterly, half-yearly and yearly results are also published in Business Standard (English daily all editions) and Andhra Prabha (Telugu daily all editions).

13. General Shareholder information

- a) Annual General Meeting : 48th Annual General Meeting
 Date : May 2, 2023
 Time : 11.00 a.m.
 Venue : Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members.

b) Financial Calendar: January 1, 2023 to December 31, 2023.

Tentative Schedule for considering Financial Results:

- For the Quarter ending March 31, 2023 : April/May, 2023
 For the Quarter ending June 30, 2023 : July/August, 2023
 For the Quarter ending September 30, 2023 : October/November, 2023
 For the Quarter/Year ending December 31, 2023 : January/February, 2024

- c) Dividend Payment Date : N.A.

d) Listing on Stock Exchanges: Company's equity shares are listed at:

Name and Address of the Stock Exchange	Scrip Code
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal street, Mumbai - 400 001, Maharashtra, India.	500339
National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot # C/1, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra, India.	RAIN

The listing fees for the year 2022 - 2023 has been paid to the above stock exchanges.

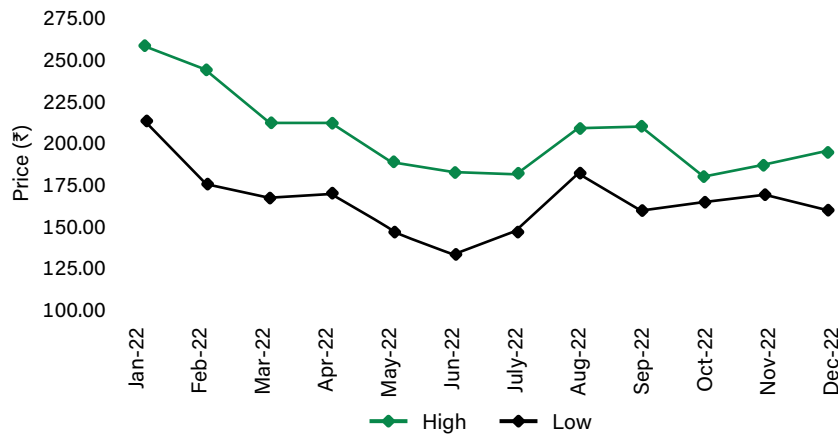
e) Stock Code

Name of the Stock Exchange	Scrip Code
BSE Limited	500339
National Stock Exchange of India Limited	RAIN

f) Market price data - high/low during each month in the past financial year**BSE Limited (BSE)**

Month	High (₹)	Low (₹)	No. of Equity Shares traded
January, 2022	256.00	210.00	49,02,854
February, 2022	241.55	171.40	63,43,813
March, 2022	209.50	163.35	40,30,992
April, 2022	208.90	165.60	22,96,043
May, 2022	185.00	142.40	38,84,451
June, 2022	178.35	128.65	34,57,583
July, 2022	177.90	142.10	22,41,349
August, 2022	205.60	178.15	50,19,465
September, 2022	206.80	155.10	39,19,907
October, 2022	175.90	160.45	12,27,798
November, 2022	183.45	165.30	24,12,724
December, 2022	190.85	155.75	18,96,882

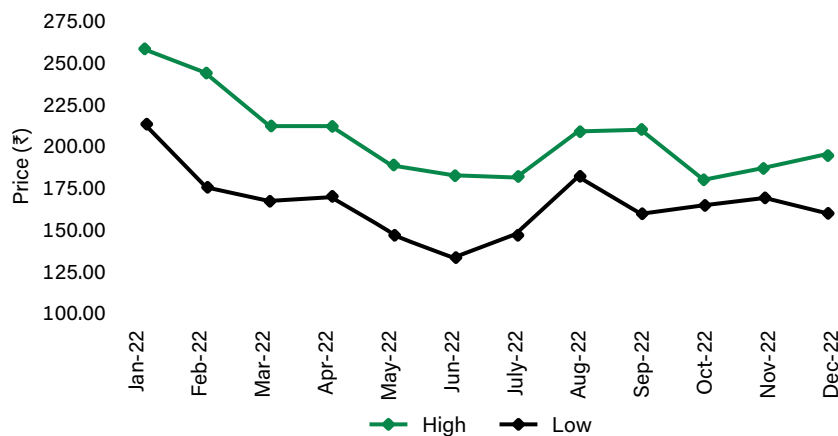
Share Prices at BSE



National Stock Exchange of India Limited (NSE)

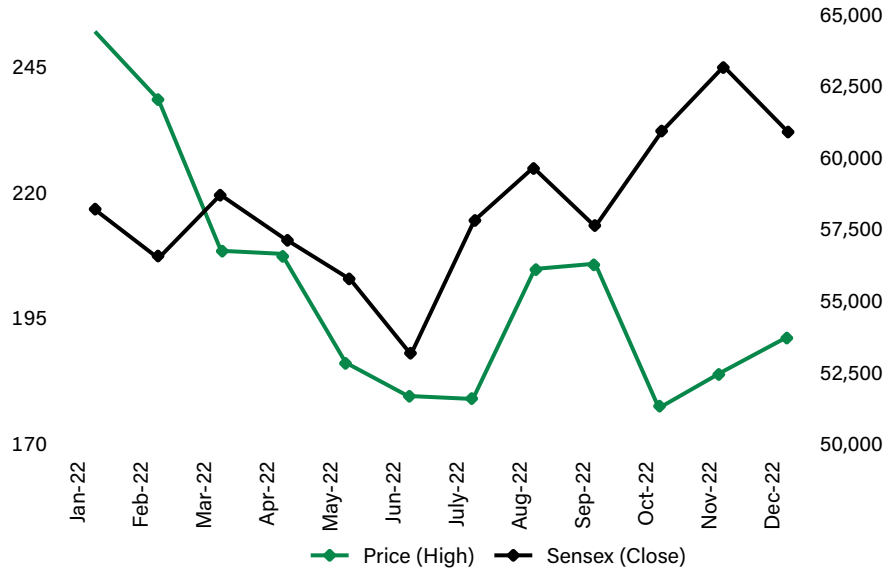
Month	High (₹)	Low (₹)	No. of Equity Shares traded
January, 2022	255.80	209.85	6,26,57,483
February, 2022	241.70	171.35	8,23,27,014
March, 2022	209.50	163.35	6,03,11,489
April, 2022	208.80	165.65	3,45,40,681
May, 2022	185.15	142.25	5,28,01,652
June, 2022	178.40	128.60	4,74,06,755
July, 2022	177.25	142.10	4,69,44,211
August, 2022	205.60	178.10	6,97,18,223
September, 2022	206.35	155.00	4,92,05,226
October, 2022	176.10	160.45	2,29,32,430
November, 2022	183.55	165.55	4,87,40,714
December, 2022	190.90	155.70	3,32,42,886

Share Prices at NSE



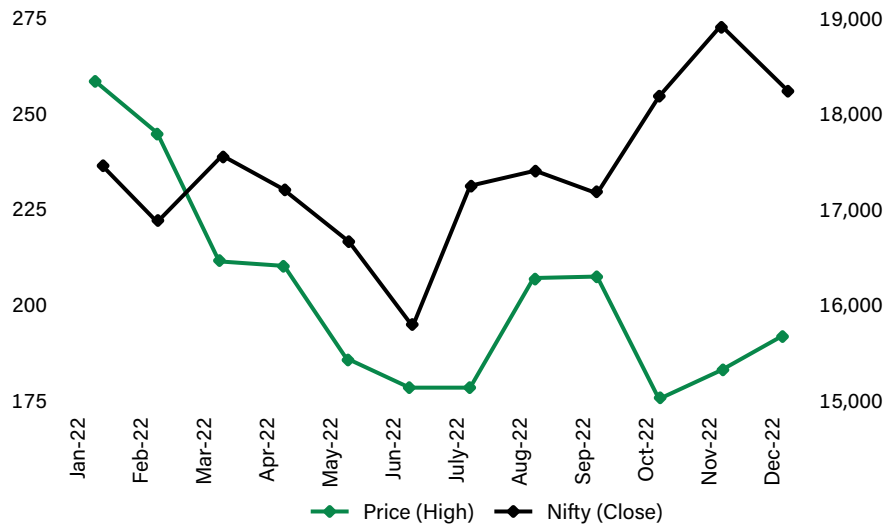
Performance in comparison to broad based indices of BSE Sensex:

Comparison between the Share price - High and Sensex index close price.



Performance in comparison to broad based indices of Nifty:

Comparison between the Share price - High and Nifty index close price.



g) There was no suspension of trading in the Securities of the Company during the year under review.

h) Registrars to an Issue & Share Transfer Agents:

(for Shares held in both Physical and Demat mode)

KFin Technologies Limited
(Unit: Rain Industries Limited)
Selenium Building, Tower B, Plot No.31-32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032, Telangana State, India.
Fax: +91 40 23001153
Phone: +91 40 6716 2222
E-mail: einward.ris@kfintech.com
Web site: <https://www.kfintech.com/>

i) Share Transfer System

The requests received for Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are processed and dispatched to the shareholders within a maximum period

of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are approved by Share Transfer Committee and are noted at Board Meetings.

The shares of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the year, the Company obtained, on half-yearly basis, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, sub-division, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the SEBI(LODR) Regulations, 2015. These certificates were duly filed with the Stock Exchanges.

j) Distribution of Shareholding**Shareholding pattern as on December 31, 2022**

Sl. No.	Category	No. of Shares held	Percentage of shareholding
1	Promoters/Directors/ Associates	13,83,78,854	41.14
2	Mutual Funds	53,10,814	1.58
3	Financial Institutions and Banks	11,93,640	0.35
4	Foreign Portfolio Investors	5,96,92,543	17.75
5	Bodies Corporate	1,59,89,299	4.75
6	Alternate Investment Funds	5,68,000	0.17
7	Trusts	15,420	0.00
8	NRIs	1,22,12,498	3.63
9	HUF	52,34,123	1.56
10	Clearing Members	1,71,668	0.05
11	Investor Education Protection Fund (IEPF) A/c	37,55,671	1.12
12	Unclaimed Suspense Account	63,585	0.02
13	Indian Public	9,37,59,564	27.88
Total		33,63,45,679	100.00

Distribution of shareholding according to nominal value as on December 31, 2022

Share Holding of nominal value of	Shareholder		Shares	Shareholding	
	Number	% to total No.		In (₹)	% to Total Amount
1 - 5000	1,94,611	97.55	4,17,87,558	8,35,75,116	12.42
5001 - 10000	2,632	1.32	96,75,759	1,93,51,518	2.88
10001 - 20000	1,140	0.57	82,86,438	1,65,72,876	2.46
20001 - 30000	356	0.18	44,88,509	89,77,018	1.33
30001 - 40000	170	0.09	30,27,732	60,55,464	0.90
40001 - 50000	121	0.06	27,68,732	55,37,464	0.82
50001 - 100000	194	0.10	70,12,281	1,40,24,562	2.08
100001 & Above	282	0.14	25,92,98,670	51,85,97,340	77.09
Total	1,99,506	100.00	336345679	67,26,91,358	100.00

k) Dematerialisation of Shares and liquidity

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

33,09,73,874 equity shares were dematerialised representing 98.40% of the total paid up equity share capital of the Company as on December 31, 2022.

ISIN: INE855B01025

l) There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on December 31, 2022.**m) Commodity Price Risk or Foreign Exchange risk and hedging activities**

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

n) The Company does not have any plants.**o) Address for correspondence:**

Company Secretary
Rain Industries Limited
Regd. Off: "Rain Center", 34, Srinagar Colony,
Hyderabad - 500 073, Telangana State, India.
Phone No.040-40401234, 040-40401259
Fax No. 040-40401214.
CIN: L26942TG1974PLC001693
E-mail: secretarial@rain-industries.com (for investor grievance)
Website: www.rain-industries.com

p) Credit Rating

India Ratings and Research has revised Rain Industries Limited's (Company) Outlook to Stable from Negative while affirming the Long-Term Issuer Rating at 'IND A/Stable'.

(i) Long term borrowing: "IND A/Stable".

14. Other Disclosures**a) Related Party Transactions**

Transactions with related parties are disclosed in the Notes to Accounts in the Financial Statements. All transactions with related parties are at arms' length and in compliance with transfer pricing regulations. Consideration is paid/received through cheque/online payment.

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors and are entered into on an Arms' length basis.

In terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

The Company has not entered into any transaction with any person or entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company.

Related Party Transaction policy is placed on the Company's website at: https://rain-industries.com/assets/pdf/ril---related-party-transactions-policy---25.02.2022_20220303042350.pdf

b) Material Related Party Transactions

During the year ended December 31, 2022, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Note No. 32 to the Annual Accounts.

c) Details of non-compliance

A Statement on Compliance with all Laws and Regulations certified by the Managing Director and Company Secretary are placed at the meetings of the Board of Directors for their review.

There were no instances of non-compliance, penalty or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

d) Details of establishment of Vigil Mechanism (Whistle Blower policy)

The Board of Directors of the Company had adopted the Whistle Blower Policy and appointed an ombudsman.

A mechanism has been established for all stakeholders including Directors, employees, vendors and suppliers to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimisation

of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

The Audit Committee reviews periodically the functioning of whistle blower mechanism.

No personnel have been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company: https://www.rain-industries.com/assets/pdf/ril-whistle-blower-policy-10-11-2015_20180725124703.pdf

The ombudsman had not received any complaint during the Financial Year ended December 31, 2022.

- e)** The policy for determining 'material' subsidiaries is available on the website of the Company https://www.rain-industries.com/assets/pdf/ril-policy-on-matrial-subsidiaries-august14-2018_20180912150751.pdf
- f)** The policy on dealing with related party transactions is available on the website of the Company: https://rain-industries.com/assets/pdf/ril---related-party-transactions-policy---25.02.2022_20220303042350.pdf
- g)** The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended December 31, 2022.
- h)** A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.

i) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

S. No.	Name of the Material Subsidiary	Date & Place of Incorporation	Name of the Statutory Auditor	Date of appointment of Statutory Auditor
1	Rain Cements Limited	May 04, 1999, Hyderabad, Telangana, India	B S R & Associates LLP	May 09, 2018
2	Rain CII Carbon (Vizag) Limited	April 23, 2008, Hyderabad, Telangana, India	B S R & Associates LLP	May 09, 2018
3	Rain Carbon Inc.	September 15, 2010, Stamford, Connecticut, U.S.A	KPMG Assurance and Consulting Services LLP	February 22, 2018

- i)** There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.
- j)** The Company and its subsidiaries have not granted loans and advances in the nature of loans to firms / companies in which directors of the Company are interested.

Given below are the details of fees paid to BSR & Associates LLP, Chartered Accountant, Statutory Auditors of the Company on a Consolidated basis during the Financial Year ended December 31, 2022:

Sl. No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid in ₹ Million
1	Statutory Audit fees paid for Audit of the Company and Subsidiary Companies situated in India	8.54
2	Fees paid for Limited review of the Company and Subsidiary Companies situated in India and outside India	9.89
3	Statutory Audit fees paid for Audit of Subsidiary Companies situated outside India	47.64
4	Fees paid for other services	1.16
5	Reimbursement of expenses	2.33
Total		69.56

k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

S. No.	Particulars	Number
1	Number of complaints on Sexual harassment received during the year	Nil
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending as on end of the Financial Year	Not Applicable

15. The Company has complied with the requirements of Schedule V Corporate Governance Report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With regard to discretionary requirements, the Company has adopted clauses relating to the following:

i) **Board:** The Company has Non-Executive Chairperson, separate persons were appointed for the post of Chairman and Managing Director.

ii) **Reporting of Internal Auditor:** Internal Auditors reports directly to the Audit Committee.

17. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
17A	Maximum number of Directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

18. Risk Management

The Company has constituted a Risk Management Committee and adopted Risk Management policy. Currently, the Company's risk management approach comprises of the following:

- Governance of Risk
- Identification of Risk
- Assessment and control of Risk

The risks have been prioritised through a company-wide exercise. Members of senior management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company had appointed a Chief Risk Officer and put in place a risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

The details of risks identified and mitigation measures undertaken are presented to the Board of Directors and the Audit Committee on a quarterly basis. The Board and the Audit Committee provides oversight and reviews the risk management policy periodically.

A detailed note on the risks is included in the Management Discussion and Analysis annexed to the Boards' Report.

19. Subsidiary Companies

Regulation 16 of the Listing Regulations defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Policy on Material Subsidiary is available at the following link:

https://www.rain-industries.com/assets/pdf/ril-policy-on-material-subsidiaries-august14-2018_20180912150751.pdf

Under this definition, Rain Cements Limited, Rain CII Carbon (Vizag) Limited and Rain Carbon Inc. (Foreign Body Corporate) are material subsidiaries of the Company.

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and adequate resources. For more effective governance, the minutes of Board Meetings and Financial Statements of

subsidiaries of the Company are placed before the Audit Committee and Board of Directors of the Company for their review at every quarterly Meeting.

In addition to the above, Regulation 24 of the Listing Regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For the purpose of this provision, material subsidiary means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year

An Independent Director of the Company is also Director on the Board of these material Subsidiaries.

The other requirements of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

In accordance with the requirement of Clause F of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account:

S. No.	Particulars	Number of shareholders	Number of equity shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e., January 1, 2022.	322	4,41,830
2	No. of shareholders who approached the Company for transfer of shares from Unclaimed Suspense account during the year.	5	9285
3	No. of shareholders to whom shares were transferred from the Unclaimed Suspense account during the year.	5	9285
4	Transferred to Investor Education and Protection fund Authority	262	3,68,960
5	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year i.e., December 31, 2022 (1-3-4).	55	63,585

The voting rights on the shares outstanding in the suspense account as on December 31, 2022 shall remain frozen till the rightful owner of such shares claim the shares.

23. Transfer of Shares to Investor Education and Protection Fund

As per the provisions of Section 124 of the Companies Act, 2013, shares of the shareholders, who has not claimed dividends for a continuous period of 7 years, shall be transferred to Investor Education and Protection Fund Authority account. Accordingly, the Company has transferred 4,97,439 equity shares to Investor Education and Protection Fund during the Financial Year ended December 31, 2022.

20. Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and all employees of the Company. An affirmation of compliance with the code is received from them on an annual basis.

21. CEO and CFO Certification

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule - V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

22. Disclosure with respect to Demat suspense account/ unclaimed suspense account

Unclaimed Equity shares are held in Rain Industries Limited suspense account maintained with Stock Holding Corporation of India Ltd, Hyderabad - 500034, Telangana State, India vide DPID: IN301330 and Client ID: 40195702.

24. Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended December 31, 2022, there were no proceeds from public issues, rights issues, preferential issues, etc.

25. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company https://www.rain-industries.com/assets/pdf/materialeventspolicy_20220729155033.pdf

- 26.** The Company has adopted the policy on preservation of documents in accordance with Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: https://www.rain-industries.com/assets/pdf/ril-documents-preservation-policy_20180725082935.pdf
- 27.** The Company has adopted policy on Dividend Distribution. Policy on Dividend Distribution which is available on the website of the Company: https://www.rain-industries.com/assets/pdf/ril-dividend-distribution-policy-23-02-17_20180725074109.pdf

Place: Hyderabad
Date: February 27, 2023

On behalf of the Board of Directors
for **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Code of Conduct Declaration

As provided under Schedule - V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended December 31, 2022.

Place: Hyderabad
Date: February 27, 2023

for **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

CEO and CFO Certificate

We hereby certify that:

- a) We have reviewed Audited Financial Statements and the Cash Flow Statement for the Financial Year ended December 31, 2022 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For **Rain Industries Limited**

N. Radhakrishna Reddy
Managing Director
DIN: 00021052

T. Srinivasa Rao
Chief Financial Officer
M. No. F29080

Place: Hyderabad
Date: February 27, 2023

To
The Members,
Rain Industries Limited,
Hyderabad.

SUB: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, **DVM & Associates LLP**, Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of **RAIN INDUSTRIES LIMITED (CIN: L26942TG1974PLC001693)** having its Registered Office at "Rain Center", 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on December 31, 2022.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on December 31, 2022:

S. No.	Name of the Director	Designation	DIN No.
1	Mr. Brian Jude McNamara	Chairman (Independent Director)	08339667
2	Mr. N. Radhakrishna Reddy	Managing Director	00021052
3	Mr. Jagan Mohan Reddy Nellore	Non-Executive Director	00017633
4	Mr. N. Sujith Kumar Reddy	Non-Executive Director	00022383
5	Mr. Varun Batra	Independent Director	00020526
6	Ms. Radhika Vijay Haribhakti	Independent Director	02409519
7	Ms. Nirmala Reddy	Independent Director	01673128
8	Mr. Robert Thomas Tonti	Independent Director	09367847

For **DVM & Associates LLP**
Company Secretaries
L2017KR002100

DVM Gopal
Partner
M. No: F6280
CP No: 6798
UDIN: F006280D003135439

Place: Hyderabad
Date: 10.02.2023

Independent Auditors' Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of Rain Industries Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 6th June, 2019.
2. We have examined the compliance of conditions of Corporate Governance by Rain Industries Limited ("the Company"), for the year ended 31 December, 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 December, 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by

the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Vikash Somani
Partner
Membership No: 061272
UDIN: 2306127BGYRVD7948

Place: Hyderabad
Date: February 27, 2023

Independent Auditors' Report

To the Members of Rain Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Rain Industries Limited (the "Company") which comprise the standalone balance sheet as at 31 December 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies 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, of the state of affairs of the Company as at 31 December 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 standalone 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and 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 Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 statements.

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 statements, 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 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 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 in preparation of standalone financial

statements 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 standalone financial statements 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 statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our

- knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 4 January 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31 December 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 December 2022 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 34(viii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 34(ix) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

- C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

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

Vikash Somani

Partner

Place: Hyderabad

Membership No.: 061272

Date: 27 February 2023

ICAI UDIN : 23061272BGYRVB2628

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Rain Industries Limited for the year ended 31 December 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, provisions of clause 3(iii)(a) and clauses 3(iii)(c) to 3(iii)(f) of the Order are not applicable to the Company. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the investments made during the year are, prima facie, not prejudicial to the interest of the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company and the loans provided to the parties covered under Section 186 of the Act, in our opinion the provisions of Section 186 of the Act have been complied with. According to the information and explanations given to us, the Company has not provided guarantee or security to any parties covered under Section 186 of the Act.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products sold and services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of tax deducted at source (TDS).

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 December 2022 for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount in million (₹)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	29.88	AY 2007-08	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax	39.20	AY 2009-10	Income-tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	2.60	AY 2010-11	Honorable High Court of Hyderabad
Income-tax Act, 1961	Income-tax	6.80	AY 2020-21	Commissioner of Income Tax (Appeals)

According to the information and explanations given to us, there are no dues of Goods and Service tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value added tax and Cess and other material statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we

- report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the

audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**

Chartered Accountants

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

Vikash Somani

Partner

Place: Hyderabad

Date: 27 February 2023

Membership No.: 061272

ICAI UDIN:23061272BGYRVB2628

Annexure B

to the Independent Auditor's Report on the standalone financial statements of Rain Industries Limited for the year ended 31 December 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Rain Industries Limited ("the Company") as of 31 December 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 December 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally

accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the

possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

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

Vikash Somani

Partner

Place: Hyderabad

Membership No.: 061272

Date: 27 February 2023

ICAI UDIN:23061272BGYRVB2628

Standalone Balance Sheet

as at December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Particulars	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	69.27	72.77
(b) Intangible assets	4	0.76	0.92
(c) Financial assets			
(i) Investments	5	9,493.26	9,170.65
(ii) Loans	6	-	1,040.24
(iii) Other non-current financial assets	7	1.27	1.06
(d) Non-current tax assets, net	28 (vii)	73.91	104.42
(e) Other non-current assets	8	3.53	0.36
		9,642.00	10,390.42
2. Current assets			
(a) Financial assets			
(i) Trade receivables	9	114.58	174.80
(ii) Cash and cash equivalents	10A	147.80	185.23
(iii) Bank balances other than cash and cash equivalents	10B	67.04	32.15
(iv) Loans	11	830.09	536.26
(v) Other current financial assets	12	23.20	3.94
(b) Other current assets	13	9.65	5.55
		1,192.36	937.93
TOTAL		10,834.36	11,328.35
EQUITY AND LIABILITIES			
1. Equity			
(a) Share capital	14	672.69	672.69
(b) Other equity	15	8,360.60	8,419.49
		9,033.29	9,092.18
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	1,486.05
(b) Provisions	17	7.64	6.85
(c) Deferred tax liability, net	28 (iv)	4.41	5.39
		12.05	1,498.29
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,655.72	534.28
(ii) Trade payables	19		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		52.25	126.47
(iii) Other current financial liabilities	20	41.61	40.24
(b) Other current liabilities	21	5.42	4.36
(c) Provisions	22	4.57	3.07
(d) Current tax liabilities, net	28 (vii)	29.45	29.46
		1,789.02	737.88
TOTAL		10,834.36	11,328.35
Corporate information	1		
Significant accounting policies	2		

The accompanying notes referred to above form an integral part of the financial statements

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration no:116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Hyderabad
Date: February 27, 2023

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

Place: Hyderabad
Date: February 27, 2023

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

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

Standalone Statement of Profit and Loss

for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Particulars	Note	For the year ended December 31, 2022	For the year ended December 31, 2021
1 Income			
Revenue from operations	23	540.74	535.47
Other income	24	502.98	501.42
Total income		1,043.72	1,036.89
2 Expenses			
Purchases of stock-in-trade		61.30	193.35
Employee benefits expense	25	273.51	214.38
Finance costs	26	80.16	80.95
Depreciation and amortisation expense	3 & 4	6.73	6.23
Loss on foreign currency transactions and translations (net)		67.56	8.37
Other expenses	27	230.59	142.79
Total expenses		719.85	646.07
3 Profit before tax (1-2)		323.87	390.82
4 Tax expense	28(i)		
1. Current tax		47.38	73.12
2. Deferred tax		(0.98)	6.06
5 Profit for the year (3-4)		277.47	311.64
6 Other comprehensive income/(Loss):			
A. (i) Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of the defined benefit plans	31	(0.01)	2.67
(ii) Income tax relating to remeasurment of defined benefit plans		-	(0.87)
Total other comprehensive income/(loss) for the year		(0.01)	1.80
7 Total comprehensive income for the year (5+6)		277.46	313.44
8 Earnings per share (face value of ₹ 2/- each)			
Basic and Diluted (₹)	35	0.82	0.93
Corporate information	1		
Significant accounting policies	2		

The accompanying notes referred to above form an integral part of the financial statements

As per our Report of even dated

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration no:116231W/W-100024

Vikash Somani

Partner

Membership No: 061272

For and on behalf of the Board of Directors of

Rain Industries Limited

CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy

Managing Director

DIN: 00021052

T. Srinivasa Rao

Chief Financial Officer

M. No.: F29080

Jagan Mohan Reddy Nellore

Director

DIN: 00017633

S. Venkat Ramana Reddy

Company Secretary

M. No.: A14143

Place: Hyderabad

Date: February 27, 2023

Place: Hyderabad

Date: February 27, 2023

Standalone Statement of changes in Equity

for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(i)

Particulars	Equity Share Capital	Other equity							Total equity attributable to the owners of Company
		Reserves and Surplus							
		Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Remeasurements of Defined Benefit Plans	
Balance at the beginning of previous reporting year	672.69	4,319.91	47.66	516.67	828.92	509.12	2,219.36	0.76	9,115.09
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of previous reporting year	672.69	4,319.91	47.66	516.67	828.92	509.12	2,219.36	0.76	9,115.09
Total comprehensive income for previous year	-	-	-	-	-	311.64	-	1.80	313.44
Dividends (Refer note 14(ii))	-	-	-	-	-	(336.35)	-	-	(336.35)
Transfer from retained earnings	-	-	-	-	31.16	(31.16)	-	-	-
Balance at the beginning of current reporting year	672.69	4,319.91	47.66	516.67	860.08	453.25	2,219.36	2.56	9,092.18
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of current reporting year	672.69	4,319.91	47.66	516.67	860.08	453.25	2,219.36	2.56	9,092.18
Total comprehensive income for the year	-	-	-	-	-	277.47	-	(0.01)	277.46
Dividends (Refer note 14(ii))	-	-	-	-	-	(336.35)	-	-	(336.35)
Balance at the end of current reporting year	672.69	4,319.91	47.66	516.67	860.08	394.37	2,219.36	2.55	9,033.29

(ii) Description of the purposes of each reserve within equity:

Reserves and Surplus:

- Capital reserve:** It consists of pre-acquisition profits. During amalgamation, the excess of net assets taken, over the consideration paid were treated as capital reserve in accordance with previous GAAP.
- Capital redemption reserve:** It consists of reserves on the buyback of equity shares from its retained earnings. The amount represents nominal amount of the equity shares bought back. This reserve will be utilised in accordance with Section 69 of the Companies Act, 2013
- Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be utilised in accordance with Section 52 of the Companies Act, 2013.

Standalone Statement of changes in Equity

for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

- (d) **General reserve:** It represents the portion of the net profit which the Company has transferred, before declaring dividend pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (e) **Retained earnings:** Retained earnings represents the net profits after all distributions and transfers to other reserves.
- (f) **Foreign currency translation reserve (FCTR):** Represents the FCTR of Moonglow Company Business Inc. which was merged with the Company in the financial year ended December 31, 2015.
- (g) **Remeasurements of defined benefit plans:** Remeasurements of defined benefit plans comprise of actuarial gains and losses and return on plan assets (excluding interest income).

