



**Independent Auditors' Report**  
**on the Special Purpose Ind AS Financial Statements**

**To the Members of Rain Carbon Inc.**

**Opinion**

We have audited the accompanying Standalone special purpose IND AS financial statements of **Rain Carbon Inc** (the Company), which comprise the balance sheet as at December 31, 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements"). The Special Purpose Ind AS Financial Statements of the Company is prepared by the Board of Directors in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") to enable holding company **Rain Industries Limited** to prepare its Ind AS consolidated financial statements for the year ended December 31, 2023.

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended December 31, 2023 gives information required in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ('the Act') and in conformity with the basis of preparation referred to in Note No. 2 of the Special Purpose Ind AS Financial Statements, as amended and are prepared in compliance with the instructions received from **Rain Industries Limited** and based on significant accounting policies adopted by **Rain Industries Limited**

**Basis for Opinion**

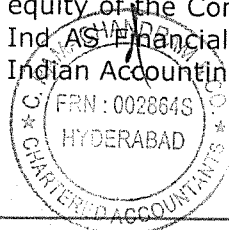
We conducted our audit in accordance with the Standards on Auditing ("the SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Special Purpose Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the requirements and of the ICAI's 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 Special Purpose Ind AS Financial Statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

As informed to us, there is no information other than financial statements. Consequently, in our opinion, the reporting requirements under SA 720 "The Auditor's Responsibility Relating to Other Information" are not applicable.

**Management's Responsibility for the Special Purpose Ind AS Financial Statements**

Board of Directors including those charged with governance are responsible for preparation of these Special Purpose Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the basis described in Note no. 2 of the Special Purpose Ind AS Financial Statements and accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS).



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgement 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 Special purpose financial statement including adjustments to be made to comply with the requirements of Ind AS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

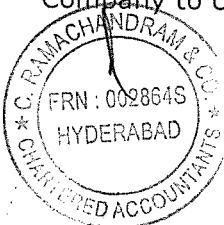
In preparing the Special Purpose Ind AS Financial Statements, the Board of Directors and the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Special Purpose Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Ind AS 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 Special Purpose Ind AS 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 Special Purpose Ind AS 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Ind AS 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.



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.

### **Basis of Accounting**

We draw attention to Note no. 2 to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. As a result, the Special Purpose Ind AS Financial Statements may not be suitable for another purpose.

### **Restriction on use and distribution**

These Special purpose Ind AS Financial Statements are not general-purpose financial statements. This report on the Special Purpose Ind AS Financial Statements has been issued solely for the limited purpose of consolidation into the financial statements of the holding company, **Rain Industries Limited** and is intended solely for the information and use by the managements of the Company, the Holding Company and the Statutory Auditors of the Holding Company. It should not be used for any other purpose or distributed to or used by other parties.

**For C. RAMACHANDRAM & Co**

Chartered Accountants

FRN: 002864S

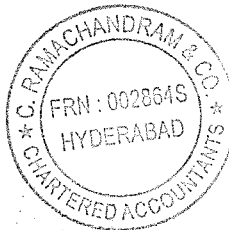


**C. RAMACHANDRAM**

Partner

Membership No.: 25834

UDIN: 24025834BKBLAV9877



Place: Hyderabad

Date: February 20, 2024

**Rain Carbon Inc.**  
**Balance Sheet as at December 31, 2023**

All amounts are in Indian Rupees Millions, except where otherwise stated

	Note	As at December 31, 2023	As at December 31, 2022
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment	3	0.29	1.45
(b) Financial Assets			
(i) Investments	4	49,788.68	19,789.96
(ii) Loans	5	41,546.95	44,789.38
(c) Deferred tax asset, net		-	23.02
(d) Other non-current tax assets, net		357.64	162.56
		91,693.27	64,764.92
<b>2. Current assets</b>			
(a) Financial Assets			
(i) Cash and cash equivalents	6	212.93	166.15
(ii) Loans	7	2,092.03	432.73
(iii) Other financial assets	8	2,555.23	1,795.48
		4,860.19	2,394.36
(b) Other current assets	9	38.47	-
<b>TOTAL</b>		<b>96,592.22</b>	<b>67,160.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	10	17,777.87	17,777.87
(b) Other Equity	11	10,926.67	4,222.44
		28,704.54	22,000.31
<b>2. Liabilities</b>			
<b>Non current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	63,503.37	43,559.03
(b) Deferred tax liability, net		14.84	-
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	1,371.48	-
(ii) Trade payables			
(A) total outstanding dues of creditors other than micro enterprises and small enterprises	14	64.37	157.11
(iii) Other financial liabilities	15	2,933.62	1,444.28
<b>TOTAL</b>		<b>96,592.22</b>	<b>67,160.73</b>
Corporate information	1		
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			


As per our report of even date attached  
**For C. Ramachandram & Co**  
Chartered Accountants  
Firm Registration No: 002864S

**C. Ramachandram**  
Partner  
M.No 025834



Place: Hyderabad  
Date: February 20, 2024

**For and on behalf of the Board of Directors**

  
**Jagan Mohan Reddy Nellore**  
Director  
DIN: 00017633



Rain Carbon Inc.

Statement of Profit and Loss for the year ended December 31, 2023

All amounts are in Indian Rupees Millions, except where otherwise stated

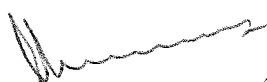
	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>1 Total income</b>			
Other income	16	15,163.75	9,645.32
<b>Total income</b>		<b>15,163.75</b>	<b>9,645.32</b>
<b>2 Expenses</b>			
Employee benefits expense	17	135.35	162.54
Finance costs	18	5,157.43	3,249.40
Depreciation and amortisation expense	3	1.15	1.10
Loss / (gain) on foreign currency transactions and translations (net)		473.13	-
Other expenses	19	1,480.45	1,559.36
<b>Total expenses</b>		<b>7,247.51</b>	<b>4,972.40</b>
<b>3 Profit before tax (1-2)</b>		<b>7,916.24</b>	<b>4,672.92</b>
<b>4 Tax expense/(benefit)</b>	20		
1. Current tax		103.54	(36.76)
2. Deferred tax		38.28	(9.51)
<b>5 Profit for the year (3-4)</b>		<b>7,774.42</b>	<b>4,719.19</b>
<b>6 Other Comprehensive Income/(loss)</b>			
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss			
- Exchange Differences in translating the financial statements of foreign operation		7.94	(95.86)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Loss for the year</b>		<b>7.94</b>	<b>(95.86)</b>
<b>7 Total Comprehensive Income for the year (5+6)</b>		<b>7,782.36</b>	<b>4,623.33</b>
<b>8 Earnings per share</b>			
Basic and Diluted (Million Rs.)		1.55	0.94
Corporate information	1		
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

**For C. Ramachandram & Co**

Chartered Accountants

Firm Registration No: 002864S



**C. Ramachandram**

Partner

M.No 025834



Place: Hyderabad

Date: February 20, 2024

**For and on behalf of the Board of Directors**



**Jagan Mohan Reddy Nellore**

Director

DIN: 00017633

**Rain Carbon Inc.**

**Statement of changes in Equity for the year ended December 31, 2023**

All amounts are in Indian Rupees Millions, except where otherwise stated

Particulars	Attributable to owners of the Company				Total
	Equity Share Capital	Reserves and Surplus		Other comprehensive income	
		Capital Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance at the beginning of the year	17,777.87	331.85	(1,180.20)	5,070.79	22,000.31
Total Comprehensive Income/(loss) for the year	-	-	7,774.42	7.94	7,782.35
Dividends	-	-	(1,078.10)	-	(1,078.11)
<b>Balance as at December 31, 2023</b>	<b>17,777.87</b>	<b>331.85</b>	<b>5,516.11</b>	<b>5,078.72</b>	<b>28,704.55</b>

Particulars	Attributable to owners of the Company				Total
	Equity Share Capital	Reserves and Surplus		Other comprehensive income	
		Capital Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance at the beginning of the year	17,777.87	331.85	(5,210.37)	5,145.23	18,044.58
Total Comprehensive Income/(loss) for the year	-	-	4,719.19	(95.86)	4,623.33
Dividends	-	-	(318.40)	-	(318.40)
Others (Impact of Merger of Rain Carbon Holding LLC)	-	-	(370.62)	21.42	(349.20)
<b>Balance as at December 31, 2022</b>	<b>17,777.87</b>	<b>331.85</b>	<b>(1,180.20)</b>	<b>5,070.79</b>	<b>22,000.31</b>

**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) **Retained earnings:** Retained earnings represents the net profits after all distributions and transfers to other reserves.

**Items of Other Comprehensive Income:**

(a) **Foreign currency translation reserve (FCTR):** Represents the FCTR of the foreign subsidiary. For the purpose of Group consolidation, the financial statements are translated at average rate of items in statement of profit and loss and at closing rate of the items in Balance sheet.

As per our report of even date attached

**For C. Ramachandram & Co**

Chartered Accountants

Firm Registration No: 002864S

**For and on behalf of the Board of Directors**

C. Ramachandram  
Partner  
M.No 025834



Jagan Mohan Reddy Nellore  
Director  
DIN: 00017633

Place: Hyderabad

Date: February 20, 2024

**Rain Carbon Inc.**
**Cash Flow Statement for the year ended December 31, 2023**

All amounts are in Indian Rupees Millions, except where otherwise stated

	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>A. Cash flow from operating activities</b>		
Profit before taxation	7,916.24	4,672.92
Adjustments for :		
Depreciation and amortisation expense	1.15	1.10
(Gain)/Loss on redemption of senior secured notes	27.82	(38.12)
Interest and other borrowing costs	5,157.43	3,249.40
Interest income	(3,938.45)	(3,145.30)
Dividend from subsidiary companies	(9,356.96)	(4,874.57)
Liabilities / provisions no longer required written back	(146.79)	-
Foreign exchange (gain) / loss, net	473.13	-
	(7,782.67)	(4,807.49)
<b>Operating profit / (loss) before working capital changes</b>	<b>133.57</b>	<b>(134.57)</b>
Adjustments for :		
Other financial assets	(625.37)	(368.08)
Other current assets	(0.05)	1.21
Trade payables	59.42	131.10
Other financial liabilities	5,233.42	1,947.63
	4,667.42	1,711.86
<b>Cash generated from operations</b>	<b>4,800.98</b>	<b>1,577.29</b>
Income taxes paid, net	(295.74)	(1.04)
<b>Net cash from operating activities</b>	<b>4,505.24</b>	<b>1,576.25</b>
<b>B. Cash flow from investing activities</b>		
Loans given to subsidiaries during the year	(3,410.45)	(408.67)
Loans repaid by subsidiaries during the year	1,655.80	-
Interest received	210.74	-
Dividend received from Subsidiaries	5,667.57	-
<b>Net cash from investing activities</b>	<b>4,123.66</b>	<b>(408.67)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	36,882.95	-
Repayment of non-current borrowings	(44,625.65)	(1,172.64)
Net increase / (decrease) in working capital borrowings	1,660.77	878.35
Interest and other borrowing costs paid	(1,508.16)	8.15
Dividend paid	(995.76)	(867.33)
<b>Net cash used in financing activities</b>	<b>(8,585.85)</b>	<b>(1,153.47)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>43.05</b>	<b>14.11</b>
<b>Cash and cash equivalents - opening balance</b>	<b>166.15</b>	<b>136.62</b>
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	3.73	15.42
<b>Cash and cash equivalents - closing balance (Refer Note (ii) below)</b>	<b>212.93</b>	<b>166.15</b>

**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:

Balances with banks:

- in current accounts

212.93	166.15
212.93	166.15

As per our report of even date attached

**For C. Ramachandram & Co**

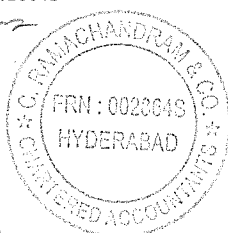
Chartered Accountants

Firm Registration No: 002864S


**C. Ramachandram**

Partner

M.No 025834



Place: Hyderabad

Date: February 20, 2024

**For and on behalf of the Board of Directors**

**Jagan Mohan Reddy Nellore**

Director

DIN: 00017633

**Rain Carbon Inc.**  
**Notes forming part of the Financial Statements**

**Note 1: Corporate Information**

Rain Carbon Inc. ("RCI") ("the Company") has been incorporated to carry on the businesses of producing calcined petroleum coke (CPC), trading metallic and/or non-metallic substances, and investing in entities engaged in such businesses.

The Company is a wholly owned subsidiary of Rain Commodities (USA) Inc. ("RCUSA"), which in turn is a wholly owned subsidiary of Rain Industries Limited ("RIL" or "the Ultimate Holding Company"), a company incorporated in India and listed on the National Stock Exchange of India Limited and BSE Limited. The Company was originally incorporated as a Limited Liability Company in the State of Delaware, United States of America on September 15, 2010. During the year ended December 31, 2013, the Company has been converted into a Delaware Corporation. Upon completion of conversion process, the authorized share capital of the Company consists of 5,000 shares.

**Note 2: Significant Accounting Policies**

**a) Basis of preparation of 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 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, 2023) has been applied. The accounting policies are applied consistently to all the periods presented in the financial statements.

The standalone financial statements were authorised for issue by the Company's Board of Directors on February 20, 2024.

**(ii) Functional and presentation currency**

The Functional currency of the Company is US Dollars (USD). These Standalone financial statements are presented in Indian Rupees (INR). All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

**(iii) Basis of measurement**

The 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
Non-cash distribution liability	Fair value
Net defined benefit asset/liability	Fair value of plan assets less present value of defined benefit plan
Borrowings	Amortised cost using effective interest rate method

**Rain Carbon Inc.**  
**Notes forming part of the Financial Statements (continued)**

**(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 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:

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Useful life of property, plant and equipment
- Impairment of financial assets and non-financial assets
- Expected Credit loss - provision for doubtful debts

**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

**Rain Carbon Inc.**  
**Notes forming part of the Financial Statements (continued)**

- 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.

**b) 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.

**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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at 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 Liabilities**

**Recognition and initial measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument 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.

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.

Financial assets and financial liabilities are off-set 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.

**Rain Carbon Inc.**  
**Notes forming part of the Financial Statements (continued)**

**c) 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 services 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.

**d) 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.

**e) 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 property, plant and equipment 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 profit or loss.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are shown under other non-current assets as capital advances.

Depreciation on all the property, plant and equipment 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.

**Rain Carbon Inc.****Notes forming part of the Financial Statements (continued)**

Gains and losses on disposal of property, plant and equipment are determined as the difference between net sales proceeds and the carrying amount, and are presented in the Statement of Standalone Profit and Loss

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.

**f) 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's 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 a CGU (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 the asset).

**g) 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.

**h) Investments**

Non-current investments in subsidiaries are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments.

**i) 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.



**Rain Carbon Inc.**  
**Notes forming part of the Financial Statements (continued)**

**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 recognized 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.

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 unutilized accumulating compensated absences and utilize 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.

**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.

**Rain Carbon Inc.**  
**Notes forming part of the Financial Statements (continued)**

**k) 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 not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. 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.

**l) 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 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.

**m) 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.

**Rain Carbon Inc.**

**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**Note 3: Property, plant and equipment**

Description	Gross Block					Depreciation			NET BLOCK		
	As at January 1, 2023	Additions	Deletions	Foreign Exchange Adjustments	As at December 31, 2023	As at January 1, 2023	For the year	Deletions	Foreign Exchange Adjustments	As at December 31, 2023	As at December 31, 2022
I. TANGIBLE ASSETS											
Vehicles	9.11	-	-	0.03	9.14	7.66	1.15	-	0.04	8.85	1.45
Total	9.11	-	-	0.03	9.14	7.66	1.15	-	0.04	8.85	1.45

Description	Gross Block					Depreciation			NET BLOCK		
	As at January 1, 2022	Additions	Deletions	Foreign Exchange Adjustments	As at December 31, 2022	As at January 1, 2022	For the year	Deletions	Foreign Exchange Adjustments	As at December 31, 2022	As at December 31, 2021
I. TANGIBLE ASSETS											
Vehicles	8.17	-	-	0.94	9.11	5.84	1.1	-	0.72	7.66	2.33
Total	8.17	-	-	0.94	9.11	5.84	1.10	-	0.72	7.66	2.33

**Rain Carbon Inc.**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 4: Non-current investments</b>		
<b>A. Investment in equity instruments (unquoted)</b>		
Equity shares carried at cost		
(i) of subsidiaries		
Rain Carbon BV *	29,998.73	-
Rain CII Carbon LLC	19,527.24	19,527.24
Rain CII Carbon (Vizag) Limited	140.84	140.84
RÜTGERS Wohnimmobilien GmbH & Co. KG	21.83	21.84
RÜTGERS Gewerbeimmobilien GmbH & Co. KG	100.04	100.04
<b>Total</b>	<b>49,788.68</b>	<b>19,789.96</b>
(a) aggregate amount of unquoted investments	49,788.68	19,789.96
* Acquired by the company with effect from June 30, 2023		
<b>Note 5: Non-current loans</b>		
(Unsecured, considered good)		
Loans and advances		
- to related parties	41,546.95	44,789.38
<b>Total</b>	<b>41,546.95</b>	<b>44,789.38</b>
<b>Note 6: Cash and cash equivalents</b>		
Balances with banks:		
- in current accounts	212.93	166.15
<b>Total</b>	<b>212.93</b>	<b>166.15</b>
<b>Note 7: Current loans</b>		
(Unsecured, considered good)		
Advances to related parties		
- Other intercompany advances	2,092.03	432.73
<b>Total</b>	<b>2,092.03</b>	<b>432.73</b>
<b>Note 8: Other current financial assets</b>		
Interest accrued on loans	1,838.09	836.59
Contractually reimbursable expenses	252.70	945.52
Other receivables	464.44	13.37
<b>Total</b>	<b>2,555.23</b>	<b>1,795.48</b>
<b>Note 9: Other current assets</b>		
Prepaid expenses	38.47	-
<b>Total</b>	<b>38.47</b>	<b>-</b>

**Rain Carbon Inc.**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 13: Current borrowings</b>		
Loans and advances from related parties		
- Unsecured	1,371.48	-
<b>Total</b>	<b>1,371.48</b>	<b>-</b>

<b>Note 14: Trade payables</b>		
Trade payables - micro, small and medium enterprises	-	-
Trade payables - other than MSME	64.37	157.11
<b>Total</b>	<b>64.37</b>	<b>157.11</b>

Trade payables ageing schedule as at December 31, 2023:

Particulars	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	64.37	-	-	-	-	64.37
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-

Trade payables ageing schedule as at December 31, 2022:

Particulars	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	157.11	-	-	-	-	157.11
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-

\*Micro, Small and Medium Enterprises

<b>Note 15: Other current financial liabilities</b>		
Interest accrued but not due on borrowings	2,785.68	795.07
Others		
- Contractually reimbursable expenses	147.94	649.21
<b>Total</b>	<b>2,933.62</b>	<b>1,444.28</b>

**Rain Carbon Inc.****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**Note 10: Share capital**

	As at December 31, 2023		As at December 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Issued, subscribed and paid up Equity Shares	5,000.00	17,777.87	5,000.00	17,777.87
<b>Total</b>	<b>5,000.00</b>	<b>17,777.87</b>	<b>5,000.00</b>	<b>17,777.87</b>

**Notes:**

- (i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the period:

Particulars	As at December 31, 2023		As at December 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
As at beginning of the period	5,000.00	17,777.87	5,000.00	17,777.87
Add/(Less): Changes in equity shares during the year	-	-	-	-
<b>As at end of the period</b>	<b>5,000.00</b>	<b>17,777.87</b>	<b>5,000.00</b>	<b>17,777.87</b>

- (ii) Shareholders holding more than 5% of the equity shares

Name of the Shareholder	As at		As at	
	December 31, 2023		December 31, 2022	
	Number of shares	%	Number of shares	%
Rain Commodities (USA) Inc.	5,000.00	100%	5,000.00	100%

- (iii) Shares held by Promoters

Name of the Shareholder	As at		As at	
	December 31, 2023		December 31, 2022	
	% of total shares	% of change during the year	% of total shares	% of change during the year
Rain Commodities (USA) Inc.	100%	-	100%	-

**Rain Carbon Inc.****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	<b>As at December 31, 2023</b>	<b>As at December 31, 2022</b>
<b>Note 11: Other equity</b>		
<b>(i) Reserves and Surplus</b>		
<b>(a) Capital Reserve</b>	<b>331.85</b>	<b>331.85</b>
<b>(b) Retained Earnings</b>		
Opening balance	(1,180.20)	(5,210.37)
Add: Profit for the year	7,774.42	4,719.19
Less: Dividend	(1,078.10)	(318.40)
Others (Impact of Merger of Rain Carbon Holding LLC)	-	(370.62)
Closing balance	<b>5,516.11</b>	<b>(1,180.20)</b>
<b>(ii) Items of Other Comprehensive income:</b>		
<b>(a) Foreign currency translation reserve</b>		
Opening balance	5,070.79	5,145.23
Add: Effect of foreign exchange rate variations	7.94	(95.86)
Others (Impact of Merger of Rain Carbon Holding LLC)	-	21.42
Closing balance	<b>5,078.72</b>	<b>5,070.79</b>
<b>Total</b>	<b>10,926.67</b>	<b>4,222.44</b>

**Rain Carbon Inc.****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	<b>As at December 31, 2023</b>	<b>As at December 31, 2022</b>
<b>Note 12: Non-current borrowings</b>		
<b>A. Bonds</b>		
- Secured		
7.25% Senior secured notes (due for repayment in April 2025)	4,126.84	43,558.72
12.25% Senior secured notes (due for repayment in September 2029)	36,817.21	
	<b>40,944.05</b>	<b>43,558.72</b>
<b>B. Term loans</b>		
From other parties		
- Unsecured	0.31	0.31
	<b>0.31</b>	<b>0.31</b>
<b>C. Loans and advances from related parties</b>		
Loans and advances from related parties (Unsecured)	22,559.01	
	<b>22,559.01</b>	<b>-</b>
<b>Total [A+B+C]</b>	<b>63,503.37</b>	<b>43,559.03</b>



**Rain Carbon Inc.****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Note 16: Other income</b>		
Interest income		
Interest on loans and advances	3,938.45	3,145.30
Dividend income from non-current investments	9,356.96	4,874.57
Other non-operating income		
Liabilities / provisions no longer required written back	146.79	-
Gain on redemption of senior secured notes	-	38.12
Miscellaneous income	1,721.55	1,587.33
<b>Total</b>	<b>15,163.75</b>	<b>9,645.32</b>
<b>Note 17: Employee benefits expense</b>		
Salaries, wages and bonus	135.35	162.54
<b>Total</b>	<b>135.35</b>	<b>162.54</b>
<b>Note 18: Finance costs</b>		
Interest expense	4,798.24	3,097.83
Other borrowing costs	359.19	151.57
<b>Total</b>	<b>5,157.43</b>	<b>3,249.40</b>
<b>Note 19: Other expenses</b>		
Insurance	-	(5.21)
Rates and taxes	-	0.08
Consultancy charges	35.64	93.72
Payment to auditors [Refer Note Below]	0.00	0.00
Directors' sitting fees	14.89	14.35
Loss on redemption of senior secured notes	27.82	-
Miscellaneous expenses	1,402.10	1,456.42
<b>Total</b>	<b>1,480.45</b>	<b>1,559.36</b>
<b>Note:</b>		
<b>Payment to auditors comprises (excluding GST):</b>		
Other Auditor fees	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Note 20: Tax expense</b>		
Current tax		
(i) Tax for current year	103.54	(36.76)
Net current tax	103.54	(36.76)
Deferred tax		
(i) Attributable to the origination and reversal of temporary differences	37.96	(9.44)
(ii) Deferred tax due to rate change	0.32	(0.07)
Net current tax	38.28	(9.51)
<b>Total</b>	<b>141.82</b>	<b>(46.27)</b>

**Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 21: Financial instruments disclosure:****Note 21.1: 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).

Particulars	As at December 31, 2023				As at December 31, 2022			
	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
<b>Financial Assets</b>								
<b>At Amortised cost</b>								
Non-current investments	49,788.68				19,789.95			
Cash and cash equivalents	212.93				166.15			
Non-current loans	41,546.95				44,789.38			
Current loans	2,092.03				432.73			
Other current financial assets	2,555.23				1,795.48			
<b>Financial Liabilities</b>								
<b>At Amortised cost</b>								
Borrowings	64,874.85				43,559.03			
Trade payables	64.37				157.11			
Other current financial liabilities	2,933.62				1,444.28			

**Valuation Techniques:**

(a) **Borrowings (at amortised cost):** The valuation model considers the present value of expected receipt/payment discounted using risk-adjusted or 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 21.2: 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 21.3: 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 entities within the Company 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, derivatives provided by the Company. 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.

**Rain Carbon Inc.****Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 21.4: 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, 2023, cash and cash equivalents are held with major banks.

**Maturity of financial liabilities:**

The table below provides details regarding the remaining contractual maturities of significant 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, 2023							
Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
<b>Non-derivative financial liabilities:</b>							
Borrowings	64,874.85	10,130.85	4,142.95	-	37,404.00	13,799.96	65,477.75
Trade payables	64.37	64.37	-	-	-	-	64.37
Other current financial liabilities	2,933.62	2,933.62	-	-	-	-	2,933.62

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
<b>Non-derivative financial liabilities:</b>							
Borrowings	43,559.03	-	0.31	43,558.72	-	-	43,559.03
Trade payables	157.11	157.11	-	-	-	-	157.11
Other current financial liabilities	1,444.28	1,444.28	-	-	-	-	1,444.28

**Note 21.5: 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, commodity prices, equity prices 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 21.6: 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	
	Dec 31, 2023	Dec 31, 2022
<b>Variable rate instruments</b>		
Current Loans	1,772.68	432.73
	<b>1,772.68</b>	<b>432.73</b>

**Interest rate Sensitivity:**

**Impact on net interest expense for the year on 1% change in interest rate:** A reasonably possible change of 1% in interest rates at the reporting date would have

Particulars	December 31, 2023		December 31, 2022	
	Increase	Decrease	Increase	Decrease
<b>Impact on profit and loss</b>				
Variable-rate instruments	(17.73)	17.73	(4.33)	4.33
Interest rate swaps	-	-	-	-
<b>Total Impact</b>	<b>(17.73)</b>	<b>17.73</b>	<b>(4.33)</b>	<b>4.33</b>

**Rain Carbon Inc.****Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 21.7 Currency risk:**

The Company 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 Company.

The following table analyzes foreign currency risk from non derivative financial instruments as at December 31, 2023:

	USD	EUR	CAD	RUB	Others*	Total
<b>Assets:</b>						
Cash and bank balances						-
EEFC balance						-
Trade receivables						-
Loans						-
Loans and advances to subsidiary						-
Other Financial Assets - Dividend receivable		161.00				
	-	161.00	-	-	-	161.00
<b>Liabilities:</b>						
Trade payables						-
Borrowings		8,759.05				8,759.05
Other financial liabilities		980.80				980.80
	-	9,739.85	-	-	-	9,739.85

\*Others include GBP, CHF and others

The following table analyzes foreign currency risk from non derivative financial instruments as at December 31, 2022:

	USD	EUR	CAD	RUB	Others*	Total
<b>Assets:</b>						
Cash and bank balances						-
EEFC balance						-
Trade receivables						-
Loans						-
Loans and advances to subsidiary						-
	-	-	-	-	-	-
<b>Liabilities:</b>						
Trade payables						-
Borrowings						-
Other financial liabilities						-
	-	-	-	-	-	-

\*Others include GBP, CHF and others

**Sensitivity Analysis:**

A reasonably possible strengthening (weakening) of the US dollar, Euro, Canadian Dollar, Ruble 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 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 Foreign currency loss/(gain) for the year on 1% change in rates are:

Particulars	December 31, 2023		December 31, 2022	
	Strengthening	Weakening	Strengthening	Weakening
<b>Impact on profit and loss</b>				
INR		-		-
Euro	95.79	(95.79)	-	-
USD	-	-	-	-
CAD	-	-	-	-
RUB	-	-	-	-
Others*	-	-	-	-

**Rain Carbon Inc.****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**Note 22: Related Party Disclosures****a) Names of related parties and description of relationship**

Sl. No	Relationship	Name
(a)	<b>List of related parties where control exists</b>	
(i)	Ultimate Holding Company	1 Rain Industries Limited [RIL]
	Holding Company	2 Rain Commodities (USA) Inc [RCUSA]
(b)	<b>Other related parties where transactions have taken place during the year/balances exists at year end</b>	
	Entites under common control	1 Rain CII Carbon (Vizag) Limited [RCCVL]
		2 Rain CII Carbon LLC [RCC]
		3 Rain Carbon Germany GMBH [RCGG]
		4 Rain Carbon BVBA [RBV] *
		5 Rain Carbon GMBH [RCG]
		6 Rain Carbon Canada Inc
		7 Rain Carbon Poland Sp.z.o.o

\* Acquired with effect from June 30, 2023.

**b) Transactions with related parties:**

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>Revenue from services</b>		
a) RCC	603.11	570.96
b) RCCVL	132.87	152.82
c) RCG	429.94	445.04
d) Rain Carbon Poland	28.97	31.20
e) RBV	262.55	216.62
f) RCGG	19.35	-
g) Rain Canada	244.41	171.36
<b>Interest Income</b>		
a) RCUSA	30.24	10.99
b) RCG	3.02	-
c) RCC	3,905.20	3,134.31
<b>Interest Expenditure</b>		
a) RCG	967.29	-
b) RCC	10.36	47.11
<b>Global Service cost</b>		
a) RCC	775.24	837.63
<b>Dividend Declared</b>		
a) RCUSA	1,078.10	318.40
<b>Management Fees Expenses</b>		
a) RCC	47.01	65.66
b) RIL	360.96	316.73
d) RBV	75.60	87.31
e) RCGG	106.40	103.13
f) RCG	55.35	46.25
<b>Dividend Received</b>		
a) RCC	4,196.03	2,102.73
b) RCBV	3,195.20	-
c) RCCVL	1,965.73	-
d) RCH	-	2,771.84

**Rain Carbon Inc.****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**(c) The Company has the following dues from / to related parties:**

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
<b>Loans from</b>		
a) RCC	1,371.48	-
c) RCG	22,559.01	-
<b>Management fees Receivable</b>		
a) RCCVL	35.05	37.89
b) RCG	-	654.79
c) RCC	24.03	60.19
d) RBV	82.53	92.84
e) Rain Carbon Canada Inc	98.61	59.18
f) RCGG	-	23.24
g) Rain Carbon Poland	12.48	17.39
<b>Interest receivable</b>		
a) RCUSA	41.74	11.27
b) RCC	1,793.34	825.31
c) RCG	3.01	-
<b>Dividend Receivable</b>		
a) RCC	303.44	13.37
b) RBV	161.00	-
<b>Loan given to</b>		
a) RCC	41,546.95	44,789.38
b) RCG	1,371.48	-
c) RCUSA	720.55	432.73
<b>Amounts Payable to</b>		
a) RCC	-	-
b) RIL	110.79	103.82
c) RCGG	-	226.99
d) RCG	-	268.83
e) RBV	37.15	49.58
<b>Accrued Interest payable</b>		
a) RCG	992.34	-
b) RCC	-	-

**Note 23 : Earnings per Share (EPS)**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
a. Profit for the year	7,774.42	4,719.19
b. Weighted average number of equity shares outstanding during the year (Nos.)	5,000	5,000
<b>Earnings per Share</b>		
c. Basic and Diluted - [a]/[b] (Million Rs.)	1.55	0.94

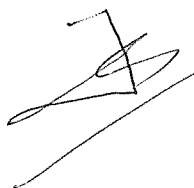
**Rain Carbon Inc.**

**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**Note 24: Additional Regulatory Information**

- (i) The title deeds of immovable properties are held in the name of the Company
- (ii) The Company has not revalued its Property, plant and equipment and intangible assets during the year.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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.
- (viii) 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.
- (ix) 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.
- (x) During the year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (xi) The Company does not trade in crypto currency or virtual currency.



**Independent Auditor's Report****To the Members of Rain Cements Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Rain Cements Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the 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 December 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Other information**

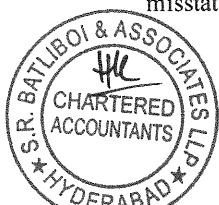
The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





# **S.R. BATLIBOI & ASSOCIATES LLP**

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In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

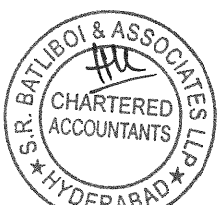
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 the 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 financial statements, including the disclosures, and whether the 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.

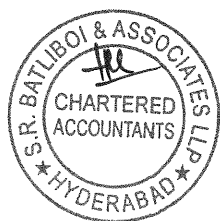
## **Other Matter**

The financial statements of the Company for the year ended December 31, 2022, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on February 14, 2023.



**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 sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on December 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2023, 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended December 31, 2023, has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 34 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv.
      - a) The management has represented that, to the best of its knowledge and belief, 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, whether, 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;
      - b) The management has represented that, to the best of its knowledge and belief, 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, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



# **S.R. BATLIBOI & ASSOCIATES LLP**

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- c) Based on such 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 (a) and (b) contain any material misstatement.
- v. 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.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. financial year beginning April 1, 2023, reporting under this clause is not applicable.

## **For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Harish Khemnani**

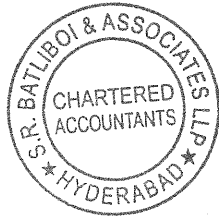
Partner

Membership Number: 218576

UDIN: 24218576BKGEMW1272

Place of Signature: Hyderabad

Date: February 19, 2024



# S.R. BATLIBOI & ASSOCIATES LLP

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**Annexure '1'- Referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.**

**Re: Rain Cements Limited ("the Company")**

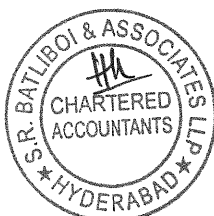
In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (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.
- (b) Property, Plant and Equipment were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended December 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory during the year and in our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- (b) As disclosed in note 20(a) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the audited/unaudited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.
- (iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies or firms as follows:

Particulars	Loans granted
Aggregate amount granted during the year.	
- Others (Holding Company)	INR 500 million
Balance outstanding as at balance sheet date in respect of above cases.	
- Others (Holding Company)	INR 523 million*

\* Including interest accrued

During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.



- (b) During the year, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies are not prejudicial to the Company's interest.
- The Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.
- (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- The Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships, or any other parties which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Cement, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues applicable to it. The provisions for sales-tax, service tax, duty of excise, value added tax and cess are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



# S.R. BATLIBOI & ASSOCIATES LLP

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(b)

The dues of goods and services tax, income-tax, sales-tax, service tax, duty of custom, duty of excise, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (In INR millions)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	3.10	AY 2007-08	Income Tax Appellate Tribunal
		2.18	AY 2008-09	
		113.99 (67.01)*	AY 2009-10	Commissioner of Income Tax (Appeals)
		18.26	AY 2011-12	Honorable High Court of Telangana
		148.93	AY 2012-13	
		31.72	AY 2017-18	Commissioner of Income Tax (Appeals)
		373.29*	AY 2018-19	Honorable High Court of Telangana
	Penalty	1.60	AY 2020-21	Commissioner of Income Tax (Appeals)
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	8.15	FY 1991-92 FY 1992-93	Honorable High Court of Andhra Pradesh
Central Sales Tax Act, 1956	Penalty	7.84 (1.96)	FY 2018-19	
Central Excise Act	Penalty	4.65	Oct-Nov'2012	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise duty and Penalty	75.42 (75.32)#	Aug'14 – Nov'16	Customs, Excise and Service Tax Appellate Tribunal
Telangana Tax on Entry of Goods into local areas act, 2001	Entry Tax	14.45 (3.61)	2012-13 2015-16 2016-17 2017-18	Honorable High Court of Telangana
Telangana Tax on Entry of Goods into local areas act, 2001	Entry Tax	2.54 (1.27)	2013-14 2014-15	Sales Tax Tribunal
Telangana Tax on Entry of Motor Vehicle into Local Areas Act, 1996	Entry Tax	6.84	2008-09	Honorable High Court of Telangana
Goods and Services Tax, 2017	Goods and Services Tax	1.00 (0.05)	2018-19	Company is evaluating filing an appeal with the tribunal upon its formation.
Goods and Services Tax, 2017	Goods and Services Tax	37.66 (2.34)	2017-18 2018-19 2019-20	Commissioner (Appeals)

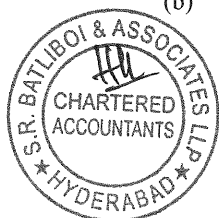
- Interest will be levied separately, as applicable.
- Amount in parenthesis represents payment under protest.
- \* Vide its order dated October 05, 2021, the Honorable High Court for the State of Telangana has granted an interim stay with respect to further proceedings, including any recovery, pursuant to the assessment order passed for AY 2018-19
- ~ Represents amounts adjusted against the refund due for AY 2013-14 - October 2017
- # Amount represents Cenvat credit on clean energy cess reversed.



# **S.R. BATLIBOI & ASSOCIATES LLP**

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- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of 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) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.



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- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 43 (xiii) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section (6) of section 135 of the companies Act. This matter has been disclosed in note 37 to the financial statements.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
**per Harish Khemnani**

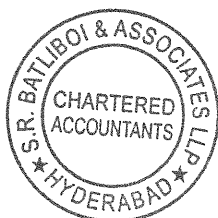
Partner

Membership Number: 218576

UDIN: 24218576BKGEMW1272

Place of Signature: Hyderabad

Date: February 19, 2024





**Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Rain Cements Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Rain Cements Limited ("the Company") as of December 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 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 Companies Act, 2013.

**Auditor's Responsibility**

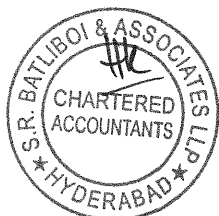
Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these financial statements was 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 these 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 these 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 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 these financial statements.

**Meaning of Internal Financial Controls with reference to these 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes 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 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 financial statements.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **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.