The accompanying notes referred to above form an integral part of the financial statements

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration no:116231W/W-100024

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

Vikash Somani

Partner
Membership No: 061272

N. Radha Krishna Reddy

Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore

Director
DIN: 00017633

T. Srinivasa Rao

Chief Financial Officer
M. No.: F29080

S. Venkat Ramana Reddy

Company Secretary
M. No.: A14143

Place: Hyderabad
Date: February 27, 2023

Place: Hyderabad
Date: February 27, 2023

Standalone Statement of Cash Flows

for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
A. Cash flow from operating activities		
Profit before taxation	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)
Interest on income-tax under Section 234B refund	(22.64)	-
Dividend income from non-current investments	(393.37)	(410.74)
Loss on foreign currency transactions and translations, net	70.61	9.52
Operating profit/(loss) before working capital changes	(5.94)	1.02
Adjustments for changes in working capital:		
(Increase) / decrease in operating assets:		
Trade receivables	61.29	(121.12)
Loans and other assets	(8.41)	(53.77)
Increase / (decrease) in operating liabilities:		
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 generated from investing activities	947.04	1,283.57

Standalone Statement of Cash Flows

for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
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 (Refer note 10)	147.80	185.23

Notes:

- (i) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard - 7 on Statement on Cash Flows.
- (ii) Components of Cash and cash equivalents

	As at December 31, 2022	As at December 31, 2021
Cash and cash equivalents		
Balances with banks:		
- in current accounts	46.13	54.83
- in deposit accounts (with original maturity of 3 month or less)	101.67	130.40
	147.80	185.23

- (iii) Refer note.16 for reconciliation of liabilities arising from financing activities

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration no:116231W/W-100024

**For and on behalf of the Board of Directors of
Rain Industries Limited**
CIN: L26942TG1974PLC001693

Vikash Somani
Partner
Membership No: 061272

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Place: Hyderabad
Date: February 27, 2023

Place: Hyderabad
Date: February 27, 2023

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

Note 1: Corporate Overview

Rain Industries Limited ('the Company') was incorporated on March 15, 1974 under the erstwhile Companies Act, 1956 and is domiciled in India with its registered office in Hyderabad, Telangana. The Company is engaged in sale of products, duty scripts and providing shared support services to its group companies. The Company's equity shares are listed at BSE Limited and National Stock Exchange of India Limited in India.

Note 2: Significant Accounting Policies

a) Basis of preparation of standalone financial statements

(i) Statement of Compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements have been prepared on a going concern basis. Relevant Ind AS effective as on the Company's annual reporting date December 31, 2022 have been applied. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

The standalone financial statements were authorised for issue by the Company's Board of Directors on February 27, 2023.

(ii) Functional and presentation currency

These Standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

(iii) Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following:

Items	Measurement basis
Certain financial assets and liabilities (refer accounting policy regarding financial instruments)	Fair value
Net defined benefit asset/liability	Fair value of plan assets less present value of defined benefit plan

(iv) Use of estimates

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Accounting estimates could change from period to period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and appropriate changes are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are reflected in the period in which such changes are made and if material, their effects are disclosed in the standalone financial statements.

Assumptions and estimation uncertainties

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Measurement of defined benefit obligations: key actuarial assumptions used in measurement (refer note 31)
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (refer note 33)

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

- Recognition and recoverability of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used (refer note 28)
- Useful life of property, plant and equipment (refer note 2 (f))
- Impairment of non-financial assets (refer note 29 and 2 (g))
- Expected Credit loss - provision for doubtful debts (refer note 29.3)
- Assessment of functional currency (refer note 2(a)(ii))

Current and Non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle
- ii) It is held primarily for the purpose of being traded
- iii) It is expected to be realised within 12 months after the reporting date or
- iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria

- i) It is expected to be settled in the Company's normal operating cycle

- ii) It is held primarily for the purpose of being traded
- iii) It is due to be settled within 12 months after the reporting date or
- iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's operating cycle is within a period of 12 months.

(v) Measurement of fair value

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- o **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- o **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- o **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For changes that have occurred between levels of hierarchy during the year, the Company re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

b) Business combinations

Business combinations are accounted for using the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired, as are the net identifiable assets acquired. Any goodwill that arises is tested annual for impairment. Any gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expenses as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit and loss or other comprehensive income, as appropriate.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit and loss.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company in the same form in which they appeared in the standalone financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Company is transferred to the capital reserve or to the accumulated balance of profit and loss.

c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and debt securities issued are initially recognised when they are originated. All other assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets

Recognition and initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) as described above are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at an individual asset level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Equity instruments which

are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made upon initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

However, on sale, the Company may transfer the cumulative gain or loss within equity. Equity investments designated as FVTOCI are not subject to impairment assessment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- i) The contractual rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities:

Initial recognition and measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Classification and Subsequent measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss. All other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method.

Derecognition

A financial liability is derecognised when the contractual obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

d) Revenue recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods and sale of duty scripts are recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions.

Revenue from services rendered is recognised when the related services are performed in accordance with contract terms.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

e) Other income

Interest income or expense is recognised using the effective interest method on time proportion method.

Dividend income is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

f) Property, plant and equipment

Property, plant and equipment are stated at cost/ professional valuation less accumulated depreciation. Cost includes directly attributable to the acquisition of the items including its purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure related to an item of tangible fixed asset is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under other non-current assets as capital advances.

Depreciation on all the tangible fixed assets is provided using the straight-line method based on the useful life of the assets as prescribed by Schedule II to the Companies Act, 2013.

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Gains and losses on disposal of tangible assets are determined as the difference between net sales proceeds and the carrying amount and are presented in the statement of profit and loss.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items	Years
Buildings	60
Furniture and Fixtures	10
Office equipment	3-5
Vehicles	10

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is recognised in the statement of profit and loss in the respective financial years, if the carrying amount of the assets or CGU exceeds its recoverable

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortised historical cost as per requirement of Ind AS 36 - "Impairment of Assets".

h) Foreign Currency Transactions and Balances

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain/loss upon such restatement along with the gain/loss on account of foreign currency transactions are accounted in the statement of profit and loss. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised in the statement of profit and loss.

i) Equity investments in subsidiaries

Non-current investments in subsidiaries are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments.

j) Retirement and other employee benefits

Defined contribution plans

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations beyond its monthly contributions.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in

the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income.

When the benefits of a plan are changed or curtailed, the resulting change in the benefit that relates to the past service ('past service cost') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises the gains and losses on the settlement of a defined benefit plan when settlement occurs.

Compensated Absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or encash the leaves during the period of employment or retirement or at termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

k) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of- use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

In pursuance of the notification issued by the Ministry of corporate affairs dated July 24, 2020, the Company has elected to apply the practical expedient arising on account of Covid-19 not to account for the changes in the lease payments as a lease modification as it satisfies the conditions mentioned in the paragraph 46B of Ind AS 116.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

Company as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

l) Borrowing Costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.

Deferred finance costs consists of loan financing fees, which are being amortised over the life of the loan. Amortisation of deferred finance cost is included in other borrowing costs of statement of profit and loss. Other borrowings costs are recognised in the period in which they are incurred.

m) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise net profit after tax (and includes the post-tax effect of any extra ordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

n) Tax expense

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit and loss.

o) Statement of Cash Flow and Cash & cash equivalents

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined below, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

at the end of the reporting period. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Contingent liabilities are disclosed in the notes to the standalone financial statements. A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

q) Dividend declared

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Interim dividend is recorded as a liability on the date of declaration by the Board of Directors.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 3: Property, plant and equipment

	Land - freehold	Buildings	Furniture and fixtures	Office equipments	Vehicles	Total
Gross carrying amount						
As at December 31, 2020	2.21	66.67	4.87	27.47	1.06	102.28
Additions	-	-	-	9.45	-	9.45
Deletions	-	-	-	0.11	-	0.11
As at December 31, 2021	2.21	66.67	4.87	36.81	1.06	111.62
Additions	2.40	-	0.48	0.19	-	3.07
Deletions	-	-	-	0.11	-	0.11
As at December 31, 2022	4.61	66.67	5.35	36.89	1.06	114.58
Accumulated depreciation						
As at December 31, 2020	-	6.74	4.87	20.67	0.60	32.88
Depreciation for the year	-	1.35	-	4.61	0.12	6.08
Deletions	-	-	-	0.11	-	0.11
As at December 31, 2021	-	8.09	4.87	25.17	0.72	38.85
Depreciation for the year	-	1.32	0.00	5.13	0.12	6.57
Deletions	-	-	-	0.11	-	0.11
As at December 31, 2022	-	9.41	4.87	30.19	0.84	45.31
Net carrying amount						
As at December 31, 2021	2.21	58.58	-	11.64	0.34	72.77
As at December 31, 2022	4.61	57.26	0.48	6.70	0.22	69.27

Note:

- Movable assets are pledged against borrowings availed from bank. Refer note 16 for details.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 4: Intangible assets

	Software	Total
Gross carrying amount		
As at December 31, 2020	1.47	1.47
Additions	-	-
Deletions	-	-
As at December 31, 2021	1.47	1.47
Additions	-	-
Deletions	-	-
As at December 31, 2022	1.47	1.47
Accumulated Amortisation		
As at December 31, 2020	0.40	0.40
Amortisation for the year	0.15	0.15
Deletions	-	-
As at December 31, 2021	0.55	0.55
Amortisation for the year	0.16	0.16
Deletions	-	-
As at December 31, 2022	0.71	0.71
Net carrying amount		
As at December 31, 2021	0.92	0.92
As at December 31, 2022	0.76	0.76

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 5: Non-current investments

	As at December 31, 2022	As at December 31, 2021
Investment (unquoted, at cost)		
A. Equity shares		
(i) of subsidiaries		
Rain Cements Limited, India		
29,805,000 (December 31, 2021 : 29,805,000) Equity Shares of ₹ 10 each fully paid up representing 100% of share capital	2,128.10	2,128.10
Rain Commodities (USA) Inc, United States of America (U.S.A.)		
20 (December 31, 2021 : 20) Common Stock at par value of US\$ 0.01 per share fully paid up representing 100% of share capital	4.45	4.45
200,000 (December 31, 2021 : 200,000) Class B Redeemable Common Stock at par value of US\$ 100 per share fully paid up representing 100% of share capital	902.80	902.80
Rain CII Carbon (Vizag) Limited, India (refer note c below)		
1,000,000 (December 31, 2021 : 1,000,000) Equity Shares of ₹ 10 each fully paid up representing 12.22% of share capital	13.00	13.00
Rain Verticals Limited, India		
100,000 (December 31, 2021 : 100,000) Equity Shares of ₹ 10 each fully paid up representing 100% of share capital	1.00	1.00
OOO Rain Carbon LLC, Russia		
1 (December 31, 2021 : Nil) Equity Share of RUB 10,000 each fully paid up representing 100% of share capital	322.61	-
B. Preference shares		
(i) of subsidiaries		
Rain Commodities (USA) Inc, United States of America (U.S.A.)		
97,800 (December 31, 2021 : 97,800) Optionally Convertible Redeemable Preferred Series - B at par value US\$ 1,000 per share fully paid up. These are convertible at the option of the Company after November 30, 2011.	6,121.30	6,121.30
Total	9,493.26	9,170.65
(a) aggregate value of unquoted investments	9,493.26	9,170.65
(b) aggregate value of quoted investments	-	-
(c) Investments are pledged with banks against borrowings availed from banks. Refer note 16 for details.		

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 6: Non-current loans

	As at December 31, 2022	As at December 31, 2021
(Unsecured, considered good, unless otherwise stated)		
Loans and advances		
- to related parties (Refer notes below and note 32)	-	1,040.24
Total	-	1,040.24
Loans Receivables considered good- Secured	-	-
Loans Receivables considered good- Unsecured	-	1,040.24
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
The Company's exposure to credit and currency risks related to other financial assets are disclosed in Note 29.3 and 29.7		

- A) The loan of US\$ 20 Million, provided during the financial year ended December 31, 2021, carries interest of SOFR plus 335 basis points payable on quarterly basis at the end of each quarter. An amount of US\$ 10 Million has been repaid by Rain Commodities (USA) Inc as on June 30, 2022 by Rain Commodities (USA) Inc and balance US\$ 10 Million is repayable by November 29, 2023. Balance as at December 31, 2022 is ₹ 827.86, which is entirely current.(December 31, 2021: ₹ 1,486.06 including current portion of ₹ 445.82).
- B) The term loan of US\$ 30 Million, provided during the year 2016 with repayable terms of 10 quarterly installments starting from November 2019, carries interest of 3 months Libor plus 425 basis points. The outstanding loan as at December 31, 2021 is repayable by Rain Commodities (USA) Inc. in one quarterly instalment. Balance as at December 31, 2022 is ₹ NIL (December 31, 2021: ₹ 89.16 which was entirely current).
- C) These loans were given for the purpose of making investment in subsidiaries outside India.

Note 7: Other non-current financial assets

	As at December 31, 2022	As at December 31, 2021
Electricity deposits	0.16	0.16
Security deposits	1.11	0.90
Total	1.27	1.06

The Company's exposure to credit risk details are disclosed in note 29.3

Note 8: Other non-current assets

	As at December 31, 2022	As at December 31, 2021
Excess contribution to Plan assets for Defined benefit plan (Refer note 31 (b))	3.53	0.36
Total	3.53	0.36

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 9: Trade receivables

	As at December 31, 2022	As at December 31, 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	114.58	174.80
Trade receivables - credit impaired	-	-
	114.58	174.80
Less: Allowance for doubtful trade receivables	-	-
Total	114.58	174.80

Trade receivables ageing schedule as at December 31, 2022:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables - considered good	4.85	109.73	-	-	-	-	-	114.58
ii. Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-
iii. Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-

Trade receivables ageing schedule as at December 31, 2021:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables - considered good	7.27	167.53	-	-	-	-	-	174.80
ii. Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-
iii. Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-

- (i) Trade receivables amounting to ₹ 114.58 (December 31, 2021: ₹ 73.59) are due from related parties. Refer note 32
- (ii) The Company's exposure to credit and currency risk details are disclosed in note 29.3 and 29.7.
- (iii) Receivables are pledged with banks against borrowings availed from banks. Refer note 16 for details.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 10: Cash and bank balances

	As at December 31, 2022	As at December 31, 2021
A. Cash and cash equivalents		
Balances with banks:		
- in current accounts	46.13	54.83
- in deposit accounts (with original maturity of 3 months or less)	101.67	130.40
	147.80	185.23
B. Bank balances other than cash and cash equivalents		
Unpaid dividend accounts	27.24	32.15
Bank deposits due to mature after three months but not more than twelve months from the reporting date	39.80	-
	67.04	32.15
Total [A+B]	214.84	217.38

Cash and bank balances are pledged to fulfill collateral requirements against borrowings availed from banks. Refer note 16 for the details.

Note 11: Current loans

	As at December 31, 2022	As at December 31, 2021
(Unsecured, considered good, unless otherwise stated)		
Loans to related parties* (Refer note 32)	827.86	534.98
Loan to employees	2.23	1.28
Total	830.09	536.26
Loans Receivables considered good- Secured	-	-
Loans Receivables considered good- Unsecured	830.09	536.26
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-

* For details of loans to related parties refer note 6

The Company's exposure to credit and currency risks related to other financial assets are disclosed in Note 29.3 and 29.7

Note 12: Other current financial assets

	As at December 31, 2022	As at December 31, 2021
(Unsecured, considered good, unless otherwise stated)		
Interest accrued on deposits	0.56	0.30
Interest accrued on loans	-	3.64
Other receivables	22.64	-
Total	23.20	3.94

The Company's exposure to credit and currency risks related to other financial assets are disclosed in Note 29.3 and 29.7

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 13: Other current assets

	As at December 31, 2022	As at December 31, 2021
(Unsecured, considered good, unless otherwise stated)		
Balances with Government authorities	2.90	5.48
Advance to suppliers and service providers	6.75	0.07
Total	9.65	5.55

Note 14: Share capital

	As at December 31, 2022		As at December 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital:				
Equity shares of ₹ 2 each	590,000,000	1,180.00	590,000,000	1,180.00
Redeemable preference shares of ₹ 100 each	4,900,000	490.00	4,900,000	490.00
Total	594,900,000	1,670.00	594,900,000	1,670.00
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 2 each	336,345,679	672.69	336,345,679	672.69
Total	336,345,679	672.69	336,345,679	672.69

Notes:

(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at December 31, 2022		As at December 31, 2021	
	Number of shares	Amount	Number of shares	Amount
As at beginning of the year	336,345,679	672.69	336,345,679	672.69
Add/(Less): Changes in equity shares during the year	-	-	-	-
As at end of the year	336,345,679	672.69	336,345,679	672.69

(ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a par value of ₹ 2 each per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. However, in case of interim dividend the profits are distributed based on approval of Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

The Board of Directors at its meeting held on July 29, 2022 has declared an interim dividend of 50% (₹ 1 per equity share of par value of ₹ 2 each amounting to ₹ 336.35) for the financial year ended December 31, 2022.

The Board of Directors at its meeting held on October 30, 2021 has declared an interim dividend of 50% (₹ 1 per equity share of par value of ₹ 2 each amounting to ₹ 336.35) for the financial year ended December 31, 2021 and no further dividend is recommended during the year.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(iii) Particulars of shareholders holding more than 5% of the equity shares

Name of the shareholder	As at December 31, 2022		As at December 31, 2021	
	Number of shares	%	Number of shares	%
Sujala Investments Private Limited	37,766,675	11.23	37,766,675	11.23
Rain Enterprises Private Limited	25,316,465	7.53	25,316,465	7.53
N. Anupama Reddy	27,300,669	8.12	27,300,669	8.12

(iv) Shares held by Promoters

Name of the Promoter	As at December 31, 2022		
	Number of shares	Percentage of total shares	Percentage of change during the year
Sujala Investments Private Limited	37,766,675	11.23%	0%
N. Anupama Reddy	27,300,669	8.12%	0%
Rain Enterprises Private Limited	25,316,465	7.53%	0%
Mr. N. Radhakrishna Reddy	10,383,730	3.09%	0%
Mr. N. Sujith Kumar Reddy	10,028,770	2.98%	0%
Nivee Holdings Private Limited	8,143,250	2.42%	0%
Ms. N. Indira Reddy	7,513,100	2.23%	0%
Arunachala Holdings Private Limited	5,272,500	1.57%	0%
PCL Financial Services Private Limited	3,780,750	1.12%	0%
Ms. N. Akhila Reddy	1,869,315	0.56%	0%
Arunachala Logistics Private Limited	989,245	0.29%	0%
Ms. K. V. Arundhathi Reddy	14,285	0.00%	0%
Mr. Jagan Mohan Reddy Nellore	100	0.00%	0%

Name of the Promoter	As at December 31, 2021		
	Number of shares	Percentage of total shares	Percentage of change during the year
Sujala Investments Private Limited	37,766,675	11.23%	0%
N. Anupama Reddy	27,300,669	8.12%	0%
Rain Enterprises Private Limited	25,316,465	7.53%	0%
Mr. N. Radhakrishna Reddy	10,383,730	3.09%	0%
Mr. N. Sujith Kumar Reddy	10,028,770	2.98%	0%
Nivee Holdings Private Limited	8,143,250	2.42%	0%
Ms. N. Indira Reddy	7,513,100	2.23%	0%
Arunachala Holdings Private Limited	5,272,500	1.57%	0%
PCL Financial Services Private Limited	3,780,750	1.12%	0%
Ms. N. Akhila Reddy	1,869,315	0.56%	0%
Arunachala Logistics Private Limited	989,245	0.29%	0%
Ms. K. V. Arundhathi Reddy	14,285	0.00%	0%
Mr. Jagan Mohan Reddy Nellore	100	0.00%	0%

(v) During the five years ended December 31, 2022, there were no events of buy back of shares, rights issue, shares issued for consideration other than cash and bonus shares issued by the Company.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 15: Other equity

	As at December 31, 2022	As at December 31, 2021
Reserves and Surplus:		
(a) Capital reserve (Balance at the beginning and end of the year)	4,319.91	4,319.91
(b) Securities premium (Balance at the beginning and end of the year)	516.67	516.67
(c) Capital redemption reserve (Balance at the beginning and end of the year)	47.66	47.66
(d) General reserve		
Opening balance	860.08	828.92
Add: Transferred from Retained earnings	-	31.16
Closing balance	860.08	860.08
(e) Retained earnings		
Opening balance	453.25	509.12
Add: Profit for the year	277.47	311.64
Less: Dividend	(336.35)	(336.35)
Transfer to General Reserve	-	(31.16)
Closing balance	394.37	453.25
(f) Foreign currency translation reserve (Balance at the beginning and end of the year)	2,219.36	2,219.36
(g) Remeasurements of defined benefit plans		
Opening balance	2.56	0.76
Add: Actuarial gain/(loss) on remeasurements of defined benefit plans	(0.01)	1.80
Closing balance	2.55	2.56
Total	8,360.60	8,419.49

Note 16: Non-current borrowings

	As at December 31, 2022	As at December 31, 2021
Term loans		
From banks		
- Secured	1,655.72	2,020.33
Less: Current maturities of non-current borrowings disclosed under note 18 - Current borrowings	1,655.72	534.28
Total	-	1,486.05

Notes:

- (i) During the financial year ended December 31, 2016, the Company had borrowed term loan of US\$ 30 million from a bank which was secured by a pari passu first charge on all immovable and movable properties of Rain Cements Limited (RCL), a wholly owned subsidiary company, except for current assets of RCL (present and future) and assets charged with Axis Bank Limited for another loan availed by RCL. Further a Corporate guarantee had been issued by RCL in favour of the bank. The loan was sanctioned vide credit facilities agreement dated February 20, 2016 between the Company, RCL and the bank. No guarantee commission has been charged by RCL based on the requirements of the bank. It carries interest of 3 months LIBOR plus 300 basis points. Balance (gross of transaction costs) as at December 31, 2022 is ₹ NIL (December 31, 2021: ₹ 534.98).

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

- (ii) During the financial year ended December 31, 2021, the Company borrowed Term loan of US\$ 20 Million from a bank and is secured by :
- Pari passu first charge by way of hypothecation on all movable assets both present and future of the Company;
 - Corporate guarantee of Rain CII Carbon (Vizag) Limited (RCCVL) in favour of the bank; and
 - Pledge over 1,000,000 equity shares of ₹ 10 each held by the Company in RCCVL, a wholly owned step-down subsidiary

No guarantee commission has been charged by RCCVL based on the requirements of the bank. It carries interest of SOFR + margin of 310 basis points payable monthly. The loan is repayable on November 30, 2023. Balance (gross of transaction costs) as at December 31, 2022 is ₹ 1,655.72 (December 31, 2021: ₹ 1,486.05)

- (iii) The term loan in the previous year, post disbursement, was utilised for the purpose for which it was borrowed. As on the Balance Sheet date the Overseas Direct Investments (ODI) in the form of investments in and loans to overseas subsidiaries exceeds the term loans obtained for ODI purposes.
- (iii) The scheduled maturity of non-current borrowings and total number of installments are summarised as below:

Borrowings Repayable	As at December 31, 2022	As at December 31, 2021
Outstanding Term Loans from Banks:		
IDBI Bank Limited - US\$ Nil (December 31, 2021 : US\$ 7.2 Million)	-	534.98
Citibank - US\$ 20.0 Million* (December 31, 2021: US\$ 20.0 Million)	1,655.72	1,486.05
Total	1,655.72	2,021.03

* US\$ 20 Million is a bullet repayment on November 30, 2023.

- (iv) The aggregate amount of loans outstanding (including current maturities of non-current borrowings) guaranteed by subsidiaries is ₹ 1,655.72 (December 31, 2021 : ₹ 2,021.03) (Refer note 32).
- (v) Reconciliation of liabilities arising from financing activities*

Particulars	As at December 31, 2022	As at December 31, 2021
Opening balance at the beginning of the year	2,020.33	2,771.14
Borrowings made during the year	-	1,498.00
Borrowings repaid during the year	(553.68)	(2,257.64)
Exchange loss on monetary items	189.07	4.63
Others - Amortisation of deferred finance cost	-	4.20
Closing balance at the end of the year	1,655.72	2,020.33

*Aforesaid reconciliation includes current maturities of non-current borrowings

- (vi) The Company's exposure to liquidity, interest rate and foreign currency risk is included in note 29.4, 29.6 and 29.7.
- (vii) The Company has not defaulted on payment of principal and interest thereon on the above term loans

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 17: Non-current provisions

	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits:		
- Compensated absences (Refer note 31 (c))	7.64	6.85
Total	7.64	6.85

Note 18: Current borrowings

	As at December 31, 2022	As at December 31, 2021
Current maturities of non-current borrowings (Refer note 16)	1,655.72	534.28
Total	1,655.72	534.28

Note 19: Trade payables

	As at December 31, 2022	As at December 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	52.25	126.47
Total	52.25	126.47

Trade payables ageing schedule as at December 31, 2022:

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-	-
ii. Others	44.56	7.00	0.65	0.02	0.02	-	52.25
iii. Disputed dues-MSME	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-

Trade payables ageing schedule as at December 31, 2021:

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-	-
ii. Others	19.44	106.98	0.02	0.03	-	-	126.47
iii. Disputed dues-MSME	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Disclosures of dues to Micro Enterprises and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	As at December 31, 2022	As at December 31, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	-	-
(b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The Company's exposure to liquidity risk related to trade payables is disclosed in note 29.4

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at December 31, 2022 has been made in the financial statements based on information received and available with the Company. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the management.

Note 20: Other current financial liabilities

	As at December 31, 2022	As at December 31, 2021
Interest accrued but not due on borrowings	10.45	4.03
Employee payables	3.92	4.06
Unpaid dividends*	27.24	32.15
Total	41.61	40.24

*There is no amount due and outstanding to be credited to Investor Education and Protection fund as at December 31, 2022 and December 31, 2021.

The Company's exposure to liquidity, interest rate and foreign currency risk is included in note 29.4, 29.6 and 29.7

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 21: Other current liabilities

	As at December 31, 2022	As at December 31, 2021
Other payables		
- Statutory liabilities	5.42	4.36
Total	5.42	4.36

Note 22: Current provisions

	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits:		
- Compensated absences (Refer note 31 (c))	4.57	3.07
Total	4.57	3.07

Note 23: Revenue from operations

	For the year ended December 31, 2022	For the year ended December 31, 2021
Sale of products and duty scripts (Refer note 32)	61.65	195.02
Sale of services (Refer note 32)	479.09	340.45
Revenue from operations	540.74	535.47

(i) Break up of revenue from operations based on timing of transfer of goods or services:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from operations recognised at a point in time	61.65	195.02
Revenue from operations recognised over a period of time	479.09	340.45

(ii) Contract assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Contract assets recorded in balance sheet	4.85	7.27
Contract liabilities recorded in balance sheet	-	-

(iii) Reconciliation of revenue from operations based on timing of transfer of goods or services:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue as per contracted price (A)	540.74	535.47
Less - Reductions towards variable consideration components (B)	-	-
Revenue recognised (A-B)	540.74	535.47

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 24: Other income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income		
Interest from banks on deposits	5.71	5.57
Interest on loans and advances (Refer note 32)	46.71	69.60
Interest on income tax refund	18.86	0.59
Interest on income-tax under Section 234B refund	22.64	-
Dividend income from current investments		
Dividend income from non-current investments (Refer note 32)	393.37	410.74
Other non-operating income		
Rental income from operating leases (Refer note 32)	15.47	14.06
Profit on sale of property, plant and equipment (net)	0.02	-
Miscellaneous income	0.20	0.86
Total	502.98	501.42

Note 25: Employee benefits expense

	For the year ended December 31, 2022	For the year ended December 31, 2021
Salaries, wages and bonus	237.27	200.59
Contributions to provident and other funds (Refer note 31)	16.76	13.72
Staff welfare expenses	19.48	0.07
Total	273.51	214.38

Note 26: Finance costs

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense on borrowings	79.22	76.50
Other borrowing costs	0.94	4.45
Total	80.16	80.95

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 27: Other expenses

	For the year ended December 31, 2022	For the year ended December 31, 2021
Repairs and maintenance	7.53	6.27
Insurance	9.34	0.95
Rent	5.61	5.67
Rates and taxes	4.72	4.57
Communication expenses	5.43	14.61
Travelling and conveyance	13.71	4.04
Printing and stationery	1.72	0.66
Advertisement expense	0.93	0.92
Corporate Social Responsibility (Refer note 36)	1.00	1.00
Consultancy charges	22.83	13.01
Payment to auditors (Refer note below)	5.25	4.16
Directors' sitting fees (Refer note 32)	4.60	3.22
Commission to directors (Refer note 32)	3.00	3.60
IT infrastructure expenses and licenses	135.04	75.56
Miscellaneous expenses	9.88	4.55
Total	230.59	142.79

Note:

Payment to auditors comprises (excluding GST):

	For the year ended December 31, 2022	For the year ended December 31, 2021
Statutory audit	3.18	2.60
Limited review	1.32	1.20
Other services	0.26	0.32
Reimbursement of expenses	0.49	0.04
Total	5.25	4.16

Note 28: Income Taxes

(i) Income tax expense / (benefit) recognised in statement of profit and loss:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current tax		
(i) Tax for current year	47.38	70.33
(ii) Tax relating to earlier years	-	2.79
	47.38	73.12
Deferred tax		
(i) Attributable to the origination and reversal of temporary differences	(0.98)	6.06
Total	46.40	79.18

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(ii) Income tax expense recognised in other comprehensive income:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
(a) Remeasurment of the defined benefit plans	-	0.87

(iii) Reconciliation of Effective tax rate:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Income tax expense for the year to be reconciled to the accounting profit:		
Profit before taxes	323.87	390.82
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	81.51	98.36
Effect off:		
Effects of tax-exempt income and other deductions	(5.11)	4.86
Effect of income charged at special rate (Dividend income)	(37.27)	(32.89)
Tax related to prior years	-	2.79
Others, net	7.27	6.06
Total income taxes expenses	46.40	79.18
Effective tax rate	14.3%	20.3%

(iv) Recognised deferred tax assets and liabilities:

Particulars	As at December 31, 2022	As at December 31, 2021
Deferred tax assets		
Employee benefits	3.07	1.54
Land indexation	1.77	1.66
Total deferred tax assets	4.84	3.20
Deferred tax liabilities		
Basis difference of property, plant, and equipment	(9.25)	(8.59)
Total deferred tax liabilities	(9.25)	(8.59)
Net deferred tax (liability)/asset	(4.41)	(5.39)

(v) Movement in temporary differences:

Particulars	Balance as at January 1, 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at December 31, 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	Any other adjustment	Balance as at December 31, 2022
On account of depreciation and amortisation	(2.08)	(6.51)	-	(8.59)	(0.66)	-	-	(9.25)
On account of employee benefits	2.08	0.33	(0.87)	1.54	1.53	-	-	3.07
On account of land indexation	1.54	0.12	-	1.66	0.11	-	-	1.77
Tax on losses carried forward	-	-	-	-	-	-	-	-
Total	1.54	(6.06)	(0.87)	(5.39)	0.98	-	-	(4.41)

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(vi) Unrecognised Deferred tax assets:

Particulars	As at	Expiry date	As at	Expiry date
	December 31, 2022		December 31, 2021	
To expire under current tax legislation	220.54	2022-30	318.32	2021-26
Not to expire under current tax legislation	43.74	-	43.30	-

(vii) Non-current tax assets and current tax liabilities:

	As at	As at
	December 31, 2022	December 31, 2021
Non-current tax assets (net of provision for tax ₹ 1,283.54 (December 31, 2021: ₹ 1,322.85))	73.91	104.42
Current tax liabilities (net of advance tax ₹ 79.87 (December 31, 2021: ₹ 260.95))	29.45	29.46

(viii) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

Note 29: Financial instruments disclosure:

Note 29.1: Fair valuation measurement hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels of fair value hierarchy:

Sl. No.	Particulars	As at December 31, 2022			As at December 31, 2021				
		Carrying value	Level of inputs used in			Carrying value	Level of inputs used in		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
I	Financial assets at amortised cost								
	Investments	9,493.26	-	-	9,170.65	-	-	-	
	Loans	830.09	-	-	1,576.50	-	-	-	
	Trade receivables	114.58	-	-	174.80	-	-	-	
	Cash and cash equivalents	147.80	-	-	185.23	-	-	-	
	Bank balances other than cash and cash equivalents	67.04	-	-	32.15	-	-	-	
	Other financial assets	24.47	-	-	5.00	-	-	-	
		10,677.24	-	-	11,144.33	-	-	-	
II	Financial liabilities at amortised cost								
	Borrowings	1,655.72	-	-	2,020.33	-	-	-	
	Trade payables	52.25	-	-	126.47	-	-	-	
	Other current financial liabilities	41.61	-	-	40.24	-	-	-	
		1,749.58	-	-	2,187.04	-	-	-	

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Valuation Techniques:

- (a) **Borrowings** (at amortised cost): The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.
- (b) The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, bank balances other than cash and cash equivalents, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Note 29.2: Financial risk management

The Company has put in place risk management systems as applicable to the respective operations. The following explains the objective and processes of the Company: The Company has a system based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Note 29.3: Credit risk:

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents. None of the financial instruments of the Company result in material concentration of credit risk. The carrying value of financial assets represents the maximum credit risk.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations
- actual or expected significant changes in the operating results of the customer
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers in the Company and changes in the operating results of the customer

Based on the above analysis, the Company does not expect any credit risk from its trade receivables for any of the years reported in this financial statements.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

The age wise break up of receivables, net of allowances is given below:

Particulars	As at	As at
	December 31, 2022	December 31, 2021
Financial assets that are neither past due not impaired	114.58	174.80
Total	114.58	174.80

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	Carrying amount as at	
	December 31, 2022	December 31, 2021
United States	103.84	60.40
Asia	10.74	114.40
Total	114.58	174.80

At December 31, 2022, the carrying amount of the Company's most significant customer is ₹ 103.82 (December 31, 2021: ₹ 101.21).