## **Opinion**

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## **For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Harish Khemnani**

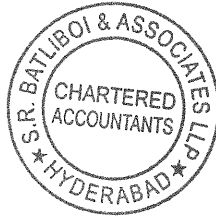
Partner

Membership Number: 218576

UDIN: 24218576BKGEMW1272

Place of Signature: Hyderabad

Date: February 19, 2024



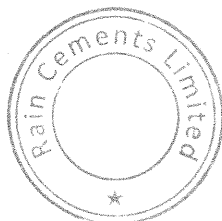
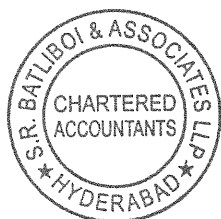
**Rain Cements Limited**  
**Balance Sheet as at December 31, 2023**  
All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Particulars	Note	As at December 31, 2023	As at December 31, 2022
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	4,157.15	3,909.02
(b) Capital work-in-progress	3	189.01	554.52
(c) Right-of-use assets	4	52.96	64.76
(d) Intangible assets	5	0.41	0.67
(e) Financial assets			
(i) Investments	6	422.47	438.47
(ii) Loans	7	500.00	-
(ii) Other non-current financial assets	7(a)	242.98	226.73
(f) Non-current tax assets (net)	8	276.68	215.45
(g) Other non-current assets	9	343.15	429.72
<b>Total Non-current assets</b>		<b>6,184.81</b>	<b>5,839.34</b>
<b>2. Current assets</b>			
(a) Inventories	10	1,372.65	1,850.21
(b) Financial assets			
(i) Trade receivables	11	233.34	288.27
(ii) Cash and cash equivalents	12	422.09	50.84
(iii) Other Bank balances	12	3,354.91	1,907.44
(iv) Loans	13	0.29	1,169.48
(v) Other current financial assets	14	161.10	101.16
(c) Other current assets	15	281.17	521.73
<b>Total Current assets</b>		<b>5,825.55</b>	<b>5,889.13</b>
<b>TOTAL ASSETS</b>		<b>12,010.36</b>	<b>11,728.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	16	298.05	298.05
(b) Other equity	17	8,353.89	7,953.89
<b>Total Equity</b>		<b>8,651.94</b>	<b>8,251.94</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18(a)	80.98	187.49
(ii) Lease liabilities	18(b)	26.84	37.01
(b) Provisions	19	216.48	238.75
(c) Deferred tax liabilities (net)	25	283.65	234.33
<b>Total Non-current liabilities</b>		<b>607.95</b>	<b>697.58</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20(a)	101.53	100.85
(ii) Lease liabilities	18(b)	13.04	12.26
(iii) Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises		29.48	17.52
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		597.72	587.28
(iv) Other financial liabilities	22	1,099.33	1,252.31
(b) Provisions	23	54.65	19.64
(c) Other current liabilities	24	453.78	352.78
(d) Current tax liabilities (net)	20	400.94	436.31
<b>Total Current liabilities</b>		<b>2,750.47</b>	<b>2,778.95</b>
<b>TOTAL LIABILITIES</b>		<b>3,358.42</b>	<b>3,476.53</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,010.36</b>	<b>11,728.47</b>
Corporate information	1		
Significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached  
for S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

*Harish Khemnani*

**Harish Khemnani**  
Partner  
Membership number: 218576  
Place : Hyderabad  
Date : February 19, 2024



For and on behalf of the Board of Directors of  
**Rain Cements Limited**  
CIN: U23209TG1999PLC031631

*N. Sujith Kumar Reddy*  
**N. Sujith Kumar Reddy**  
Managing Director  
DIN: 00022383  
Place: Hyderabad  
Date : February 19, 2024

*Venkata Pranav Reddy Nellore*  
**Venkata Pranav Reddy Nellore**  
Executive Director  
DIN: 10040953  
Place: Hyderabad  
Date : February 19, 2024

*G.N.V.S.R.R.Kumar*  
**G.N.V.S.R.R.Kumar**  
Chief Financial Officer  
M.No.204139

Place: Hyderabad  
Date : February 19, 2024

*P. Ganesh Pathrudu*  
**P. Ganesh Pathrudu**  
Company Secretary  
M.No.A70037

Place: Hyderabad  
Date : February 19, 2024

**Rain Cements Limited**
**Statement of Profit and Loss for the year ended December 31, 2023**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Particulars	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>1 Income</b>			
Revenue from operations	26	15,234.34	16,193.73
Other income	27	277.31	350.18
<b>Total income</b>		<b>15,511.65</b>	<b>16,543.91</b>
<b>2 Expenses</b>			
Cost of materials consumed	28	1,953.80	1,954.15
Purchases of stock-in-trade		-	844.73
Changes in inventories of finished goods and work-in-progress	29	136.91	(170.02)
Employee benefits expense	30	526.90	483.13
Finance costs	31	23.35	28.59
Depreciation and amortisation expense	3,4,5	576.13	557.33
Other expenses	32	11,595.22	11,834.95
<b>Total expenses</b>		<b>14,812.31</b>	<b>15,532.86</b>
<b>3 Profit before tax (1-2)</b>		<b>699.34</b>	<b>1,011.05</b>
<b>4 Tax expense</b>	33		
Current tax		163.65	276.49
Deferred tax			
Current period		51.55	(41.08)
		<b>215.20</b>	<b>235.41</b>
<b>5 Profit for the year (3-4)</b>		<b>484.14</b>	<b>775.64</b>
<b>6 Other Comprehensive income/ (loss)</b>			
(i) Item that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		(8.88)	16.34
(b) Income tax relating to remeasurement of defined benefit plans		2.24	(4.11)
<b>Total other comprehensive income/ (loss) for the year (a+b)</b>		<b>(6.64)</b>	<b>12.23</b>
<b>Total comprehensive income for the year (5+6)</b>		<b>477.50</b>	<b>787.87</b>
<b>Earnings per share (Face value of INR 10/- each)</b>			
Basic and Diluted (INR)	36	16.24	26.02
Corporate information	1		
Significant accounting policies	2		
<b>The accompanying notes form an integral part of the financial statements</b>			

As per our report of even date attached

 for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of

**Rain Cements Limited**

CIN:U23209TG1999PLC031631

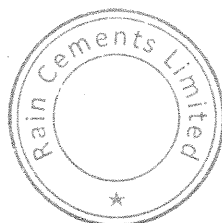

**Harish Khemnani**

Partner

Membership number: 218576

Place : Hyderabad

Date : February 19, 2024


**N. Sujith Kumar Reddy**

Managing Director

DIN: 00022383

Place: Hyderabad

Date : February 19, 2024

**G.N.V.S.R.R.Kumar**

Chief Financial Officer

M.No.204139

Place: Hyderabad

Date : February 19, 2024

**Venkata Pranav Reddy Nellore**

Executive Director

DIN: 10040953

Place: Hyderabad

Date : February 19, 2024

**P. Ganesh Pathrudu**

Company Secretary

M.No.A70037

Place: Hyderabad

Date : February 19, 2024

**Rain Cements Limited**  
**Statement of changes in equity for the year ended December 31, 2023**  
All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**A. Equity Share Capital**

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
Balance as at December 31, 2023	298.05	-	298.05
Balance as at December 31, 2022	298.05	-	298.05

**B. Other Equity**

Particulars	Other equity			Total
	Reserves and surplus			
	Securities premium	General reserve	Retained earnings	
Balance as at January 01, 2022	424.33	612.48	6,206.70	7,243.51
Profit for the year	-	-	775.64	775.64
Other comprehensive income (net of tax)	-	-	12.23	12.23
Total comprehensive income for the year	-	-	787.87	787.87
Dividends distributed	-	-	(77.49)	(77.49)
Balance as at December 31, 2022	424.33	612.48	6,917.08	7,953.89
Balance as at January 01, 2023	424.33	612.48	6,917.08	7,953.89
Profit for the year	-	-	484.14	484.14
Other comprehensive income (net of tax)	-	-	(6.64)	(6.64)
Total comprehensive income for the year	-	-	477.50	477.50
Dividends distributed	-	-	(77.49)	(77.49)
Balance as at December 31, 2023	424.33	612.48	7,317.09	8,353.90

Refer note no. 17 for nature and purpose of reserves

Corporate information 1  
Significant accounting policies 2  
The accompanying notes form an integral part of the financial statements

As per our report of even date attached  
for S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

*Harish Khemnani*  
**Harish Khemnani**  
Partner  
Membership number: 218576  
Place: Hyderabad  
Date : February 19, 2024



For and on behalf of the Board of Directors of  
**Rain Cements Limited**  
CIN: U23209TG1999PLC031631

*N. Sujith Kumar Reddy*  
**N. Sujith Kumar Reddy**  
Managing Director  
DIN: 00022383  
Place: Hyderabad  
Date : February 19, 2024

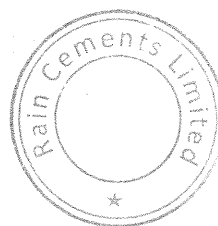
*G.N.V.S.R.R. Kumar*  
**G.N.V.S.R.R. Kumar**  
Chief Financial Officer  
M.No.204139

Place: Hyderabad  
Date : February 19, 2024

*Venkata Pranav Reddy Nellore*  
**Venkata Pranav Reddy Nellore**  
Executive Director  
DIN: 10040953  
Place: Hyderabad  
Date : February 19, 2024

*P. Ganesh Pathrudu*  
**P. Ganesh Pathrudu**  
Company Secretary  
M.No.A70037

Place: Hyderabad  
Date : February 19, 2024



**Rain Cements Limited**  
**Statement of Cash Flows for the year ended December 31, 2023**  
(All amounts are in Indian Rupees Thousands, except share data and otherwise stated)

	For the period ended December 31, 2023	For the year ended December 31, 2022
Profit before tax	699.34	1,011.05
Adjustments for :		
Depreciation and amortisation expense	576.13	557.33
Loss/(Profit) on sale of property, plant and equipment, net	-	18.24
Investment written off	0.01	-
Provision for impairment on investments	16.00	-
Interest and other borrowing costs	13.09	17.97
Unwinding of mines restoration cost	10.26	10.62
Interest income	(234.79)	(189.21)
Liabilities / provisions no longer required written back	(5.06)	(8.69)
Reversal of impairment on assets	-	(120.00)
Provision for impairment of receivables/Bad Debts written off	0.02	1.15
	375.66	287.41
Operating profit before working capital changes	1,075.00	1,298.46
Adjustments for changes in working capital:		
(Increase)/decrease in inventories	477.56	(493.19)
(Increase)/decrease in trade receivables	54.95	(38.98)
(Increase)/decrease in current Loans	(0.10)	(10.35)
(Increase)/decrease in other current assets	240.56	(212.63)
(Increase)/decrease in other non-current financial assets	(16.25)	-
Increase/(decrease) in trade payables	21.58	21.08
Increase/(decrease) in other current liabilities	101.00	3.50
Increase/(decrease) in other current financial liabilities	(73.88)	(25.24)
(Increase)/decrease in other non-current assets	(2.38)	-
Increase/(decrease) in current provisions	26.13	(4.18)
Increase/(decrease) in non-current provisions	(22.27)	-
	806.90	(759.99)
Cash generated from operations	1,881.90	538.47
Income taxes paid, net	(260.21)	(270.70)
Net cash generated from operating activities (A)	1,621.69	267.77
Purchase of property, plant and equipment (including movement in Capital work in progress, capital advances and capital creditors)	(437.54)	(1,142.85)
Proceeds from sale of property, plant and equipment/investment	0.71	14.83
Proceeds from redemption of National Savings certificate	-	0.05
Investment in fixed/ restricted bank deposits (having original maturity of more than three months)	(3,465.15)	(8,117.74)
Redemption of fixed/ restricted bank deposits (having original maturity of more than three months)	2,017.71	8,374.84
Investment in inter corporate deposits	-	(1,059.29)
Conversion/ Redemption of inter corporate deposits	1,169.28	1,372.28
Loan to holding company	(500.00)	-
Interest received	174.85	188.39
	(1,040.15)	(369.49)
Net cash generated/ (used in) investing activities (B)	(1,040.15)	(369.49)
Repayment of non-current borrowings	0.78	(73.96)
Sales tax deferment paid	(100.84)	(138.90)
Lease rentals paid	(9.39)	(7.87)
Interest on lease rentals paid	(3.35)	(3.15)
Interest and other borrowing costs paid	(20.00)	(14.82)
Dividend paid	(77.49)	(77.49)
	(210.29)	(316.19)
Net cash used in financing activities (C)	(210.29)	(316.19)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	371.25	(417.91)
Cash and cash equivalents at the beginning of the year	50.84	468.75
Cash and cash equivalents at the end of the year (refer note 12)	422.09	50.84

1) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard - 7 'Statement of Cash Flows'.

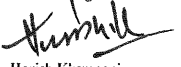
2) Reconciliation of Cash and Cash equivalents with the Balance Sheet:

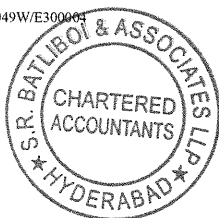
	As at December 31, 2023	As at December 31, 2022
Cash on hand	0.12	0.08
Cheques/ drafts on hand	-	0.05
Balances with banks:		
- in current accounts	58.37	50.71
- in deposit accounts (with original maturity of 3 month or less)	363.60	-
	422.09	50.84

Refer note 18(a) and 18(b) for the movement in financial liabilities arising from financing activities

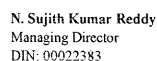
The accompanying notes form an integral part of the financial statements


As per our report of even date attached  
for S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300065

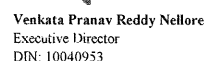
  
Harish Kiemnani  
Partner  
Membership number: 218576  
Place: Hyderabad  
Date : February 19, 2024

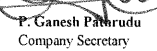


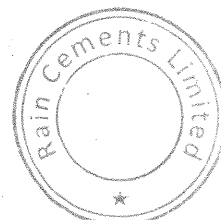
For and on behalf of the Board of Directors of  
Rain Cements Limited  
CIN: U23209TG1999PLC01631

  
N. Sujith Kumar Reddy  
Managing Director  
DIN: 09022383  
Place: Hyderabad  
Date : February 19, 2024

  
G.N.V.S.R.R. Kumar  
Chief Financial Officer  
M.No.204139  
Place: Hyderabad  
Date : February 19, 2024

  
Venkata Pranav Reddy Nellore  
Executive Director  
DIN: 10040953  
Place: Hyderabad  
Date : February 19, 2024

  
P. Ganesh Patrudu  
Company Secretary  
M.No.A79037  
Place: Hyderabad  
Date : February 19, 2024



**Rain Cements Limited**  
**Notes to the Financial Statements for the period ended December 31, 2023**

**Note 1: Corporate Information**

Rain Cements Limited ('the Company') was originally incorporated on May 04, 1999 and is domiciled in India. The Company is engaged in the business of manufacture and sale of cement. Company's production facilities are located at Suryapet district in the State of Telangana and Nandyala district in the State of Andhra Pradesh.

Rain Cements Limited is a wholly owned Subsidiary of Rain Industries Limited.

**Note 2: Significant Accounting Policies**

**a) Basis of preparation of financial statements**

**(i) Statement of compliance**

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 Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements have been prepared on a going concern basis. Relevant Ind AS effective as on the Company's annual reporting date December 31, 2023 have been applied. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements were authorised for issue by the Company's Board of Directors on February 19, 2024.

**(ii) Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), 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 financial statements have been prepared on a historical cost basis, except for the following :

Items	Measurement basis
Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)	Fair value
Net defined benefit liability/asset	Present value of defined benefit plan obligation less fair value of plan assets
Borrowings	Amortised cost using effective interest rate method
Inventories	Lower of cost or net realisable value

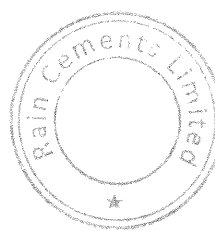
**(iv) Use of estimates and judgements**

In preparing these 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 these 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 (Refer note 38)
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Refer note 34)
- useful life of property, plant and equipment and intangible assets (Refer note 2 (e) and (f))
- impairment of financial assets and non-financial assets (Refer note 42)
- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used & utilisation of Minimum Alternate Tax (Refer note 25)
- site restoration provision (Refer note 19)
- measurement of borrowings at amortised cost using effective interest rate method (Refer note 18).



**Note 2: Significant accounting policies (continued)**

**(v) 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.

**(vi) Measurement of Fair values:**

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.

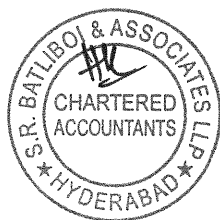
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company engages with external valuers for measurement of fair values in the absence of quoted prices in active markets.

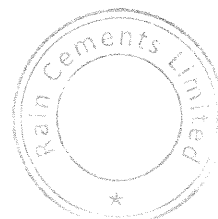
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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 period the Company re-assesses categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



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**Note 2: Significant accounting policies (continued)**

**(b) 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.

**Financial Assets:**

**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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the 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 and 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 or 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.

**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.

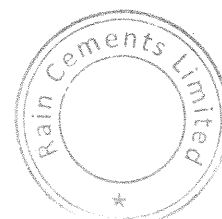
In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows 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.



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**Note 2: Significant accounting policies (continued)**

**(b) Financial instruments (continued)**

**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 profit or loss.

**Financial assets at amortised cost:** These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or 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 profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Equity investments at FVOCI:** These assets are subsequently measured at fair value. Dividends are recognised as income in profit or 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 profit or 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 rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive 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**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

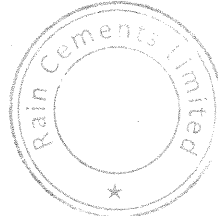
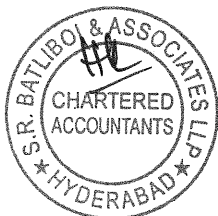
Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**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. 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.



**Note 2: Significant accounting policies (continued)****(c) Revenue Recognition**

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 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, liquidated damages, incentives, volume rebates, or other contractual reductions.

Variable consideration includes incentives, volume rebates, discounts and liquidated damages etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Revenue from services rendered is recognised when the related services are performed in accordance with contract terms. Revenues which arise from the Company's operating activities, principal or ancillary, but which are not arising from sale of products/services rendered are included as other operating revenues.

**(d) Other income**

Interest income 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.

**(e) Property, plant and equipment**

Property, plant and equipment are stated at cost/deemed cost less accumulated depreciation. Cost includes directly attributable costs 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 profit or loss.

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under long-term loans and advances as capital advances.

Depreciation on all the tangible fixed assets is provided based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule. The Company uses lease period for calculating depreciation for buildings taken on lease.

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

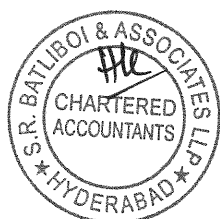
Gains and losses on disposal of tangible property, plant and equipment are determined as the difference between net sales proceeds and the carrying amount, and are presented in the Statement of Profit and Loss.

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 profit or loss as incurred.

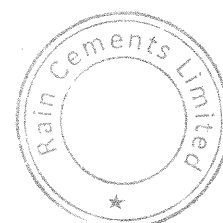
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Asset Description	Useful Life
Freehold Mining land	125 years
Buildings	3 to 77 years
Plant & Machinery	2 to 25 years
Furnitures & Fixtures	8 to 10 years
Vehicles	5 to 11 years
Office Equipment's	3 to 5 years

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, and estimated costs of dismantling and removing the item and restoring the site on which it is located.