The Company's exposure to credit risk for loans (both current and non-current) by geographic region is as follows:

Particulars	Carrying amount as at	
	December 31, 2022	December 31, 2021
United States	827.86	1,575.22
Asia	2.23	1.28
Total	830.09	1,576.50

Investments

The Company has investments in wholly-owned and step down subsidiaries, thereby limiting the exposure to credit risk. All the counterparties have sound financial position with positive net worth. The Company does not expect any losses from non-performance by these counter parties.

Cash and cash equivalents (including bank balances and fixed deposits):

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets:

There is no significant loss allowance for other financial assets.

Note 29.4: Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of December 31, 2022, cash and cash equivalents are held with major banks.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Maturity of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payment and excludes impact of netting arrangements (if any):

As at December 31, 2022

Contractual cash flows	Carrying value*	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities							
Borrowings	1,655.72	1,655.72	-	-	-	-	1,655.72
Trade payables	52.25	52.25	-	-	-	-	52.25
Other current financial liabilities	41.61	41.61	-	-	-	-	41.61

As at December 31, 2021

Contractual cash flows	Carrying value*	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities							
Borrowings	2,020.33	534.28	1,486.05	-	-	-	2,020.33
Trade payables	126.47	126.47	-	-	-	-	126.47
Other current financial liabilities	40.24	40.24	-	-	-	-	40.24

* Carrying value of borrowings is shown as net of deferred finance cost

Note 29.5: Market risk:

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and borrowings.

Note 29.6: Interest rate risk:

Interest rate risk is measured by using the cashflow sensitivity for change in variable interest rates. Any movement in the market interest rates could have an impact on the Company's cash flows as well as costs. In order to manage the Company's position with regard to interest rate risk, it adopts a policy of ensuring an optimal mix of its interest rate risk exposure. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's borrowing with variable interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows.

Particulars	Interest rate exposure as at	
	December 31, 2022	December 31, 2021
Variable rate instruments		
Financial assets	827.86	1,575.22
Financial liabilities	(1,655.72)	(2,020.33)

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Cash flow sensitivity for variable rate instruments:

Impact on Profit and loss due to 1% change in interest rate

Particulars	For the year ended December 31, 2022		For the year ended December 31, 2021	
	Increase in rate	Decrease in rate	Increase in rate	Decrease in rate
Impact on Profit and loss (before tax)				
Variable-rate instruments	(8.28)	(8.28)	(4.45)	4.45

Note 29.7 Foreign Currency risk:

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, shared service arrangements with group entities, and advance to group entity. The currency in which these transactions are denominated are USD. There are no outstanding balances in any other currency apart from USD. The Company evaluates exchange rate exposure arising from foreign currency transactions.

The following table analyses foreign currency risk from non derivative financial instruments as at December 31, 2022:

	Amount in ₹ USD	Total
Assets:		
Trade receivables (Refer note 32)	103.84	103.84
Loans to subsidiary (Refer note 32)	827.86	827.86
	931.70	931.70
Liabilities:		
Interest accrued but not due on borrowings	10.45	10.45
Borrowings	1,655.72	1,655.72
	1,666.17	1,666.17

The following table analyses foreign currency risk from non derivative financial instruments as at December 31, 2021:

	Amount in ₹ USD	Total
Assets:		
Trade receivables (Refer note 32)	60.40	60.40
Interest accrued on loans to subsidiary (Refer note 32)	3.64	3.64
Loans to subsidiary (Refer note 32)	1,575.22	1,575.22
	1,639.26	1,639.26
Liabilities:		
Interest accrued but not due on borrowings	4.03	4.03
Borrowings	2,020.33	2,020.33
	2,024.36	2,024.36

Sensitivity Analysis:

A reasonably possible strengthening/weakening of the US dollar, Euro against all other currencies as at December 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Impact on profit and loss due to 1% change in foreign currency rates:

Particulars	As at December 31, 2022		As at December 31, 2021	
	Strengthening	Weakening	Strengthening	Weakening
Impact on Profit and loss (before tax)				
USD	(7.34)	7.34	(3.85)	3.85

Note 30: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'Net debt' to 'equity'. For this purpose, adjusted net debt is defined as total interest-bearing loans and borrowings less cash and cash equivalents. The Company's Net debt to equity ratio is as follows.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Company monitors capital on the basis of the following gearing ratio.

Particulars	As at December 31, 2022	As at December 31, 2021
Total borrowings, net of cash and cash equivalents	1,507.92	1,835.10
Equity	9,033.29	9,092.18
Net debt to equity ratio	0.17	0.20

Note 31: Assets and liabilities related to employee benefits

a) Contribution plans:

Amounts towards defined contribution plans have been recognised under "Contributions to provident and other funds" in Note 25: ₹ 13.82 (December 31, 2021 - ₹ 10.98).

b) Defined Benefit plans:

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

Inherent risk:

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss.

(i) Amounts recognised in the Balance Sheet are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	17.96	16.56
Less: Fair value of plan assets	21.49	16.92
Net liability/(excess contribution to plan assets)	(3.53)	(0.36)

(ii) Amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	For the Year ended December 31, 2022	For the Year ended December 31, 2021
Current service cost	3.00	2.80
Interest on net defined benefit liability/(asset)	(0.06)	(0.06)
Total	2.94	2.74

Amount recognised in other comprehensive income/(loss) for the year ended December 31, 2022 is ₹ (0.01) (December 31, 2021 - ₹ 2.67).

(iii) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	As at December 31, 2022	As at December 31, 2021
Opening defined benefit obligation	16.56	15.56
Current service cost	3.00	2.80
Interest cost	0.95	0.85
Remeasurements due to:		
Changes in financial assumptions	(0.04)	(0.48)
Changes in demographic assumptions	(0.20)	-
Experience adjustments	0.32	(2.03)
Benefits paid	(2.63)	(0.14)
Closing defined benefit obligation	17.96	16.56

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(iv) Reconciliation of opening and closing balances of the fair value of plan assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Opening fair value of plan assets	16.92	15.99
Employer contributions	6.12	-
Interest on plan assets	1.01	0.91
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	0.07	0.16
Benefits paid	(2.63)	(0.14)
Closing fair value of plan assets	21.49	16.92
Actual return on plan assets	1.08	1.07

(v) Major Category of plan assets as a percentage to fair value of plan assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Insurer managed funds	100%	100%

(vi) Principal Actuarial assumptions used:

Particulars	As at December 31, 2022	As at December 31, 2021
Discount rates on benefit obligations	7.50%	6.60%
Expected salary increase rates	8.00%	7.00%
Retirement Age	58 Years	58 Years

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

Assumptions regarding future mortality and experience are set in accordance with published rates under Indian assured lives mortality 2012-2014. The discount rate is based on the prevailing market yield in Indian government securities as at balance sheet date for estimated term of obligation.

(vii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below:

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(0.56)	0.61
Future salary growth (0.5% movement)	0.52	(0.49)

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below:

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(0.45)	0.48
Future salary growth (0.5% movement)	0.48	(0.40)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(viii) The Company expects to contribute a sum of ₹ 1.00 to the plan for the next annual reporting period (December 31, 2021: ₹ 1.00)

(ix) As at December 31, 2022 the weighted average duration of the defined benefit obligation is 6.5 years (December 31, 2021: 5.59 years)

(x) Maturity profile of the defined benefit obligation:

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	5.96	4.39
Year 2	0.70	3.87
Year 3	1.96	0.66
Year 4	0.69	1.53
Year 5	1.02	0.66
Thereafter	24.11	15.76

c) Compensated absences

The Company provides for accumulation of compensated absences to its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods or receive cash in lieu thereof as per Company policy. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded towards this benefit as at December 31, 2022 is ₹ 12.21 (December 31, 2021 - ₹ 9.92).

Particulars	As at December 31, 2022	As at December 31, 2021
Net Liability		
- Current	4.57	3.07
- Non-Current	7.64	6.85
Total	12.21	9.92

The principal assumptions used for computation of defined benefit plan equally apply to the computation of compensated absences and are accordingly considered in the estimation of benefits.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 32: Related Party Disclosures

a) Names of related parties and description of relationship

Sl. No	Relationship	Name
(a) List of related parties where control exists		
(i)	Subsidiaries	1 Rain Cements Limited [RCL] 2 Renuka Cement Limited [RenCL] 3 Rain Verticals Limited [RVL] 4 Rain Commodities (USA) Inc. [RCUSA] 5 Rain Global Services LLC [RGS] 6 Rain Carbon Inc. [RCI] 7 Rain Carbon Holdings, LLC [RCH]* 8 Rain CII Carbon (Vizag) Limited [RCCVL] 9 Rain CII Carbon LLC [RCC] 10 CII Carbon Corp [CIICC]** 11 Rain Carbon GmbH [RCG] 12 Rain Carbon Canada Inc. 13 Rain Carbon BV [RCBV] 14 VFT France SA [VFSA] 15 Rain Carbon Wohnimmobilien GmbH & Co. KG 16 Rain Carbon Gewerbeimmobilien GmbH & Co. KG 17 Rain Carbon Germany GmbH 18 OOO Rain Carbon 19 Rain Carbon Poland Sp. z. o. o 20 RÜTGERS Resins BV [RRBV] 21 OOO RÜTGERS Severtar [OOOSevertar] 22 Severtar Holding Ltd [Severtar] 23 Rumba Invest BVBA & Co. KG [Rumba] 24 Rain Carbon (Shanghai) Trading Co. Ltd. (formerly known as RUTGERS (Shanghai) Trading Co. Ltd.)
(b) Other related parties where transactions have taken place during the year/balances exist at year end		
(i)	Enterprise where key managerial personnel along with their relatives exercise significant influence	1 Pragnya Priya Foundation (PPF) 2 Sujala Investments Private Limited 3 Rain Enterprises Pvt Ltd 4 Nivee Holdings Pvt Limited 5 Arunachala Holdings Private Limited 6 PCL Financial Services Pvt Limited 7 Arunachala Logistics (P) Limited

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Sl. No	Relationship	Name	
(ii)	Key Managerial Personnel (KMP) and their relatives	1	Mr. N. Radha Krishna Reddy Managing Director
		2	Mr. T. Srinivasa Rao Chief Financial Officer
		3	Mr. S. Venkat Ramana Reddy Company Secretary
(iii)	Relatives of KMP and Non-executive director	1	Ms. N Anupama Reddy Relative of KMP
		2	Ms. N. Indira Reddy Relative of KMP
		3	Ms. N. Akhila Reddy Relative of Non-executive director
(iv)	Non-executive directors	1	Mr. Brian Jude Mc Namara -Chairman (Independent Director)
		2	Mr. Jagan Mohan Reddy Nellore - Vice Chairman (Non-Executive Director)
		3	Mr. N. Sujith Kumar Reddy - Non-Executive Director
		4	Mr. Varun Batra - Independent Director
		5	Ms. Radhika Vijay Haribhakti - Independent Director
		6	Ms. Nirmala Reddy - Independent Director
		7	Mr. Robert Tonti Thomas - Independent Director (Since October 31, 2021)
		8	Mr. H.L.Zutshi - Independent Director (till September 30, 2021)

* Merged with Rain Carbon Inc. [RCI] with effect from December, 27, 2022

**Merged with Rain CII Carbon LLC [RCC] with effect from January 27, 2022

b) Transactions with related parties for the year ended December 31, 2022

Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Sales					
- RCCVL	61.65	-	-	-	(5.81)
Purchase of Assets					
- RCCVL	0.56	-	-	-	-
Revenue from Services *					
- RCCVL	87.00	-	-	-	-
- RCL	77.77	-	-	-	(0.08)
- RCI	316.74	-	-	-	(103.84)
Loans Given					
- RCUSA	-	-	-	-	(827.86)

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Loans Repaid					
- RCUSA	863.63	-	-	-	-
Interest Income					
- RCUSA	46.71	-	-	-	-
Rental Income					
- RCCVL	7.74	-	-	-	-
- RCL	7.73	-	-	-	-
Remuneration *** (Short term employee benefits)					
- T Srinivasa Rao	-	-	20.62	-	-
- S Venkat Ramana Reddy	-	-	6.20	-	-
Dividend Paid					
-Sujala Investments Private Limited	-	37.77	-	-	-
-Rain Enterprises Pvt Ltd	-	25.32	-	-	-
-Nivee Holdings Pvt Limited	-	8.14	-	-	-
-Arunachala Holdings Private Limited	-	5.27	-	-	-
-PCL Financial Services Pvt Limited	-	3.78	-	-	-
-Arunachala Logistics (P) Limited	-	0.99	-	-	-
-Mr. N. Radha Krishna Reddy	-	-	10.38	-	-
-Mr. T. Srinivasa Rao	-	-	0.09	-	-
-Mr. N. Sujith Kumar Reddy	-	-	-	10.03	-
-Ms. N Anupama Reddy	-	-	27.30	-	-
-Ms. N. Indira Reddy	-	-	7.51	-	-
-Ms. N. Akhila Reddy	-	-	-	1.87	-
-Mr. Jagan Mohan Reddy Nellore****	-	-	0.00	-	-
Corporate Social Responsibility expenditure					
- PPF	-	1.00	-	-	-
Dividend Income Received from					
- RCL	77.49	-	-	-	-
- RCUSA	315.88	-	-	-	-
Sitting Fee	-	-	-	4.60	-
Commission	-	-	-	3.00	-
Reimbursement of payments made to Subsidiary					
- RCL	2.35	-	-	-	-
- RCCVL	0.09	-	-	-	-

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Reimbursements of payments made on behalf of					
- RCCVL	9.56	-	-	-	-
Corporate Guarantee (released)/ given on behalf of the company by **					
- RCL	(534.98)	-	-	-	-
- RCCVL	-	-	-	-	1,655.72

*Transactions are disclosed on billed basis, hence unbilled revenue amounting to ₹ 4.85 (December 31, 2021: ₹ 7.27) has not been included above.

**

- (i) The corporate guarantee given amounted to ₹ 2,229.08 (US\$ 30 million). However considering the borrowing outstanding as on December 31, 2022 is ₹ Nil, accordingly the corporate guarantee amount received from RCL has been released
- (ii) The corporate guarantee was given by RCCVL towards borrowings of US\$ 20 million. This borrowing was outstanding as on December 31, 2022, which amounted to ₹ 1,655.72 post the forex adjustment.

*** Long term employee benefits paid to Key managerial personnel:

The managerial personnel are covered by the Company's gratuity policy, personal accident insurance policy, mediclaim insurance policy taken and are eligible for leave encashment along with other employees of the Company. The proportionate premium paid towards these policies and provision made for leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are not determined on an individual basis.

****Rounding off norm adopted by the company. The actual amount is ₹ 100.

c) Transactions with related parties for the year ended December 31, 2021

Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Sales					
- RCCVL	73.81	-	-	-	(5.92)
Revenue from Services *					
- RCCVL	59.35	-	-	-	-
- RCL	52.41	-	-	-	-
- RCI	225.92	-	-	-	(60.40)
Loans Given					
- RCUSA	1,486.05	-	-	-	(1,575.22)
Loans Repaid					
- RCUSA	2,293.09	-	-	-	-
Interest Income					
- RCUSA	69.60	-	-	-	(3.64)

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Rental Income					
- RCCVL	7.03	-	-	-	-
- RCL	7.03	-	-	-	-
Remuneration *** (Short term employee benefits)					
- T Srinivasa Rao	-	-	18.21	-	-
- S Venkat Ramana Reddy	-	-	5.11	-	-
Dividend Paid					
-Sujala Investments Private Limited	-	37.77	-	-	-
-Rain Enterprises Pvt Ltd	-	25.32	-	-	-
-Nivee Holdings Pvt Limited	-	8.14	-	-	-
-Arunachala Holdings Private Limited	-	5.27	-	-	-
-PCL Financial Services Pvt Limited	-	3.78	-	-	-
-Arunachala Logistics (P) Limited	-	0.99	-	-	-
-Mr. N. Radha Krishna Reddy	-	-	10.38	-	-
-Mr. T. Srinivasa Rao	-	-	0.09	-	-
-Mr. N. Sujith Kumar Reddy	-	-	-	10.03	-
-Ms. N Anupama Reddy	-	-	27.30	-	-
-Ms. N. Indira Reddy	-	-	7.51	-	-
-Ms. N. Akhila Reddy	-	-	-	1.87	-
-Mr. Jagan Mohan Reddy Nellore****	-	-	0.00	-	-
Corporate Social Responsibility expenditure					
- PPF	-	1.00	-	-	-
Dividend Income Received from					
- RCUSA	410.74	-	-	-	-
Sitting Fee	-	-	-	3.22	-
Commission	-	-	-	3.60	3.60
Reimbursement of payments made to Subsidiary					
- RCCVL	0.62	-	-	-	-
Investment in equity shares of subsidiary					
- RVL	1.00	-	-	-	-

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Corporate Guarantee (released)/ given on behalf of the company by **					
- RCL	-	-	-	-	534.28
- RCCVL	-	-	-	-	1,486.05

*Transactions are disclosed on billed basis, hence unbilled revenue amounting to ₹ 7.27 (December 31, 2020: ₹ 4.50) has not been included above.

** (i) The corporate guarantee given amounted to ₹ 2,229.08 (US\$ 30 million). However considering the borrowing outstanding as on December 31, 2021 is ₹ 534.98 (US\$ 7.2 million), accordingly the corporate guarantee amount received from RCL has been restricted to the borrowing outstanding.

(ii) During the year ended December 31, 2021, on account of repayment of the borrowing, corporate guarantee given by RCCVL was released. Further, for the borrowing availed during the year ended December 31, 2021, a new corporate guarantee was given by RCCVL towards borrowings of US\$ 20 million. This borrowing was outstanding as on December 31, 2021, which amounted to ₹ 1,486.05 post the forex adjustment.

*** Long term employee benefits paid to Key managerial personnel:

The managerial personnel are covered by the Company's gratuity policy, personal accident insurance policy, mediclaim insurance policy taken and are eligible for leave encashment along with other employees of the Company. The proportionate premium paid towards these policies and provision made for leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are not determined on an individual basis.

**** Rounding off norm adopted by the company. The actual amounts is ₹ 100.

Terms and conditions of transactions with related parties: All transactions with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in case within 60 days of the reporting date. None of the balance is secured.

No trade or other receivables are due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member.

Reconciliation of opening and closing balances of loans to related parties as per the requirement of section 186(4) of Companies Act 2013:

a) Loans to Rain Commodities (USA) Inc.

Particulars	For the year ended	
	December 31, 2022	December 31, 2021
As at the beginning of the year	1,575.22	2,337.71
Given during the year	-	1,486.05
Repaid during the year	(863.63)	(2,293.09)
Exchange gain / (loss)	116.27	44.55
As at the end of the year	827.86	1,575.22

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Information pursuant to Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	As at	
	December 31, 2022	December 31, 2021
Loans to subsidiaries		
Loan to Rain Commodities (USA) Inc.:		
Amount outstanding as at the year ended	827.86	1,575.22
Maximum amount outstanding	1,575.22	2,337.71

Note 33: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at	
	December 31, 2022	December 31, 2021
(I) Contingent liabilities		
(a) In respect of demands/ claims arising on account of:		
- Income tax	38.05	170.74

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that there are no material foreseeable losses on such long term contracts which needs to be provided for in the books of account.

The Company has reviewed all its pending litigations including legal proceedings initiated in the ordinary course of business except as disclosed above. The Company does not expect the outcome of these proceedings to have a material and adverse effect on its financial position and accordingly no adjustment in respect thereof is expected.

Note 34: Additional Regulatory Information

(i) The title deeds of immovable properties are held in the name of the Company except the property held at Srinagar Colony, Hyderabad which is held in the name of Priyadarshini Cement Limited (erstwhile name of the Company).

(ii) The Company has not revalued its Property, plant and equipment and intangible assets during the year.

(iii) During the year there are no loans or advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are repayable on demand.

(iv) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(v) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(vi) Details of Key Financial Ratios:

Key Financial Ratios	2022	2021	Variance	Reason for variance
(a) Current Ratio	0.67	1.27	-47%	Due to increase in Current maturities of long term borrowings as the loan of US \$20 million is a bullet repayment on November 30, 2023
(b) Debt-Equity Ratio	0.18	0.22	-18%	
(c) Debt Service Coverage Ratio	0.57	0.17	235%	Due to decrease in repayment borrowings during the year 2022 as per loan repayment schedule.
(d) Return on Equity Ratio	3.06%	3.42%	-10.6%	
(e) Trade Receivables turnover ratio	3.74	4.82	-22%	
(f) Trade payables turnover ratio	0.69	2.92	-77%	Due to decrease in purchase of duty scripts
(g) Net capital turnover ratio	(2.73)	2.73	-200%	Due to increase in Current maturities of long term borrowings as the loan of US \$20 million is a bullet repayment on November 30, 2023
(h) Net profit ratio	51.31%	58.00%	-12%	
(i) Return on Capital employed	3.78%	4.24%	-11%	
(j) Return on investment	3.92%	3.58%	9%	

Based on the estimates prepared by the management, the Company will receive dividends from their wholly owned subsidiaries in the subsequent financial year, which shall be utilised by the Company to meet its obligations, where required in the coming year.

Definition of Ratios:

- (a) **Current Ratio:** The numerator consists of current assets and the denominator consists of current liabilities.
- (b) **Debt-Equity Ratio:** The numerator consists of Borrowings including lease liabilities and the denominator consists of Equity.
- (c) **Debt Service Coverage Ratio:** The numerator consists of Earnings before interest, depreciation and tax excluding share of associates and the denominator consists of borrowings repaid during the year including interest thereon.
- (d) **Return on Equity Ratio:** The numerator consists of Profit after tax and the denominator consists of Equity.
- (e) **Trade Receivables Turnover Ratio:** The numerator consists of Revenue from operations and the denominator consists of Average Trade receivables.
- (f) **Trade Payables Turnover Ratio:** The numerator consists of total purchases of stock-in-trade and the denominator consists of Average Trade payables.
- (g) **Net Capital Turnover Ratio:** The numerator consists of revenue from operations and the denominator consists of average working capital (current assets minus current liabilities).

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

- (h) Net Profit Ratio:** The numerator consists of Profit after tax and the denominator consists of Revenue from operations.
- (i) Return on Capital employed:** The numerator consists of Earnings before interest and taxes and the denominator consists of equity, total borrowings and deferred tax liabilities, net of intangible assets.
- (j) Return on Investment:** The numerator consists of interest income earned on fixed deposits and loans and the denominator consists of average fixed deposits held and loans given.

(vii) The Company has Wholly Owned Subsidiaries in USA and one of the step down Wholly Owned US Subsidiaries has made investment in Rain CII Carbon (Vizag) Limited, India during 2010; which is in compliance with the structure as per Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Rules, 2022 as on 31 December 2022. Given the ambiguity prevalent under the foreign exchange law during 2010, no prior approval from Reserve Bank of India ('RBI') was considered necessary at that time. The Company will approach RBI seeking clarification in this regard.

(viii) The Company has not advanced or loaned or invested funds, to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Company have not received any fund, from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(x) The Company does not have any undisclosed income in terms of any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessment.

(xi) During the year, the Company has not entered into any transactions companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(xii) The Company does not trade in crypto currency or virtual currency.

Note 35: Earnings per Share (EPS)

Particulars	For the year ended	
	December 31, 2022	December 31, 2021
a. Profit for the year	277.47	311.64
b. Weighted average number of equity shares of ₹ 2/- each outstanding during the year (Nos.)	336,345,679	336,345,679
Earnings per Share		
c. Basic and Diluted - [a]/[b] - (₹)	0.82	0.93

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 36: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social responsibility (CSR) Committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education, rural development activities, medical facilities, employment and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013. Expenditure incurred under Section 135 of the Companies Act, 2013 on CSR activities are as below:

Gross amount required to be spent by the Company during the year ended December 31, 2022 is Nil (December 31, 2021: Nil)

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Amount to be spent	-	-
Amount of expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) On Purposes other than (i) above	1.00	1.00
Shortfall at the end of the year	-	-
Previous year shortfall	-	-
Reason for shortfall	Not Applicable	
Related party transaction	1.00	1.00
Name of the entity: Pragnya Priya Foundation		

The CSR amount is incurred towards Promotion of Health and Education

Note 37: The Company has leased its assets to its wholly owned subsidiaries in India. The leases are operating and cancellable in nature. There are no finance leases.

Note 38: The Company applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to building lease that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 39: Segment Reporting

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

Note 40: 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 Company has incorporated the changes as per the said amendment in these financial statements.

As per our Report of even dated

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration no:116231W/W-100024

For and on behalf of the Board of Directors of

Rain Industries Limited

CIN: L26942TG1974PLC001693

Vikash Somani

Partner

Membership No: 061272

N. Radha Krishna Reddy

Managing Director

DIN: 00021052

Jagan Mohan Reddy Nellore

Director

DIN: 00017633

T. Srinivasa Rao

Chief Financial Officer

M. No.: F29080

S. Venkat Ramana Reddy

Company Secretary

M. No.: A14143

Place: Hyderabad

Date: February 27, 2023

Place: Hyderabad

Date: February 27, 2023

Independent Auditors' Report

To the Members of Rain Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rain Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at December 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies 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, of the consolidated state of affairs of the Group and its associate as at December 31, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill

See Note 39 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group has goodwill of ₹ 68,426.47 million as at December 31, 2022 that represents goodwill acquired through various business combinations and allocated to cash generating unit (CGU)/group of CGUs.</p> <p>A CGU/group of CGUs to which goodwill has been allocated to or belongs to, is tested for impairment annually. As disclosed in Note 39, impairment of goodwill is determined by assessing the recoverable amount of each CGU/group of CGUs to which these assets relate. The determination of the value in use of the CGU/group of CGUs requires the Group to make significant estimates and assumptions related to forecasts of future revenues and operating margins and discount rates.</p> <p>The recoverable amount of the CGU/group of CGUs as at December 31, 2022 has been determined based on Discounted Cashflow method.</p> <p>We identified this area as key audit matter because of the judgmental factors involved in impairment assessment and the significance of the carrying value.</p>	<p>Our audit procedures in testing this area included the following:</p> <ol style="list-style-type: none"> 1. Evaluating the design of key controls and its operating effectiveness with respect to impairment testing and preparation of cash flow forecasts of the CGU/group of CGUs. 2. Testing the arithmetical accuracy of the computation of recoverable amounts of the CGU/group of CGUs. 3. Evaluating reasonableness of the assumptions used by the Group in the forecasted cashflows within the budgeted period. This was based on our understanding of the Group's historical financial performance, industry's external factors and performing a high-level sensitivity analysis. 4. Involving valuation experts to assist in testing the impairment valuation model, including an independent assessment of the underlying assumptions relating to discount rate, growth rate and terminal values. 5. Assessing the disclosures provided by the Group in relation to its annual impairment test in the notes to the consolidated financial statements.