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**Note 2: Significant accounting policies (continued)****(f) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite. Intangible assets with finite lives 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 Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

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 statement of profit or loss when the asset is derecognised.

Asset Description	Useful Life
Software	3 years

**(g) Inventories**

Inventories are valued at lower of cost (including prime cost 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, 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.

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. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Stores and spares are valued at cost determined on weighted average basis. 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 cost and net realisable value. Goods in transit are valued at cost.

**(h) Impairment of non-financial assets**

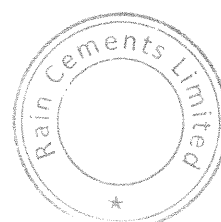
The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

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 greater of its value in use and its fair value less costs to sell. 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 the asset). Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

The Company'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 to which the corporate asset belongs.

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 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".



**Note 2: Significant accounting policies (continued)****(i) Impairment of financial assets**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company 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 Company on terms that the Company 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. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company 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 Company 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 Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than the reasonable period of time which is usually the credit period. The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held);
- and - the financial asset is 180 days or more past due.

**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 Company in accordance with the contract and the cash flows that the Company expects to receive). Presentation of allowance for expected credit losses in the balance sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**(j) 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.

**(k) 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 recognized 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 profit or loss in subsequent periods.

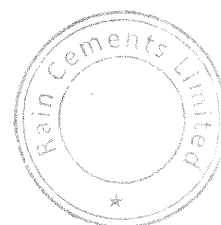
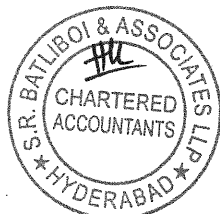
Past service costs are recognised in profit or loss on the earlier of:

- 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 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of profit or loss. The Company recognises the gains and losses on the settlement of a defined benefit plan when settlement occurs.



Note 2: Significant accounting policies (continued)

(k) Retirement and other employee benefits (continued)

**Compensated absence policy :**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized 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 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.

**Other long-term employee benefits**

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at December 31 every year using projected unit credit method carried out in accordance with Ind AS-19 "Employee Benefits" at the end of the year, on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is 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.

(l) 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.

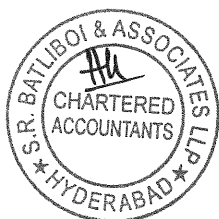
The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less. Company also elected not to apply the requirements of Ind AS 116 Leases to low value assets. The lease payments associated with these leases are recognised 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.

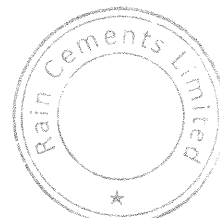
(m) Earnings per share

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.



*gls*



**Note 2: Significant accounting policies (continued)**

**(n) Tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

**Current income tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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 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.

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.

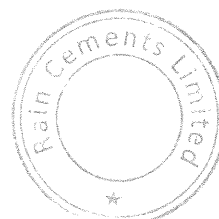
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside 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 Company 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 statement of profit and loss.



**Note 2: Significant accounting policies (continued)**

**(o) Statement of cash flows and cash and 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 consist of cash and short-term deposits, as defined above, 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, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(p) Investments in subsidiary**

The Company's investment in its subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

**(q) Provisions and contingencies**

A provision is recognised when the Company has a present legal or 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation 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 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.

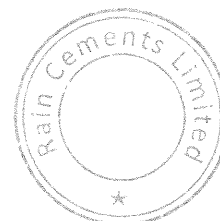
**Provision for site restoration**

The Company provides for the estimated expenditure required to restore quarries and mines. The restoration expenses are estimated basis life of mine, available mineral reserves, obligations in mines agreement as per mine closure plan.

Site restoration expenses is incurred on an on going basis as and present valued at every reporting period end. The unwinding effect is presented as finance costs. This costs are incurred as and when required and until the closure of the quarries and mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

**(r) 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 dividends are recorded as a liability on the date of declaration by the Board of directors of the Company.





**Rain Cements Limited**

**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

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:**

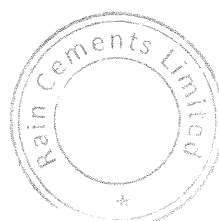
Particulars	Freehold Land	Freehold Mining Land	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Capital work-in-progress
<b>Cost</b>									
As at January 01, 2022	80.69	44.30	1,152.74	5,017.11	117.67	73.18	38.06	6,523.75	116.49
Add: Additions	8.12	-	61.47	300.89	1.04	37.23	9.72	418.47	856.50
Less: Deletions/ Adjustments	-	-	17.41	77.32	0.02	29.34	1.47	125.56	418.47
As at December 31, 2022	88.81	44.30	1,196.80	5,240.68	118.69	81.07	46.31	6,816.66	554.52
Add: Additions	-	-	81.53	709.42	8.74	3.31	9.90	812.90	447.39
Less: Deletions/ Adjustments	-	-	-	8.01	0.56	4.87	11.53	24.97	812.90
As at December 31, 2023	88.81	44.30	1,278.33	5,942.09	126.87	79.51	44.68	7,604.59	189.01
<b>Accumulated depreciation</b>									
As at January 01, 2022	-	2.14	241.79	2,125.90	34.57	24.41	25.42	2,454.23	-
Add: Charge for the year	-	0.37	45.08	474.22	5.30	10.26	10.64	545.87	-
Less: Deletions	-	-	8.18	62.62	0.02	20.17	1.47	92.46	-
As at December 31, 2022	-	2.51	278.69	2,537.50	39.85	14.50	34.59	2,907.64	-
Add: Charge for the year	-	0.37	51.62	484.66	6.43	11.28	9.71	564.06	-
Less: Disposals	-	-	-	7.70	0.55	4.49	11.53	24.27	-
As at December 31, 2023	-	2.88	330.31	3,014.46	45.73	21.29	32.77	3,447.44	-
<b>Net carrying amount</b>									
As at December 31, 2022	88.81	41.79	918.11	2,703.18	78.84	66.57	11.72	3,909.02	554.52
As at December 31, 2023	88.81	41.42	948.02	2,927.63	81.14	58.22	11.91	4,157.15	189.01

**(i) Contractual obligations:**

Refer note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) All title deeds of immovable property are held in the name of the Company.

(iii) In the earlier years, a charge was created on the immovable and movable properties of the Company in connection with the loan availed by the Holding Company, Rain Industries Limited. This charge has been released during the year 2022 pursuant to the repayment of loan by the Holding Company.



**Rain Cements Limited**

**Notes to the Financial Statements for the period ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Capital-Work-in Progress (CWIP):**

(a) Capital work in progress ageing schedule:

**As at December 31, 2023**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	>3 years	
Projects in progress	174.27	14.55	0.19	-	189.01

**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	522.74	31.56	0.22	-	554.52

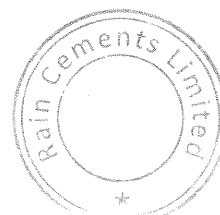
(b) Computation schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

**As at December 31, 2023**

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	>3 years
Fencing for Company land at Unit 2	18.11	-	-	-
Flyash silo and extraction System (Line 1)	49.50	-	-	-
Flyash silo and extraction System (Line 2)	27.95	-	-	-
<b>Total</b>	<b>95.56</b>	<b>-</b>	<b>-</b>	<b>-</b>

**As at December 31, 2022**

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	>3 years
Installation of 10MW Solar power plant in Unit 2	416.34	-	-	-
Fencing for Company land at Unit 2	8.15	-	-	-
Flyash silo and extraction System (Line 1)	11.08	-	-	-
Side cladding for Polycom building	14.96	-	-	-
<b>Total</b>	<b>450.53</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Rain Cements Limited****Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

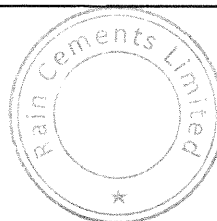
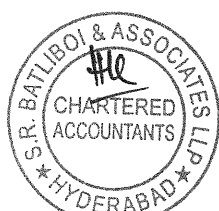
All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 4: Right of use assets**

Particulars	Buildings
<b>Cost</b>	
As at January 01, 2022	50.25
Add: Additions	44.85
Less: Deletions	-
As at December 31, 2022	95.10
Add: Additions	-
Less: Deletions	-
As at December 31, 2023	95.10
<b>Accumulated Depreciation</b>	
As at January 01, 2022	19.00
Add: Charged during the year	11.34
Less: Deletions	-
As at December 31, 2022	30.34
Add: Charged during the year	11.80
Less: Deletions	-
As at December 31, 2023	42.14
<b>Net carrying amount</b>	
As at December 31, 2022	64.76
As at December 31, 2023	52.96

**Note 5: Intangible assets:**

Particulars	Software
<b>Cost</b>	
As at January 01, 2022	5.25
Add: Additions	0.79
Less: Deletions	5.25
As at December 31, 2022	0.79
Add: Additions	-
Less: Deletions	-
As at December 31, 2023	0.79
<b>Accumulated Depreciation</b>	
As at January 01, 2022	5.24
Add: Charged during the year	0.12
Less: Deletions	5.24
As at December 31, 2022	0.12
Add: Charged during the year	0.26
Less: Deletions	-
As at December 31, 2023	0.38
<b>Net carrying amount</b>	
As at December 31, 2022	0.67
As at December 31, 2023	0.41



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**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 6: Non-current investments**
**A. Investments in subsidiary**

(Unquoted instruments valued at cost unless stated otherwise)

Renuka Cement Limited	422.38	422.38
7,498,483 (December 31, 2022: 7,498,483) equity shares of INR 10 each fully paid up		
Less: Provision for impairment in value of Investments in subsidiary	-	-

Note: Pursuant to the impairment testing of investment in subsidiary carried out during the year 2022, the recoverable value of the investment in the subsidiary, Renuka Cement Limited was assessed to be higher than its cost. This resulted in a reversal of impairment loss of INR 120 in the statement of profit and loss during the year ended December 31, 2022.

**B. Investments in others:**

(Unquoted instruments valued as fair value through profit and loss)

**Equity instruments**

Andhra Pradesh Gas Power Corporation Limited	16.00	16.00
(December 31, 2022: 134,000) equity shares of INR 10 each fully paid up		
Less: Provision for impairment in value of Investments in Andhra Pradesh Gas Power Corporation Limited	(16.00)	-

**Government securities**

National Savings Certificates	0.09	0.09
10,000 (December 31, 2022: 10,000) units		

<b>Total</b>	<b>422.47</b>	<b>438.47</b>
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**Note:**

Aggregate amount of unquoted investments	438.47	438.47
Aggregate amount of provision for impairment in value of investments	(16.00)	-

Information about the Company's exposure to credit and market risks, and fair value measurement is included in note 42.

**Note 7: Loans**

(Unsecured, considered good unless otherwise stated, valued at cost)

Non-Current - Loans and advances

- to others
- to employees
- to related parties

500.00	-
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<b>Total</b>	<b>500.00</b>	<b>-</b>
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Loans Receivables considered good - Secured	-	-
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Loans Receivables considered good - Unsecured	500.00	-
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Loans Receivables which have significant increase in credit risk	-	-
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Loans Receivables - credit impaired	-	-
-------------------------------------	---	---

**Note 7(a): Other non-current financial assets**

(Unsecured, considered good, unless otherwise stated)

Electricity deposits	216.62	199.80
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Other security deposits	26.36	24.93
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Balances held as margin money against guarantees and other commitments	-	2.00
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<b>Total</b>	<b>242.98</b>	<b>226.73</b>
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The Company's exposure to credit risks related to other financial assets are disclosed in note 42.

**Note 8: Non current tax assets (net)**

Advance tax	276.68	215.45
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(Net of provision for tax)		
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<b>Total</b>	<b>276.68</b>	<b>215.45</b>
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**Note 9: Other non-current assets**

(Unsecured, considered good unless otherwise stated)

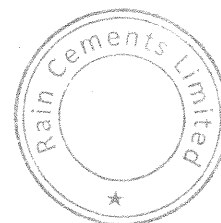
Capital advances	304.58	393.53
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Balances with government authorities	38.57	36.19
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<b>Total</b>	<b>343.15</b>	<b>429.72</b>
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	As at December 31, 2023	As at December 31, 2022
<b>Note 10: Inventories</b>		
(At lower of cost and net realisable value)		
a) Raw materials	89.84	71.65
Goods-in-transit	0.71	1.88
	<u>90.55</u>	<u>73.53</u>
b) Work-in-progress	503.42	620.27
	<u>503.42</u>	<u>620.27</u>
c) Finished goods	101.14	121.20
	<u>101.14</u>	<u>121.20</u>
d) Stores and spares	167.59	193.03
Goods-in-transit	1.82	1.87
	<u>169.41</u>	<u>194.90</u>
e) Packing materials	33.03	36.21
	<u>33.03</u>	<u>36.21</u>
f) Fuel	396.99	615.62
Goods-in-transit	78.11	188.48
	<u>475.10</u>	<u>804.10</u>
<b>Total</b>	<u><b>1,372.65</b></u>	<u><b>1,850.21</b></u>

Refer note 20a for details on inventories hypothecated against borrowings.

<b>Note 11: Trade receivables</b>		
- Secured, considered good	83.10	138.84
- Unsecured, considered good	150.24	149.43
- Doubtful	29.24	37.79
	<u>262.58</u>	<u>326.06</u>
	262.58	326.06
Less: Allowance for expected credit loss	(29.24)	(37.79)
<b>Total</b>	<u><b>233.34</b></u>	<u><b>288.27</b></u>

(i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 42.

Refer note 20a for details on trade receivables hypothecated against borrowings.

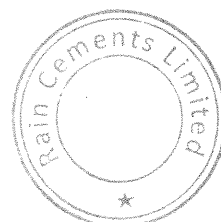
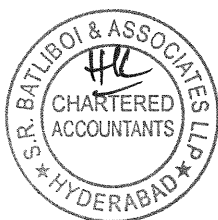
**Trade receivables ageing schedule:**

As at December 31, 2023

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables - considered good	55.31	132.47	38.94	5.09	1.53	-	233.34
ii. Undisputed trade receivables - considered doubtful	-	-	4.18	3.92	0.96	20.18	29.24
iii. Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered good	-	-	-	-	-	-	-
v. Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
vi. Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>55.31</b>	<b>132.47</b>	<b>43.12</b>	<b>9.01</b>	<b>2.49</b>	<b>20.18</b>	<b>262.58</b>
Less: Allowance for doubtful receivables							29.24
<b>Total</b>							<b>233.34</b>

As at December 31, 2022

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables - considered good	129.09	83.23	13.99	16.94	12.35	32.67	288.27
ii. Undisputed trade receivables - considered doubtful	3.18	5.72	3.15	5.05	0.61	20.08	37.79
iii. Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered good	-	-	-	-	-	-	-
v. Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
vi. Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>132.27</b>	<b>88.95</b>	<b>17.14</b>	<b>21.99</b>	<b>12.96</b>	<b>52.75</b>	<b>326.06</b>
Less: Allowance for doubtful receivables							37.79
<b>Total</b>							<b>288.27</b>

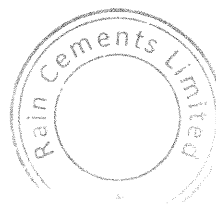
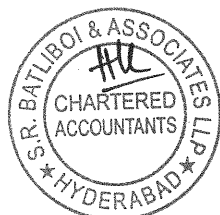


**Rain Cements Limited**

**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 12: Cash and bank balances</b>		
<b>A. Cash and cash equivalents</b>		
Cash on hand	0.12	0.08
Cheques/ drafts on hand	-	0.05
Balances with banks:		
- in current accounts	58.37	50.71
- in deposit accounts (with original maturity of 3 months or less)	363.60	-
	<u>422.09</u>	<u>50.84</u>
<b>B. Other bank balances</b>		
Balances held as margin money against guarantees and other commitments	57.30	102.36
Balances in term deposit accounts with maturity period of more than three months and not more than twelve months	3,297.61	1,805.08
	<u>3,354.91</u>	<u>1,907.44</u>
<b>Total [A+B]</b>	<u>3,777.00</u>	<u>1,958.28</u>
<b>Note 13: Loans</b>		
(Unsecured, considered good unless otherwise stated)		
Inter-corporate deposits*	-	1169.29
Advance to employees	0.29	0.19
<b>Total</b>	<u>0.29</u>	<u>1169.48</u>
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	0.29	1,169.48
Loans Receivables which have significant increase in credit risk	-	-
Loans Receivables - credit impaired	-	-
* During the year HDFC Ltd. Merged with HDFC Bank and Intercompany deposits was converted into Bank deposits.		
<b>Note 14: Other current financial assets</b>		
(Unsecured, considered good unless otherwise stated)		
Interest accrued on deposits	161.10	101.16
	<u>161.10</u>	<u>101.16</u>
The Company's exposure to credit risks related to current loans are disclosed in note 42.		
<b>Note 15: Other current assets</b>		
Prepaid expenses	22.89	22.57
Balances with Government authorities	7.53	12.41
Advance to supplier and service providers	242.45	479.74
Others	8.30	7.01
<b>Total</b>	<u>281.17</u>	<u>521.73</u>



**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 16: Equity share capital**

	As at December 31, 2023		As at December 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital:</b>				
Equity shares of INR 10 each	50,000,000	500.00	50,000,000	500.00
<b>Total</b>	<b>50,000,000</b>	<b>500.00</b>	<b>50,000,000</b>	<b>500.00</b>
<b>Issued, subscribed and fully-paid up capital</b>				
Equity shares of INR 10 each	29,805,000	298.05	29,805,000	298.05
<b>Total</b>	<b>29,805,000</b>	<b>298.05</b>	<b>29,805,000</b>	<b>298.05</b>

**Notes:**
**(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the period/year:**

	As at December 31, 2023		As at December 31, 2022	
	Number of shares	Amount	Number of shares	Amount
As at beginning of the year	29,805,000	298.05	29,805,000	298.05
Equity shares issued /(bought back) during the year	-	-	-	-
<b>As at end of the year</b>	<b>29,805,000</b>	<b>298.05</b>	<b>29,805,000</b>	<b>298.05</b>

**(ii) Rights, preferences and restrictions attached to the equity shares**

The Company has only one class of equity shares having a par value of INR 10 each per share. Each holder of equity shares is entitled to one vote per share. 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 the number of equity shares held by the shareholders.

**(iii) Details of shares held by the Holding Company**

	As at December 31, 2023		As at December 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of INR 10 each fully paid up held by</b>				
Holding company - Rain Industries Limited., along with its nominees	29,805,000	298.05	29,805,000	298.05
	<b>29,805,000</b>	<b>298.05</b>	<b>29,805,000</b>	<b>298.05</b>

**(iv) Details of shareholders holding more than 5% of the equity shares**

Name of the shareholder	As at December 31, 2023		As at December 31, 2022	
	Number of shares	%	Number of shares	%
Rain Industries Limited along with its nominees	29,805,000	100%	29,805,000	100%

No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the reporting date.

**(v) Shares held by Promoters**

Name of the Promoter	As at December 31, 2023			As at December 31, 2022		
	Number of shares	%	% change during the year	Number of shares	%	% change during the year
Rain Industries Limited along with its nominees	29,805,000	100%	-	29,805,000	100%	-

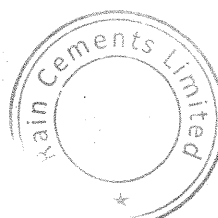
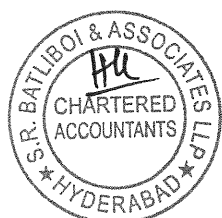
**(vi) Shares held by Holding/ Ultimate Holding Company**

Name of the Holding/ Ultimate Holding Company	As at December 31, 2023			As at December 31, 2022		
	Number of shares	%	% change during the year	Number of shares	%	% change during the year
Rain Industries Limited along with its nominees	29,805,000	100%	-	29,805,000	100%	-

**(vii) Dividend paid**

Dividend on equity shares were declared and paid by the Company during the year:

Particulars	As at December 31, 2023		As at December 31, 2022	
	Dividend per equity share	Amount	Dividend per equity share	Amount
Interim dividend	2.60	77.49	2.60	77.49
		<b>77.49</b>		<b>77.49</b>



**Rain Cements Limited****Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 17: Other equity</b>		
<b>(a) Securities premium account</b>		
Opening balance	424.33	424.33
<b>Closing balance</b>	<b>424.33</b>	<b>424.33</b>
<b>(b) General reserve</b>		
Opening balance	612.48	612.48
<b>Closing balance</b>	<b>612.48</b>	<b>612.48</b>
<b>(c) Retained earnings</b>		
Opening balance	6,917.08	6,206.70
Add: Profit for the year	484.14	775.64
Add: Remeasurements of defined benefit (liability)/asset, net of tax	(6.64)	12.23
	<b>7,394.58</b>	<b>6,994.57</b>
Less : Interim dividend	77.49	77.49
<b>Closing balance</b>	<b>7,317.09</b>	<b>6,917.08</b>
<b>Total</b>	<b>8,353.89</b>	<b>7,953.89</b>

**Nature of reserves****(a) Securities premium account:**

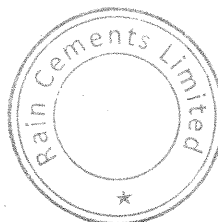
Security premium consists of premium on issue of shares. It will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

**(b) General reserve :**

The Company transferred a portion of the net profit of the Company before declaring dividend to general reserve. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to retained earnings.

**(c) Retained earnings :**

Retained earnings represents the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.



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**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 18(a): Non-current borrowings</b>		
<b>Deferred payment liabilities</b>		
Unsecured	182.51	288.34
Less: Current maturities of non-current borrowings disclosed under note 20(a) - Current borrowings	(101.53)	(100.85)
<b>Total</b>	<b>80.98</b>	<b>187.49</b>

**Deferred payment liabilities**

This represents sales tax deferment. Balance outstanding is repayable in 18 structured monthly installments as per deferment schedule (December 31, 2022: 30 installments).

**Reconciliation of liabilities arising from financing activities**

Opening balance at the beginning of the year	288.34	501.20
Interest accrued during the year	20.00	14.82
Provision reversed	(4.99)	-
Borrowings interest payments during the year	(20.00)	(14.82)
Repayment of borrowings during the year	(100.84)	(212.86)
<b>Closing balance at the end of the year</b>	<b>182.51</b>	<b>288.34</b>

**Note 18(b): Lease liabilities**

Total lease liabilities	39.88	49.27
Less: Current maturities of non current lease liabilities (Disclosed under note 35)	(13.04)	(12.26)
	<b>26.84</b>	<b>37.01</b>
<b>Total</b>	<b>107.82</b>	<b>224.50</b>

**Reconciliation of liabilities arising from financing activities**

Opening balance at the beginning of the year	49.27	12.29
Additions to lease liabilities during the year	-	44.85
Interest accrued during the year	3.35	3.15
Lease principal payments during the year	(9.39)	(7.87)
Lease interest payments during the year	(3.35)	(3.15)
<b>Closing balance at the end of the year</b>	<b>39.88</b>	<b>49.27</b>

Refer note 35 for reconciliation of Lease liabilities

The Company's exposure to liquidity risk and interest rate is included in note 42.

**Note 19: Non-current provisions**
**Provision for employee benefits:**

- Compensated absences (Refer note 38)	-	27.09
- Gratuity (Refer note 38)	82.99	88.44

**Provision - others**

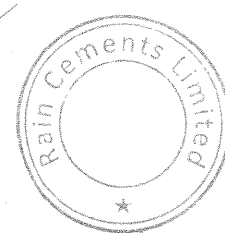
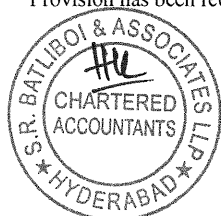
- Mine restoration (Refer below note)	133.48	123.22
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<b>Total</b>	<b>216.48</b>	<b>238.75</b>
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The movement in the mine restoration provision during the year was as follows:

	As at December 31, 2023	As at December 31, 2022
<b>Balance as at the beginning of the year</b>	<b>123.22</b>	<b>112.60</b>
Unwinding of discount on mine restoration provision	10.26	10.62
<b>Balance as at the end of the year</b>	<b>133.48</b>	<b>123.22</b>

Provision has been recognised for cost associated with restoration of mines.



**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 20: Current tax liabilities (net)</b>		
Provision for tax (net of advance tax)	400.94	436.31
	<b>400.94</b>	<b>436.31</b>
<b>Note 20(a): Current borrowings</b>		
Current maturities of non-current borrowings	101.53	100.85
	<b>101.53</b>	<b>100.85</b>

i) ICICI Bank: The Company has taken working capital demand loan facilities from ICICI Bank, secured by way of first pari-passu charge hypothecation of the Company's current assets. Working capital demand loan carries an interest rate of 9.35% to 10.00% per annum, outstanding as at December 31, 2023 is Nil (December 31, 2022: Nil).

ii) HDFC Bank: The Company has taken working capital demand loan facilities from HDFC Bank, secured by way of first pari-passu charge hypothecation of the Company's current assets both present and future. Working capital demand loan carries an interest rate of 8.05% to 9.65% per annum, outstanding as at December 31, 2023 is Nil (December 31, 2022: Nil).

iii) Yes Bank: The Company has taken cash credit and working capital demand loan facilities from Yes Bank, secured by way of first pari-passu charge hypothecation of the Company's current assets both present and future along with other working capital bankers. Working capital demand loan carries an interest rate of 9.40% to 10.25% per annum, outstanding as at December 31, 2023 is Nil (December 31, 2022: Nil).

**Note 21: Trade payables**

Total outstanding dues of micro enterprises and small enterprises (Refer note below)	29.48	17.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	597.72	587.28
<b>Total</b>	<b>627.20</b>	<b>604.80</b>

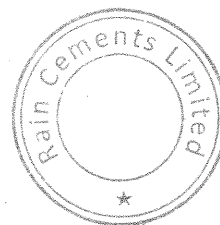
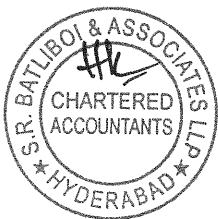
The Company's exposure to liquidity risk is included in note 42.

**Trade payables ageing schedule:**
**As at December 31, 2023**

Particulars	Unbilled dues	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	26.11	3.37	-	-	-	29.48
ii. Others	71.61	238.70	58.42	11.50	4.93	212.56	597.72
<b>Grand Total</b>	<b>71.61</b>	<b>264.81</b>	<b>61.79</b>	<b>11.50</b>	<b>4.93</b>	<b>212.56</b>	<b>627.20</b>

**As at December 31, 2022**

Particulars	Unbilled dues	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	17.52	-	-	-	-	17.52
ii. Others	45.84	91.79	188.55	17.68	85.40	158.02	587.28
<b>Grand Total</b>	<b>45.84</b>	<b>109.31</b>	<b>188.55</b>	<b>17.68</b>	<b>85.40</b>	<b>158.02</b>	<b>604.80</b>



**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2023	As at December 31, 2022
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**Note 21: Trade payables (continued)**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting date has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier under the said MSMED Act.

**Disclosures of dues to Micro Enterprise and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**

Particulars	For the period ended December 31, 2023	For the year ended December 31, 2022
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	29.48	17.52
(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.	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and 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 22: Other current financial liabilities**

Trade and security deposits	109.29	311.19
Payables to employees	98.83	87.60
Deposits from contractors and customers	684.32	396.78
Provision for discounts	112.73	283.51
Others:		
- Capital creditors	92.81	171.91
- Retention money	1.35	1.32
<b>Total</b>	<b>1,099.33</b>	<b>1,252.31</b>

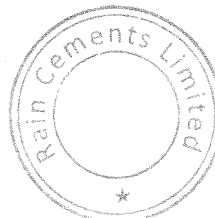
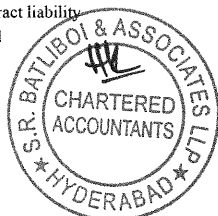
The Company's exposure to liquidity risk is included in note 42.

**Note 23: Current provisions**

<b>Provision for employee benefits:</b>		
- Compensated absences (Refer Note 38)	30.19	8.65
- Gratuity (Refer Note 38)	24.46	10.99
<b>Total</b>	<b>54.65</b>	<b>19.64</b>

**Note 24: Other current liabilities**

Statutory remittances	369.69	275.38
Contract liability	84.09	77.40
<b>Total</b>	<b>453.78</b>	<b>352.78</b>



**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2023	As at December 31, 2022
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**Note 25: Deferred tax liability (net)**
**Deferred tax liability**

Property, plant and equipment	355.95	337.72
Right of use asset	3.29	16.30

**Deferred tax assets**

Employee benefits	(34.64)	(34.02)
Land indexation	-	(32.75)
Site restoration liability	(33.59)	(31.01)
Provision for doubtful receivables	(7.36)	(9.51)
Lease liability	-	(12.40)

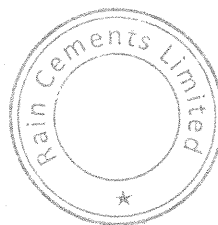
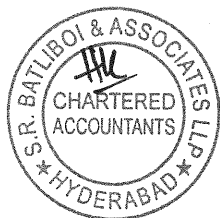
<b>Net deferred tax liability</b>	<b>283.65</b>	<b>234.33</b>
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Also refer note 33 for tax expense

**Movement in deferred tax assets / liabilities:**

Particulars	Balance as at January 1, 2023	Recognised in profit or loss during the period	Recognised in OCI during the period	Balance as at December 31, 2023
Property, plant and equipment	337.72	18.23	-	355.95
Employee benefits	(34.02)	1.62	(2.24)	(34.64)
Land indexation	(32.75)	32.75	-	-
Site restoration liability	(31.01)	(2.58)	-	(33.59)
Trade receivables	(9.51)	2.15	-	(7.36)
Right of use asset and lease liability	3.90	(0.61)	-	3.29
	<b>234.33</b>	<b>51.55</b>	<b>(2.24)</b>	<b>283.65</b>

Particulars	Balance as at January 1, 2022	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at December 31, 2022
Property, plant and equipment	374.39	(36.67)	-	337.72
Employee benefits	(39.19)	1.06	4.11	(34.02)
Land indexation	(31.11)	(1.64)	-	(32.75)
Site restoration liability	(28.34)	(2.67)	-	(31.01)
Trade receivables	(9.22)	(0.29)	-	(9.51)
Right of use asset	7.86	8.44	-	16.30
Lease liability	(3.09)	(9.31)	-	(12.40)
	<b>271.30</b>	<b>(41.08)</b>	<b>4.11</b>	<b>234.33</b>



9.6.23

**Rain Cements Limited****Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Note 26: Revenue from operations</b>		
Sale of products (Refer Note (i) below)	15,234.21	15,343.46
Other operating revenue (Refer Note (ii) below)	0.13	850.27
<b>Revenue from operations</b>	<b>15,234.34</b>	<b>16,193.73</b>

**Notes:****(i) Sale of products comprises:**

Sale of cement	15,234.21	15,343.46
<b>Total</b>	<b>15,234.21</b>	<b>15,343.46</b>

**(ii) Other operating revenues comprises:**

Sale of GPC	-	850.27
Sale of Spares	0.13	-
<b>Total</b>	<b>0.13</b>	<b>850.27</b>

**Contract assets and contract liabilities:**

Trade receivables	233.34	288.27
Contract liabilities recorded in balance sheet	84.09	77.40

Trade receivables are non-interest bearing and are generally on terms of 0 to 15 days. In December 2023, INR 29.24 (December 2022: INR 37.79) was recognised as provision for expected credit losses on trade receivables.

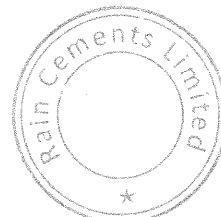
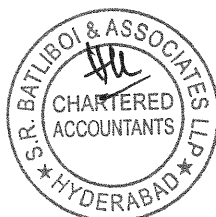
The amount of revenue recognised from contract liabilities at the beginning of the year INR 55.01 million (December 31, 2022: INR 43.97 million). Contract liability represents amount received against sale of products. These unsatisfied performance obligations are expected to be completed with in one year.

**Reconciliation of revenue from sale of products with the contract price**

Contract price (A)	17,577.96	17,804.53
Less - Reductions towards variable consideration components	-	-
Discounts (B)	(2,343.74)	(2,461.07)
<b>Revenue recognised (A-B)</b>	<b>15,234.22</b>	<b>15,343.46</b>

**Note 27: Other income**

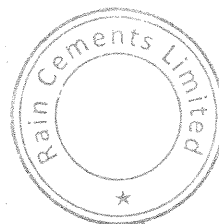
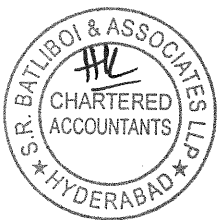
Interest from banks on deposits	199.33	182.96
Interest- others	35.46	6.25
Reversal of provision for doubtful debts and advances	8.55	-
Reversal of impairment loss on investment in subsidiary	-	120.00
Other non-operating income:		
Liabilities / provisions no longer required written back	5.06	8.69
Miscellaneous income	28.91	32.28
<b>Total</b>	<b>277.31</b>	<b>350.18</b>



**Rain Cements Limited****Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Note 28 : Cost of materials consumed</b>		
Raw material consumed :		
Lime stone	431.56	393.91
Laterite	481.13	479.97
Gypsum	285.15	265.27
Fly ash	746.68	806.47
Others	9.28	8.53
<b>Total</b>	<b>1,953.80</b>	<b>1,954.15</b>
<b>Note 29: Changes in inventories of finished goods and work-in-progress</b>		
<b>Inventories at the beginning of the year</b>		
Finished goods	121.20	76.68
Work-in-progress	620.27	494.77
	<b>741.47</b>	<b>571.45</b>
<b>Inventories at the end of the year</b>		
Finished goods	101.14	121.20
Work-in-progress	503.42	620.27
	<b>604.56</b>	<b>741.47</b>
<b>Decrease/(increase) in inventories of finished goods and work-in-progress</b>	<b>136.91</b>	<b>(170.02)</b>
<b>Note 30: Employee benefits expense</b>		
Salaries, wages and bonus	475.75	434.17
Contribution to provident and other funds (Refer note 38)	27.30	25.46
Gratuity	14.50	15.75
Staff welfare expenses	9.35	7.76
<b>Total</b>	<b>526.90</b>	<b>483.13</b>



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**Rain Cements Limited****Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

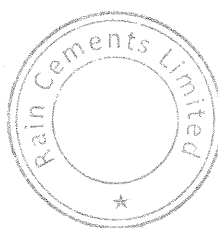
	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Note 31: Finance costs</b>		
Interest expense on borrowings	8.05	10.02
Interest expense on lease liability (Refer note 35)	3.35	3.15
Unwinding of mines restoration cost	10.26	10.62
Other borrowing cost	1.69	4.80
<b>Total</b>	<b>23.35</b>	<b>28.59</b>

**Note 32: Other expenses**

Consumption of stores and spares	441.56	456.58
Consumption of packing materials	646.35	744.89
Power and Fuel	5,154.29	5,584.58
Freight outward	4,169.74	4,007.87
Repairs and maintenance		
- Building	71.72	63.04
- Plant and machinery	135.81	137.72
- Others	104.37	95.47
Insurance	24.64	29.79
Rent	65.01	55.90
Rates and taxes	27.87	23.90
Communication expenses	9.52	7.88
Travelling and conveyance	34.94	29.57
Printing and stationery	2.74	2.62
Other selling and distribution expenses	364.93	298.51
Corporate social responsibility and other donations (Refer note 37)	34.00	35.52
Consultancy charges	160.66	139.10
Payment to auditors (refer note below)	3.34	3.16
Directors' sitting fees (Refer note 39)	0.76	0.78
Commission to directors (Refer note 39)	10.00	15.00
Provision for doubtful debts and advances	-	1.15
Provision for impairment on investment	16.00	-
Loss on sale of property, plant and equipment (net)	-	18.24
Loss on foreign currency transactions and translation (net)	-	1.35
Miscellaneous expenses	116.97	82.33
<b>Total</b>	<b>11,595.22</b>	<b>11,834.95</b>

**Note:****Payments to the auditors comprise (excluding GST):**

Statutory Audit fees	3.27	2.30
Statutory Audit fees - cost overruns of previous year	-	0.20
Limited review fees	-	0.66
Reimbursement of expenses	0.07	-
<b>Total</b>	<b>3.34</b>	<b>3.16</b>



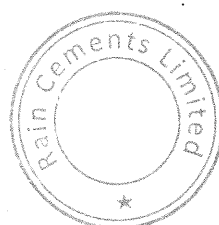
**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Note 33: Income tax and Deferred tax</b>		
<b>(i) Amount recognised in statement of profit and loss</b>		
Current tax		
(i) Tax for current year	163.65	276.49
Net current tax	163.65	276.49
Deferred tax		
(i) Deferred tax for current year	51.55	(41.08)
<b>Total</b>	<b>215.20</b>	<b>235.41</b>
<b>(ii) Reconciliation of effective tax rate</b>		
Profit before tax	699.34	1,011.05
Enacted tax rate	25.17%	25.17%
<b>Tax expense as per enacted tax rate</b>	<b>176.02</b>	<b>254.48</b>
<b>Effect of:</b>		
Tax impact on non-deductible expenses/ income	(12.38)	(21.19)
Others	51.55	2.12
	<b>215.20</b>	<b>235.41</b>
<b>(iii) Income tax recognised directly in other comprehensive income:</b>		
<b>a. Remeasurement of defined benefit plan</b>		
Remeasurements of defined benefit plans before tax	(8.88)	16.34
Tax impact on remeasurements of defined benefit plans	2.24	(4.11)
Remeasurements of defined benefit plans net of tax	<b>(6.64)</b>	<b>12.23</b>

(iv) 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.

(v) On September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019, subject to certain conditions. The management has evaluated the options and adopted the new tax rate of 25.17%. Accordingly, the Company remeasured its current tax expense for Assessment year 2020-21 and deferred tax asset/liability at the new effective tax rate prescribed by the aforesaid section.