Impairment of property, plant and equipment at Rain Carbon Germany GmbH

See Note 2(h) and 54(a) to consolidated financial statements. As reported by the auditor of the subsidiary – Rain Carbon Germany GmbH

The key audit matter	How the matter was addressed in our audit
<p>During the current year, one of the Group's plants located in Germany was temporarily shutdown. As informed to us, the Company was of the view that indicators of impairment existed and it accordingly decided to test this relevant asset for impairment as per the requirements of Ind AS 36 on 'Impairment of Assets'.</p> <p>The Company has engaged an independent third-party valuer to arrive at the recoverable value. Assessment of impairment is complex as it involves significant judgment in determining the assumptions used to estimate the recoverable value of an asset. Further, several key assumptions relating to estimation of recoverable value are dependent on external factors.</p> <p>As part of this testing, the Company is required to determine the recoverable amount of the relevant asset and compare it to the corresponding carrying value to conclude whether or not there is an impairment.</p> <p>The total carrying value of its asset as at December 31 2022 is ₹ 7,838.30 million. Based on the report issued by the valuer, the recoverable value of the relevant asset is higher than its carrying value and hence the Company has concluded that no impairment provision needs to be recorded in the financial statements.</p> <p>Given the significant level of judgement involved and considering the significance of the carrying amount of the relevant asset, we have determined this to be a key audit matter.</p>	<p>The audit procedures carried out by the auditor of the subsidiary included the following:</p> <ol style="list-style-type: none"> 6. Making inquiries with the client regarding the impairment process and performing a walkthrough and test of design and implementation. 7. Making inquiries of management regarding the indicators they assess as possible indicators of impairment for relevant asset. 8. Inspecting management's assessment and considering whether further indicators should have been assessed based on the subsidiary's auditor's knowledge of the business, its operating environment, industry knowledge, current market conditions and other information obtained during the audit. 9. Verifying the accuracy of management's calculations for relevant asset subject to impairment testing and considering whether the assets tested are complete. 10. Evaluating the valuation techniques, assumptions and data used by management to make their accounting estimates (and range thereof) used for recoverable value. 11. Evaluating the appropriateness and likelihood of the sensitivities and their impact on the overall impairment test outcome and assessing whether additional sensitivity analysis would have been appropriate. 12. Evaluating whether judgements and decisions made by management when measuring recoverable amount are indicators of possible management bias. 13. Involving specialists to challenge significant assumptions/judgements relating to key assumptions.

Independent Auditors' Report (continued)

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

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 consolidated financial statements, 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 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 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 in preparation of consolidated financial statements 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 consolidated financial statements 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 Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the

consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. We did not audit the financial statements of 9 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 201,535.16 million as at December 31, 2022, total revenues (before consolidation adjustments) of ₹ 119,505.45 million and net cash inflows (before consolidation adjustments) amounting to ₹ 1,630.37 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by

Independent Auditors' Report (continued)

the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

- b. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.
- c. The financial statements of 7 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 2,198.40 million as at December 31, 2022, total revenues (before consolidation adjustments) of ₹ 2,836.38 million and net cash outflows (before consolidation adjustments) amounting to ₹ 109.54 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 2.83 million for the year ended December 31, 2022, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on January 04, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies which are incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 December 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at December 31, 2022 on the consolidated financial position of the Group and its associate. Refer Note 44 to the consolidated financial statements.
- b. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 December 2022.
- c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 December 2022.
- d. (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 45(ix) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 45(x) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any persons or entities,

Independent Auditors' Report (continued)

including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
- e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in compliance with Section 123 of the Act.

As stated in Note 17(ii) to the consolidated financial statements, the respective Board of Directors of the Holding Company has not proposed final dividend for the year.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration payable during the current year by the Holding Company and its subsidiary companies which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration payable to any director by the Holding Company and its subsidiary companies which are incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration Number: 116231W/W-100024

Vikash Somani

Partner

Place: Hyderabad

Membership Number: 061272

Date: 27 February 2023

ICAI UDIN:23061272BGYRVC2942

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of Rain Industries Limited for the year ended December 31, 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by its auditor in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	Rain CII Carbon (Vizag) Limited	U11100TG2008PLC058785	Subsidiary	3(vii)(a)
2.	Rain Verticals Limited	U01100TG2021PLC150325	Subsidiary	3(vii)(a)

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration Number: 116231W/W-100024

Vikash Somani

Partner

Membership Number: 061272

ICAI UDIN:23061272BGYRVC2942

Place: Hyderabad

Date: 27 February 2023

Annexure B

to the Independent Auditor's Report on the consolidated financial statements of Rain Industries Limited for the year ended December 31, 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Rain Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 December 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 December 2022, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud

may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration Number: 116231W/W-100024

Vikash Somani

Partner

Place: Hyderabad

Membership Number: 061272

Date: 27 February 2023

ICAI UDIN:23061272BGYRVC2942

Consolidated Balance Sheet

as at December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	46,586.50	41,852.84
(b) Capital work in progress	3	4,669.22	7,907.63
(c) Right of use asset	4	4,669.21	4,078.62
(d) Goodwill	5	68,426.47	63,306.14
(e) Other intangible assets	5	85.79	154.83
(f) Equity accounted investments	6	94.29	87.06
(g) Financial assets			
(i) Investments	7	46.13	44.79
(ii) Loans	8	6.80	116.81
(iii) Other financial assets	9	454.58	318.89
(h) Deferred tax asset, net	34 (iv)	2,283.24	2,708.66
(i) Non-current tax assets, net	34 (vii)	1,073.61	922.06
(j) Other non-current assets	10	855.71	242.87
2. Current assets			
(a) Inventories	11	45,146.98	25,118.03
(b) Financial assets			
(i) Trade receivables	12	24,940.84	16,985.37
(ii) Cash and cash equivalents	13	11,676.89	11,031.21
(iii) Bank balances other than (ii) above	13	5,029.25	2,810.30
(iv) Loans	14	1,179.09	3,012.45
(v) Other financial assets	15	323.00	413.86
(c) Current tax assets, net	34 (vii)	282.36	544.18
(d) Other current assets	16	3,904.13	4,859.01
TOTAL		221,734.09	186,515.61
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	17	672.69	672.69
(b) Other equity	18	83,595.68	60,419.44
Equity attributable to owners of the Company		84,268.37	61,092.13
(c) Non-controlling interests		3,560.83	2,561.16
Total equity		87,829.20	63,653.29
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	77,954.93	74,436.17
(ia) Lease liabilities	19 & 46	4,098.40	3,531.99
(ii) Other financial liabilities	20	48.64	62.98
(b) Provisions	21	8,883.17	13,352.95
(c) Deferred tax liability, net	34 (iv)	3,730.73	1,889.23
(d) Other non-current liabilities	22	5.46	11.57
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	14,296.34	6,049.15
(ia) Lease liabilities	19 & 46	964.50	877.01
(ii) Trade payables	24		
(A) total outstanding dues of micro enterprises and small enterprises		46.53	38.82
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		15,435.82	13,934.55
(iii) Other financial liabilities	25	5,003.21	4,849.19
(b) Other current liabilities	26	1,345.07	1,666.26
(c) Provisions	27	932.06	641.98
(d) Current tax liabilities, net	34 (vii)	1,160.03	1,520.47
TOTAL		221,734.09	186,515.61
Corporate information	1		
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements

As per our Report of even dated

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration Number: 116231W/W-100024

Vikash Somani

Partner

Membership Number: 061272

For and on behalf of the Board of Directors of

Rain Industries Limited

CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy

Managing Director

DIN: 00021052

T. Srinivasa Rao

Chief Financial Officer

M. No.: F29080

Jagan Mohan Reddy Nellore

Director

DIN: 00017633

S. Venkat Ramana Reddy

Company Secretary

M. No.: A14143

Place: Hyderabad

Date: February 27, 2023

Place: Hyderabad

Date: February 27, 2023

Consolidated Statement of Profit and Loss

for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	Note	For the year ended December 31, 2022	For the year ended December 31, 2021
1 INCOME			
Revenue from operations	28	210,109.97	145,267.82
Other income	29	1,051.33	1,931.16
Total income		211,161.30	147,198.98
2 EXPENSES			
Cost of materials consumed		88,707.34	66,175.52
Purchases of stock-in-trade		30,330.99	12,988.19
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(6,148.40)	(5,080.55)
Employee benefits expense	31	13,520.73	12,372.36
Finance costs	32	5,237.40	4,789.14
Depreciation and amortisation expense	3,4 & 5	7,903.10	7,981.53
Impairment loss	3 & 54	465.64	168.07
(Gain)/loss on foreign currency transactions and translations (net)		648.29	(212.25)
Other expenses	33	47,226.37	35,247.32
Total expenses		187,891.46	134,429.33
3 PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF ASSOCIATE AND TAX (1-2)		23,269.84	12,769.65
4 SHARE OF PROFIT/(LOSS) OF ASSOCIATE (NET OF INCOME TAX)	36	2.83	(5.45)
5 PROFIT BEFORE TAX (3+4)		23,272.67	12,764.20
6 TAX EXPENSE	34		
1. Current tax		5,295.23	4,191.06
2. Deferred tax		2,208.47	1,637.73
7 PROFIT FOR THE YEAR (5-6)		15,768.97	6,935.41
8 OTHER COMPREHENSIVE INCOME/(LOSS)			
A. (i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		5,752.44	2,535.49
(ii) Income tax relating to items that will not be reclassified to profit or loss	34 (ii)	(138.69)	(1,655.50)
B. (i) Items that will be reclassified to profit or loss			
- Gain/(loss) on translating the financial statements of foreign operations		3,860.76	(600.51)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year		9,474.51	279.48
9 TOTAL COMPREHENSIVE INCOME FOR THE YEAR (7+8)		25,243.48	7,214.89
Attributable to:			
- Owners of the Company		23,512.59	6,093.52
- Non-controlling interests		1,730.89	1,121.37
10 OF THE TOTAL COMPREHENSIVE INCOME ABOVE:			
Profit for the year attributable to:			
- Owners of the Company		14,386.45	5,801.58
- Non-controlling interests		1,382.52	1,133.83
Other comprehensive income/(loss) attributable to:			
- Owners of the Company		9,126.14	291.94
- Non-controlling interests		348.37	(12.46)
11 EARNINGS PER EQUITY SHARE (FACE VALUE OF ₹ 2/- EACH)			
Basic and Diluted (₹ in absolute terms)	47	42.77	17.25
Corporate information	1		
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements

As per our Report of even dated

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration Number: 116231W/W-100024

Vikash Somani

Partner

Membership Number: 061272

For and on behalf of the Board of Directors of
Rain Industries Limited

CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy

Managing Director

DIN: 00021052

T. Srinivasa Rao

Chief Financial Officer

M. No.: F29080

Place: Hyderabad

Date: February 27, 2023

Jagan Mohan Reddy Nellore

Director

DIN: 00017633

S. Venkat Ramana Reddy

Company Secretary

M. No.: A14143

Place: Hyderabad

Date: February 27, 2023

Consolidated Statement of Changes in Equity

for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(i)

Particulars	Attributable to Owners of the Company							Total		
	Equity share capital	Reserves and Surplus				Comprehensive Income/(loss)			Attributable to Non-controlling interest	
		Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Remeasurements of defined benefit plans			Foreign currency translation reserve
Balances as on January 1, 2022	672.69	43.98	516.67	47.66	1,605.01	56,730.62	(1,778.71)	3,254.21	2,561.16	63,653.29
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as on January 1, 2022	672.69	43.98	516.67	47.66	1,605.01	56,730.62	(1,778.71)	3,254.21	2,561.16	63,653.29
Profit for the year	-	-	-	-	-	14,386.45	-	-	1,382.52	15,768.97
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-	3,512.39	348.37	3,860.76
- Gain/(loss) on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-
- Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	-	5,613.75	-	-	5,613.75
Total Comprehensive Income (loss) for the year	-	-	-	-	-	14,386.45	5,613.75	3,512.39	1,730.89	25,243.48
Dividends (Refer Note 17(ii) & 40)	-	-	-	-	-	(336.35)	-	-	(731.22)	(1,067.57)
Balance as on December 31, 2022	672.69	43.98	516.67	47.66	1,605.01	70,780.72	3,835.04	6,766.60	3,560.83	87,829.20

Particulars	Attributable to Owners of the Company							Total		
	Equity share capital	Reserves and Surplus				Comprehensive Income/(loss)			Attributable to Non-controlling interest	
		Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Remeasurements of defined benefit plans			Foreign currency translation reserve
Balance as on January 1, 2021	672.69	43.98	516.67	47.66	1,573.85	51,296.55	(2,658.70)	3,842.26	1,715.02	57,049.98
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated Balance as on January 1, 2021	672.69	43.98	516.67	47.66	1,573.85	51,296.55	(2,658.70)	3,842.26	1,715.02	57,049.98
Profit for the year	-	-	-	-	-	5,801.58	-	-	1,133.83	6,935.41
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-	(588.05)	(12.46)	(600.51)
- Gain/(loss) on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-
- Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	-	879.99	-	-	879.99
Total Comprehensive Income for the year	-	-	-	-	-	5,801.58	879.99	(588.05)	1,121.37	7,214.89
Dividends (Refer note 17(iii))	-	-	-	-	-	(336.35)	-	-	-	(336.35)
Transfer to general reserve	-	-	-	-	31.16	(31.16)	-	-	-	-
Payment on capital reduction	-	-	-	-	-	-	-	-	(275.23)	(275.23)
Balance as on December 31, 2021	672.69	43.98	516.67	47.66	1,605.01	56,730.62	(1,778.71)	3,254.21	2,561.16	63,653.29

Consolidated Statement of Changes in Equity

for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(ii) Description of the purposes of each reserve within equity:

Reserves and Surplus

- (a) Capital reserve:** It consists of pre-acquisition profits. During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.
- (b) Securities premium:** The amount received in excess of face value of the equity shares is recognised in securities premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, to write-off equity related expenses like underwriting costs etc.
- (c) Capital redemption reserve:** It consists of reserves on the buyback of equity shares from its retained earnings. The amount represents nominal amount of the equity shares bought back.
- (d) General reserve:** It represents the portion of the net profit which the Group has transferred, before declaring dividend. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- (e) Retained earnings:** Retained earnings are the net profits after all distributions and transfers to other reserves.
- (f) Remeasurements of defined benefit plans:** Remeasurements of defined benefit plans comprises actuarial gains and losses and return on plan assets (excluding interest income).

Items of Other Comprehensive income:

- (a) Foreign currency translation reserve (FCTR):** Represents the FCTR of a foreign subsidiary. For the purpose of consolidation of subsidiaries financial statements with the financial statement of the parent company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange difference which is accumulated in Foreign Currency Translation Reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies in the current year. Refer note 2(a)(vii).

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 11.6231W/W-100024

Vikash Somani

Partner

Membership Number: 061272

For and on behalf of the Board of Directors of

Rain Industries Limited

CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy

Managing Director

DIN: 00021052

Jagan Mohan Reddy Nellore

Director

DIN: 00017633

T. Srinivasa Rao

Chief Financial Officer

M. No.: F29080

S. Venkat Ramana Reddy

Company Secretary

M. No.: A14143

Place: Hyderabad

Date: February 27, 2023

Place: Hyderabad

Date: February 27, 2023

Consolidated Statement of Cash Flows

for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2022	For the year ended December 31, 2021
A. Cash flow from operating activities		
Profit before tax	23,272.67	12,764.20
Adjustments for:		
Depreciation and amortisation expense	7,903.10	7,981.53
Loss/(profit) on sale of property, plant and equipment (net)	6.84	(349.45)
(Gain)/loss on repurchase of Senior Secured Notes	(38.12)	10.83
Interest and other borrowing costs	5,237.40	4,789.14
Interest income	(497.80)	(411.92)
Gain on sale of subsidiaries	(32.47)	(40.10)
Interest on income-tax under Section 234B refund	(22.64)	-
Provision for advances	50.00	-
Assets written off	114.71	4.49
Impairment loss	465.64	168.07
Government grant income	-	(458.33)
Liabilities/provisions no longer required written back	(244.16)	(648.96)
Bad debts written off	0.49	3.11
Provision for loss allowance on trade receivables	25.74	50.01
Share of loss/(profit) of associates (net of income tax)	(2.83)	5.45
Loss/(Gain) on foreign currency transactions and translations (net)	137.25	(249.73)
Operating profit before working capital changes	36,375.82	23,618.34
Adjustments for changes in working capital:		
Inventories	(17,815.09)	(9,707.47)
Trade receivables	(6,102.41)	(5,797.25)
Financial assets and other assets	2,779.28	(3,441.26)
Trade payables, other liabilities and provisions	686.47	7,694.65
Cash generated from operations	15,924.07	12,367.01
Income taxes paid, net	(5,565.55)	(4,031.13)
Net cash from operating activities	10,358.52	8,335.88
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets, including capital advances	(6,691.40)	(5,477.95)
Proceeds from sale of property, plant and equipment	25.66	407.37
Inter corporate deposits placed	(2,536.01)	(3,710.05)
Inter corporate deposits redeemed	4,481.24	3,073.73
Proceeds from sale of subsidiaries (Refer note 55)	32.47	40.10
Proceeds from sale of investments	0.05	0.03
Share application money paid	(49.48)	-
Fixed/restricted deposits with banks placed	(27,562.52)	(8,537.51)
Fixed/restricted deposits with banks refunded	25,173.95	8,513.08
Interest received	496.30	423.23
Net cash used in investing activities	(6,629.74)	(5,267.97)

Consolidated Statement of Cash Flows

for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2022	For the year ended December 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment on capital reduction	-	(275.23)
Proceeds from non-current borrowings	-	1,498.00
Repayment of non-current borrowings	(1,804.52)	(2,645.08)
Proceeds of current borrowings, net	5,154.48	224.68
Sales tax deferment paid	(138.92)	(83.10)
Payment of lease liabilities	(900.13)	(1,045.86)
Payment of interest on lease liabilities	(219.80)	(217.52)
Interest and other borrowing costs paid	(4,980.40)	(4,520.07)
Dividend paid to owners of the Company	(336.35)	(336.35)
Dividend paid to non-controlling interests	(731.22)	-
Net cash used in financing activities	(3,956.86)	(7,400.53)
Net decrease in cash and cash equivalents (A+B+C)	(228.08)	(4,332.62)
Cash and cash equivalents – opening balance	11,031.21	15,198.32
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	873.76	165.51
Cash and cash equivalents – closing balance	11,676.89	11,031.21

Notes:

(i) The above consolidated cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard – 7 on Statement of Cash Flows.

(ii) Components of Cash and cash equivalents

	As at December 31, 2022	As at December 31, 2021
Cash on hand	0.29	0.47
Cheques/drafts on hand	0.05	-
Balances with banks:		
- in current accounts	9,208.92	8,218.34
- in exchange earners foreign currency (EEFC) accounts	0.37	1,246.75
- in deposit accounts (with original maturity of three months or less)	2,467.26	1,565.65
	11,676.89	11,031.21

(iii) Refer note 19 (x), 23(v) and 25 for reconciliation of liabilities arising from financing activities.

As per our report of even date attached
For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vikash Somani
Partner
Membership Number: 061272

**For and on behalf of the Board of Directors of
Rain Industries Limited**
CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

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

Place: Hyderabad
Date: February 27, 2023

Place: Hyderabad
Date: February 27, 2023

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

Note 1: Corporate Information

Rain Industries Limited ("RIL" or "the Company" or the "Parent Company" or the "Holding Company") was incorporated on March 15, 1974 under the Companies Act, 1956 ("the Act") domiciled in India and headquartered in Hyderabad, Telangana. The Company along with its subsidiaries and associates ("the Group" or "Rain Group") is engaged in the business of manufacture and sale of Carbon, Advanced Materials and Cement. The Company's equity shares are listed at BSE Limited and National Stock Exchange of India Limited in India.

Carbon comprises of Calcined Petroleum Coke ("CPC"), Green Petroleum Coke ("GPC"), Coal Tar Pitch ("CTP"), Energy produced through Waste-heat recovery and other derivatives of Coal Tar distillation. Advanced Materials represent the downstream operations of Coal Tar distillation and comprises of Engineered Products, Petro Chemical Intermediaries, Naphthalene Derivates and Resins. The manufacture and sale of Cement has been classified as Cement.

Note 2: Significant Accounting Policies

(a) Basis of preparation of Consolidated Financial Statements

(i) Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements have been prepared on a going concern basis. Relevant Ind AS effective as on Company's annual reporting date December 31, 2022 have been applied. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on February 27, 2023.

(ii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All amounts have been rounded-off to the nearest millions with 2 decimals, unless otherwise indicated.

(iii) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

Items	Measurement basis
Derivative financial instruments	Fair value
Certain financial assets and liabilities (refer accounting policy regarding financial instruments)	Fair value
Net defined benefit asset/liability	Fair value of plan assets less present value of defined benefit plan obligation
Inventories	Lower of cost or net realisable value
Investment in Associates/Joint Ventures	Equity method
Borrowings	Amortised cost using effective interest rate method

(iv) Use of estimates

In preparing these Consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Accounting estimates could change from period to period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and appropriate changes are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are reflected in the period in which such changes are made and if material, their effects are disclosed in the financial statements.

Assumptions and estimation uncertainties

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Measurement of defined benefit obligations: key actuarial assumptions used in measurement. (Refer note 41)

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Refer note 44, 50 & 51)
- Recognition and recoverability of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used & utilisation of Minimum Alternate Tax and Foreign Tax Credits (Refer note 34)
- Useful life of property, plant and equipment (Refer note 2(e))
- Determination of cost for right-of-use assets and lease term (Refer note 2(m))
- Impairment of financial & non-financial assets. (Refer note 39)
- Provision for inventories (Refer note 11)
- Provision for loss allowance on trade receivables (Refer note 35.4)
- Assessment of functional currency (Refer note 2(a)(ii))

(v) Current and Non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is expected to be realised within 12 months after the reporting date; or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. It is expected to be settled in the Group's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within 12 months after the reporting date; or
- iv. The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's operating cycle is within a period of 12 months.

(vi) Measurement of Fair value

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For changes that have occurred between levels in the hierarchy during the year, the Group re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in Note 35.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

(vii) Principles of Consolidation

Business Combination

In accordance with Ind AS 103- "Business Combinations", the Group accounts for business combinations using the acquisition method when control is transferred to the Group. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether

control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The consideration transferred for the business combination is generally measured at fair value as at the acquisition date, as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in consolidated statement of profit and loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in consolidated statement of profit and loss.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A cash generating unit is defined as an operating segment or a component of an operating segment. Accordingly, the following are considered as reporting units for the above assessment:

- a. Calcination business forming part of Carbon Segment
- b. Carbon distillation business forming part of Carbon Segment
- c. Advanced materials business
- d. Cements business

Subsidiaries

Subsidiary entities are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that gives the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling interest and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated statement of profit and loss.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the reporting date and are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the Group has joint control of the rights to the net assets of the arrangement along with the other joint venturer.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of

equity- accounted investees until the date on which significant influence or joint control ceases.

Unrealised gains arising from the transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Foreign Currency Transactions

For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in consolidated statement of profit and loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in consolidated statement of profit and loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to consolidated statement of profit and loss on disposal of the net investment or disposal of operations.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to consolidated statement of profit and loss.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences are recognised in consolidated statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI.

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in consolidated statement of profit and loss.

Any goodwill arising in the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated

as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to consolidated statement of profit and loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to consolidated statement of profit and loss.

Hedge of a net investment in a foreign operation

The Group applies hedge accounting to exchange differences arising between the functional currency of the foreign operation and the Group's functional currency (INR). To the extent that the hedge is effective, exchange differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in OCI and accumulated under other equity. Any remaining differences are recognised in consolidated statement of profit and loss.

Preparation of consolidated financial statements

The Financial Statements of the subsidiaries and associates used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended December 31, 2022 and are audited. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Ind AS12 – “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Companies considered in the consolidated financial statements along with Rain Industries Limited are:

S. No.	Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest (%)	
				December 31, 2022	December 31, 2021
1	Rain Cements Limited (RCL)	Subsidiary of RIL	India	100	100
2	Rain Verticals Limited (RVL) ⁽¹⁾	Subsidiary of RIL	India	100	-
3	Rain Commodities (USA) Inc. (RCUSA)	Subsidiary of RIL	United States of America (U.S.A.)	100	100
4	Renuka Cement Limited (RenCL)	Subsidiary of RCL	India	100	100
5	Rain Global Services LLC (RGS)	Subsidiary of RCUSA	U.S.A.	100	100
6	Rain Carbon Inc. (RCI)	Subsidiary of RCUSA	U.S.A.	100	100
7	Rain Carbon Holdings, LLC (RCH) ⁽²⁾	Subsidiary of RCI	U.S.A.	-	100
8	Rain CII Carbon (Vizag) Limited (RCCVL)	Subsidiary of RCI	India	100	100
9	Rain CII Carbon LLC (RCC)	Subsidiary of RCI	U.S.A.	100	100
10	CII Carbon Corp. (CIICC) ⁽³⁾	Subsidiary of RCC	U.S.A.	-	100
11	Rain Carbon GmbH (RCG)	Subsidiary of RCC	Germany	100	100
12	Rain Carbon Canada Inc.	Subsidiary of RCC	Canada	100	100
13	Rain Carbon BV (RCBV)	Subsidiary of RCG	Belgium	100	100
14	OOO Rain Carbon LLC ⁽⁴⁾	Subsidiary of RIL	Russia	100	100
15	VFT France S.A (VFSA)	Subsidiary of RCBV	France	100	100
16	Rumba Invest BVBA & Co. KG (Rumba)	Subsidiary of RCG	Germany	94.9	94.9
17	Rain Carbon Germany GmbH	Subsidiary of RCG	Germany	99.7	99.7
18	Severtar Holding Ltd. (Severtar)	Subsidiary of RCG	Cyprus	65.3	65.3
19	OOO RÜTGERS Severtar (OOOSevertar)	Subsidiary of Severtar	Russia	65.3	65.3
20	Rain Carbon Wohnimmobilien GmbH & Co. KG	Subsidiary of RGmbH	Germany	100	100
21	Rain Carbon Gewerbeimmobilien GmbH & Co. KG	Subsidiary of RGmbH	Germany	100	100
22	Rain Carbon Poland Sp. z. o. o	Subsidiary of RGmbH	Poland	100	100
23	RÜTGERS Resins BV (RRBV)	Subsidiary of RGmbH	The Netherlands	100	100
24	Rain Carbon (Shanghai) Trading Co. Ltd. (formerly known as RÜTGERS (Shanghai) Trading Co. Ltd.)	Subsidiary of RGmbH	China	100	100
25	InfraTec Duisburg GmbH (IDGmbH)	Investment in Associates by RGmbH	Germany	30	30

⁽¹⁾ New entity incorporated on April 6, 2021.

⁽²⁾ Merged with RCI on December 27, 2022.

⁽³⁾ Merged with RCC on January 27, 2022.

⁽⁴⁾ Ownership got transferred from RCBV to RIL on April 27, 2022.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

(b) Revenue recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions.

Revenue from sale of carbon products also include sale of co-generated energy generated in the process which is sold to industrial consumers in accordance with the underlying contract terms and is recorded exclusive of electricity duty payable to Government authorities.

Revenue from services rendered is recognised when the related services are performed in accordance with contract terms.

Revenues which arise from the Group's operating activities, principal or ancillary, but which are not arising from sale of products/services rendered are included as other operating revenues.

Income from sale of Certified Emission Reduction (CER's) are recognised on conclusion of CER sale to ultimate buyers.

Rental income is recognised on a time-apportioned basis in accordance with the underlying substance of the relevant contract.

Dock revenue is accrued on completion of the service in line with terms of the contract.

(c) Other income

Interest income is recognised using the time proportion method, based on the underlying interest rates.

Dividend income is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

(d) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Accordingly, government grants:

- Related to or used for assets, are deducted from the carrying amount of the asset.
- Related to incurring specific expenditures are taken to the consolidated statement of profit and loss on the same basis and in the same periods as the expenditures incurred.
- By way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost/deemed cost less accumulated depreciation. Cost includes directly attributable to the acquisition of the items including its purchase price, import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure related to an item of tangible fixed asset is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under other non-current assets as capital advances.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

Depreciation for companies in India are provided at the rates specified in the Schedule II to the Companies Act, 2013 for all blocks of assets except as mentioned below:

- (a) In respect of Rain Cements Limited, Plant and machinery is depreciated based on the technical evaluation and assessment. The Management believes that the useful lives adopted (2 - 25 years) by it best represent the period over which an asset is expected to be available for use.
- (b) In respect of Rain CII Carbon (Vizag) Limited, the Management is using the remaining leasehold period of land for calculating depreciation for plant and equipment and buildings, as the assets are constructed over leasehold land.

The range of estimated useful lives are as follows:

Items	Years
Buildings	1-77
Furniture and Fixtures	1-20
Land held under limestone mining lease	125
Office equipment	2-40
Plant and equipment	1-50
Vehicles	1-28

Freehold land is not depreciated.

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

The cost of land used for mining is amortised over the estimated period of mining rights granted and leasehold land is amortised over the lease period.

Gains and losses on disposal of tangible assets are determined as the difference between net sales proceeds and the carrying amount, and are presented in the consolidated statement of profit and loss.

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use such as

costs of site preparation and remediation, and estimated costs of dismantling and removing/disposal of the item and restoring the site on which it is located.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major overhaul is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

On transition to Ind AS (i.e. 1 January, 2016), the group has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Provision for site restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated site is recognised as and when the site is used and related restoration or environmental obligations occur. The provision is measured at the present value of the best estimate of the cost of restoration or agreed redemption plan.

(f) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit and loss in the period in which the expenditure is incurred.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

The estimated useful lives are as follows:

Items	Years
Licenses and franchise	2-10
Other intangibles assets	5

Intangible assets which are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated intangibles, research expenditure and brands, is recognised in consolidated statement of profit and loss as incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

On transition to Ind AS (i.e. January 1, 2016), the group has elected to continue with the carrying value of intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(g) Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs of disposal. Losses on initial classification as held for sale and

subsequent gains and losses on re-measurement are recognised in consolidated statement of profit and loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

(h) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGU).

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or a group of CGUs or an individual asset) is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or a group of CGUs or the asset). Impairment loss recognised in respect of a CGU (or a group of CGUs) is allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or a group of CGUs), and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs (or a group of CGUs) to which the corporate asset belongs.

An impairment loss recognised in respect of Goodwill is not subsequently reversed. For other assets, at the balance sheet date there is an indication that if a previously assessed impairment loss no longer

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortised historical cost as per requirement of Ind AS 36 – “Impairment of Assets”.

(i) Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due over a reasonable period of credit
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on the financial asset has increased significantly if there is an indication

that the financial asset is outstanding significantly beyond the usual credit period. The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); and
- the financial asset past due over its normal credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

(j) Inventories

Inventories are valued at lower of cost (including prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition) and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Raw materials, goods in transit, packing materials and stores and spares are valued at cost computed on moving weighted average basis, after providing for obsolescence, if any. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

Finished goods and work in progress are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises material, labour and applicable overhead expenses including depreciation. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Traded goods are valued at lower of weighted average cost and net realisable value.

(k) Retirement and other employee benefits

Defined contribution plans

Contributions paid/payable under defined contribution plans are recognised in the consolidated statement of profit and loss each year. The Group makes the contributions and has no further obligations under the plan beyond its contributions.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

Past service costs are recognised in consolidated statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined

benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. On amendment, curtailment and settlement of a defined benefit plan, entities should use the updated assumptions to determine the current service cost and net interest for the remainder of the annual reporting period.

Other long-term employee benefits

The employees of the Group entitled to Compensated absences. The employees can carry forward the portion of unutilised accumulated compensated absences and utilise it in future periods or encash the leave balance during the period of employment or termination or retirement of the employment. The Group records an obligation for compensated absences in the period in which the employee renders services that increased this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of reporting year, based on actuarial valuation using projected unit credit method carried out in accordance with Ind AS-19 "Employee Benefits" at the end of the year. Non-accumulating compensated absences are recognised in the period in which the absences occur.

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

(l) Segment Reporting

An operating segment is the component of the Group that engages in business activities from which it may earn revenues and incur expenses, includes revenue and expenses that relate to transactions with any of the Group's other components and for which discreet financial information is available. All operating segments' operating results are reviewed regularly by Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess the performance. The business segments have been identified based on the nature of products, risks and return, organisation structure and internal financial reporting.

The Group currently has the following reportable segments:

- Carbon
- Advanced Materials
- Cement

These have been defined as the operating segments of the Group because they are the segments that

- (1) engage in business activities from which revenue is earned and expenses are incurred;
- (2) whose operating results are regularly reviewed by the Group's CODM to make decisions about resources to be allocated to the segment and assess its performance; and
- (3) for which discrete financial information is available.

(m) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

In pursuance of the notification issued by the Ministry of corporate affairs dated July 24, 2020, the Group has elected to apply the practical expedient arising on account of COVID-19 not to account for the changes in the lease payments as a lease modification as it satisfies the conditions mentioned in the paragraph 46B of Ind AS 116.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and debt securities issued are initially recognised when they are originated. All other assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) as described above are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at an individual asset level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets:

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made upon initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

However, on sale, the Group may transfer the cumulative gain or loss within equity. Equity investments designated as FVTOCI are not subject to impairment assessment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated statement of profit and loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Any gain or loss on derecognition is recognised in consolidated statement of profit and loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition,

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

gains and losses accumulated in OCI are reclassified to consolidated statement of profit and loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in consolidated statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to consolidated statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangements and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities:

Initial recognition and measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Classification and Subsequent measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. Financial liabilities carried at fair value through consolidated statement of profit and loss are measured at fair value with all changes in fair value recognised in the consolidated statement of profit and loss.

All other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(o) Derivative Financial Instruments and Hedge Accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to consolidated statement of profit and loss when the hedge item affects consolidated statement of profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group has designated certain foreign currency loans availed as a hedging instrument to hedge its net investment in non-integral foreign operations. Accordingly, the translation gain/(loss) on such foreign currency loans, determined as an effective net investment hedge through the designated period is recognised in Foreign Currency Translation Reserve (FCTR) included under OCI and would be transferred to the consolidated statement of profit and loss either upon sale or disposal of the investment or repayment of designated loans in the non-integral foreign operations.

Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the

fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in consolidated statement of profit and loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

(p) Earnings Per Equity Share

The earnings considered in ascertaining the Group's Earnings Per Share (EPS) comprise net profit after tax (and includes the post-tax effect of any extra ordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

(q) Tax Expense

Income tax expenses comprises of current tax and deferred tax. It is recognised in consolidated statement of profit and loss except to the extent that it relates to an item recognised directly in equity or other comprehensive income.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside consolidated statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in consolidated statement of profit and loss.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

(r) Borrowing Costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.

Deferred finance consists of loan financing fees, which are being amortised over the estimated life of the loan. Such life of the loan is reviewed by management on an ongoing basis. The Group considers its plans to repay the borrowings in determining the life of the asset. Amortisation of deferred finance cost is included in other borrowing costs of consolidated statement of profit and loss. Other borrowings costs including redemption premium are recognised in the period in which they are incurred.

(s) Statement of Cash Flows and Cash & cash equivalents

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined below, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term, highly liquid investments with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Provisions and Contingencies

A provision is recognised when the Group has a present, legal and constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which

a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Contingent liabilities are disclosed in the notes to the consolidated financial statements, when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amount of income recognised in accordance with the requirements of revenue recognition.

(u) Dividend declared

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Interim dividend is recorded as a liability on the date of declaration by the Board of Directors.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 3: Property, plant and equipment and Capital work in progress

	Land – freehold	Land – leasehold (Refer note (iv) below)	Buildings (Refer note (ii) below)	Plant and equipment (Refer note (ii) below)	Furniture and fixtures	Office equipments	Vehicles	Capital work-in-progress (Refer note (v), (vi) & (vii) below)	Total
Gross carrying amount									
As at January 1, 2021	1,035.51	44.31	7,122.35	54,081.22	1,797.20	1,144.03	992.36	9,313.55	75,530.53
Add: Additions	-	-	1,630.10	6,619.94	135.75	69.41	22.46	5,981.60	14,459.26
Less: Deletions/adjustments (Refer note (vi) below)	14.30	-	20.40	342.23	51.55	(18.96)	30.07	7,246.59	7,686.18
Add: Exchange difference	(8.28)	-	30.78	(926.52)	(119.61)	(29.08)	15.03	(140.93)	(1,178.61)
As at December 31, 2021	1,012.93	44.31	8,762.83	59,432.41	1,761.79	1,203.32	999.78	7,907.63	81,125.00
Add: Additions	10.91	6.96	792.98	7,890.55	127.63	122.48	172.73	4,191.92	13,316.16
Less: Deletions/adjustments	-	-	211.25	990.42	232.46	221.34	57.25	7,196.82	8,909.54
Less: Impairment losses (Refer note (v) below)	-	-	-	-	-	-	-	465.64	465.64
Add: Exchange difference	59.84	-	673.69	4,352.04	71.41	65.08	81.56	232.13	5,535.75
As at December 31, 2022	1,083.68	51.27	10,018.25	70,684.58	1,728.37	1,169.54	1,196.82	4,669.22	91,067.37
Accumulated depreciation									
Up to January 1, 2021	10.50	1.77	2,229.06	20,997.54	1,098.82	516.76	56.47	-	24,910.92
Add: Depreciation for the year	-	0.37	603.78	5,745.04	163.32	164.05	70.88	-	6,747.44
Less: Deletions/Adjustments (Refer note (vi) below)	-	-	19.96	330.40	3.95	(12.36)	29.11	-	371.06
Add: Impairment losses (Refer note (v) below)	-	-	-	168.07	-	-	-	-	168.07
Add: Exchange difference	(0.68)	-	117.40	(120.69)	(82.82)	(11.30)	7.25	(90.84)	(90.84)
Up to December 31, 2021	9.82	2.14	2,930.28	26,459.56	1,175.37	681.87	105.49	31,364.53	31,364.53
Add: Depreciation for the year	-	0.38	560.32	5,968.66	150.53	141.55	93.03	-	6,914.47
Less: Deletions/Adjustments	-	-	201.27	975.68	194.21	204.90	48.06	-	1,624.12
Add: Exchange difference	0.48	-	282.79	2,303.15	51.11	32.35	21.25	-	2,691.13
Up to December 31, 2022	10.30	2.52	3,572.12	33,755.69	1,182.80	650.87	171.71	39,346.01	39,346.01
Net carrying amount									
As at December 31, 2021	1,003.11	42.17	5,832.55	32,972.85	586.42	521.45	894.29	7,907.63	49,760.47
As at December 31, 2022	1,073.38	48.75	6,446.13	36,928.89	545.57	518.67	1,025.11	4,669.22	51,721.36

Note:

- Certain movable and immovable property, plant and equipment are hypothecated against the non-current and current borrowings availed by the Group. Refer note 19 and 23.
- Includes buildings constructed and plant and equipment installed on leasehold land and depreciated over lease period.
- For contractual commitments relating to capital work-in-progress, refer note 44 (ii).
- Leasehold land pertains to limestone mining leases in Rain Cements Limited.
- For details regarding impairment refer note 54.
- During the year, administrative costs of ₹ 109.21* (Previous year: ₹ 193.85**) have been capitalised as these costs were incurred directly in connection with capital projects.
 - * Includes salaries of ₹ 15.99, rent of ₹ 0.36, power and fuel of ₹ 14.67, Insurance of ₹ 0.83, repairs and maintenance of ₹ 2.49, Water Charges of ₹ 0.55, consultancy charges of ₹ 72.07 and Cost of material consumed of ₹ 2.25.
 - ** Includes salaries of ₹ 61.56, rent of ₹ 1.04, power and fuel of ₹ 17.94, Insurance of ₹ 7.04, repairs and maintenance of ₹ 10.20, Water Charges of ₹ 1.55, consultancy charges of ₹ 89.88 and Cost of material consumed of ₹ 4.64.
- Refer note 45(v) for disclosure relating to capital-work-in progress.
- Exchange difference pertains to gain/(loss) on translating the financial statements of foreign operations.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 4: Right of use asset

	Land - leasehold	Buildings	Plant and equipment	Office equipments	Vehicles	Total
Gross carrying amount						
As at January 1, 2021	609.54	945.67	3,043.63	23.89	1,625.14	6,247.87
Add: Additions	-	157.83	52.55	1.65	183.56	395.59
Less: Deletions/adjustments (Refer note (ii) below)	13.90	0.36	3.45	0.56	3.08	21.35
Add: Exchange difference	(1.56)	(63.89)	(181.33)	(2.30)	(113.36)	(362.44)
As at December 31, 2021	594.08	1,039.25	2,911.40	22.68	1,692.26	6,259.67
Add: Additions	734.52	175.54	328.41	18.46	81.88	1,338.81
Less: Deletions/adjustments	-	20.88	29.43	15.70	19.51	85.52
Add: Exchange difference	0.63	162.91	272.85	3.61	86.66	526.66
As at December 31, 2022	1,329.23	1,356.82	3,483.23	29.05	1,841.29	8,039.62
Accumulated depreciation						
Up to January 1, 2021	61.45	202.07	759.91	7.26	303.82	1,334.51
Add: Depreciation for the year	50.75	211.89	493.17	7.38	323.65	1,086.84
Less: Deletions/adjustments (Refer note (ii) below)	9.64	-	3.45	0.56	3.04	16.69
Add: Exchange difference	(0.58)	(66.08)	(123.72)	(1.70)	(31.53)	(223.61)
Up to December 31, 2021	101.98	347.88	1,125.91	12.38	592.90	2,181.05
Add: Depreciation for the year	47.68	212.05	440.51	6.98	198.51	905.73
Less: Deletions/adjustments	-	-	21.33	11.43	17.69	50.45
Add: Exchange difference	0.49	107.98	182.80	2.01	40.80	334.08
Up to December 31, 2022	150.15	667.91	1,727.89	9.94	814.52	3,370.41
Net carrying amount						
As at December 31, 2021	492.10	691.37	1,785.49	10.30	1,099.36	4,078.62
As at December 31, 2022	1,179.08	688.91	1,755.34	19.11	1,026.77	4,669.21

Notes:

- (i) For details regarding future minimum lease payments at the end of the year, Refer note 46.
(ii) Deletions/Adjustments include derecognition of assets on sale of subsidiaries.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 5: Goodwill and Other intangible assets:

	Goodwill (A)	Licenses and franchise (a)	Other intangible assets (b)	Total Other Intangible assets (B=a+b)	Total (A+B)
Gross carrying amount					
As at January 1, 2021	64,726.35	553.87	45.30	599.17	65,325.52
Add: Additions	-	6.26	9.80	16.06	16.06
Less: Deletions (Refer note (ii) below)	-	0.10	-	0.10	0.10
Add: Exchange difference	(1,420.21)	(35.04)	(0.44)	(35.48)	(1,455.69)
As at December 31, 2021	63,306.14	524.99	54.66	579.65	63,885.79
Add: Additions	-	7.28	-	7.28	7.28
Less: Deletions	-	6.00	-	6.00	6.00
Add: Exchange difference	5,120.33	25.58	8.69	34.27	5,154.60
As at December 31, 2022	68,426.47	551.85	63.35	615.20	69,041.67
Accumulated amortisation					
As at January 1, 2021	-	285.70	15.46	301.16	301.16
Add: Amortisation for the year	-	138.54	8.71	147.25	147.25
Less: Deletions (Refer note (ii) below)	-	0.10	-	0.10	0.10
Add: Exchange difference	-	(23.36)	(0.13)	(23.49)	(23.49)
Up to December 31, 2021	-	400.78	24.04	424.82	424.82
Add: Amortisation for the year	-	70.61	12.29	82.90	82.90
Less: Deletions	-	5.98	-	5.98	5.98
Add: Exchange difference	-	23.94	3.73	27.67	27.67
Up to December 31, 2022	-	489.35	40.06	529.41	529.41
Net carrying amount					
As at December 31, 2021	63,306.14	124.21	30.62	154.83	63,460.97
As at December 31, 2022	68,426.47	62.50	23.29	85.79	68,512.26

Notes:

(i) For impairment analysis performed for goodwill on consolidation, Refer note 39.

(ii) Deletions include derecognition of assets on sale of subsidiaries.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 6: Equity accounted investments

	As at December 31, 2022	As at December 31, 2021
Associates (unquoted):		
- InfraTec Duisburg GmbH – 7,500 (December 31, 2021: 7,500) ordinary shares with no par value (Refer note 36)	94.29	87.06
Total	94.29	87.06

Note 7: Non-current investments

	As at December 31, 2022	As at December 31, 2021
A. Investment in equity shares		
(i) in other entities		
At Fair value through Other comprehensive income (FVTOCI) (unquoted)		
- Arsol Aromatics GmbH & Co. – 1,365,860 (December 31, 2021: 1,365,860) ordinary shares with no par value	30.04	28.65
At Fair value through Profit and loss (FVTPL) (unquoted)		
- Andhra Pradesh Gas Power Corporation Limited – 134,000 (December 31, 2021: 134,000) equity shares of ₹ 10 each fully paid up	16.00	16.00
B. Investment in Government securities carried at Fair value through Profit and loss (FVTPL) (unquoted)		
- National Savings Certificates	0.09	0.14
Total	46.13	44.79
(a) aggregate value of quoted investments	-	-
(b) aggregate value of unquoted investments	46.13	44.79

Note 8: Non-current loans

(Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Loans and advances		
- to employees	6.80	6.81
Inter-corporate deposits	-	110.00
Total	6.80	116.81

- The Group's exposure to credit risks is included in note 35.4.

- There are no loans due by directors of the Company either severally or jointly with any other persons.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 9: Other non-current financial assets (Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Security deposits	125.82	120.46
Electricity deposit	199.97	195.46
Bank deposits due to mature after 12 months of the reporting date* (Refer note 13)	126.73	2.95
Interest accrued on deposits	0.06	0.02
Balances held as margin money against guarantees and other commitments	2.00	-
Total	454.58	318.89

* Represents lien marked deposits with government authorities and customers.

- The Group's exposure to credit risks is included in note 35.4.

Note 10: Other non-current assets (Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Capital advances	815.99	206.13
Advances other than capital advances:		
Balances with Statutory authorities	36.19	36.38
Excess contribution to Plan assets for Defined benefit plan	3.53	0.36
Total	855.71	242.87

Note 11: Inventories (At lower of cost or net realisable value)

	As at December 31, 2022	As at December 31, 2021
(a) Raw materials	21,638.09	9,965.46
(b) Work-in-progress	2,847.21	1,990.44
(c) Finished goods	13,109.61	8,035.70
(d) Stock-in-trade	3,228.17	2,129.50
(e) Stores and spares	2,900.39	2,382.72
(f) Packing materials	177.20	162.91
(g) Fuel	1,246.31	451.30
Total	45,146.98	25,118.03
Goods-in-transit, included above		
(a) Raw materials	3,150.87	811.38
(b) Stock-in-trade	532.76	962.96
(c) Stores and spares	1.87	0.95
(d) Fuel	188.48	20.96
Total	3,873.98	1,796.25

The above inventories are net of provision for net realisable values of ₹ 1,383.42 and ₹ 921.32 as at December 31, 2022 and December 31, 2021 respectively. The write-down and reversal are included in cost of materials consumed or changes in inventories of finished goods, work-in-progress and stock-in-trade. Refer note 52.

For details of inventories hypothecated against the non-current and current borrowings availed by the Group. Refer note 19 and 23.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 12: Trade receivables

	As at December 31, 2022	As at December 31, 2021
Trade receivables considered good – secured	138.84	200.55
Trade receivables considered good – unsecured*	24,802.00	16,784.82
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	131.45	172.77
	25,072.29	17,158.14
Less: Allowance for expected credit losses	131.45	172.77
Total	24,940.84	16,985.37

Trade receivables ageing schedule as at December 31, 2022:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivables considered good	112.17	21,715.28	2,996.54	51.22	19.58	12.35	33.70	24,940.84
ii. Undisputed Trade Receivables considered doubtful	-	4.05	17.85	0.53	9.36	11.06	88.60	131.45
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
v. Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-	-
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Sub-Total	112.17	21,719.33	3,014.39	51.75	28.94	23.41	122.30	25,072.29
Less: Allowance for credit Impairment								131.45
Total								24,940.84

Trade receivables ageing schedule as at December 31, 2021:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivables considered good	207.57	14,352.72	2,283.87	30.01	34.82	36.75	39.63	16,985.37
ii. Undisputed Trade Receivables considered doubtful	-	3.29	24.78	6.98	9.66	42.31	85.75	172.77
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
v. Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-	-
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Sub-Total	207.57	14,356.01	2,308.65	36.99	44.48	79.06	125.38	17,158.14
Less: Allowance for credit Impairment								172.77
Total								16,985.37

* The balance includes amounts receivable amounting to ₹ 2,215.75 (Previous year: ₹ 1,130.91) for which the Group has received security in the form of Letters of Credit.

– For details of trade receivables hypothecated against current borrowings, refer note 23.

– Refer note 42 (b) for amounts receivable from related parties.

– The Group's exposure to credit and currency risks related to trade receivables are disclosed in note 35.4 and 35.8.

– There are no trade receivables due from directors of the Company either severally or jointly with any other persons.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 13: Cash and bank balances

	As at December 31, 2022	As at December 31, 2021
A. Cash and cash equivalents		
Cash on hand	0.29	0.47
Cheques/drafts on hand	0.05	-
Balances with banks:		
- in current accounts	9,208.92	8,218.34
- in exchange earners foreign currency (EEFC) accounts	0.37	1,246.75
- in deposit accounts (with original maturity of three months or less)	2,467.26	1,565.65
	11,676.89	11,031.21
B. Bank balances other than cash and cash equivalents		
Balances held as margin money against guarantees and other commitments	323.15	263.74
Unpaid dividend accounts	27.24	32.15
Bank deposits due to mature after three months of the reporting date*	4,805.59	2,517.36
Less: Bank deposits due to mature after 12 months of the reporting date (Refer note 8)	126.73	2.95
	5,029.25	2,810.30
Total [A+B]	16,706.14	13,841.51

* Out of above deposits ₹ 1,526.35 (December 31, 2021: ₹ 159.43) are lien marked with government authorities and customers.

Note 14: Current loans

(Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Inter-corporate deposits with financial institutions (HDFC)	1,169.29	3,004.52
Loan to employees	9.80	7.93
Total	1,179.09	3,012.45

- The Group's exposure to credit and currency risks related to current loans are disclosed in note 35.4 and 35.8.

- There are no loans due by directors of the Company either severally or jointly with any other persons.

Note 15: Other current financial assets

(Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Security deposits	31.65	4.81
Interest accrued on deposits	171.59	128.68
Advance to employees	2.65	5.20
Other receivables	117.11	275.17
Total	323.00	413.86

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 16: Other current assets (Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Prepaid expenses	455.01	232.00
Balances with statutory authorities	1,328.50	1,720.72
Advance to suppliers and service providers	2,090.23	2,862.87
Advance to employees	9.08	3.39
Others	21.31	40.03
Total	3,904.13	4,859.01

– Refer note 42 (b) for advances paid to related parties.

Note 17: Equity Share capital

	As at December 31, 2022		As at December 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital:				
Equity shares of ₹ 2 each	590,000,000	1,180.00	590,000,000	1,180.00
Redeemable preference shares of ₹ 100 each	4,900,000	490.00	4,900,000	490.00
Total	594,900,000	1,670.00	594,900,000	1,670.00
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 2 each	336,345,679	672.69	336,345,679	672.69
Total	336,345,679	672.69	336,345,679	672.69

Notes:

(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at December 31, 2022		As at December 31, 2021	
	Number of shares	Amount	Number of shares	Amount
As at beginning of the year	336,345,679	672.69	336,345,679	672.69
Add/(Less): Changes in equity shares during the year	-	-	-	-
As at end of the year	336,345,679	672.69	336,345,679	672.69

(ii) Rights, preferences and restrictions attached to the equity shares

The Company has one class of equity shares having a par value of ₹ 2 each per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. However, in case of interim dividend the profits are distributed based on approval of Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

The Board of Directors at its meeting held on July 29, 2022 has declared an interim dividend of 50% (₹ 1 per equity share of par value of ₹ 2 each amounting to ₹ 336.35) and no further dividend has been recommended for the financial year ended December 31, 2022.

The Board of Directors at its meeting held on October 30, 2021 had declared an interim dividend of 50% (₹ 1 per equity share of par value of ₹ 2 each amounting to ₹ 336.35) and no further dividend has been recommended for the financial year ended December 31, 2021.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 17: Equity Share capital (continued)

(iii) Shareholders holding more than 5% of the equity shares

Name of the shareholder	As at December 31, 2022		As at December 31, 2021	
	Number of shares	%	Number of shares	%
Sujala Investments Private Limited	37,766,675	11.23	37,766,675	11.23
Rain Enterprises Private Limited	25,316,465	7.53	25,316,465	7.53
N. Anupama Reddy	27,300,669	8.12	27,300,669	8.12

(iv) Shares held by Promoters

Name of the Promoter	As at December 31, 2022		
	Number of shares	Percentage of total shares	Percentage of change during the year
Mr. N. Radhakrishna Reddy	10,383,730	3.09	0%
Mr. N. Sujith Kumar Reddy	10,028,770	2.98	0%
Mr. Jagan Mohan Reddy Nellore	100	0.00	0%
Ms. N. Indira Reddy	7,513,100	2.23	0%
Ms. N. Akhila Reddy	1,869,315	0.56	0%
Ms. K. V. Arundhathi Reddy	14,285	0.00	0%
Ms. N. Anupama Reddy	27,300,669	8.12	0%
Sujala Investments Private Limited	37,766,675	11.23	0%
Rain Enterprises Private Limited	25,316,465	7.53	0%
Nivee Holdings Private Limited	8,143,250	2.42	0%
Arunachala Holdings Private Limited	5,272,500	1.57	0%
PCL Financial Services Private Limited	3,780,750	1.12	0%
Arunachala Logistics Private Limited	989,245	0.29	0%

Name of the Promoter	As at December 31, 2021		
	Number of shares	Percentage of total shares	Percentage of change during the year
Mr. N. Radhakrishna Reddy	10,383,730	3.09	0%
Mr. N. Sujith Kumar Reddy	10,028,770	2.98	0%
Mr. Jagan Mohan Reddy Nellore	100	0.00	0%
Ms. N. Indira Reddy	7,513,100	2.23	0%
Ms. N. Akhila Reddy	1,869,315	0.56	0%
Ms. K. V. Arundhathi Reddy	14,285	0.00	0%
Ms. N. Anupama Reddy	27,300,669	8.12	0%
Sujala Investments Private Limited	37,766,675	11.23	0%
Rain Enterprises Private Limited	25,316,465	7.53	0%
Nivee Holdings Private Limited	8,143,250	2.42	0%
Arunachala Holdings Private Limited	5,272,500	1.57	0%
PCL Financial Services Private Limited	3,780,750	1.12	0%
Arunachala Logistics Private Limited	989,245	0.29	0%

- (v) There are no shares issued pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the reporting date.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 18: Other equity

	As at December 31, 2022	As at December 31, 2021
(i) Reserves and Surplus		
(a) Capital Reserve (Balance at the beginning and end of the year)	43.98	43.98
(b) Securities premium (Balance at the beginning and end of the year)	516.67	516.67
(c) Capital redemption reserve (Balance at the beginning and end of the year)	47.66	47.66
(d) General reserve		
Opening balance	1,605.01	1,573.85
Add: Transferred from retained earnings	-	31.16
Closing balance	1,605.01	1,605.01
(e) Retained earnings		
Opening balance	56,730.62	51,296.55
Add: Profit for the year	14,386.45	5,801.58
Less: Dividend for the year	336.35	336.35
Less: Transfer to general reserve	-	31.16
Closing balance	70,780.72	56,730.62
(f) Remeasurements of defined benefit plans		
Opening balance	(1,778.71)	(2,658.70)
Add: Actuarial gain/(loss) on remeasurements of defined benefit plans	5,613.75	879.99
Closing balance	3,835.04	(1,778.71)
(ii) Items of other comprehensive income:		
(a) Foreign currency translation reserve		
Opening balance	3,254.21	3,842.26
Add: Translation adjustments	3,512.39	(588.05)
Closing balance	6,766.60	3,254.21
Total	83,595.68	60,419.44

Note 19: Non-current borrowings

	As at December 31, 2022	As at December 31, 2021
A. Bonds		
From banks (Refer note (i))		
- Secured banks		
7.25% Senior secured notes (due for repayment in April 2025)	43,558.72	40,123.60
	43,558.72	40,123.60
B. Term loans		
From banks (Refer note (ii) to (vi))		
- Secured banks	35,864.13	34,632.15
From other parties (Refer note (vii))		
- Unsecured	0.31	0.28
Less: Current maturities of non-current borrowings disclosed under Note 23 – Current Borrowings	(1,655.72)	(608.22)
	34,208.72	34,024.21
C. Deferred payment liabilities		
- Unsecured (Refer note (viii))	288.34	427.26
Less: Current maturities of non-current borrowings disclosed under Note 23 – Current Borrowings	(100.85)	(138.90)
	187.49	288.36
Total [A+B+C]	77,954.93	74,436.17

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Notes:

- (i) On March 31, 2017, one of the Group Companies in United States issued USD 550 million of 7.25% senior secured notes due in April 2025 (the "2025 Notes"). The net proceeds were used to redeem all of the outstanding 2018 Notes and tendered for USD 115 million of 2021 Notes. The 2025 Notes contain covenants and conditions that limit the Group Company's ability to, among other things, pay cash dividends, incur indebtedness and make investments. The Group Company may redeem some or all of the 2025 Notes at any time on or after April 1, 2020 up to March 31, 2023 at specified redemption prices. The 2025 Notes are secured by substantially all of the assets of the Group Company and are guaranteed by the Group Company's subsidiaries incorporated in United States on a joint and several basis. The Group Company has repurchased notes amounting to ₹ 1,172.64 (USD 15.7 million) during the year ended December 31, 2022 (December 31, 2021: ₹ 338.47 (USD 4.5 million)). The 2025 Notes are having second-lien on assets after Term loan B. Balance (gross of transaction costs) as at December 31, 2022 is ₹ 43,865.70 (USD 529.8 million) and as at December 31, 2021 is ₹ 40,534.07 (USD 545.5 million).
- (ii) During the financial year ended December 31, 2016, the Company had borrowed Term loan of USD 30 Million from a bank which was secured by a pari passu first charge on all immovable and movable properties of Rain Cements Limited (RCL), a wholly owned subsidiary Company, except for current assets of RCL (present and future) and assets charged with Axis Bank Limited for another loan availed by RCL. Further a Corporate Guarantee has been issued by RCL in favour of the bank. The loan was sanctioned vide credit facilities agreement dated February 20, 2016 between the Company, RCL and the bank. No guarantee commission has been charged by RCL based on the requirements of the bank. It carries interest of 3 months LIBOR plus 300 basis points. Balance (gross of transaction costs) as at December 31, 2022 is ₹ Nil (USD Nil) and as at December 31, 2021 is ₹ 534.98 (USD 7.2 million).
- (iii) During the financial year ended December 31, 2021, the Company has borrowed Term loan of USD 20 Million from a bank and is secured by:
- Pari passu first charge by way of hypothecation on all movable assets both present and future of the Company
 - Corporate guarantee of Rain CII Carbon (Vizag) Limited (RCCVL) in favour of the bank
 - Pledge over 1,000,000 equity shares of ₹ 10 each held by the Company in RCCVL, a wholly owned step-down subsidiary
- No guarantee commission has been charged by RCCVL based on the requirements of the bank. It carries interest of SOFR + margin of 310 basis points payable monthly. The loan is repayable on November 30, 2023. Balance (gross of transaction costs) as at December 31, 2022 is ₹ 1,655.72 (USD 20 million) and as at December 31, 2021: ₹ 1,486.05 (USD 20 million).
- (iv) The term loans in (ii) and (iii) above, post its disbursal in the previous year, was utilised for the purpose for which it was borrowed. As on the Balance Sheet date the Overseas Direct Investments (ODI) in the form of investments in and loans to overseas subsidiaries exceeds the term loans obtained for ODI purposes.
- (v) During the year 2020, one of the Group company incorporated in India availed a loan of ₹ 199.10 from a bank towards purchase of Earth Moving Equipment such as Wheel Loaders, Tippers & Excavators. The loan is repayable in 35 equated monthly installments and is secured by First and exclusive charge on assets financed by a bank. The loan carries an interest rate of 8.50% p.a. (previous year: 8.5% p.a.) Balance as at December 31, 2022 is ₹ Nil (December 31, 2021: ₹ 73.94).
- (vi) On January 16, 2018, one of the Group Companies in United States repaid its erstwhile 2021 Notes financed by a new Term Loan B of EUR 390 million ("TLB") borrowed by Wholly Owned Subsidiary in Germany. Interest rate on the TLB is EURIBOR (subject to a 0.0% floor) plus 3%. The TLB is First Lien Debt having priority over 2025 Notes. The TLB contain covenants and conditions that limit the Group Company's ability to, among other things, pay cash dividends, incur indebtedness and make investments. The TLB is secured by substantially all of the assets of the Group Company and are guaranteed by the Group Company's subsidiaries except Group Company's subsidiaries incorporated in India and Russia on a joint and several basis. The TLB will mature in 7 years after the closing date i.e. in January 2025. The TLB is repayable

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

after December 31, 2019 in the manner specified under the provisions for mandatory and voluntary prepayment in the credit agreement. The prepayment is determined at the percentage on excess cash flows at specified financial leverages in the credit agreement. Balance (gross of transaction costs) as at December 31, 2022 is ₹ 34,378.50 (EUR 390 million) and as at December 31, 2021: ₹ 32,779.50 (EUR 390 million).