**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

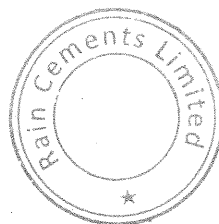
All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 34.: Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at December 31, 2023	As at December 31, 2022
<b>(I) Contingent liabilities</b>		
<b>(a) Claims against the company not acknowledged as debt:</b>		
- Income tax	223.15	199.87
- Sales tax, service tax and excise duty related matters under dispute	19.30	26.92
- Fuel surcharge adjustment levied by electricity distributing companies	192.58	34.57
- Others	466.69	482.30
	<b>901.72</b>	<b>743.66</b>
<b>(b) Corporate Guarantees issued</b>		
<b>Disclosure of Corporate guarantees given as per provisions of Section 186(4) of the Companies Act 2013</b>		
- As at the beginning of the year - Guarantee and contingent liability	-	534.96
- Given during the year - Guarantee and contingent liability	-	-
- Settled/ expired during the financial year - Guarantee and contingent liability	-	534.96
- As at the end of the year (restated at closing rate) - Guarantee and contingent liability	-	-
<b>(II) Commitments</b>		
Estimated amounts of contracts remaining to be executed on capital account [net of capital advance INR 304.58 (December 31, 2022: INR.393.53)]	299.13	289.03

a) 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 other than the provisions already made in books of account.

b) The Company has reviewed all its pending litigations including legal proceedings initiated in the ordinary course of business. The Company does not expect the outcome of these proceedings to have a material and adverse effect on its financial position, except as disclosed above and accordingly no adjustment in respect thereof is expected.



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**Rain Cements Limited****Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 35: Leases**

The Company has entered into various operating lease agreements for assets comprising of storage and other facilities.

The following is the rental expense recorded for short-term leases, variable leases and low value leases:

Particulars	As at December 31, 2023	As at December 31, 2022
Short term lease expense	65.01	55.90
<b>Total lease expense</b>	<b>65.01</b>	<b>55.90</b>

Following are the changes in the lease liability

Particulars	As at December 31, 2023	As at December 31, 2022
As at the beginning of the year	49.27	12.29
Additions	-	44.85
Finance cost accrued during the year	3.35	3.15
Payment of lease liabilities	(12.74)	(11.02)
<b>Balance as at the end of the year</b>	<b>39.88</b>	<b>49.27</b>
Non-current	26.84	37.01
Current	13.04	12.26

The following is the cash outflow on leases

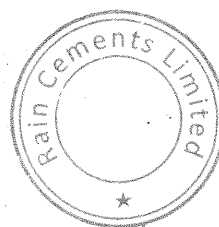
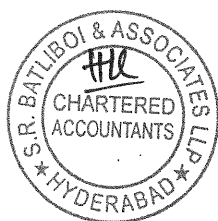
Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
Payment of lease liabilities (excluding interest)	9.39	7.87
Interest on lease liabilities	3.35	3.15
Short term lease expense	65.01	55.90
<b>Total cash outflow on leases</b>	<b>77.75</b>	<b>66.92</b>

Maturity analysis - contractual undiscounted cash flows:

Particulars	As at December 31, 2023	As at December 31, 2022
- Not later than 1 year	13.57	12.52
- Later than 1 year and not later than 5 years	31.33	44.89
- Beyond 5 years	0.26	0.27

**Note 36: Earnings per Share (EPS)**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
a. Profit for the year	484.14	775.64
b. Weighted average number of equity shares of INR 10/- each outstanding during the year	29,805,000	29,805,000
<b>Earnings per Share</b>		
c. Basic and Diluted - [a]/[b] - (INR)	16.24	26.02



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**Rain Cements Limited****Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

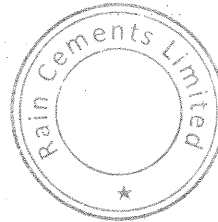
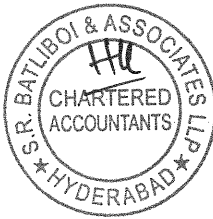
All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 37: 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, 2023 is Rs.33.87 (December 31, 2022: Rs. 34.90)

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
a. Gross amount required to be spent by the Company during the year	33.87	34.90
b. Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than construction / acquisition of any asset	34.00	35.52
(iii) Nature of CSR activities		
Promoting education	34.00	35.52
c. Amount unspent during the year	-	-
d. Shortfall at the end of the year	-	-
e. Related party transactions (Donation given to Pragnya Priya Foundation)	31.90	33.50
f. Movements in provision of liability created	-	-



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**Rain Cements Limited****Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 38: Employee benefits****a) Defined contribution plans:**

The Company deposits an amount determined at a fixed percentage of basic pay every month to the state administered Provident fund, Employee State Insurance (ESI) for the benefit of employees. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.

**Amount recognised in the statement of profit and loss is as follows:**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
Provident fund paid to the authorities	26.37	24.45
Employee state insurance paid to the authorities	0.48	0.59
Others (Employee welfare etc.)	0.45	0.43
<b>Total</b>	<b>27.30</b>	<b>25.47</b>

**b) Defined benefit plans - Gratuity**

The Company has a defined benefit gratuity plan in India, government by the Payment of Gratuity Act, 1972. 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.

The following table sets forth the status of the Gratuity plan of the Company and the amounts recognised in the balance sheet and the statement of profit and loss:

**(i) Amounts recognised in note 19 and note 23 of Balance sheet**

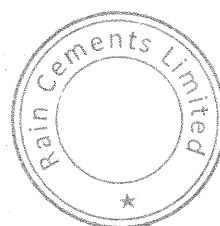
Particulars	As at December 31, 2023	As at December 31, 2022
Present value of funded obligation	118.62	109.38
Less: Fair value of plan assets	(11.17)	(9.96)
<b>Net liability</b>	<b>107.45</b>	<b>99.42</b>
- Non Current	82.99	88.44
- Current	24.46	10.99

**(ii) Expense recognised in Statement of Profit and Loss is as follows: (Refer note 30)**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
Current service cost	7.51	8.52
Interest cost	7.11	7.21
<b>Total</b>	<b>14.62</b>	<b>15.73</b>

**(iii) Amount recognised in other comprehensive income:**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Actuarial (gain)/loss on remeasurement of defined benefit obligation:</b>		
Actuarial (gain)/ loss arising from change in financial assumptions	2.91	(5.07)
Actuarial (gain)/ loss arising from change in demographic assumption	0.10	-
Actuarial (gain)/ loss arising on account of experience changes	6.36	(10.60)
<b>Actuarial (gain)/loss on remeasurement of planned asset:</b>		
Actual return on plan assets less interest on plan assets	(0.49)	(0.67)
<b>Total (gain)/loss</b>	<b>8.88</b>	<b>(16.34)</b>



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**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 38: Employee benefits (continued)**
**(iv) Reconciliation of opening and closing balances of the present value of the obligations:**

Particulars	As at December 31, 2023	As at December 31, 2022
Opening defined benefit obligation	109.39	122.36
Current service cost	7.51	8.52
Interest Cost	7.37	7.21
Actuarial loss/(gain)	9.37	(15.67)
Amount paid to employees	(15.02)	(13.03)
<b>Closing defined benefit obligation</b>	<b>118.62</b>	<b>109.39</b>

**(v) Reconciliation of opening and closing balances of the fair value of plan assets:**

Particulars	As at December 31, 2023	As at December 31, 2022
Opening fair value of plan assets	9.96	7.85
Expected return on plan assets	0.26	(0.08)
Contribution by employer	15.49	14.56
Actual return on plan assets	0.49	0.67
Amount paid to employees	(15.02)	(13.03)
<b>Closing fair value of plan assets</b>	<b>11.17</b>	<b>9.96</b>

**(vi) The details of investments in plan assets are as follows:**

Particulars	As at December 31, 2023	As at December 31, 2022
Life Insurance Corporation of India	100%	100%

**(vii) Principal Actuarial assumptions used:**

Particulars	As at December 31, 2023	As at December 31, 2022
Discount rates on benefit obligations	7.25%	7.45%
Expected salary increase rates	8.00%	7.50%
<b>Demographic assumptions</b>		
Retirement age	58 Years	58 Years

The discount rate is based on the prevailing market yields on Indian government securities as at the balance sheet date from the estimated term of the obligations. The estimates of future salary increase considered in the actuarial valuation take into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Assumptions regarding future mortality and experience are set in accordance with published rates under Indian assured life's mortality (2012-2014) Ult table.

**(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, 2023 shown below:

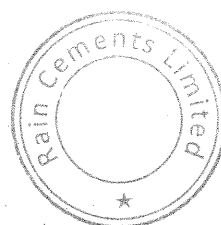
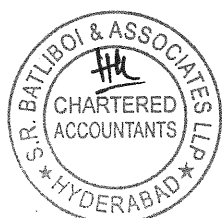
Particulars	Increase (%)	Decrease (%)
Discount rate (0.5% Movement)	(1.83)	1.90
Future salary growth (0.5% Movement)	1.78	(1.74)

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)	(2.54)	2.67
Future salary growth (0.5% Movement)	2.56	(2.46)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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. The principal actuarial assumptions used for the computation of defined plan are also used for the computation of compensated absences of long term benefit.

**(ix) The Company expects to contribute a sum of INR 35.63 to the plan for the next annual reporting period (31 December 2022: INR 8.00)**


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**Rain Cements Limited****Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 38: Employee benefits (continued)****(x) Maturity profile of defined benefit obligation**

Particulars	As at December 31, 2023	As at December 31, 2022
1st Following year	35.63	20.95
2nd Following year	23.97	18.31
3rd Following year	21.26	16.87
4th Following year	12.61	16.46
5th Following year	9.61	10.11
Thereafter	60.16	94.76

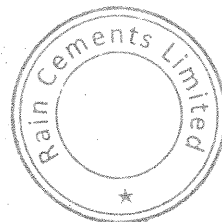
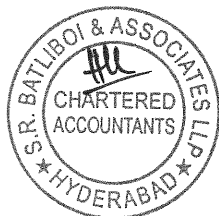
(xi) As at December 31, 2023, the weighted average duration of the defined benefit obligation is 3.73 years ( December 31, 2022: 5.21 years)

**c) Compensated absences**

The Company provides for accumulation of compensated absences by 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 company policy. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

The following table sets forth the status of the compensated absences:

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Net Liability :</b>		
- Current	30.19	8.65
- Non Current	-	27.09
	<b>30.19</b>	<b>35.74</b>



**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

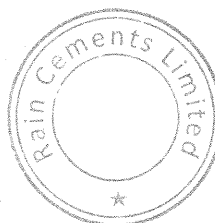
All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 39: Related Party Disclosures**
**Names of related parties and description of relationship with whom there are transactions**

(i) Holding Company	Rain Industries Limited (RIL)
(ii) Subsidiary	Renuka Cement Limited (RenCL)
(iii) Entities under common control	Rain CII Carbon (Vizag) Limited (RCCVL) Rain Commodities USA Inc. (RCUSA) Rain Verticals Limited(RVL) Rain Holdings Limited(RHL) OOO Rain Carbon LLC
(iv) Enterprise where key managerial personnel along with their relatives exercise significant influence	Rain Entertainments Pvt Ltd Nivee Property Developers Pvt Ltd (NPDPL) Arunachala Logistics Pvt Limited (ALPL) Pragnya Priya Foundations (PPF) Protector Facilities Management (Pvt) Ltd
(v) Key Managerial Personnel	Mr. N. Radhakrishna Reddy - Chairman Mr. N. Sujith Kumar Reddy - Managing Director Mr. N. Jagan Mohan Reddy - Director Mr. N. Venkata Pranav Reddy - Whole-time Director (From April 25, 2023) Mr. D. Rajasekhar Reddy- Company Secretary (From August 13, 2020 to October 18, 2022) Mr Pilla Ganesh Pathrudu - Company Secretary ( From October 20, 2022) Mr. G.N.V.S.R.R. Kumar - Chief Financial Officer
(vi) Non-executive directors	Ms. Nirmala Reddy- Independent Director (Till February 28, 2023) Ms. Shanti Sree Bolleni - Independent Director (From February 15, 2023) Mr. Brian Jude McNamara- Independent Director (From February 12, 2021) Mr. Suribabu Samudrala - Independent Director (From October 21, 2021) Mr. N. Shiv Keshav Reddy - Director

**b) Transactions with related parties:**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Purchases and services (net of reimbursements) from:</b>		
1. Rain CII Carbon (Vizag) Limited- Purchase of power	146.24	153.87
2. Rain CII Carbon (Vizag) Limited-Handling of Pet coke	-	-
3. Rain CII Carbon (Vizag) Limited -Purchase of Pet coke	19.80	75.49
4. Rain CII Carbon LLC - Purchase of Pet coke	-	844.73
5. Rain Industries Limited - Shared Services Expenses	122.31	91.77
6. Rain Industries Limited- Lease Rent	10.04	9.13
7. Rain Industries Limited- Purchase of coal	288.86	-
7. Protector Facilities Management (Pvt) Ltd - Purchase of Spares	1.22	0.18
8. Arunachala Logistics Pvt Limited - Freight and Services	5,568.04	5,437.58
9. Arunachala Logistics Pvt Limited - Purchase of Spares	34.06	33.85
<b>Sale of cement &amp; traded goods:</b>		
1. Rain CII Carbon (Vizag) Ltd	1.15	13.69
2. Rain Entertainments Pvt Ltd	0.04	0.05
3. Pragnya Priya Foundations	0.16	0.02
4. Nivee Property Developers Pvt Ltd	0.95	2.81
5. Arunachala Logistics Pvt Limited	57.39	38.77
6. Rain CII Carbon (Vizag) Ltd-Sale of Pet coke	-	850.27
<b>Other operating income:</b>		
1. Arunachala Logistics Pvt Limited - Rental Income	0.64	0.54
2. Arunachala Logistics Pvt Limited - Sale of Gypsum & Conveyor Belt	0.10	0.10
3. Pragnya Priya Foundations - Rental Income	0.06	0.06
4. Rain Industries Limited - Interest on Unsecured loan	23.00	-
<b>Other operating expenses</b>		
1. Arunachala Logistics Pvt Limited - Rental Expenses	4.12	4.04
2. Rain Industries Limited - Reimbursement of expenses	-	2.57
3. Protector Facilities Management (Pvt) Ltd - Man power services	88.06	71.49
<b>Managerial remuneration:</b>		
<b>(i) Short-term employee benefits</b>		
a) Mr. N. Sujith Kumar Reddy	22.36	22.33
b) Mr. G.N.V.S.R.R. Kumar	8.68	8.24
c) Mr. Pilla Ganesh Pathrudu	0.74	0.13
d) Mr. D. Rajasekhar Reddy	-	0.70
<b>(ii) Post-employment benefits</b>		
*Refer note(iii) below		
<b>Commission to Directors</b>		
Mr. N. Sujith Kumar Reddy	10.00	15.00



**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 39: Related Party Disclosures (continued)**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Salaries paid:</b>		
(i) Short-term employee benefits		
Mr. N. Venkata Pranav Reddy	6.68	2.32
(ii) Post-employment benefits		
Refer note (iii) below		
<b>Dividend paid:</b>		
Rain Industries Limited	77.49	77.49
<b>Donations given:</b>		
Pragnya Priya Foundation	31.90	33.50
<b>Unsecured loan given (including interest) :</b>		
Rain Industries Limited	523.00	-
<b>Remuneration to Independent Directors (Sitting fees):</b>		
1. Ms. Nirmala Reddy	0.08	0.19
2. Ms. Shanti Sree Bolleni	0.09	-
3. Mr. Brian Jude Mc Namara	0.21	0.24
4. Mr. Suribabu Samudrala	0.23	0.29
<b>Remuneration to Non-Executive Director (Sitting fees):</b>		
1. Mr. N. Shiv Keshav Reddy	0.15	0.06
<b>Closure of corporate guarantee</b>		
1. Rain Industries Limited	-	534.96

**Note:**

(i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(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 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 gratuity and leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are not determined on an individual basis.

(iv) The transactions disclosed above are inclusive of taxes and other duties payable to the Government.

The Group has the following dues from / to related parties:

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Amounts receivable from:</b>		
a) Pragnya Priya Foundations	0.06	0.06
b) Arunachala Logistics Pvt Limited	73.90	252.85
c) Rain Industries Limited	523.00	-
<b>Amounts payable to:</b>		
a) Rain CII Carbon (Vizag) Limited	28.25	14.65
b) Protector Facilities Management (Pvt) Ltd	2.43	1.40
<b>Commission payable to Director:</b>		
N. Sujith Kumar Reddy	10.00	15.00

**Note 40: Capital Management**

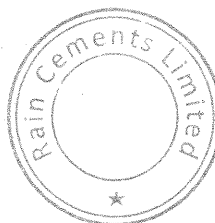
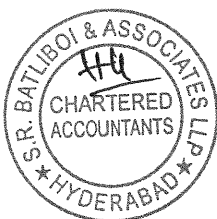
For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

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.

Particulars	As at	
	December 31, 2023	December 31, 2022
Total borrowings, net of cash and cash equivalents*	(239.58)	237.50
Total equity attributable to the equity shareholders of the company	8,651.94	8,251.94
<b>Net debt to equity ratio</b>	<b>(0.03)</b>	<b>0.03</b>

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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

\* Borrowings reduced due to repayment of sales tax deferment liability and increase in cash and cash equivalents as at December 31, 2023





**Rain Cements Limited**
**Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 41: Fair value measurements**
**As at December 31, 2023:**

Particulars	Fair value instruments by category			
	Amortised cost	FVTPL	FVTOCI	Total
<b>Financial assets:</b>				
Investments	422.38	0.09	-	422.47
Loans	500.29	-	-	500.29
Trade receivables	233.34	-	-	233.34
Cash and cash equivalents	422.09	-	-	422.09
Bank balances other than cash and cash equivalent	3,354.91	-	-	3,354.91
Other financial assets	404.08	-	-	404.08
	<b>5,337.08</b>	<b>0.09</b>	<b>-</b>	<b>5,337.17</b>
<b>Financial liabilities</b>				
Borrowings	182.51	-	-	182.51
Trade payables	627.20	-	-	627.20
Lease liabilities	39.88	-	-	39.88
Other financial liabilities	1,099.33	-	-	1,099.33
	<b>1,948.92</b>	<b>-</b>	<b>-</b>	<b>1,948.92</b>

**As at December 31, 2022:**

Particulars	Fair value instruments by category			
	Amortised cost	FVTPL	FVTOCI	Total
<b>Financial assets:</b>				
Investments	422.38	16.09	-	438.47
Loans	1,169.48	-	-	1,169.48
Trade receivables	288.27	-	-	288.27
Cash and cash equivalents	50.84	-	-	50.84
Bank balances other than above	1,907.44	-	-	1,907.44
Other financial assets	327.89	-	-	327.89
	<b>4,166.30</b>	<b>16.09</b>	<b>-</b>	<b>4,182.39</b>
<b>Financial liabilities</b>				
Borrowings	288.34	-	-	288.34
Trade payables	604.80	-	-	604.80
Lease liabilities	49.27	-	-	49.27
Other financial liabilities	1,252.31	-	-	1,252.31
	<b>2,194.72</b>	<b>-</b>	<b>-</b>	<b>2,194.72</b>

**Note:**

a) The carrying amounts of trade receivables, loan receivable, security deposits, cash and cash equivalents, bank balances, trade payables, borrowings and other financial assets and liabilities are considered to be the same as their fair values.

b) Investments of Rs. 0.09 mn (December 31, 2022: Rs. 16.09 mn) are Level-3 fair value investments

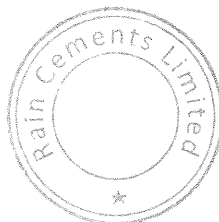
**Measurement of fair values:**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**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).