- (vii) On April 27, 2020, two subsidiary companies incorporated in USA received a ₹ 476.64 (USD 6.2 million) loan from the U.S. Small Business Administration (SBA) through the Paycheck Protection Program (PPP). All or a portion of the loan is Forgivable if the subsidiary companies meet specified requirements regarding the use of these funds over the designated period following receipt of loan proceeds. The unforgiven portion of the loan, if any, is payable over eighteen months, after the conclusion of a six month deferral period, and the subsidiary companies are permitted to repay at any time without penalty. The PPP loan is unsecured and is evidenced by a note in favour of Bank of America.

The subsidiary companies have recognized the loan at its fair value and the interest expense being recognised on the loan under the effective interest rate method as at and for the year ended December 31, 2021 and 2022. The benefit (i.e. difference between the fair value of loan on recognition and the amount received) is recognised as a government grant under the heading Other Income. During September 2021, the SBA communicated its formal forgiveness after completion of its verification of one of the subsidiary company in USA. Accordingly, the subsidiary de-recognised the liability and the forgiveness was recorded as government grant income under the heading Other Income. Balance as at December 31, 2022 is ₹ 0.31 (December 31, 2021: ₹ 0.28).

- (viii) Sales tax deferment represents interest free liability in Rain Cements Limited. Balance outstanding is repayable in 30 monthly instalments based on deferment schedule.
- (ix) The Group has not defaulted on payment of principal and interest thereon on above term loans.
- (x) Reconciliation of liabilities arising from financing activities

(a) Non-current borrowings (including current maturities of non-current borrowings included in current borrowings):

Particulars	As at December 31, 2022	As at December 31, 2021
Opening balance at the beginning of the year	75,183.29	78,185.26
Borrowings made during the year	-	1,498.00
Borrowings repaid during the year	(1,804.52)	(2,645.08)
Loan forgiven during the year (non-cash changes)	-	(458.33)
Sales tax deferment paid	(138.92)	(83.10)
Effect of changes in foreign exchange rates (non-cash changes)	6,400.12	(1,535.15)
Amortisation of deferred finance cost (non-cash changes)	71.53	221.69
Closing balance at the end of the year	79,711.50	75,183.29

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(b) Lease liabilities (including current maturities):

Particulars	As at December 31, 2022	As at December 31, 2021
Opening balance at the beginning of the year	4,409.00	5,239.44
Additions during the year	1,338.81	393.98
Interest accrued during the year	225.19	221.11
Deletions during the year	(33.11)	(18.06)
Lease principal payments during the year	(900.13)	(1,045.86)
Lease interest payments during the year	(219.80)	(217.52)
Effect of changes in foreign exchange rates	242.94	(164.09)
Closing balance at the end of the year	5,062.90	4,409.00

The Group's exposure to liquidity and currency risk related to borrowings is disclosed in note 35.5 and 35.8.

Note 20: Other non-current financial liabilities

Particulars	As at December 31, 2022	As at December 31, 2021
Employee payables	48.64	62.98
Total	48.64	62.98

The Group's exposure to liquidity risks and currency risks are disclosed in note 35.5 and 35.8, respectively.

Note 21: Non-current provisions

	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits:		
- Compensated absences (Refer note 41)	320.40	258.14
- Defined benefit plans (net) (Refer note 41)	7,260.82	11,919.16
Provision - others		
- Provision for environment liabilities (Refer note 50)	1,221.72	1,125.23
- Other provisions (Refer note 51)	80.23	50.42
Total	8,883.17	13,352.95

Note 22: Other non-current liabilities

	As at December 31, 2022	As at December 31, 2021
Unearned revenue (Refer note 28)	5.42	11.54
Others	0.04	0.03
Total	5.46	11.57

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 23: Current borrowings

	As at December 31, 2022	As at December 31, 2021
Loans repayable on demand		
From banks - Secured		
- Packing credit foreign currency loan (Refer note (i) and (ii))	2,203.22	1,102.40
- Supplier's credit facility (Refer note (i))	1,038.14	780.48
- Revolver credit facility (Refer note (iii))	9,298.41	3,419.15
Current maturities of non-current borrowings (Refer note 19)	1,756.57	747.12
Total	14,296.34	6,049.15

Notes:

- (i) During 2013, the Group Company incorporated in India, entered into agreements with two banks for an aggregated facility amount of ₹ 5,752.92 (USD 69.5 million) (December 31, 2021: ₹ 4,526.28 (USD 60.9 million)) which can be utilized for issuance of letter of credits, bank guarantees, suppliers credit facility and cash drawings. Outstanding letters of credit issued under these facilities are subject to a fee of 0.75% per annum. The Group Company is not obliged to pay commitment fee on unused portion of the working capital line of credit under this facility. Cash drawings under these facilities are subject to interest rate of SOFR plus 100 basis points and SOFR plus 135 basis points per annum for each bank.

These facilities are secured by pari-passu first charge over current assets comprising of all inventories and book debts both present and future of the said company.

At December 31, 2022, cash drawings outstanding under packing credit foreign currency loan aggregated to ₹ 1,528.63 (USD 18.5 million) and ₹ 1,038.14 (USD 12.5 million) towards Suppliers credit facility

At December 31, 2021, cash drawings outstanding under the facility aggregated to ₹ 1,352.61 (USD 18.2 million), of which ₹ 572.13 (USD 7.7 million) were towards packing credit foreign currency loan and ₹ 780.48 (USD 10.5 million) were towards Suppliers credit facility.

At December 31, 2022, letters of credit outstanding were ₹ 1,229.38 (USD 14.9 million) and bank guarantees outstanding were ₹ 30.65 (USD 0.4 million) under the facility.

At December 31, 2021, bank guarantees outstanding were ₹ 26.00 (USD 0.3 million) under the facility.

Available limit under both facilities amounts to ₹ 1,926.12 (USD 23.2 million) and ₹ 3,147.67 (USD 42.4 million) as at December 31, 2022 and 2021 respectively.

- (ii) During 2013, the Group Company incorporated in India, entered into an agreement with two banks for an aggregated cash credit facility of ₹ 2,840.00 (USD 34.3 million) (December 31, 2021: ₹ 810.00 (USD 10.9 million)).

Outstanding letters of credit issued under these facilities are subject to a fee of 0.75% per annum. The Group Company is not obliged to pay a commitment fee on the unused portion of the working capital line of credit under this facility. Cash drawings under the above said facility are subjected to interest rate of SOFR plus 50 basis points per annum.

These facilities are secured by pari-passu first charge over current assets comprising of all inventories and book debts both present and future of the said company.

At December 31, 2022, cash drawings outstanding under the facility aggregated to ₹ 674.59 (USD 8.2 million), which is towards packing credit foreign currency loan.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

At December 31, 2021, cash drawings outstanding under the facility aggregated to ₹ 530.27 (USD 7.1 million), which is towards packing credit foreign currency loan.

At December 31, 2022 bank guarantees outstanding under the facility aggregated to ₹ 156.06 (USD 1.9 million).

At December 31, 2021 bank guarantees outstanding under the facility aggregated to ₹ 220.06 (USD 3.0 million).

Available limits under the facility were ₹ 2,009.35 (USD 24.2 million) and ₹ 59.67 (USD 0.8 million) as at December 31, 2022 and 2021, respectively.

- (iii) On January 16, 2018, certain Group Companies in United States and European region entered into a Revolver Credit Facility (RCF) Agreement with three banks. The agreement provides for a ₹ 16,558.00 (USD 200.0 million) (December 31, 2021: ₹ 11,145.00 (USD 150.0 million)) RCF loan commitment of which ₹ 4,553.45 (USD 55.0 million) were separated in an Ancillary facility for documentary business needs for the aforesaid companies. Allocation of limit for the Ancillary facility between the aforesaid companies is flexible. The facility is available till October 2024. The interest rates are variable and depend on currency of the borrowing. At December 31, 2022 rate for USD borrowings was SOFR plus 250 basis points (previous year: LIBOR plus 250 basis points) and for EUR borrowings is EURIBOR plus 250 basis points (previous year: EURIBOR plus 250 basis points).

The RCF is secured by substantially all of the assets of the Group Company and are guaranteed by the Group Company's subsidiaries except Group Company's subsidiaries incorporated in India and Russia on a joint and several basis.

At December 31, 2022 cash drawings outstanding under the RCF aggregated to ₹ 9,298.41 (USD 112.3 million) of which USD borrowings aggregated to ₹ 1,655.80 (USD 20.0 million) and EUR borrowings aggregated to ₹ 7,642.61 (EUR 86.7 million). Variable interest rate depends on the type of borrowing.

At December 31, 2021 cash drawings outstanding under the RCF aggregated to ₹ 3,419.15 (USD 46.0 million) of which USD borrowings aggregated to ₹ 1,486.00 (USD 20.0 million) and EUR borrowings aggregated to ₹ 1,933.15 (EUR 23.0 million). Variable interest rate depends on the type of borrowing.

At December 31, 2022, letters of credit outstanding aggregated ₹ 836.12 (USD 10.1 million) under the North-America facility and ₹ 2,160.82 (USD 26.1 million) under the European Ancillary facility.

At December 31, 2021, letters of credit outstanding aggregated ₹ 371.50 (USD 5.0 million) under the North-America facility and ₹ 988.19 (USD 13.3 million) under the European Ancillary facility.

Available limit under the facility amounts to ₹ 4,262.65 (USD 51.5 million) and ₹ 6,366.16 (USD 85.7 million) as at December 31, 2022 and 2021 respectively.

- (iv) The Group has not defaulted on payment of principal and interest thereon on above loans.

- (v) **Reconciliation of liabilities arising from financing activities (excluding current maturities of non-current borrowings):**

Particulars	As at December 31, 2022	As at December 31, 2021
Opening balance at the beginning of the year	5,302.03	5,162.32
Borrowings made during the year	11,929.47	7,228.31
Borrowings repaid during the year	(6,774.99)	(7,003.63)
Effect of changes in foreign exchange rates (non-cash changes)	2,083.26	(84.97)
Closing balance at the end of the year	12,539.77	5,302.03

The Group's exposure to liquidity, interest and currency risks related to borrowings is disclosed in note 35.5, 35.7 and 35.8.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 24: Trade payables

	As at December 31, 2022	As at December 31, 2021
Total outstanding dues of micro enterprises and small enterprises	46.53	38.82
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,435.82	13,934.55
Total	15,482.35	13,973.37

Trade payables ageing schedule as at December 31, 2022:

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME*	6.17	29.54	2.03	0.77	2.17	5.85	46.53
ii. Others	3,652.10	9,527.01	1,755.13	89.95	253.50	158.13	15,435.82
iii. Disputed dues – MSME	-	-	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-	-	-
Balance as at December 31, 2022	3,658.27	9,556.55	1,757.16	90.72	255.67	163.98	15,482.35

Trade payables ageing schedule as at December 31, 2021:

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME*	-	27.76	3.05	2.17	1.47	4.37	38.82
ii. Others	2,124.54	9,156.90	2,317.76	120.28	139.17	75.90	13,934.55
iii. Disputed dues – MSME	-	-	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-	-	-
Balance as at December 31, 2021	2,124.54	9,184.66	2,320.81	122.45	140.64	80.27	13,973.37

* Micro, Small and Medium Enterprises.

The Group's exposure to liquidity and currency risks related to trade payables is disclosed in note 35.5 and 35.8.

Note 25: Other current financial liabilities

	As at December 31, 2022	As at December 31, 2021
Interest accrued but not due on borrowings	1,042.84	934.64
Trade and security deposits	325.42	237.78
Employee payables	1,279.32	1,110.21
Deposits from contractors	397.61	710.52
Discounts payable	283.51	89.88
Unpaid dividends*	27.24	32.15
Others		
– Payables on purchase of property, plant and equipment	1,103.70	922.78
– Retention money	48.37	79.60
– Others	495.20	731.63
Total	5,003.21	4,849.19

*There is no amount due and outstanding to be credited to Investor Education and Protection fund as at December 31, 2022.

The Group's exposure to liquidity and currency risks related to other current financial liabilities is disclosed in note 35.5 and 35.8.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 25: Other current financial liabilities (continued)

Reconciliation of liabilities (interest accrued) arising from financing activities:

	As at December 31, 2022	As at December 31, 2021
Opening balance at the beginning of the year	934.64	958.07
Interest accrued during the year (non-cash changes)	5,004.18	4,554.10
Interest paid during the year	(4,980.40)	(4,520.07)
Effect of changes in foreign exchange rates (non-cash changes)	84.42	(57.46)
Closing balance at the end of the year	1,042.84	934.64

Note 26: Other current liabilities

	As at December 31, 2022	As at December 31, 2021
Unearned revenue (Refer note 28)	6.69	6.36
Other payables		
– Statutory liabilities	1,169.37	1,451.53
– Advances from customers (Refer note 28)	158.02	185.79
– Others	10.99	22.58
Total	1,345.07	1,666.26

Note 27: Current provisions

	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits:		
– Compensated absences (Refer note 41)	82.19	74.98
– Defined benefit plans, net (Refer note 41)	12.33	18.36
– Other provisions (Refer note 51)	13.80	10.09
Provision – Others:		
– Provision for environment liabilities (Refer note 50)	320.20	301.00
– Other provisions (Refer note 51)	503.54	237.55
Total	932.06	641.98

Note 28: Revenue from operations

	For the year ended December 31, 2022	For the year ended December 31, 2021
Sale of products	209,042.61	143,669.81
Sale of services	19.36	27.14
Other operating revenues [Refer note below]	1,048.00	1,570.87
Total	210,109.97	145,267.82

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note:

(i) Other operating revenues comprises:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Scrap sales	22.01	40.63
Duty drawback on exports	-	412.23
Income from sale of certified emission reductions	-	1.24
Rental income	214.36	220.88
Insurance claims	219.49	351.30
Dock revenue	203.13	137.53
Others	389.01	407.06
Total	1,048.00	1,570.87

(ii) Break up of sale of products and sale of services based on timing of transfer of goods or services:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Sale of products recognised at a point in time	209,042.61	143,669.81
Sale of services recognised over a period of time	19.36	27.14
Total	209,061.97	143,696.95

(iii) Contract assets and contract liabilities:

	As at December 31, 2022	As at December 31, 2021
Contract liabilities recorded in balance sheet (Refer note 22 & 26)	170.13	203.69

The Contract liabilities are primarily related to advance from customers for sale of products, for which revenue is recorded at a point in time. The amount of ₹ 185.79 included in contract liabilities as at December 31, 2021 has been recognised as revenue in the current year.

(iv) Reconciliation of revenue from sale of products with contract price:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Contract price (A)	211,619.97	146,595.41
Less – Reductions towards variable consideration components: (B)		
Sales returns	-	92.22
Discounts and rebates	2,491.97	2,774.43
Rebates	42.06	-
Other such reductions	43.33	58.95
Revenue recognised (A-B)	209,042.61	143,669.81

(v) Refer note 38 for geographical segment wise revenue and product wise revenue

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 29: Other income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income		
Interest from banks on deposits including inter-corporate deposits	465.46	400.23
Interest on income tax refund	24.60	1.47
Other interest	7.74	10.22
Other non-operating income		
Gain on sale of subsidiaries (Refer note 55)	32.47	40.10
Insurance claims	26.50	-
Liabilities/provisions no longer required written back	244.16	648.96
Gain on redemption of senior secured notes	38.12	-
Profit on sale of property, plant and equipment (net)*	-	349.45
Government grant income	26.41	458.33
Miscellaneous income	163.23	22.40
Interest on income-tax under Section 234B refund	22.64	-
Total	1,051.33	1,931.16

* Includes amount of ₹ 243.70 for the year ended December 31, 2021 relating to assets held for sale (refer note 53).

Note 30: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening Stock		
Finished goods	8,035.70	4,450.36
Work-in-progress	1,990.44	1,410.23
Stock-in-trade	2,129.50	1,558.23
	12,155.64	7,418.82
Closing Stock		
Finished goods	13,109.61	8,035.70
Work-in-progress	2,847.21	1,990.44
Stock-in-trade	3,228.17	2,129.50
	19,184.99	12,155.64
Increase in stock	(7,029.35)	(4,736.82)
Foreign currency translation adjustment	880.95	(343.73)
Net increase	(6,148.40)	(5,080.55)

Note 31: Employee benefits expense

	For the year ended December 31, 2022	For the year ended December 31, 2021
Salaries and wages	11,974.06	10,864.47
Contributions to provident and other funds (Refer note 41)	974.93	992.94
Staff welfare expenses	571.74	514.95
Total	13,520.73	12,372.36

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 32: Finance costs

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense	4,560.10	4,300.90
Interest expense on lease liabilities	225.19	221.11
Interest on income tax	8.03	13.93
Other borrowing costs	315.44	253.20
Exchange differences regarded as an adjustment to borrowing cost	128.64	-
Total	5,237.40	4,789.14

Note 33: Other expenses

	For the year ended December 31, 2022	For the year ended December 31, 2021
Consumption of stores and spares	3,110.54	2,188.29
Consumption of packing materials	1,264.04	1,221.81
Power and fuel	17,124.75	9,737.75
Repairs and maintenance		
- Plant and machinery	2,876.49	2,217.93
- Buildings	124.70	261.65
- Others	1,141.85	1,339.81
Insurance	1,059.17	876.26
Rent	606.48	687.28
Rates and taxes	404.73	555.18
Travelling and conveyance	200.90	95.36
Selling and distribution expense	2,592.84	2,342.03
Freight expense	10,043.88	8,243.79
Corporate social responsibility and other donations	202.24	160.32
Consultancy charges	2,409.87	2,205.74
Payment to auditors	68.62	78.43
Directors' sitting fees	20.56	18.25
Commission to directors	18.00	28.60
Provision for loss allowance on trade receivables (Refer note 35.4)	25.74	50.01
Loss on redemption of senior secured notes	-	10.83
Provision for advances	50.00	-
Assets written off	114.71	4.49
Bad debts written off	0.49	3.11
Loss on sale of property, plant and equipment	6.84	-
Other expenses	3,758.93	2,920.40
Total	47,226.37	35,247.32

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 34: Income Taxes

(i) Income tax expense/(benefit) recognised in consolidated statement of profit and loss:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current tax:		
Tax for current year	5,705.72	4,107.71
Tax relating to earlier years (Refer (iii) below)	(410.49)	83.35
	5,295.23	4,191.06
Deferred tax:		
Attributable to the origination and reversal of temporary differences	2,203.34	1,637.73
Tax rate change (Refer (iii) below)	5.13	-
	2,208.47	1,637.73
Total	7,503.70	5,828.79

(ii) Income tax expense/(benefit) recognised in other comprehensive income:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of defined benefit plans	138.69	1,655.50
Total	138.69	1,655.50

(iii) Reconciliation of Effective tax rate:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Income tax expense for the year to be reconciled to the accounting profit:		
Profit before tax	23,272.67	12,764.20
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	5,857.27	3,212.49
Effect off:		
Foreign-Derived Intangible Income (FDII) deduction	(167.12)	(114.24)
Tax-exempt income and other deductions	(27.36)	(276.52)
Tax rate changes	5.13	-
Tax related to prior years	(410.49)	83.35
Permanent differences and non-deductible expenses	691.01	758.41
Deferred tax asset derecognised, net	2,485.86	2,339.13
Impact of differences in tax rates between jurisdictions	(1,009.37)	(634.28)
Tax effects on tax base transfers	(19.22)	(26.07)
Taxes on un-distributed foreign earnings	(154.82)	91.29
Others, net	252.81	395.23
Total income tax expense	7,503.70	5,828.79

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 34: Income Taxes (continued)

(iv) Recognised deferred tax assets and liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	As at December 31, 2022	As at December 31, 2021
Property, plant and equipment and intangible assets	(3,429.11)	(2,538.35)
Employee benefits	433.85	468.59
Inventories	225.83	136.05
Interest carried forward	1,184.24	1,039.83
Tax losses carry forward	65.48	460.99
Foreign tax credit	623.96	1,719.95
Taxes on unremitted foreign earnings	(121.73)	(273.64)
Other	(430.01)	(193.99)
Net Deferred tax asset	(1,447.49)	819.43
Deferred tax asset	2,283.24	2,708.66
Deferred tax liability	(3,730.73)	(1,889.23)
Net Deferred tax asset	(1,447.49)	819.43

(v) Movement in temporary differences:

Particulars	Balance as at January 1, 2022	Recognised in consolidated statement of profit and loss during 2022	Recognised in other comprehensive income during 2022	Impact of changes in tax rate	Exchange differences on translation/ other adjustment	Balance as at December 31, 2022
Property, plant and equipment and Intangible assets	(2,538.35)	(632.12)	-	(18.12)	(240.52)	(3,429.11)
Employee benefits	468.59	(18.37)	(138.69)	1.43	120.89	433.85
Inventories	136.05	85.27	-	-	4.51	225.83
Interest carried forward	1,039.83	375.92	-	8.35	(239.86)	1,184.24
Tax losses carry forward	460.99	(722.34)	-	0.07	326.76	65.48
Foreign tax credit	1,719.95	(1,131.59)	-	-	35.60	623.96
Taxes on unremitted foreign earnings	(273.64)	165.90	-	-	(13.99)	(121.73)
Others	(193.99)	(326.01)	-	3.14	86.85	(430.01)
Total	819.43	(2,203.34)	(138.69)	(5.13)	80.24	(1,447.49)

Particulars	Balance as at January 1, 2021	Recognised in consolidated statement of profit and loss during 2021	Recognised in other comprehensive income during 2021	Impact of changes in tax rate	Exchange differences on translation/ other adjustment	Balance as at December 31, 2021
Property, plant and equipment and Intangible assets	(1,687.93)	(732.67)	-	-	(117.75)	(2,538.35)
Employee benefits	3,673.49	(1,396.51)	(1,655.50)	-	(152.89)	468.59
Inventories	194.85	(47.04)	-	-	(11.76)	136.05
Interest carried forward	1,035.73	68.65	-	-	(64.55)	1,039.83
Tax losses carry forward	330.01	45.82	-	-	85.16	460.99
Foreign tax credit	1,120.96	604.00	-	-	(5.01)	1,719.95
Taxes on unremitted foreign earnings	(192.87)	(90.38)	-	-	9.61	(273.64)
Others	(106.88)	(89.60)	-	-	2.49	(193.99)
Total	4,367.36	(1,637.73)	(1,655.50)	-	(254.70)	819.43

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 34: Income Taxes (continued)

(vi) Unrecognised deferred tax assets:

Particulars	As at December 31, 2022		As at December 31, 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses carry forward	6,608.36	2,040.52	4,685.20	592.03
Interest losses carry forward	6,059.52	1,761.05	4,420.72	1,284.77
Property, plant and equipment and Intangible assets	3,460.22	1,158.31	2,345.98	785.32
Employee benefits	2,580.55	863.84	7,138.35	2,389.56
Inventories	213.37	71.42	42.11	14.09
Others	670.84	224.56	295.62	96.75
Total	19,592.86	6,119.70	18,927.98	5,162.52

Particulars	December 31, 2022	Expiry date	December 31, 2021	Expiry date
To expire under current tax legislation	5,478.92	2022-2031	2,817.78	2022-2030
Not to expire under current tax legislation	14,113.94	-	16,110.20	-

(vii) Non-current and current tax assets and liabilities

Particulars	December 31, 2022	December 31, 2021
Non-current tax assets, net	1,073.61	922.06
Current tax assets, net	282.36	544.18
Current tax liabilities, net	1,160.03	1,520.47

(viii) Due to significant increase in operating costs driven by higher natural gas prices and tax losses, the Group's German subsidiary re-assessed the deferred tax assets to be recognised based on the scheduled reversal of deferred tax liabilities and projected future taxable income. Based on such assessment, the Group's German subsidiary reversed the deferred tax assets amounting to ₹ 1,075.43 (previous year: ₹ 2,926.06) in consolidated statement of profit and loss.

During the year ended December 31, 2022, the Group's US subsidiary, based on its assessment of scheduled reversals of deferred tax liabilities and projected future taxable income, has reversed the deferred tax assets amounting to ₹ 246.71 towards interest carry-forward.

The Group's US subsidiary had un-recognised deferred tax assets amounting to ₹ 930.03 towards Foreign Tax Credits ("FTC") as at December 31, 2020. During the year ended December 31, 2021, Management reassessed the recoverability of this unrecognised deferred tax asset based on the scheduled reversal of deferred tax liabilities and projected future taxable income. Accordingly, the Group's US subsidiary recognised the deferred tax assets during the year ended December 31, 2021, amounting to ₹ 930.03 in consolidated statement of profit and loss.

(ix) The Group has recorded a deferred tax liability of ₹ 62.67 towards dividend expected to be repatriated out of profits from its US subsidiaries to India.

Rain Carbon GmbH, Germany and Severtar Holding Ltd, Cyprus have planned fixed dividends from its foreign subsidiaries in future years contingent on the future earnings of its respective subsidiaries.

Based on the above, the Group has provided Deferred Tax Liability of ₹ 61.71 (EUR 0.7 million) on the estimated future dividends for the year ended December 31, 2022.

Based on the above, the Group has provided Deferred Tax Liability of ₹ 210.57 (EUR 2.5 million) on the estimated future dividends for the year ended December 31, 2021.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Subject to above, the Company intends to indefinitely reinvest other earnings, as well as future earnings from its foreign subsidiaries, to fund international operations. In addition, they expect future U.S. cash generation will be sufficient to meet future U.S. cash needs.

The Group is subject to several income tax examinations by taxing authorities in various jurisdictions within which it operates. As of December 31, 2022, management does not anticipate the outcome of these examinations to result in a material change to its financial position.

- (x) The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

Note 35: Financial instruments disclosure:

Note 35.1: Fair Valuation measurement hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels of fair value hierarchy:

Particulars	As at December 31, 2022				As at December 31, 2021			
	Carrying Amount	Level of inputs used in			Carrying Amount	Level of inputs used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised cost								
Trade receivables	24,940.84	-	-	-	16,985.37	-	-	-
Cash and cash equivalents	11,676.89	-	-	-	11,031.21	-	-	-
Bank balances other than cash and cash equivalents	5,029.25	-	-	-	2,810.30	-	-	-
Loans	1,185.89	-	-	-	3,129.26	-	-	-
Other non-current financial assets	454.58	-	-	-	318.89	-	-	-
Other current financial assets	323.00	-	-	-	413.86	-	-	-
At Fair value through Profit and Loss (FVTPL)								
Non-current investments	16.09	-	-	16.09	16.14	-	-	16.14
At Fair value through other comprehensive income (FVTOCI)								
Non-current investments	30.04	-	30.04	-	28.65	-	28.65	-
Financial Liabilities								
At Amortised cost								
Borrowings (including current maturities)	92,251.27	-	-	-	80,485.32	-	-	-
Lease liabilities (including current maturities)	5,062.90	-	-	-	4,409.00	-	-	-
Other non-current financial liabilities	48.64	-	-	-	62.98	-	-	-
Trade payables	15,482.35	-	-	-	13,973.37	-	-	-
Other current financial liabilities	5,003.21	-	-	-	4,849.19	-	-	-

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 35.2: Valuation Techniques

- (a) **Investments at FVTPL/FVTOCI:** The Group measures the fair values of such investments using expected cash flow model.
- (b) **Borrowings including lease liabilities (at amortised cost):** The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.
- (c) The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Note 35.3 Financial risk management

The Group has put in place risk management systems as applicable to the respective operations. The following explains the objective and processes of the Group. The Group has a system based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Note 35.4: Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The entities within the Group have a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk.

Trade receivables:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

Based on the above analysis, the Group does not expect any credit risk from its trade receivables for any of the years reported in this financial statements except for the amounts disclosed as credit impaired in the below table.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

The age wise break up of trade receivables, net of allowances is given below:

Particulars	As at	
	December 31, 2022	December 31, 2021
Financial assets that are neither past due nor impaired	21,827.45	14,560.29
Financial assets that are past due but not impaired		
Past due 0-30 days	2,222.37	2,058.15
Past due 31-60 days	425.31	-
Past due 61-90 days	347.96	50.13
Past due over 90 days	117.75	316.80
Total past due but not impaired	3,113.39	2,425.08
Credit impaired	131.45	172.77
Less: Loss allowance	131.45	172.77
Total	24,940.84	16,985.37

Movement in loss allowance for doubtful trade receivables:

Particulars	For the year ended	
	December 31, 2022	December 31, 2021
Balance at the beginning of the year	172.77	156.84
Additional provision	25.74	50.01
Provisions utilised/reversed	(59.40)	-
Foreign exchange fluctuation	(7.66)	(34.08)
Balance at the end of the year	131.45	172.77

The Group's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	Carrying amount	
	As at December 31, 2022	As at December 31, 2021
United States	3,486.40	2,607.86
North America excluding United States	7,731.88	3,655.72
South America	135.51	86.66
Europe including CIS	7,028.60	5,460.01
Middle East	2,091.90	251.78
Africa	55.03	29.92
Australia	5.24	20.79
Asia excluding Middle East	4,406.28	4,872.63
Total	24,940.84	16,985.37

At December 31, 2022, the carrying amount of trade receivable of the Group's most significant customer is ₹ 2,956.85 (December 31, 2021: ₹ 2,132.03).

The Group's exposure to credit risk for loans (both current and non-current) by geographic region is as follows:

Particulars	Carrying amount	
	As at December 31, 2022	As at December 31, 2021
United States	0.35	4.70
Europe including CIS	6.45	8.53
Asia excluding Middle East	1,179.09	3,116.03
Total	1,185.89	3,129.26

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Investments:

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counter-parties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Cash and bank balances:

Credit risk on cash and bank balances is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets:

There is no significant loss allowance for other financial assets.

Note 35.5: Liquidity risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation. The Group's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. As of December 31, 2022, cash and cash equivalents are held with major banks.

Maturity of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payment and excludes impact of netting arrangements (if any):

As at December 31, 2022

Contractual cash flows	Carrying value*	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities:							
Borrowings (including current maturities)	92,251.27	18,716.00	4,410.41	79,484.29	-	-	102,610.70
Lease liabilities (including current maturities)	5,062.90	1,096.24	821.79	1,396.77	2,387.49	2,466.99	8,169.28
Other non-current financial liabilities	48.64	-	-	28.07	20.57	-	48.64
Trade payables	15,482.35	15,482.35	-	-	-	-	15,482.35
Other current financial liabilities	5,003.21	5,003.21	-	-	-	-	5,003.21

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payment and excludes impact of netting arrangements (if any):

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

As at December 31, 2021

Contractual cash flows	Carrying value*	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities:							
Borrowings (including current maturities)	80,485.32	10,021.59	5,552.14	78,484.71	-	-	94,058.44
Lease liabilities (including current maturities)	4,409.00	1,001.32	753.21	1,239.32	2,059.73	1,010.92	6,064.50
Other non-current financial liabilities	62.98	-	-	38.27	24.71	-	62.98
Trade payables	13,973.37	13,973.37	-	-	-	-	13,973.37
Other current financial liabilities	4,849.19	4,849.19	-	-	-	-	4,849.19

* Carrying value of borrowings is shown as net of deferred finance cost.

Note 35.6: Market risk:

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and borrowings.

Note 35.7: Interest rate risk:

Interest rate risk is measured by using the cashflow sensitivity for change in variable interest rates. Any movement in the market interest rates could have an impact on the Group's cash flows as well as costs. In order to manage the Group's position with regard to interest rate risk, it adopts a policy of ensuring an optimal mix of its interest rate risk exposure. The Group's exposure to the risk of changes in market interest rates related primarily to the Group's borrowing with variable interest rates.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to management is as follows:

Particulars	Interest rate exposure as at	
	December 31, 2022	December 31, 2021
Variable rate instruments		
Financial assets	1,705.59	1,256.87
Financial liabilities	(48,940.99)	(40,814.49)
	(47,235.40)	(39,557.62)

Cash flow Sensitivity for variable rate instruments:

Impact on Profit and loss due to 1% change in interest rate: A reasonably possible change of 1% in interest rates at the reporting date would have increased/(decreased) profit and loss on consolidated equity, net of tax, by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	December 31, 2022		December 31, 2021	
	Increase in rate	Decrease in rate	Increase in rate	Decrease in rate
Impact on profit and loss				
Variable-rate instruments	(472.35)	472.35	(395.58)	395.58
Total Impact	(472.35)	472.35	(395.58)	395.58

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 35.8 Currency risk:

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of individual entities in the Group.

The following table analyses foreign currency risk from non derivative financial instruments as at December 31, 2022:

Particulars*	Amounts in ₹				Total
	USD	EUR	CAD	Others**	
Foreign Currency involved					
Assets:					
Cash and bank balances	636.54	21.00	0.73	369.63	1,027.90
EEFC balance	0.37	-	-	-	0.37
Trade receivables	9,711.62	1.54	386.00	87.59	10,186.75
Loans	2,415.40	-	-	268.92	2,684.32
Loans and advances to subsidiary	827.86	-	-	-	827.86
	13,591.79	22.54	386.73	726.14	14,727.20
Liabilities:					
Trade payables	2,853.27	777.15	426.61	105.00	4,162.03
Borrowings	5,933.92	565.58	-	-	6,499.50
Other financial liabilities	10.45	-	-	-	10.45
Contractually reimbursable expenses	51.14	-	-	-	51.14
	8,848.78	1,342.73	426.61	105.00	10,723.12

* Includes intercompany balances.

** Others include RUB, GBP, CHF and others.

The following table analyses foreign currency risk from non derivative financial instruments as at December 31, 2021:

Particulars*	Amounts in ₹				Total
	USD	EUR	CAD	Others**	
Foreign Currency involved					
Assets:					
Cash and bank balances	602.19	90.07	523.12	2,101.32	3,316.70
EEFC balance	1,246.75	-	-	-	1,246.75
Trade receivables	3,157.03	64.33	245.73	257.50	3,724.59
Loans	778.37	-	-	346.82	1,125.19
Loans and advances to subsidiary	1,575.22	-	-	-	1,575.22
Other financial assets	3.64	-	-	-	3.64
	7,363.20	154.40	768.85	2,705.64	10,992.09
Liabilities:					
Trade payables	1,143.03	103.01	2,527.84	50.48	3,824.36
Borrowings	5,065.71	511.77	-	5.17	5,582.65
Other financial liabilities	124.97	-	-	-	124.97
Contractually reimbursable expenses	88.64	-	-	-	88.64
	6,422.35	614.78	2,527.84	55.65	9,620.62

* Includes intercompany balances.

**Others include RUB, GBP, CHF and others.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Sensitivity Analysis:

A reasonably possible strengthening/weakening of the US dollar (USD), Euro (EUR), Canadian Dollar (CAD) against all other currencies as at December 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected consolidated statement of profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Impact on Profit/(loss) due to 1% change in foreign currency rates:

Particulars	December 31, 2022		December 31, 2021	
	Strengthening	Weakening	Strengthening	Weakening
USD	47.43	(47.43)	9.41	(9.41)
EUR	(13.20)	13.20	(4.60)	4.60
CAD	(0.40)	0.40	(17.59)	17.59
Others*	6.21	(6.21)	26.50	(26.50)

* Others include RUB, GBP, CHF and others.

Note 36: Investment in equity accounted investees

The Group holds 30% equity in Infratec Duisburg GmbH (IDGmbH) which is involved in infrastructure services located in Germany.

Summary financial information of the equity accounted investees and not adjusted for the percentage of ownership held by the Group, is as follows:

Particulars	As at/For the year ended December 31,	
	2022	2021
Total current assets	1,829.55	1,512.82
Total non-current assets	652.38	606.12
Total assets	2,481.93	2,118.94
Equity	301.11	290.19
Total current liabilities	587.50	348.88
Total non-current liabilities	1,593.32	1,479.87
Total equity and liabilities	2,481.93	2,118.94
Revenue	2,504.50	1,995.08
Expenses	2,495.07	2,013.24
(Loss)/profit for the year, net	9.43	(18.16)
Group's share in (Loss)/Profit for the year	2.83	(5.45)

Note 37: Capital management

For the purpose of the Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity share holders of the parent. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Group monitors capital using a ratio of 'Net debt' to 'equity'. For this purpose, adjusted net debt is defined as total interest-bearing borrowings less cash and cash equivalents. Equity comprises all components of equity excluding non-controlling interest. The Group's Net debt to equity ratio is given below.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current period.

Particulars	As at December 31, 2022	As at December 31, 2021
Total borrowings, net of cash and cash equivalents	80,574.38	69,454.11
Equity	84,268.37	61,092.13
Net debt to equity ratio	0.96	1.14

Note 38: Segmental Information

(a) Business Segment

The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditures in individual segment, and are set out in significant accounting policies.

The Group evaluates performance and determines resource allocations based on a number of factors, the primary measure being operating profit. Operating profit does not include depreciation and amortization expense, finance costs, share of profit of associates, other income, gain/loss on foreign currency transactions, exceptional items and income taxes. All inter segment transactions are accounted for at agreed upon rates based on transfer pricing agreements.

Particulars	For the year ended December 31, 2022				For the year ended December 31, 2021			
	Carbon	Advanced Materials	Cement	Total	Carbon	Advanced Materials	Cement	Total
Revenue								
External Sales	154,627.48	39,104.72	15,329.77	209,061.97	96,965.87	32,909.77	13,821.31	143,696.95
Inter-segment Sales	8,896.20	3,978.79	13.69	12,888.68	6,631.47	3,827.78	20.19	10,479.44
Total	163,523.68	43,083.51	15,343.46	221,950.65	103,597.34	36,737.55	13,841.50	154,176.39
Less: Eliminations	(8,896.20)	(3,978.79)	(13.69)	(12,888.68)	(6,631.47)	(3,827.78)	(20.19)	(10,479.44)
Total Revenue from sale of products and from services provided	154,627.48	39,104.72	15,329.77	209,061.97	96,965.87	32,909.77	13,821.31	143,696.95
Other operating income	790.34	257.66	-	1,048.00	1,282.93	268.48	19.46	1,570.87
Total Revenue from operations	155,417.82	39,362.38	15,329.77	210,109.97	98,248.80	33,178.25	13,840.77	145,267.82
Result								
Operating Profit	34,305.27	960.19	1,214.32	36,479.78	19,990.16	888.54	2,686.28	23,564.98
Unallocable (income)/expense								
Depreciation and amortisation expense				7,903.10				7,981.53
Impairment				465.64				168.07
Finance costs				5,237.40				4,789.14
Other Income (net of loss on sale of property, plant and equipment)				(1,044.49)				(1,931.16)
Forex loss/(gain)				648.29				(212.25)
Share of (profit)/loss of associates (net of income tax)				(2.83)				5.45
Profit before taxation				23,272.67				12,764.20
Tax expense, net				7,503.70				5,828.79
Profit after tax and before minority interest				15,768.97				6,935.41

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Segmental assets and liabilities:

As certain assets of the Company are often deployed interchangeably between segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for segment assets and liabilities have not been disclosed in the above table.

Inter-segment revenues are recognised on the basis of generally accepted accounting principles. These are eliminated upon consolidation which is reflected in 'Eliminations' above.

Since the information about material items of income and expense are not reviewed by Chief Operating Decision Maker (CODM), the Group has not presented such information as part of its segment disclosures which is in accordance with requirements of Ind AS 108 – "Operating Segments".

(b) Geographical Segment (secondary segment information)

Particulars	Revenue from operations for the		Non-current assets as at*	
	Year ended December 31, 2022	Year ended December 31, 2021	December 31, 2022	December 31, 2021
India	35,695.66	29,366.05	13,305.74	12,841.39
Outside India	174,414.31	115,901.77	113,060.77	105,623.60
	210,109.97	145,267.82	126,366.51	118,464.99

* Non-current assets exclude financial instruments, equity accounted investments, deferred tax assets and post-employment benefit assets.

Particulars	Revenue from operations for the		Non-current assets as at*	
	Year ended December 31, 2022	Year ended December 31, 2021	December 31, 2022	December 31, 2021
Europe including CIS	74,756.75	58,487.94	55,500.37	53,624.39
Asia excluding Middle East (Including India)	40,006.29	32,492.23	13,306.17	12,842.18
United States	35,157.08	23,973.41	51,131.51	45,959.99
North America excluding United States	38,532.71	19,572.66	6,428.46	6,038.43
Others	21,657.14	10,741.58	-	-
Total	210,109.97	145,267.82	126,366.51	118,464.99

*Non-current assets exclude financial instruments, equity accounted investments, deferred tax assets and post-employment benefit assets.

Note: Revenue by geographic area in the above table are attributed by the destination country of sale.

Revenue from major products:

Major product	For the year ended December 31	
	2022	2021
Calcined petroleum coke	75,681.00	42,136.26
Coal tar pitch	49,969.00	31,317.19
Other carbon products	26,741.00	21,124.97
Resins	16,857.00	13,027.81
Cement	15,345.00	13,821.31

Revenue from major customer:

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 39: Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amount of goodwill allocated to each unit are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
(a) Carbon Calcination	34,899.38	31,320.50
(b) Carbon Distillation – other than (c) below	30,101.90	29,604.58
(c) Carbon Distillation – OOO RÜTGERS Severtar *	937.81	-
(d) Advanced Materials	2,286.01	2,179.69
(e) Cement	201.37	201.37
	68,426.47	63,306.14

* Subsequent to the conflict between Russia and Ukraine, OOO RÜTGERS Severtar is operating largely independent of the Group and hence considered as a separate cash-generating unit for the purpose of impairment testing of goodwill for the year ended December 31, 2022.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

Key assumptions on which the Group has based its determination of value-in-use include:

- Estimated cash flows for five years based on management's budgets and estimates.
- Terminal value arrived by extrapolating last forecasted year cash flows to perpetuity, using a constant long-term growth rate for various cash generating units. This long-term growth rate takes into consideration external macro-economic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- The post-tax discount rates used are based on the capital structure of a peer group in accordance with Ind AS 36.
- Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

The key assumptions used in the estimation of the recoverable amounts are set out below:

As at December 31, 2022

	Carbon Calcination	Carbon Distillation - OOO RÜTGERS Severtar	Carbon Distillation - other than OOO RÜTGERS Severtar	Advanced Materials	Cements
Discount rate	9.50% - 14.00%	20.90%	8.50%	9.50%	12.00%
Terminal value growth rate	2%	2%	0.75%	0.75%	2.00%

As at December 31, 2021

	Carbon Calcination	Carbon Distillation	Advanced Materials	Cements
Discount rate	10.50% - 14.00%	7.35%	7.35%	12.00%
Terminal value growth rate	2%	0.75%	0.75%	2.00%

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Note 40: Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests (NCI), before any intra-group eliminations

December 31, 2022	Severtar Holding Group
Non-controlling interest percentage	34.7%
Non-current assets	3,039.15
Current assets	8,883.21
Non-current liabilities	(1,187.42)
Current liabilities	(835.11)
Net assets	9,899.83
Net assets attributable to non-controlling interests	3,435.25
Revenue	16,038.97
Profit for the year	3,996.16
Other comprehensive income/(loss)	1,004.62
Total comprehensive income	5,000.78
Profit allocated to non-controlling interests	1,386.67
Other comprehensive income/(loss) allocated to non-controlling interests	348.60
Total comprehensive income allocated to non-controlling interests	1,735.27
Cash flows from/(used in) operating activities	4,133.00
Cash flows (used in)/from investing activities	(848.08)
Cash flows (used in)/from financing activities (Dividend to NCI: 731.22)	(2,204.93)
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	552.53
Net (decrease)/increase in cash and cash equivalents	1,632.52

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

December 31, 2021	Severtar Holding Group
Non-controlling interest percentage	34.7%
Non-current assets	1,857.30
Current assets	6,378.60
Non-current liabilities	(441.16)
Current liabilities	(753.16)
Net assets	7,041.58
Net assets attributable to non-controlling interests	2,443.43
Revenue	11,408.92
Profit for the year	3,273.58
Other comprehensive loss	(35.88)
Total comprehensive income	3,237.70
Profit allocated to non-controlling interests	1,135.93
Other comprehensive loss allocated to non-controlling interests	(12.45)
Total comprehensive income allocated to non-controlling interests	1,123.48
Cash flows from operating activities	2,966.58
Cash flows (used in)/from investing activities	(77.63)
Cash flows used in financing activities (Dividend to NCI: INR Nil)	(23.78)
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.83
Net (decrease)/increase in cash and cash equivalents	2,866.00

Note 41: Assets and liabilities related to employee benefits

The Group has various employee benefit schemes covering different categories of employees based on their location of employment.

(a) Contribution plans:

Amounts towards defined contribution plans have been recognised under "Contributions to provident and other funds" in Note 31 of ₹ 167.96 for the year ended December 31, 2022 (December 31, 2021 - ₹ 146.18).

(b) Compensated absences:

The Group provides for accumulation of compensated absences to certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods or receive cash in lieu thereof as per the Group's policy. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded towards this benefit as at December 31, 2022 is ₹ 402.59 (December 31, 2021 - ₹ 333.12).

The following table sets forth the status of the compensated absences:

Particulars	As at December 31, 2022	As at December 31, 2021
Net Liability		
- Current	82.19	74.98
- Non-current	320.40	258.14
Total	402.59	333.12

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(c) Benefit plans:

The Group has various employee benefit plans covering different categories of employees based on their location of employment.

The various benefit plans are as follows:

- (A) Gratuity plan in India
- (B) Pension plan in United States of America
- (C) Pension plan in Germany
- (D) Pension plan in Belgium
- (E) Pension plan in Canada
- (F) Health care plan in Canada

Inherent risk:

The plans are defined benefit in nature which is sponsored by the Group and hence it underwrites all the risk pertaining to the plans. In particular, this exposes the Group, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plans are not subject to longevity risk.

A. Gratuity plan in India:

In accordance with applicable Indian laws, the Company and its Indian subsidiaries have a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Company. Vesting occurs on completion of 5 years of service. The Group makes annual contribution in Gratuity funds of Insurance companies. The Parent and its Indian subsidiaries account for the liability for gratuity benefits payable in the future based on an actuarial valuation. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) Amounts recognised in the Consolidated Balance Sheet are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	200.16	207.17
Less: Fair value of plan assets	48.99	39.17
Net liability	151.17	168.00

(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	17.19	16.56
Interest cost	10.61	9.39
Total	27.80	25.95

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of defined benefit plans	(18.09)	(5.48)

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	207.17	206.37
Current service cost	17.19	16.56
Interest Cost	12.24	11.20
Actuarial loss/(gain)		
Changes in financial assumptions	(9.33)	(6.44)
Changes in demographic assumptions	(0.41)	-
Experience adjustments	(7.00)	2.01
Amount paid to employees	(19.70)	(22.53)
Closing defined benefit obligation	200.16	207.17

(v) Reconciliation of opening and closing balances of the fair value of plan assets:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening fair value of plan assets	39.17	46.36
Interest on plan assets	1.63	1.81
Actuarial gain	1.35	1.05
Contribution by employer	26.54	12.48
Amount paid to employees	(19.70)	(22.53)
Closing fair value of plan assets	48.99	39.17
Actual return on plan assets	2.98	2.86

(vi) Major Category of plan assets as a percentage to fair value of plan assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Insurer managed funds	100%	100%

(vii) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rates on benefit obligations	7.45% - 7.50%	6.60%
Expected salary increase rates	7.00% - 8.00%	7.00% - 7.50%

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(viii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(5.25)	5.57
Future salary growth (0.5% movement)	5.33	(5.08)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(5.46)	0.21
Future salary growth (0.5% movement)	5.63	0.02

- (ix) The expected contribution to be made by the Group during the next annual reporting period is ₹ 12.00 (December 31, 2021: ₹ 12.00).
- (x) As at December 31, 2022, the weighted average duration of the defined benefit obligation is in the range of 5.21 to 6.50 years (December 31, 2021: 5.59 to 6.93 years).
- (xi) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

(xii) Maturity profile of the defined benefit obligation:

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	45.76	43.57
Year 2	23.82	24.08
Year 3	26.67	22.57
Year 4	24.65	24.80
Year 5	17.43	23.50
Thereafter	205.28	202.32

(xiii) The following table sets forth the status of the benefit plans:

Particulars	As at December 31, 2022	As at December 31, 2021
Net Liability		
- Current	12.33	18.36
- Non-current	138.85	149.64
Total	151.19	168.00

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

B. Pension plan in United States of America:

The subsidiaries in the United States of America (USA) have a non-contributory defined benefit pension plan covering hourly employees in the USA. Benefits under the hourly employees' plan are based on years of service and age. Their funding policy is to contribute amounts to meet minimum funding requirements, plus additional amounts as the subsidiary companies may determine to be appropriate.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) Amounts recognised in the Consolidated Balance Sheet are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	888.66	1,059.84
Less: Fair value of plan assets	697.38	790.36
Net liability*	191.28	269.48

*Represents non-current portion

(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	37.88	39.17
Past service cost	17.54	25.13
Interest cost	30.04	25.10
Interest on plan assets	(50.61)	(50.40)
Total	34.85	39.00

(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of Defined Benefit Plans	(145.43)	(84.95)

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	1,059.84	1,046.07
Current service cost	37.88	39.17
Past service cost	17.54	25.13
Interest Cost	30.04	25.10
Actuarial (gain)/loss	(349.53)	(100.42)
Amendments	-	31.34
Amount paid to employees	(30.26)	(25.77)
Exchange differences	123.15	19.22
Closing defined benefit obligation	888.66	1,059.84

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(v) Reconciliation of opening and closing balances of the fair value of plan assets:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening fair value of plan assets	790.36	712.09
Interest on plan assets	50.61	50.40
Actuarial (loss)/gain	(204.10)	15.87
Contribution by employer	-	25.54
Amount paid to employees	(30.26)	(25.77)
Exchange differences	90.77	12.23
Closing fair value of plan assets	697.38	790.36
Actual return on plan assets	(153.49)	66.27

(vi) Major Category of plan assets as a percentage to fair value of plan assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Equity securities	50%	49%
Debt securities	45%	45%
Others	5%	6%

(vii) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rates on benefit obligations	4.99%	2.75%
Expected rate of return on plan assets	6.25%	7.00%

Assumptions regarding future mortality and experience are set in accordance with Scale MP – 2022. The discount rate is based on the FTSE spot rates as at balance sheet date for estimated term of obligation.

(viii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	50.51	(63.34)
Attrition rate (0.5% movement)	0.90	(1.07)
Future mortality (0.5% movement)	(13.09)	13.57

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	77.68	(101.23)
Attrition rate (0.5% movement)	1.11	(1.34)
Future mortality (0.5% movement)	(19.31)	19.87

- (ix) The expected contribution to be made by the Group during the next annual reporting period is Nil (December 31, 2021: ₹ Nil).
- (x) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

(xi) **Maturity profile of the defined benefit obligation:**

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	44.84	37.14
Year 2	45.08	38.49
Year 3	48.14	38.73
Year 4	49.98	40.93
Year 5	49.97	42.80
Year 6 - Year 10	257.14	218.39

C. Pension plan in Germany:

In respect of subsidiary companies in Germany, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognized for obligations due to benefit plans for old age, invalidity, and surviving dependent's benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country. Benefits are usually based on the length of service and final salary of employees.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) **Amounts recognised in the Consolidated Balance Sheet are as follows:**

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of unfunded obligation	6,506.67	10,762.49
Less: Fair value of plan assets	-	-
Net liability*	6,506.67	10,762.49

*Represents non-current portion

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	401.09	503.18
Interest cost	103.20	43.10
Total	504.29	546.28

(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of Defined Benefit Plans	(5,185.91)	(1,977.05)

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	10,762.49	13,068.55
Current service cost	401.09	503.18
Interest Cost	103.20	43.10
Actuarial (gain)/loss	(5,185.91)	(1,977.05)
Plan participant contributions	48.15	51.92
Amount paid to employees	(120.87)	(106.10)
Exchange differences	498.52	(821.11)
Closing defined benefit obligation	6,506.67	10,762.49

(v) Reconciliation of opening and closing balances of the fair value of plan assets:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening fair value of plan assets	-	-
Contribution by employer	72.72	54.18
Plan participant contributions	48.15	51.92
Amount paid to employees	(120.87)	(106.10)
Closing fair value of plan assets	-	-
Actual return on plan assets	-	-

(vi) Principal Actuarial assumptions used:

Particulars	As at December 31, 2022	As at December 31, 2021
Discount rates on benefit obligations	3.77%	0.98%
Expected salary increase rates	3.00%	3.00%

Assumptions regarding future mortality and experience are set in accordance with Heubeck 2018G. The discount rate is based on the IBoxx Corporate AA 10+ Indices as at balance sheet date for estimated term of obligation.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(vii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(574.53)	664.07
Future salary growth (0.5% movement)	10.88	(10.71)
Weighted average duration	18.48 Years	19.43 Years

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(1,271.03)	1,508.43
Future salary growth (0.5% movement)	22.33	(21.97)
Weighted average duration	25.13 Years	26.23 Years

(viii) The expected contribution to be made by the Group during the next annual reporting period is ₹ 147.13 (December 31, 2021: ₹ 126.61).

(ix) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

(xi) Maturity profile of the defined benefit obligation:

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	147.13	126.61
Year 2	164.91	143.48
Year 3	180.86	157.08
Year 4	195.60	171.62
Year 5	216.39	185.52
Year 6 - Year 10	1,375.99	1,204.20

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

D. Pension plan in Belgium:

In respect of subsidiary companies in Belgium, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognized for obligations due to benefit plans for old age, invalidity, and surviving dependents' benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country. Benefits are usually based on the length of service and final salary of employees.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) Amounts recognised in the Consolidated Balance Sheet are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	1,638.41	1,773.42
Less: Fair value of plan assets	1,425.70	1,246.43
Net liability*	212.71	526.99

*Represents non-current portion

(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	120.44	135.95
Interest cost	16.78	6.15
Interest on plan assets	(12.49)	(4.07)
Total	124.73	138.03

(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of Defined Benefit Plans	(318.75)	(115.77)

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	1,773.42	1,868.94
Current service cost	120.44	135.95
Interest Cost	16.78	6.15
Actuarial (gain)/loss	(292.47)	(91.41)
Administrative expenses, taxes and insurance premiums	(43.16)	(46.99)
Plan participant contributions	21.97	24.61
Amount paid to employees	(46.55)	(1.26)
Exchange differences	87.98	(122.57)
Closing defined benefit obligation	1,638.41	1,773.42

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(v) Reconciliation of opening and closing balances of the fair value of plan assets:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening fair value of plan assets	1,246.43	1,171.15
Interest on plan assets	12.49	4.07
Actuarial gain	26.28	24.36
Contribution by employer	141.51	150.93
Plan participant contributions	21.97	24.61
Administrative expenses, taxes and insurance premiums	(43.16)	(46.99)
Amount paid to employees	(46.55)	(1.26)
Exchange differences	66.73	(80.44)
Closing fair value of plan assets	1,425.70	1,246.43
Actual return on plan assets	38.77	28.43

(vi) Major Category of plan assets as a percentage to fair value of plan assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Insurer managed funds	100%	100%

(vii) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rates on benefit obligations	3.77%	0.98%
Expected rate of return on plan assets	2.20%	2.20%
Expected salary increase rates	2.50%	2.50%

Assumptions regarding future mortality and experience are set in accordance with MR/FR-5. The discount rate is based on the IBoxx Corporate AA 10+ Indices as at balance sheet date for estimated term of obligation.

(viii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(88.63)	96.86
Future salary growth (0.5% movement)	(3,276.81)	(3,276.81)
Weighted average duration	11.12 Years	11.48 Years

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(117.19)	128.06
Future salary growth (0.5% movement)	(3,546.84)	(3,546.84)
Weighted average duration	13.67 Years	13.94 Years

- (ix) The expected contribution to be made by the Group during the next annual reporting period is ₹ 140.1 (December 31, 2021: ₹ 148.62).
- (x) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.
- (xi) **Maturity profile of the defined benefit obligation:**

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	65.00	30.98
Year 2	48.80	12.62
Year 3	7.26	99.94
Year 4	82.57	20.99
Year 5	109.34	71.56
Year 6 - Year 10	855.39	595.52

E. Pension plan in Canada:

In respect of subsidiary companies in Canada, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognized for obligations due to benefit plans for old age, invalidity, and surviving dependents benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country. Benefits are usually based on the length of service and final salary of employees.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

- (i) **Amounts recognised in the Consolidated Balance Sheet are as follows:**

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	1,803.81	2,038.86
Less: Fair value of plan assets	2,049.64	2,364.14
Net liability/(asset)*	(245.83)	(325.28)

*Represents non-current portion

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	26.85	39.82
Past service cost	41.91	-
Interest cost	65.93	57.41
Interest on plan assets	(77.41)	(58.59)
Administrative expenses	6.04	6.13
Total	63.32	44.77

(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of Defined Benefit Plans	63.94	(296.83)

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	2,038.86	2,194.04
Current service cost	26.85	39.82
Past service cost	41.91	-
Interest Cost	65.93	57.41
Actuarial (gain)/loss	(391.28)	(168.82)
Plan participant contributions	3.55	4.12
Amount paid to employees	(90.86)	(122.38)
Exchange differences	108.85	34.67
Closing defined benefit obligation	1,803.81	2,038.86

(v) Reconciliation of opening and closing balances of the fair value of plan assets:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening fair value of plan assets	2,364.14	2,209.52
Interest on plan assets	77.41	58.59
Actuarial gain	(455.22)	128.01
Contribution by employer	30.60	53.45
Plan participant contributions	3.55	4.12
Administrative expenses, taxes and insurance premiums	(6.04)	(6.13)
Amount paid to employees	(90.86)	(122.38)
Exchange differences	126.06	38.96
Closing fair value of plan assets	2,049.64	2,364.14
Actual return on plan assets	(377.81)	186.60

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(vi) Major Category of plan assets as a percentage to fair value of plan assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Others	100%	100%

(vii) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rates on benefit obligations	5.25%	3.20%
Expected rate of return on plan assets	4.40%	4.40%
Expected salary increase rates	4.00%	3.00%

The discount rate is based on the Mercer Yield Curve Indices as at balance sheet date for estimated term of obligation.

(viii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(117.46)	128.82
Future salary growth (0.5% movement)	1.64	(1.43)
Weighted average duration	10.67 Years	11.13 Years

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(161.85)	178.63
Future salary growth (0.5% movement)	6.35	(4.40)
Weighted average duration	12.97Years	13.43Years

(ix) The expected contribution to be made by the Group during the next annual reporting period is ₹ 41.22 (December 31, 2021: ₹ 59.82).

(x) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(xi) Maturity profile of the defined benefit obligation:

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	114.02	91.81
Year 2	116.21	104.16
Year 3	124.46	104.60
Year 4	132.05	113.84
Year 5	131.24	119.88
Year 6 - Year 10	702.26	642.41

F. Health care plan in Canada:

One of the subsidiaries in Canada have non-pension post-employment benefit plans funded on a cash basis by contribution from the subsidiaries. The plan is for the purpose of providing medical and dental benefits for retirees and eligible dependents and life insurance for retirees. The plan is funded on a pay-as-you-go basis. The subsidiary funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for the plan. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) Amounts recognised in the Consolidated Balance Sheet are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	453.62	535.48
Less: Fair value of plan assets	-	-
Net liability*	453.62	535.48

*Represents non-current portion

(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	32.67	36.57
Interest cost	17.46	14.52
Total	50.13	51.09

(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of Defined Benefit Plans	(148.20)	(55.41)

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	535.48	549.60
Current service cost	32.67	36.57
Interest Cost	17.46	14.52
Actuarial loss/(gain)	(148.20)	(55.41)
Amount paid to employees	(14.56)	(17.93)
Exchange differences	30.77	8.13
Closing defined benefit obligation	453.62	535.48

(v) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rates on benefit obligations	5.25%	3.20%
Annual increase in health cost		
Initial trend rate	5.65%	5.65%
Ultimate trend rate	4.00%	4.00%
Year ultimate trend rate is reached	2,040	2,040

Assumptions regarding future mortality and experience are set in accordance with 2014 Private Sector Canadian Pensioners Mortality Table (CPM2014Priv) with projection scale CPM-B. The discount rate is based on the Mercer Yiled Curve as at balance sheet date for estimated term of obligation.