**Rain Cements Limited****Notes to the Financial Statements for the year ended December 31, 2023 (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 42: 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.

**The Company has exposure to the following risks arising from financial instruments:**

- Credit risk
- Liquidity risk
- Market risk

**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 and arises primarily from trade receivables, investments, cash and cash equivalents and balances with banks. The maximum exposure to credit risk is equal to the carrying value of these financial assets.

The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. 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.

**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 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 behavior of the borrower, including changes in the payment status of borrowers in the Company and changes in the operating results of the borrower
- 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.

**The age wise break up of trade receivables, net of allowances is given below:**

Particulars	As at December 31, 2023	As at December 31, 2022
Receivables that are neither past due nor impaired	55.31	129.09
Receivables that are past due but not impaired:		
Past due 0-30 days	44.47	18.01
Past due 31-60 days	38.93	31.54
Past due 61-90 days	14.09	10.63
Past due over 90 days	80.54	99.00
	178.03	159.18
<b>Gross receivables</b>	<b>233.34</b>	<b>288.27</b>
<b>Doubtful receivable</b>	<b>29.24</b>	<b>37.79</b>
<b>Loss allowance</b>	<b>(29.24)</b>	<b>(37.79)</b>
<b>Net receivables before credit notes</b>	<b>233.34</b>	<b>288.27</b>

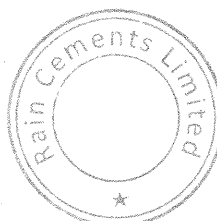
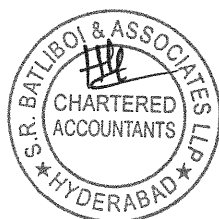
No single customer accounted for more than 10% of the trade receivable as of December 31, 2023 and December 31, 2022. There is no significant concentration of credit risk.

**Investments**

The Company limits its exposure to credit risk by generally investing in subsidiaries and liquid securities. The Company 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 cash equivalents (including bank balances, fixed deposits and margin money with banks):**

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks with high credit ratings assigned by international and domestic credit rating agencies.



# Rain Cements Limited

## Notes to the Financial Statements for the year ended December 31, 2023 (continued)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

### Note 42: Financial Risk Management (continued)

#### 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 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.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The table below provides details regarding the remaining contractual maturities of significant 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, 2023

Particulars	Carrying value	Contractual cash flows				
		Less than 1 year	1-2 years	2-5 years	5-10 years	Total
<b>Financial liabilities</b>						
Borrowings	182.51	101.53	80.98	-	-	182.51
Trade payables	627.20	627.20	-	-	-	627.20
Lease liabilities	39.88	13.04	24.08	2.68	0.08	39.88
Other financial liabilities	1,099.33	1,099.33	-	-	-	1,099.33
<b>Total</b>	<b>1,948.92</b>	<b>1,841.10</b>	<b>105.06</b>	<b>2.68</b>	<b>0.08</b>	<b>1,948.92</b>

#### As at December 31, 2022

Particulars	Carrying value	Contractual cash flows				
		Less than 1 year	1-2 years	2-5 years	5-10 years	Total
<b>Financial liabilities</b>						
Borrowings	288.34	100.85	101.53	85.96	-	288.34
Trade payables	604.80	604.80	-	-	-	604.80
Lease liabilities	49.27	12.26	12.12	24.89	-	49.27
Other financial liabilities	1,252.31	1,252.31	-	-	-	1,252.31
<b>Total</b>	<b>2,194.72</b>	<b>1,970.22</b>	<b>113.65</b>	<b>110.85</b>	<b>-</b>	<b>2,194.72</b>

#### Market risk:

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### Currency risk

The Company does not have any foreign currency risk exposure

#### Sensitivity Analysis:

The Company does not have any foreign currency risk exposure

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company adopts a policy of ensuring an optimal mix of its interest rate risk exposure.

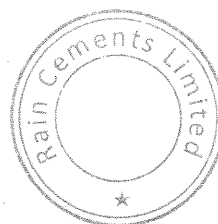
#### Exposure to interest rate risk

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, 2023	December 31, 2022
<b>Fixed rate instruments</b>		
Financial assets	4,435.13	3,076.73
Financial liabilities	39.88	49.27
	<b>4,475.01</b>	<b>3,126.00</b>
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
	<b>-</b>	<b>-</b>

#### Interest rate Sensitivity:

The Company does not have any interest rate risk exposure



**Note 43: Additional Regulatory Information**

- (i) The Company does not have any Immovable Properties which are not held in the name of the Company
- (ii) The Company has not revalued its Property, plant and equipment (including Right of use assets) and intangible assets during the year.
- (iii) During the year there are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, except the

**a) Details of Loans given covered u/s 186 (4) of the Companies Act, 2013.**

Name of the loanee	Rate of Interest	Secured/ unsecured	December 31, 2023	December 31, 2022
Rain industries Limited	8.25%	Unsecured	500.00	-

Note: The loan is repayable in June 2025 along with interest.

- (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) All quarterly returns or statements of current assets are filed by the Company with banks or financial institutions and are in agreement with the books of account.
- (vi) Balances outstanding with nature of transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of the struck off company	Nature of transactions with Balance struck off company outstanding	Transaction during the year	Balance Outstanding	Relationship with the struck off company
Pig Power And Infra Private Limited	Deposit Payable to Customer	-	0.03	N/A
Centrademarketing Syndicate Private	Deposit Payable to Customer	-	0.15	N/A
Shruthi Homes And Paving Blocks	Deposit Payable to Customer	-	0.02	N/A

- (vii) 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.
- (viii) During the year there are no pending charges or satisfaction to be registered with RoC.
- (ix) No funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediates") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) **Undisclosed income:** 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) **Virtual currency:** The Company does not trade in crypto currency or virtual currency.
- (xii) The Company has not declared as wilful defaulter by any bank or financial institution or other lender.

**(xiii) Details of Key Financial Ratios:**

Key Financial Ratios	Formulae	Numerator	Denominator	Unit	December 31, 2023	December 31, 2022	Variance
(a) Current Ratio	Current assets/ Current liabilities	Current assets	Current liabilities	Times	2.12	2.12	0%
(b) Debt-Equity Ratio *	Total debt/ Shareholders' equity	Non-current borrowings + current borrowings	Total equity	Times	0.02	0.03	-33%
(c) Debt Service Coverage Ratio	Earnings available for debt service/ Debt service	Profit for the year + Depreciation and amortisation expense + Finance costs + Loss on sale of property, plant and equipment	Finance costs + Current borrowings + Current lease liabilities	Times	10.47	9.74	7%
(d) Return on Equity Ratio #	Net Profits after taxes/ Average shareholders' equity	Profit for the year	Average shareholders' equity	%	6.00%	9.82%	-39%
(e) Inventory turnover ratio	Sales/ Average Inventory	Revenue from operations	Average inventory	Times	9.45	10.10	-6%
(f) Trade Receivables turnover ratio	Sales/ Average accounts receivables	Revenue from operations	Average accounts receivables	Times	58.41	61.42	-5%
(g) Trade payables turnover ratio \$	Purchases/ Average accounts payables	Purchases	Average accounts payables	Times	3.17	5.28	-40%
(h) Net capital turnover ratio	Sales/ Working capital	Revenue from operations	Current assets - Current liabilities	Times	4.95	5.21	-5%
(i) Net profit ratio #	Net profits after taxes/ Net sales	Profit for the year	Revenue from operations	%	3.18%	4.79%	-34%
(j) Return on Capital employed #	Earning before interest and taxes/Capital employed	Earning before interest and taxes	Total equity - Intangible assets + Non-current borrowings + Current borrowings + Deferred tax liabilities	%	7.8%	18.0%	-56.9%
(k) Return on investment (fixed deposits and inter-corporate deposits)	Income generated from fixed deposits and inter-corporate deposits/ Average fixed deposits and inter-corporate deposits held	Income generated from fixed deposits and inter-corporate deposits	Average fixed deposits and inter-corporate deposits held	%	6.0%	5.0%	20.0%

\* Decrease is on account of repayment of borrowings.

# During the year, due to increase in direct costs, profit and earnings have decreased when compared to the previous year.

\$ The decrease is mainly on account of trading activity done in previous year.

**Note 44: Segment Reporting**

Ind AS 108 "Operating segment" establishes standard for the way public business report information about operating segment and related disclosures about product and services, geographic areas and major customers. Based on "management approach" as defined in Ind AS 108, operating segments are to be reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). All operating segments results are reviewed regularly by the Company's Managing Director to make decisions and assess their performance. The CODM evaluates the company's performance and allocates resources on overall basis. The Company's sole reportable segment is manufacture and sale of Cement. Further, the business operations of the Company are primarily concentrated in India, and hence, the Company is considered to operate only in one geographical segment. Accordingly, there are no disclosures to be provided under Ind AS 108.

**Note 45: Regroupings/ reclassifications**

Previous year figures have been regrouped/ reclassified wherever necessary to conform to current period classification.

As per our Report of even date attached  
for **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

**Harish Khosani**  
Partner  
Membership number: 218576

Place: Hyderabad  
Date: February 19, 2024



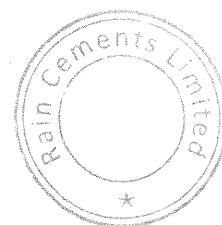
For and on behalf of the Board of Directors of  
**Rain Cements Limited**  
CIN: U23109TG1999PL0031631

**N.Sujith Kumar Reddy**  
Managing Director  
DIN: 00022383  
Place: Hyderabad  
Date: February 19, 2024

**G.N.V.S.R.R.Kumar**  
Chief Financial Officer  
M.No.204139  
Place: Hyderabad  
Date: February 19, 2024

**Venkata Pranav Reddy Nellore**  
Executive Director  
DIN: 10040953  
Place: Hyderabad  
Date: February 19, 2024

**P.Ganesh Pathrudu**  
Company Secretary  
M.No.A70037  
Place: Hyderabad  
Date: February 19, 2024





**C. RAMACHANDRAM & CO.**  
**CHARTERED ACCOUNTANTS**

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2nd Floor, Kakatiya Hills,  
Madhapur, Hyderabad - 500 081.  
Phone : 040-42212099  
E-mail : audit@crcoca.in  
Web : www.crcoca.in

**Independent Auditors' Report**  
**on the Special Purpose Ind AS Financial Statements**

**To the Members of OOO Rain Carbon LLC.**

**Opinion**

We have audited the accompanying Standalone special purpose IND AS financial statements of **OOO Rain Carbon LLC** (the Company), which comprise the balance sheet as at December 31, 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements"). The Special Purpose Ind AS Financial Statements of the Company is prepared by the Board of Directors in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") to enable holding company **Rain Industries Limited** to prepare its Ind AS consolidated financial statements for the year ended December 31, 2023.

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended December 31, 2023 gives information required in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ('the Act') and in conformity with the basis of preparation referred to in Note No. 2 of the Special Purpose Ind AS Financial Statements, as amended and are prepared in compliance with the instructions received from **Rain Industries Limited** and based on significant accounting policies adopted by **Rain Industries Limited**

**Basis for Opinion**

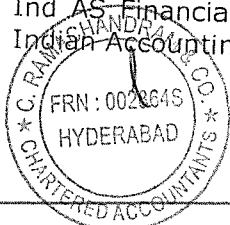
We conducted our audit in accordance with the Standards on Auditing ("the SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Special Purpose Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the requirements and of the ICAI's 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 Special Purpose Ind AS Financial Statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

As informed to us, there is no information other than financial statements. Consequently, in our opinion, the reporting requirements under SA 720 "The Auditor's Responsibility Relating to Other Information" are not applicable.

**Management's Responsibility for the Special Purpose Ind AS Financial Statements**

Board of Directors including those charged with governance are responsible for preparation of these Special Purpose Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the basis described in Note no. 2 of the Special Purpose Ind AS Financial Statements and accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS).



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgement 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 Special purpose financial statement including adjustments to be made to comply with the requirements of Ind AS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

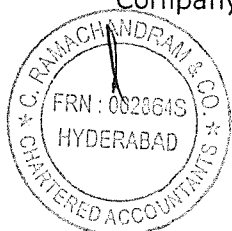
In preparing the Special Purpose Ind AS Financial Statements, the Board of Directors and the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Special Purpose Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Ind AS 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 Special Purpose Ind AS 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 Special Purpose Ind AS 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Ind AS 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.



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.

### **Basis of Accounting**

We draw attention to Note no. 2 to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. As a result, the Special Purpose Ind AS Financial Statements may not be suitable for another purpose.

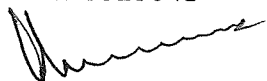
### **Restriction on use and distribution**

These Special purpose Ind AS Financial Statements are not general-purpose financial statements. This report on the Special Purpose Ind AS Financial Statements has been issued solely for the limited purpose of consolidation into the financial statements of the holding company, **Rain Industries Limited** and is intended solely for the information and use by the managements of the Company, the Holding Company and the Statutory Auditors of the Holding Company. It should not be used for any other purpose or distributed to or used by other parties.

### **For C. RAMACHANDRAM & Co**

Chartered Accountants

FRN: 002864S

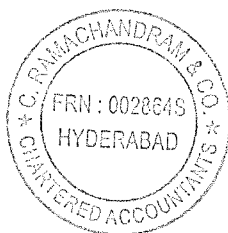


**C. RAMACHANDRAM**

Partner

Membership No.: 025834

UDIN: 24025834BKBLAK5980



Place: Hyderabad

Date: February 20, 2024

**OOO Rain Carbon LLC**

Balance Sheet as at December 31, 2023

All amounts are in Indian Rupees Millions, except where otherwise stated

	Note	As at December 31, 2023	As at December 31, 2022
<b>ASSETS</b>			
1. Non-current assets			
(a) Property, Plant and Equipment	3	430.46	548.98
2. Current assets			
(a) Financial Assets			
(i) Trade receivables	4	9.18	10.16
(ii) Cash and cash equivalents	5	77.83	65.66
		87.01	75.82
(b) Other current assets	6	4.35	13.51
<b>TOTAL</b>		<b>521.82</b>	<b>638.31</b>
<b>EQUITY AND LIABILITIES</b>			
1. Equity			
(a) Share Capital	7	0.01	0.01
(b) Other Equity	8	209.84	243.45
		209.85	243.46
2. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	72.73	103.51
(b) Deferred tax liability, net		0.01	0.01
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	153.78	207.90
(ii) Trade payables	11	0.45	0.51
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		0.45	0.51
(iii) Other financial liabilities	12	81.43	82.73
(b) Other Current liabilities	13	3.57	0.19
<b>TOTAL</b>		<b>521.82</b>	<b>638.31</b>
Corporate information	1		
Significant accounting policies	2		

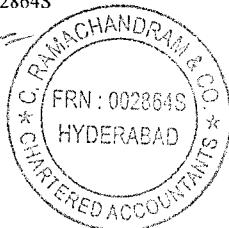
The notes referred to above form an integral part of the financial statements

In terms of our report attached

For C. Ramachandram & Co  
Chartered Accountants  
Firm Registration No: 002864S

C. Ramachandram  
Partner  
M.No 025834

Place: Hyderabad  
Date : February 20, 2024



For and on behalf of the Board of Directors


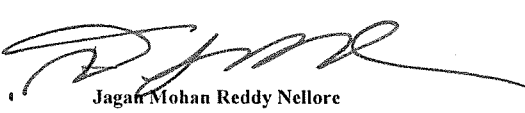
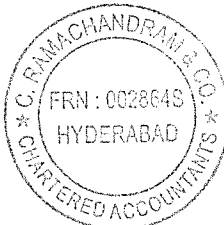
Jagan Mohan Reddy Nellore  
Director  
DIN: 00017633



OOO Rain Carbon LLC

Statement of Profit and Loss for the year ended December 31, 2023

All amounts are in Indian Rupees Millions, except where otherwise stated

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>1 Total income</b>			
Revenue from operations	14	-	1.04
Other income	15	93.51	88.01
<b>Total income</b>		<b>93.51</b>	<b>89.05</b>
<b>2 Expenses</b>			
Employee benefits expense	16	7.02	4.75
Finance costs	17	25.46	25.10
Depreciation expense	3	23.49	24.56
Loss/ (gain) on foreign currency transactions and translations (net)		0.15	0.02
Other expenses	18	5.57	8.17
<b>Total expenses</b>		<b>61.69</b>	<b>62.60</b>
<b>3 Profit before tax (1-2)</b>		<b>31.82</b>	<b>26.45</b>
<b>4 Tax expense (benefit)</b>	19		
1. Current tax		6.37	4.91
2. Deferred tax		-	0.39
<b>5 Profit for the year (3-4)</b>		<b>25.45</b>	<b>21.15</b>
<b>6 Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss			
- Exchange Differences in translating the financial statements of foreign operation		(42.93)	27.58
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>Total Other Comprehensive Income for the year</b>		<b>(42.93)</b>	<b>27.58</b>
<b>7 Total Comprehensive Income for the year (5+6)</b>		<b>(17.48)</b>	<b>48.73</b>
<b>8 Earnings per share</b>			
Basic and Diluted (Million Rs.)		25.45	21
Corporate information	1		
Significant accounting policies	2		
<b>The notes referred to above form an integral part of the financial statements</b>			
In terms of our report attached			
<b>For C. Ramachandram &amp; Co</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
Firm Registration No: 002864S			
			
<b>C. Ramachandram</b>		<b>Jagann Mohan Reddy Nellore</b>	
Partner		Director	
M.No 025834		DIN: 00017633	
			
Place: Hyderabad			
Date : February 20, 2024			

000 Rain Carbon LLC

Statement of Changes in Equity for the year ended December 31, 2023

All amounts are in Indian Rupees Millions, except where otherwise stated

Particulars	Attributable to owners of the Company				Total
	Equity Share Capital	Reserves and Surplus		Other comprehensive income	
		Capital Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance as at January 1, 2023	0.01	202.73	29.95	10.77	243.46
Total Comprehensive Income for the year	-	-	25.45	(42.93)	(17.48)
Dividends	-	-	(16.13)	-	(16.13)
<b>Balance as at December 31, 2023</b>	<b>0.01</b>	<b>202.73</b>	<b>39.27</b>	<b>(32.16)</b>	<b>209.85</b>

Particulars	Attributable to owners of the Company				Total
	Equity Share Capital	Reserves and Surplus		Other comprehensive income	
		Capital Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance as at January 1, 2022	0.01	202.73	8.80	(16.81)	194.73
Total Comprehensive Income for the year	-	-	21.15	27.58	48.73
<b>Balance as at December 31, 2022</b>	<b>0.01</b>	<b>202.73</b>	<b>29.95</b>	<b>10.77</b>	<b>243.46</b>

(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) **Retained earnings:** Retained earnings represents the net profits after all distributions and transfers to other reserves.