(vi) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Health care cost trend rates (0.5% movement)	24.38	(18.16)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Health care cost trend rates (0.5% movement)	32.59	(24.86)

- (vii) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(viii) Maturity profile of the defined benefit obligation:

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	18.25	15.55
Year 2	20.01	16.47
Year 3	22.21	17.82
Year 4	23.62	19.08
Year 5	25.03	20.51
Year 6 - Year 10	148.09	122.80

Note 42: Related Party Disclosures

(a) Names of related parties and description of relationship

Key Managerial Personnel (KMP) and their relatives	<ol style="list-style-type: none"> Mr. N. Radha Krishna Reddy – Managing Director Mr. Jagan Mohan Reddy Nellore – Non-Executive Director Mr. N. Sujith Kumar Reddy – Non-Executive Director Mr. N. Venkata Pranav Reddy – Relative of Managing Director Mr. N. Shiv Keshav Reddy – Relative of Managing Director Mr. N. Sridutt Reddy – Relative of Managing Director Mr. T. Srinivasa Rao – Chief Financial Officer Mr. S. Venkat Ramana Reddy – Company Secretary Ms. N Indira Reddy – Relative of Managing Director Ms. N Anupama Reddy – Relative of Non-Executive Director
Enterprise where key managerial personnel along with their relatives exercise significant influence	<ol style="list-style-type: none"> Rain Entertainments Private Limited (REPL) Rain Enterprises Private Limited (REnPL) Nivee Holdings Private Limited Nivee Property Developers Private Limited (NPDPL) Sujala Investments Private Limited Pragnya Priya Foundation (PPF) Arunachala Holdings Private Limited Arunachala Logistics Private Limited PCL Financial Services Private Limited Protector Facilities Management Private Limited
Non-executive directors and their relatives	<ol style="list-style-type: none"> Mr. Jagan Mohan Reddy Nellore – Vice Chairman (Non-Executive Director) Mr. N. Sujith Kumar Reddy – Non-Executive Director Mr. Brian Jude McNamara – Independent Director (Chairman) Mr. Varun Batra – Independent Director Ms. Radhika Vijay Haribhakti – Independent Director Ms. Nirmala Reddy – Independent Director Mr. Robert Tonti Thomas – Independent Director (since October 31, 2021) Mr. H.L.Zutshi – Independent Director (till September 30, 2021) Ms. N Akhila Reddy – Relative of Non-executive Director
Equity accounted investees	<ol style="list-style-type: none"> InfraTec Duisburg GmbH (IDGmbH) (Investment by Rain Carbon Germany GmbH)

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

(b) Transactions with related parties:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Purchases and services (net of reimbursements) from:		
(a) InfraTec Duisburg GmbH	881.63	792.42
(b) Arunachala Logistics Private Limited	5,471.61	4,932.30
Sale of cement:		
(a) Rain Entertainments Private Limited	0.05	0.04
(b) Pragnya Priya Foundation	0.02	-
(c) Nivee Property Developers Private Limited	2.81	3.24
(d) Arunachala Logistics Private Limited	38.77	41.23
Other operating income		
(a) InfraTec Duisburg GmbH	107.79	93.90
(b) Arunachala Logistics Private Limited - Rental Income	0.54	0.50
(c) Arunachala Logistics Private Limited - Sale of Scrap	0.10	0.32
(d) Pragnya Priya Foundation - Rental Income	0.06	-
Other operating expenses		
(a) Arunachala Logistics Private Limited - Rental Expenses	4.04	3.86
(a) Protector Facilities Management Private Limited - Man Power Services	71.49	40.85
Managerial remuneration (Short term employee benefits) (See Note (iii) below)		
(a) T. Srinivasa Rao	20.62	18.21
(b) S. Venkat Ramana Reddy	6.20	5.11
Remuneration, commission and sitting fees to relatives of KMP		
(a) N. Sujith Kumar Reddy (managing director of a wholly owned subsidiary)	37.33	47.11
(b) N. Venkata Pranav Reddy (son of managing director of a wholly owned subsidiary)	2.32	0.87
(c) N. Shiv Keshav Reddy (son of managing director of a wholly owned subsidiary)	0.06	0.15
(d) N. Sridutt Reddy (relative of managing director)	2.70	1.68
Sitting fees to Non-executive directors of the Company	5.55	3.89
Commission to Non-executive directors of the Company	3.00	3.60
Dividend paid		
(a) Enterprise where key managerial personnel along with their relatives exercise significant influence		
- Sujala Investments Private Limited	37.77	37.77
- Rain Enterprises Private Limited	25.32	25.32
- Nivee Holdings Private Limited	8.14	8.14
- Arunachala Holdings Private Limited	5.27	5.27
- PCL Financial Services Private Limited	3.78	3.78
- Arunachala Logistics Private Limited	0.99	0.99
(b) Key Managerial Personnel and their relatives		
- N. Radha Krishna Reddy	10.38	10.38
- T. Srinivasa Rao	0.09	0.09
- N. Indira Reddy	7.51	7.51
- N. Anupama Reddy	27.30	27.30
- Jagan Mohan Reddy Nellore*	0.00	0.00
(c) Non-executive directors		
- N. Sujith Kumar Reddy	10.03	10.03
- N. Akhila Reddy	1.87	1.87
Corporate social responsibility expense		
(a) Pragnya Priya Foundation	71.20	54.45

*Rounding off norm adopted by the company. The actual amount is ₹ 100 in absolute terms.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

The Group has the following dues from/to related parties:

Particulars	As at December 31, 2022	As at December 31, 2021
Advances paid to		
(a) InfraTec Duisburg GmbH	245.99	255.76
(b) Arunachala Logistics Private Limited	252.85	110.90
Amounts receivable from		
(a) Pragnya Priya Foundation	0.06	-
Amounts payable to		
(a) Commission payable to Non-executive directors	3.00	3.60
(b) Protector Facilities Management Private Limited	1.40	0.45
(c) N. Sujith Kumar Reddy (managing director of a wholly owned subsidiary)	15.00	25.00

- (i) No trade or other receivables are due by directors or other officers of the Group or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member other than disclosed above.
- (ii) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

(iii) Long term employee benefits for Key Managerial Personnel:

The managerial personnel are covered by Company's gratuity policy and are eligible for compensated absences along with the employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 43: Additional information to Consolidated Financial Statements

S. No.	Name of the Company	As at December 31, 2022		For the year ended December 31, 2022					
		Net Assets i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Other comprehensive income (OCI)		Total comprehensive income (TCI)	
		As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
	PARENT								
	Rain Industries Limited	4.97	9,033.31	1.09	277.47	-	(0.01)	0.78	277.46
	SUBSIDIARIES								
	Indian								
1.	Rain Cements Limited	4.54	8,251.94	3.04	775.64	0.12	12.22	2.22	787.86
2.	Renuka Cement Limited	0.14	257.62	(0.18)	(47.14)	-	-	(0.13)	(47.14)
3.	Rain CII Carbon (Vizag) Limited	12.71	23,117.44	26.48	6,753.41	0.01	1.32	19.07	6,754.73
4.	Rain Verticals Limited	-	0.58	-	(0.06)	-	-	-	(0.06)
	Foreign								
5.	Rain Commodities (USA) Inc.	8.35	15,182.78	1.05	268.19	(1.28)	(126.49)	0.40	141.70
6.	Rain Carbon Inc.	12.10	22,000.31	18.50	4,719.19	(0.97)	(95.85)	13.05	4,623.34
7.	Rain Carbon Holdings, LLC ¹	-	-	-	-	-	-	-	-
8.	Rain Global Services LLC	-	-	-	-	-	-	-	-
9.	Rain CII Carbon LLC	21.21	38,578.37	34.80	8,876.52	24.19	2,398.40	31.83	11,274.92
10.	CII Carbon Corp. ²	-	-	-	-	-	-	-	-
11.	Rain Carbon Canada Inc.	4.40	7,999.62	1.97	502.66	4.36	432.69	2.64	935.35
12.	Rain Carbon BV	8.20	14,909.34	9.23	2,354.48	8.33	826.06	8.98	3,180.54
13.	VFT France S.A	0.74	1,319.56	0.13	27.23	0.16	16.35	0.12	43.58
14.	Rumba Invest BVBA & Co. KG	-	(2.06)	0.41	104.57	-	(0.16)	0.29	104.41
15.	Rain Carbon Germany GmbH	7.47	13,587.60	(10.03)	(2,557.67)	33.15	3,287.02	2.06	729.35
16.	RÜTGERS Resins BV	1.03	1,878.59	0.09	22.55	0.89	87.81	0.31	110.36
17.	Severtar Holding Ltd.	1.26	2,291.81	(0.04)	(10.57)	1.31	129.44	0.34	118.87
18.	OOO RÜTGERS Severtar	5.37	9,774.66	15.71	4,007.41	5.26	521.16	12.79	4,528.57
19.	OOO Rain Carbon LLC ³	0.13	243.50	0.08	21.21	0.28	27.58	0.14	48.79
20.	Rain Carbon Poland Sp. z. o. o	0.29	523.52	0.27	69.57	(0.06)	(6.36)	0.18	63.21
21.	Rain Carbon (Shanghai) Trading Co. Ltd.	0.06	113.26	0.01	3.49	0.03	2.91	0.02	6.40
22.	Rain Carbon Wohnimmobilien GmbH & Co. KG	0.11	202.43	(0.07)	(17.02)	0.09	9.01	(0.02)	(8.01)
23.	Rain Carbon Gewerbeimmobilien GmbH & Co. KG	0.42	768.55	0.19	49.15	0.26	25.39	0.21	74.54
24.	Rain Carbon GmbH	6.50	11,822.09	(2.73)	(695.98)	23.87	2,366.63	4.72	1,670.65
	Sub total	100.00	181,854.82	100.00	25,504.30	100.00	9,915.12	100.00	35,419.42
	Less: Inter company adjustments/ eliminations		(97,586.45)		(9,738.16)		(440.61)		(10,178.77)
	Non-controlling interests		-		(1,382.52)		(348.37)		(1,730.89)
	Share of profit/(loss) of associates (net of income tax):								
	InfraTec Duisburg GmbH		-		2.83		-		2.83
	TOTAL		84,268.37		14,386.45		9,126.14		23,512.59

Net assets and share in profit or loss, other comprehensive income and total comprehensive income for parent company, subsidiaries and associates are as per the standalone financial statements of the respective entities.

Notes:

¹ Merged with RCI on December 27, 2022.

² Merged with RCC on January 27, 2022.

³ Ownership got transferred from RCBV to RIL on April 27, 2022.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

S. No.	Name of the Company	As at December 31, 2021		For the year ended December 31, 2021					
		Net Assets i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Other comprehensive income (OCI)		Total comprehensive income (TCI)	
		As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
PARENT									
	Rain Industries Limited	5.16	9,092.18	1.92	311.64	0.55	1.80	1.89	313.44
SUBSIDIARIES									
Indian									
1.	Rain Cements Limited	4.28	7,541.53	10.47	1,699.55	(0.53)	(1.72)	10.25	1,697.83
2.	Renuka Cement Limited	0.17	304.76	0.02	3.31	-	-	0.02	3.31
3.	Rain CII Carbon (Vizag) Limited	9.29	16,362.74	15.22	2,470.83	1.17	3.82	14.94	2,474.65
4.	Rain Verticals Limited (See note 1 below)	-	0.64	-	(0.36)	-	-	-	(0.36)
Foreign									
5.	Rain Commodities (USA) Inc.	8.72	15,359.45	21.08	3,423.50	(13.13)	(42.94)	20.41	3,380.56
6.	Rain Carbon Inc.	10.25	18,044.58	2.06	334.25	(4.04)	(13.22)	1.94	321.03
7.	Rain Carbon Holdings, LLC	11.17	19,668.07	3.64	590.63	-	-	3.57	590.63
8.	Rain Global Services LLC	-	-	-	-	-	-	-	-
9.	Rain CII Carbon LLC	18.27	32,156.94	18.16	2,948.58	88.90	290.81	19.55	3,239.39
10.	CII Carbon Corp.	-	-	-	-	-	-	-	-
11.	Rain Carbon Canada Inc.	4.86	8,564.95	2.62	425.14	119.27	390.17	4.92	815.31
12.	Rain Carbon BV	8.97	15,785.22	11.64	1,890.62	(232.73)	(761.32)	6.82	1,129.30
13.	VFT France S.A	0.72	1,230.61	0.12	22.93	(6.07)	(19.91)	0.03	3.02
14.	Rumba Invest BVBA & Co. KG	-	(1.96)	0.62	101.30	0.01	0.03	0.61	101.33
15.	Rain Carbon Germany GmbH	5.25	9,249.94	(11.15)	(1,811.34)	332.96	1,089.19	(4.36)	(722.15)
16.	RÜTGERS Resins BV	1.00	1,768.23	0.35	56.38	(15.53)	(50.81)	0.03	5.57
17.	Severtar Holding Ltd.	2.43	4,280.11	13.10	2,127.54	(3.59)	(11.74)	12.77	2,115.80
18.	OOO RÜTGERS Severtar	2.74	4,829.54	22.78	3,699.42	35.60	116.47	23.03	3,815.89
19.	OOO Rain Carbon LLC	0.11	194.74	0.07	10.85	19.60	64.11	0.45	74.96
20.	Rain Carbon Poland Sp. z. o. o	0.27	472.37	1.04	169.13	0.09	0.31	1.02	169.44
21.	Rain Carbon (Shanghai) Trading Co. Ltd.	0.06	106.63	0.06	10.17	2.53	8.28	0.11	18.45
22.	Rain Carbon Wohnimmobilien GmbH & Co. KG	0.12	209.85	0.02	3.67	(4.11)	(13.43)	(0.06)	(9.76)
23.	Rain Carbon Gewerbeimmobilien GmbH & Co. KG	0.39	682.41	0.32	51.53	(9.19)	(30.07)	0.13	21.46
24.	Rain Carbon GmbH	5.77	10,151.45	(14.16)	(2,300.03)	(211.76)	(692.71)	(18.07)	(2,992.74)
	Sub total	100.00	176,054.98	100.00	16,239.24	100.00	327.12	100.00	16,566.36
	Less: Inter company adjustments/eliminations		(114,962.85)		(9,298.38)		(47.64)		(9,346.02)
	Non-controlling interests		-		(1,133.83)		12.46		(1,121.37)
	Share of profit/(loss) of associates (net of income tax):								
	InfraTec Duisburg GmbH		-		(5.45)		-		(5.45)
	TOTAL		61,092.13		5,801.58		291.94		6,093.52

Net assets and share in profit or loss, other comprehensive income and total comprehensive income for parent company, subsidiaries and associates are as per the standalone financial statements of the respective entities.

Notes:

1. Incorporated on April 6, 2021.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 44: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at December 31, 2022	As at December 31, 2021
(I) CONTINGENT LIABILITIES		
(a) Claims against the Group not acknowledged as debt *		
- Income tax	233.70	435.11
- Wheeling charges [Refer note below]	1,149.91	447.76
- Grid support charges	291.65	-
- Operating charges of state load dispatch centre and minimum energy/ demand	3.64	12.53
- Customs Duty, Sales Tax, Service Tax and Excise Duty related matters under dispute	1,978.14	726.18
- Fuel Surcharge Adjustment levied by Electricity Distributing Companies	34.57	34.57
- Others (these liabilities are time barred as at 31 December 2022)	482.30	410.30
(b) Corporate Guarantees issued		
Disclosure of Corporate guarantees given as per provisions of Section 186(4) of the Companies Act 2013		
- As at the beginning of the year	-	-
- Given during the year	300.00	-
- As at the end of the year	300.00	-
One of the Group's subsidiaries in India has provided a corporate guarantee to one of its power customers to the extent of ₹ 300.00 (as at Decemebr 31, 2021: Nil) for securing its obligation towards charges levied by APSPDCL for the period from January 2020 to March 2022.		
(II) COMMITMENTS	1,156.07	971.48
Estimated amounts of contracts remaining to be executed on capital account and not provided for [net of Capital advances of ₹ 815.99 (December 31, 2021: ₹ 206.13)]		

Note: i) During 2002, the erstwhile Rain Calcining Limited had disputed the order of Andhra Pradesh Electricity Regulatory Commission ('APERC') in respect of wheeling charges before the Honorable High Court of Andhra Pradesh. The Honorable High Court of Andhra Pradesh had set aside the order of APERC. Transmission Corporation of Andhra Pradesh ('AP Transco') filed a Special Leave Petition in the Honorable Supreme Court of India against the order of the Honorable High Court of Andhra Pradesh. The Company had issued a bank guarantee amounting to ₹ 146.96 for the aforesaid matter.

On November 29, 2019, the Honorable Supreme court pronounced its judgement ordering that the wheeling charges are to be levied as per the tariff order passed by APERC. Subsequently, the Company received a claim from various distribution companies amounting to ₹ 1,149.91 (including other charges).

The Company has disputed the aforesaid claim as the Management believes that the claim is not tenable based on the judgement given by the Supreme Court. The Company does not expect the outcome of these proceedings to have a material and adverse effect on its financial position and accordingly no adjustment in respect thereof is expected.

*In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group. The Group is contesting these demands and the Management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the consolidated financial statements for the demands raised. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that there are no material foreseeable losses on such long term contracts which needs to be provided for in the books of account.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 45: Additional Regulatory Information

- (i) The Holding Company or its Indian subsidiaries are not declared a wilful defaulter by any bank or financial Institution or other lender.
- (ii) The Group has not revalued its Property, plant and equipment (including Right of use assets) and intangible assets during the year.
- (iii) On disbursement, the loan has been utilised by the Group for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- (iv) During the year there are no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(v) Capital-Work-in Progress (CWIP):

(a) Capital work in progress ageing schedule:

As at December 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	>3 years	
Projects in progress	2,637.93	631.35	132.57	499.59	3,901.44
Projects temporarily suspended	27.44	81.52	455.39	203.43	767.78

As at December 31, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	>3 years	
Projects in progress	4,011.77	650.66	1,515.69	435.24	6,613.36
Projects temporarily suspended	245.98	751.81	105.09	191.39	1,294.27

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule:

As at December 31, 2022

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	>3 years
Projects in progress				
Project 1	275.44	-	-	-
Projects temporarily suspended				
Project 2	516.56	-	-	-
Total	792.00	-	-	-

As at December 31, 2021

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	>3 years
Projects in progress				
Project 1	275.22	-	-	-
Project 3	1,922.63	-	-	-
Project 4	1,596.11	-	-	-
Projects temporarily suspended				
Project 2	-	985.07	-	-
Total	3,518.74	985.07	-	-

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

- (vi) There are no proceeding initiated or pending against the Holding Company or its Indian Subsidiaries as at December 31, 2022, under Benami Property Transactions Act, 1988 (as amended in 2016).
- (vii) The Group has borrowings from banks on the basis of security of current assets. The quarterly return or statements of current assets filed by the Group with such banks are in agreement with the books of accounts.
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Group have not advanced or loaned or invested funds, to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (x) The Group have not received any fund, from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xi) **Undisclosed income:** The Group does not have any undisclosed income in terms of any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessment.
- (xii) The Holding Company or its Indian subsidiaries have not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (xi) The Company has Wholly Owned Subsidiaries in USA and one of the step down Wholly Owned US Subsidiaries has made investment in Rain CII Carbon (Vizag) Limited, India during 2010; which is in compliance with the structure as per Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Rules, 2022 as on 31 December 2022. Given the ambiguity prevalent under the foreign exchange law during 2010, no prior approval from Reserve Bank of India ('RBI') was considered necessary at that time. The Company will approach RBI seeking clarification in this regard.

Note 46: Leases

The Group has entered into various operating lease agreements for assets comprising of storage and other facilities.

During the year ended December 31, 2022, the Group recognised the following in the consolidated statement of profit and loss:

- (a) expense in respect of short-term leases ₹ 517.73.
- (b) expense in respect of variable lease payments not included in the measurement of lease liabilities ₹ 88.75.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

During the year ended December 31, 2021, the Group recognised the following in the consolidated statement of profit and loss:

- (a) expense in respect of short-term leases ₹ 733.05.
 (b) expense in respect of variable lease payments not included in the measurement of lease liabilities ₹ 30.83.

Cash outflow on leases are as follows:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Principal payment on lease liabilities	900.13	1,045.86
Interest payment on lease liabilities	219.80	217.52
Total cash outflow on leases	1,119.93	1,263.38

The future minimum lease payments as at December 31, 2022 are as follows:

Particulars	Minimum lease payments
- Not later than 1 year	1,096.24
- Later than 1 year and not later than 5 years	2,218.56
- Beyond 5 years	4,854.48

The future minimum lease payments as at December 31, 2021 are as follows:

Particulars	Minimum lease payments
- Not later than 1 year	1,001.32
- Later than 1 year and not later than 5 years	1,992.53
- Beyond 5 years	3,070.65

The Group's exposure to leases not yet commenced to which Group is committed is ₹ 1,555.35 (2021: Nil).

Note 47: Earnings per Equity Share (EPS)

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
a. Consolidated profit after tax attributable to the owners of the Holding Company considered for calculation of basic and diluted earnings per share	14,386.45	5,801.58
b. Weighted average number of equity shares of ₹ 2/- each outstanding during the year (Nos.)	336,345,679	336,345,679
Earnings per Equity Share		
c. Basic and Diluted - [a]/[b] - (₹ in absolute terms)	42.77	17.25

Note 48: Net Investment Hedge

The Group has designated the 'foreign currency loan' as a hedging instrument to hedge its net investment in a non-integral foreign operation, with effect from January 1, 2009. The translation loss/(gain) for the year ended December 31, 2022 on such foreign currency loan, determined as an effective net investment hedge, recognised in the foreign currency translation reserve included in Note 18 - Other equity is ₹ 78.86 (December 31, 2021: ₹ 7.50).

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 49: Net investment in foreign operations

The Group supports its overseas subsidiaries through non-current loans wherever required and in respect of any loan, which is considered in substance a part of the net investment in a non-integral foreign operation, the exchange difference arising on translation of such loans will be accumulated in "Foreign currency translation reserve" as per Ind AS 21 - "The Effects of Changes in Foreign Exchange Rates". The Group has designated certain non-current loans effective July 1, 2015 which was de-designated during 2018. The outstanding balance as on December 31, 2022 is ₹ 442.16 (December 31, 2021: ₹ 442.16) which will be reclassified to profit and loss upon sale of investment in subsidiary.

Note 50: Provision for environment liabilities including site restoration

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Balance at beginning of year	1,426.23	1,375.77
Additional provision made	372.86	327.49
Provisions utilised/reversed	(125.49)	(73.56)
Changes in estimates, including timing	(35.98)	-
Accretion expense	(53.10)	-
Unused amounts reversed during the year	(107.65)	(120.03)
Foreign currency exchange rate changes	65.05	(83.44)
Balance at end of year	1,541.92	1,426.23
Non-current provision	1,221.72	1,125.23
Current provision	320.20	301.00
Total	1,541.92	1,426.23

Note 51: Other provisions

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Balance at beginning of year	298.06	743.11
Additional provision made	534.43	1,163.00
Provisions utilised/reversed	(234.92)	(1,608.05)
Balance at end of year	597.57	298.06
Non-current provision	80.23	50.42
Current provision*	517.34	247.64
Total	597.57	298.06

*Includes provisions primarily towards expenses for plant shutdowns.

Note 52: Provision for inventories

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Balance at beginning of year	921.32	803.55
Additional provision made	393.02	103.49
Exchange differences	53.36	14.28
Balance at end of year	1367.70	921.32

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 53: Assets held for sale

During the year ended December 31, 2021, the Group has sold its Moundsville plant located in the United States of America which was classified as "Assets held for sale" in the Consolidated Balance Sheet as at December 31, 2020 for an amount of ₹ 284.63 (USD 3.8 million). The resultant gain of ₹ 243.70 (USD 3.3 million) was recorded under the heading Other income.

Note 54: Impairment of assets

- (a) As per the press release issued dated September 9, 2022, the Group has temporarily shut-down one of its operating unit in Europe. The carrying value of the relevant asset as at December 31, 2022 amounted to INR 7,838.30. The management has evaluated the impact of the same on the impairment, if any, on the entity as well as at group level. With the information available as at the reporting date and the fair value less costs to sell computed, the management believes there is no impairment required. Further, there are no other impacts on the financial statements. Since the impact assessment of such situation is a continuous process given the uncertainties associated with its nature and duration, the Group will continue to monitor any material changes to future economic conditions.
- (b) During 2018, the Group initiated a "Dual-Solvent Process (DSP)" project towards replacement of the existing phenol distillation plant. The plant is under construction as at December 31, 2022. However, due to technical problems faced during the test runs, the facility cannot be used as initially planned. Based on the current evaluation and fair value less costs to sell computed, an impairment loss of INR 465.64 has been recognised in the consolidated statement of profit and loss for the year ended December 31, 2022.
- (c) During 2020, the Group initiated a project to extract Pitch from a Pond at its Castrop-Rauxel site. The Group incurred capital expenditure towards certain equipment for extracting and melting the Pitch to avoid environmental issues and disposal costs to clean up the site. The equipments had a carrying value of INR 168.07 as at December 31, 2021 and was classified under property, plant and equipment. The Group received permission from the authorities for the clean-up for a specified period of time and also expected that the permissions would be renewed until the project was completed.

During the year ended December 31, 2021, upon expiry of the permit, a request was made to the authorities to extend the permit for additional time. However, subsequent to September 30, 2021, the authorities denied the request for extension. Accordingly, the Group evaluated the alternate usage of the asset for other purposes and concluded that it cannot be used for any other purpose.

Based on above evaluation and the value in use computed, the Group has recognised an impairment loss of ₹ 168.07 in the consolidated statement of profit and loss for the year ended December 31, 2021.

Note 55: Divestment

On December 31, 2020, the Group completed the sale of its Wholly Owned Subsidiaries engaged in the manufacturing and distribution of Polynaphthalene Sulfonates, RUTGERS Polymers Limited and Handy Chemicals (U.S.A.) Limited, for an aggregate cash consideration of ₹ 6,386.27 which resulted in a gain of ₹ 3,864.20 which was recorded under the heading Other income during the year ended December 31, 2020.

During the year ended December 31, 2022, upon completion of certain additional formalities on sale transaction, a partial amount retained in escrow account during year-end was released and recorded as income amounting to ₹ 32.47 (December 31, 2021: ₹ 40.10) under the heading Other income.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Note 56: Russia-Ukraine war

Due to the global implications of the conflict between Russia and Ukraine that started in February 2022, there is an increase in volatility in the commodity prices, stock and foreign exchange markets. Given this geopolitical uncertainty resulting from this war and the likelihood that changes may occur rapidly or unexpectedly, management has carefully evaluated information that became available in this regard to assess its potential impact on the Group's activities such as supply chain disruption, closure/abandonment of operations/manufacturing facilities, travel restrictions, market volatility, recoverability of inter-company loan within group entities, repatriation of dividends between group entities, etc. Currently, the management does not foresee any significant impact of the above events on its financial results as the operations of its Russian entities and the rest of the entities are largely independent of each other. Based on the management's assessment, the Group has been in compliance with the various sanctions imposed. However, since the impact assessment of such situation is a continuing process given the uncertainties associated with its nature and duration, the Group will continue to monitor any material changes to future economic conditions.

Note 57: Subsequent events

The Group has performed an evaluation of subsequent events from the balance sheet date through February 27, 2023, the date at which consolidated financial statements were made available to be issued and determined that there are no items to disclose.

Note 58: 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 April 1, 2021. The Group has incorporated the changes as per the said amendment in these financial statements.

As per our report of even date attached
For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vikash Somani
Partner
Membership Number: 061272

Place: Hyderabad
Date: February 27, 2023

**For and on behalf of the Board of Directors of
Rain Industries Limited**
CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

Place: Hyderabad
Date: February 27, 2023

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

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

Corporate Information

Board of Directors

Mr. Brian Jude McNamara

Chairman (Independent Director)

Mr. N. Radhakrishna Reddy

Managing Director

Mr. Jagan Mohan Reddy Nellore

Vice Chairman (Non Executive Director)

Mr. N. Sujith Kumar Reddy

Non Executive Director

Mr. Varun Batra

Independent Director

Mr. Robert Thomas Tonti

Independent Director

Ms. Nirmala Reddy

Independent Director

Ms. Radhika Vijay Haribhakti

Independent Director

Chief Financial Officer

Mr. T. Srinivasa Rao

Company Secretary

Mr. S. Venkat Ramana Reddy

Statutory Auditors

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
Telangana State, India

Internal Auditors

Ernst & Young LLP
Oval Office,
18, iLabs Center, Hitech City, Madhapur,
Hyderabad - 500 081
Telangana State, India.

Secretarial Auditors

DVM & Associates LLP
Practicing Company Secretaries
6/3/154-159, Flat No. 303,
3rd Floor, Royal Majestic,
Prem Nagar Colony,
Near Banjara Hills Care Hospital,
Hyderabad - 500 004,
Telangana State, India.

Registered Office

"Rain Center", 34, Srinagar Colony,
Hyderabad-500 073,
Telangana State, India.
Phone No. + 91 (40) 40401234
Fax No. + 91 (40) 40401214
Email: secretarial@rain-industries.com
Website: www.rain-industries.com
CIN: L26942TG1974PLC001693

Banks

IDBI Bank Limited
ICICI Bank Limited
Citibank, NA

Registrars & Share Transfer Agents

KFIN Technologies Limited
(Unit: Rain Industries Limited)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032, Telangana State, India.
Fax: +91 40 23420814; Phone: +91 40 67161566
e-mail: einward.ris@kfintech.com
murthy.psrch@kfintech.com



RAIN INDUSTRIES LIMITED

Regd. Office: "RAIN Center", 34, Srinagar Colony,
Hyderabad - 500 073, Telangana State, India