Items of Other Comprehensive Income:

(a) **Foreign currency translation reserve (FCTR):** Represents the FCTR of the foreign subsidiary. For the purpose of Group consolidation, the financial statements are translated at average rate of items in statement of profit and loss and at closing rate of the items in Balance sheet.

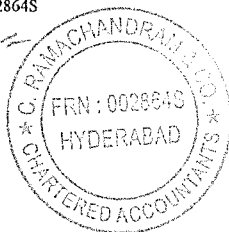
In terms of our report attached

For C. Ramachandram & Co  
Chartered Accountants  
Firm Registration No: 002864S

  
C. Ramachandram  
Partner

M.No 025834

Place: Hyderabad  
Date : February 20, 2024



For and on behalf of the Board of Directors



Jagan Mohan Reddy Nellore  
Director  
DIN: 00017633

000 Rain Carbon LLC

Cash Flow Statement for the year ended December 31, 2023

All amounts are in Indian Rupees Millions, except where otherwise stated

	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>A. Cash flow from operating activities</b>		
Profit before taxation	31.82	26.45
Adjustments for :		
Depreciation expense	23.49	24.56
Interest and other borrowing costs	25.46	25.10
Interest income	(0.16)	(0.83)
	48.79	48.83
<b>Operating profit before working capital changes</b>	<b>80.61</b>	<b>75.28</b>
Adjustments for :		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(0.86)	(2.57)
Other Current assets	8.88	(14.32)
Trade payables	-	(0.17)
Other current liabilities	4.38	(4.50)
Other financial liabilities	(0.03)	(0.07)
Long-term provisions	-	0.01
	12.37	(21.62)
<b>Cash generated from operations</b>	<b>92.98</b>	<b>53.66</b>
Income taxes paid, net	(6.37)	(4.91)
<b>Net cash from/(used in) operating activities</b>	<b>86.61</b>	<b>48.75</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including capital advances	-	(124.13)
Interest received	0.16	0.83
<b>Net cash from/(used in) investing activities</b>	<b>0.16</b>	<b>(123.30)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	-	124.09
Repayment of non-current borrowings	(13.37)	(4.26)
Repayment of current borrowings	-	(129.05)
Proceeds from other current borrowings	(20.48)	30.98
Interest and other borrowing costs paid	(12.04)	(6.28)
Dividend paid (including tax on dividend)	(16.13)	-
<b>Net cash used in financing activities</b>	<b>(62.02)</b>	<b>15.48</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>24.75</b>	<b>(59.07)</b>
<b>Cash and cash equivalents - opening balance</b>	<b>65.66</b>	<b>131.74</b>
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(12.58)	(7.01)
<b>Cash and cash equivalents - closing balance</b>	<b>77.83</b>	<b>65.66</b>

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

Balances with banks:

- in current accounts

Cash and bank balances - closing balance

77.83

77.83

65.66

65.66

In terms of our report attached

For C. Ramachandram & Co

Chartered Accountants

Firm Registration No: 002864S

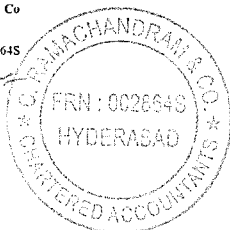
C. Ramachandram

Partner

M.No 025834

Place: Hyderabad

Date : February 20, 2024



For and on behalf of the Board of Directors

Jagan Mohan Reddy Nellore

Director

DIN: 00017613

**OOO Rain Carbon LLC**  
**Notes forming part of the Financial Statements**

**Note 1: Corporate Information**

OOO Rain Carbon LLC ("the Company") has been incorporated to carry on the businesses of providing logistics services.

The Company is a wholly owned subsidiary of Rain Industries Limited ("RIL" or "the Holding Company"), a company incorporated in India and listed on the National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited. The Company was incorporated in the State of Moscow, Russia on November 2, 2005.

**Note 2: Significant Accounting Policies**

**a) Basis of preparation of 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 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, 2023) have been applied. The accounting policies are applied consistently to all the periods presented in the financial statements.

The standalone financial statements were authorised for issue by the Company's Board of Directors on February 20, 2024.

**(ii) Functional and presentation currency**

The Functional currency of the Company is RUBEL (RUB). These Standalone financial statements are presented in Rupees (INR).

**(iii) Basis of measurement**

The 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
Non-cash distribution liability	Fair value
Net defined benefit asset/liability	Fair value of plan assets less present value of defined benefit plan
Borrowings	Amortised cost using effective interest rate method

**OOO Rain Carbon LLC.****Notes forming part of the Financial Statements (continued)****(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 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:

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Useful life of property, plant and equipment
- Impairment of financial assets and non-financial assets
- Expected Credit loss - provision for doubtful debts

**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

**OOO Rain Carbon LLC.****Notes forming part of the Financial Statements (continued)**

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.

**b) 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.

**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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at 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 Liabilities****Recognition and initial measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument 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.

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.

Financial assets and financial liabilities are off-set 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.

**OOO Rain Carbon LLC.**

**Notes forming part of the Financial Statements (continued)**

**c) 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 services 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.

**d) 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.

**e) 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 profit or loss.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are shown under other non-current assets as capital advances.

Depreciation on all the property, plant and equipment 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 property, plant and equipment are determined as the difference between net sales proceeds and the carrying amount, and are presented in the Statement of Standalone Profit and Loss

**OOO Rain Carbon LLC.**  
**Notes forming part of the Financial Statements (continued)**

<b>Items</b>	<b>Years</b>
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.

**f) 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's 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 a CGU (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 the asset).

**g) 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.

**h) Investments**

Non-current investments in subsidiaries are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments.

**i) 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.



**OOO Rain Carbon LLC.**  
**Notes forming part of the Financial Statements (continued)**

**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 recognized 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.

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 unutilized accumulating compensated absences and utilize 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.

**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.

**OOO Rain Carbon LLC.**

**Notes forming part of the Financial Statements (continued)**

**k) 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 not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. 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.

**l) 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 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.

**m) 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.

**OOO Rain Carbon LLC**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**Note 3: Property Plant & Equipment**

Property plant and equipment

As at December 31, 2023	As at December 31, 2022
430.46	548.98
<u>430.46</u>	<u>548.98</u>

**Note 4: Trade receivables**

Trade receivables considered good - unsecured

**Total**

9.18	10.16
<u>9.18</u>	<u>10.16</u>

**Trade receivables ageing schedule as at December 31, 2023:**

Particulars	Unbilled	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivables considered good	-	-	9.18	-	-	-	-	9.18
ii. Undisputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii. Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
v. Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi. Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-	-
<b>SUB-TOTAL</b>	-	-	9.18	-	-	-	-	9.18
Less: Allowance for Credit Impairment	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	9.18	-	-	-	-	9.18

**Trade receivables ageing schedule as at December 31, 2022:**

Particulars	Unbilled	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivables considered good	-	-	10.16	-	-	-	-	10.16
ii. Undisputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii. Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
v. Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi. Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-	-
<b>SUB-TOTAL</b>	-	-	10.16	-	-	-	-	10.16
Less: Allowance for Credit Impairment	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	10.16	-	-	-	-	10.16

**Note 5: Cash and bank balances**

Cash and cash equivalents

Balances with banks:

- in current accounts

**Total**

77.83	65.66
<u>77.83</u>	<u>65.66</u>

**Note 6: Other current assets**

Prepaid expenses

Balances with Government authorities

**Total**

4.07	0.53
0.28	12.98
<u>4.35</u>	<u>13.51</u>

**OOO Rain Carbon LLC**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	As at December 31, 2023	As at December 31, 2022
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**Note 7: Share capital**

Issued, subscribed and paid up Equity Shares	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>

**(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the period:**

Particulars	As at December 31, 2023		As at December 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
As at beginning of the period	1	0.01	1	0.01
Add/(Less): Changes in equity shares during the year	-	-	-	-
<b>As at end of the period</b>	<b>1</b>	<b>0.01</b>	<b>1</b>	<b>0.01</b>

**(ii) Shareholders holding more than 5% of the equity shares**

Name of the Shareholder	As at December 31, 2023		As at December 31, 2022	
	Number of shares	%	Number of shares	%
Rain Industries Limited	1.00	100%	1.00	100%

**(iii) Shares held by Promoters**

Name of the Shareholder	As at December 31, 2023		As at December 31, 2022	
	% of total shares	% of change during the year	% of total shares	% of change during the year
Rain Industries Limited	100%	-	100%	-

**Note 8: Other equity**

**(i) Reserves and Surplus**

<b>(a) Capital Reserve</b>	202.73	202.73
Opening balance	202.73	202.73
Add: During the year	-	-
<b>Closing balance</b>	<b>202.73</b>	<b>202.73</b>
<b>(b) Retained Earnings</b>		
Opening balance	29.95	8.80
Add: Profit for the period	25.45	21.15
Add: Others	-	-
Less: Dividend paid	(16.13)	-
<b>Closing balance</b>	<b>39.27</b>	<b>29.95</b>

**(ii) Items of Other Comprehensive income:**

<b>(a) Foreign currency translation reserve</b>		
Opening balance	10.77	(16.81)
Add: Effect of foreign exchange rate variations	(42.93)	27.58
<b>Closing balance</b>	<b>(32.16)</b>	<b>10.77</b>
<b>Total</b>	<b>209.84</b>	<b>243.45</b>

**OOO Rain Carbon LLC**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 9: Non-current borrowings</b>		
Loans and advances from related parties (Unsecured)	72.73	103.51
<b>Total</b>	<b>72.73</b>	<b>103.51</b>
<b>Note 10: Current borrowings</b>		
Loans and advances from related parties - Unsecured	153.78	207.90
<b>Total</b>	<b>153.78</b>	<b>207.90</b>
<b>Note 11: Trade payables</b>		
Trade payables - other than micro and small enterprises	0.45	0.51
<b>Total</b>	<b>0.45</b>	<b>0.51</b>

**Trade payables ageing schedule as at December 31, 2023:**

Particulars	Unbilled	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	-	0.45	-	-	-	-	0.45
iii. Disputed dues-MSME	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-

**Trade payables ageing schedule as at December 31, 2022:**

Particulars	Unbilled	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	-	0.51	-	-	-	-	0.51
iii. Disputed dues-MSME	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-

**Note 12: Other current financial liabilities**

Interest accrued and due on borrowings	81.43	82.66
Payable to Employees	-	0.07
<b>Total</b>	<b>81.43</b>	<b>82.73</b>

**Note 13: Other Current liabilities**

Statutory remittances	3.57	0.19
- Payables to auditors	-	-
Others	-	-
<b>Total</b>	<b>3.57</b>	<b>0.19</b>

**OOO Rain Carbon LLC**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Note 14: Revenue from operations</b>		
Other operating revenues [Refer Note (i) below]	-	1.04
<b>Revenue from operations</b>	<b>-</b>	<b>1.04</b>
<b>Notes:</b>		
<b>(i) Other operating revenues comprises:</b>		
Scrap sales	-	0.97
Other operating revenues	-	0.07
<b>Total</b>	<b>-</b>	<b>1.04</b>
<b>Note 15: Other income</b>		
Other interest	0.16	0.83
Rental income from operating leases	93.35	87.18
<b>Total</b>	<b>93.51</b>	<b>88.01</b>
<b>Note 16: Employee benefits expense</b>		
Salaries, wages and bonus	6.25	4.75
Contributions to provident and other funds	0.77	-
Staff welfare expenses	-	-
<b>Total</b>	<b>7.02</b>	<b>4.75</b>
<b>Note 17: Finance costs</b>		
Interest expense	25.41	24.98
Other borrowing costs	0.05	0.12
<b>Total</b>	<b>25.46</b>	<b>25.10</b>
<b>Note 18: Other expenses</b>		
Insurance	0.03	0.22
Consultancy charges	5.37	7.58
Payment to auditors [Refer Note below]	-	-
Miscellaneous expenses	0.17	0.37
<b>Total</b>	<b>5.57</b>	<b>8.17</b>
<b>Note:</b>		
<b>Payment to auditors comprises (excluding GST):</b>		
Other Auditor fees	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Note 19: Tax expense</b>		
Current tax		
(i) Tax for current year	6.37	4.91
Net current tax	6.37	4.91
Deferred tax	-	0.39
<b>Total</b>	<b>6.37</b>	<b>5.30</b>

## OOO Rain Carbon LLC

### Notes forming part of the financial statements (continued)

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

#### Note 20: Financial instruments disclosure:

##### Note 20.1: 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:

##### Notes:

1. Please ensure that the total in G column ties up to the balance sheet
2. Refer tab <Level 2 and 3> in case any of the hierarchies fall under Level 2 or Level 3.
3. In case there are any transfers between Level 1 and level 2 additional disclosures shall be needed.

Particulars	As at December 31, 2023				As at December 31, 2022			
	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
<b>Financial Assets</b>								
At Amortised cost								
Trade receivables	9.18				10.16			
Cash and cash equivalents	77.83				65.66			
<b>Financial Liabilities</b>								
At Amortised cost								
Non-current borrowings excluding finance lease obligations	72.73				103.51			
Current borrowings	153.78				207.90			
Trade payables	0.45				0.51			
Other current financial liabilities	81.43				82.73			

##### Valuation Techniques:

(a) **Borrowings (at amortised cost):** The valuation model considers the present value of expected receipt/payment discounted using risk-adjusted or 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 20.2: 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 20.3: 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 entities within the Company 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, derivatives provided by the Company. 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.

**OOO Rain Carbon LLC**
**Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 20.4: 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, 2023, cash and cash equivalents are held with major banks and financial institutions.

The table below provides details regarding the remaining contractual maturities of significant 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 31 December 2023						
Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later
<b>Non-derivative financial liabilities</b>						
Borrowings	226.51	226.51				226.51
Trade payables	0.45	0.45				0.45
Other current financial liabilities	81.43	81.43				81.43

As at 31 December 2022						
Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later
<b>Non-derivative financial liabilities</b>						
Borrowings	311.41	311.41				311.41
Trade payables	0.51	0.51				0.51
Other current financial liabilities	82.73	82.73				82.73

**Note 20.5: 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, commodity prices, equity prices 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 20.6: 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 Group's interest-bearing financial instruments as reported to management is as follows.

Particulars	Interest rate exposure as at	
	31-Dec-23	31-Dec-22
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	(153.78)	(207.90)
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	(72.73)	(103.51)

**Interest rate Sensitivity:**

**Impact on net interest expense for the year on 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 by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates,

Particulars	Dec-23		Dec-22	
	Increase	Decrease	Increase	Decrease
<b>Impact on profit and loss</b>				
Variable-rate instruments	(0.73)	0.73	(1.04)	1.04
Interest rate swaps	-	-	-	-
<b>Total Impact</b>	(0.73)	0.73	(1.04)	1.04



**OOO Rain Carbon LLC****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**Note 21: Related Party Disclosures****a) Names of related parties and description of relationship**

Sl. No	Relationship	Name
(a)	<b>List of related parties where control exists</b>	
(i)	Holding Company	1 Rain Industries Limited[RIL] (w.e.f 27th April 2022) 2 Rain Carbon BV [RCBV] (until 27th April 2022)
(ii)	Entities Under Common Control	1 Rain Holding Limited 2 OOO Ruetgers Severtar (OOO Severtar) 3 Rain Carbon Gmbh (RCG)

**OOO Rain Carbon LLC****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**b) Transactions with related parties for the year ended December 31, 2023**

Nature of Transaction	Related Parties	
	2023	2022
<b>Rental Income from Lease</b>		
- OOO RÜTGERS Severtar	93.35	87.18
<b>Interest Expenses</b>		
- Rain Holding Limited	6.73	-
- Rain Carbon GmbH	7.98	19.17
- OOO RÜTGERS Severtar	10.70	5.81
<b>Dividend Paid</b>		
Rain Industries Limited	16.13	-
<b>Loans Repaid</b>		
- OOO RÜTGERS Severtar	29.73	-
- Rain Carbon GmbH	-	129.05
<b>Loans taken</b>		
- Rain Holding Limited	-	-
- OOO RÜTGERS Severtar	-	148.91

**c) The Company has the following dues from / to related parties:**

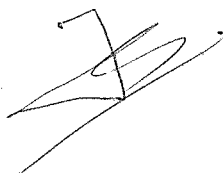
<b>Loans Payable</b>		
Rain Holding Limited	72.73	-
- Rain Carbon GmbH	-	186.43
- OOO RÜTGERS Severtar	9.18	124.97
<b>Interest Payable</b>		
Rain Holding Limited	3.22	-
- Rain Carbon GmbH	-	77.80
- OOO RÜTGERS Severtar	153.78	4.87
<b>Trade Receivables</b>		
- OOO RÜTGERS Severtar	-	10.16

**Note 22 : Earnings per Share (EPS)**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
a. Profit for the year	25.45	21.15
b. Weighted average number of equity shares outstanding during the year (Nos.)	1	1
<b>Earnings per Share</b>		
c. Basic and Diluted - [a]/[b] (Millions Rs.)	25.45	21.15

**Note 23: Additional Regulatory Information**

- (i) The title deeds of immovable properties are held in the name of the Company
- (ii) The Company has not revalued its Property, plant and equipment and intangible assets during the year.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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:
- 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 to or on behalf of the Ultimate Beneficiaries.
- (viii) 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:
- 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
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) 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.
- (x) During the year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (xi) The Company does not trade in crypto currency or virtual currency.





**C. RAMACHANDRAM & CO.**  
CHARTERED ACCOUNTANTS

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**Independent Auditors' Report**  
**on the Special Purpose Ind AS Financial Statements**

**To the Members of Rain Carbon GmbH.**

**Opinion**

We have audited the accompanying Standalone special purpose IND AS financial statements of **Rain Carbon GmbH** (the Company), which comprise the balance sheet as at December 31, 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements"). The Special Purpose Ind AS Financial Statements of the Company is prepared by the Board of Directors in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") to enable Holding company **Rain Industries Limited** to prepare its Ind AS consolidated financial statements for the year ended December 31, 2023.

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended December 31, 2023 gives information required in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ('the Act') and in conformity with the basis of preparation referred to in Note No. 2 of the Special Purpose Ind AS Financial Statements, as amended and are prepared in compliance with the instructions received from **Rain Industries Limited** and based on significant accounting policies adopted by **Rain Industries Limited**

**Basis for Opinion**

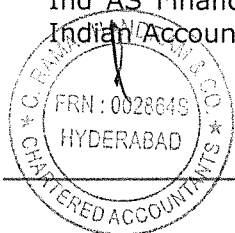
We conducted our audit in accordance with the Standards on Auditing ("the SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Special Purpose Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the requirements and of the ICAI's 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 Special Purpose Ind AS Financial Statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

As informed to us, there is no information other than financial statements. Consequently, in our opinion, the reporting requirements under SA 720 "The Auditor's Responsibility Relating to Other Information" are not applicable.

**Management's Responsibility for the Special Purpose Ind AS Financial Statements**

Board of Directors including those charged with governance are responsible for preparation of these Special Purpose Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the basis described in Note no. 2 of the Special Purpose Ind AS Financial Statements and accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS).



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgement 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 Special purpose financial statement including adjustments to be made to comply with the requirements of Ind AS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

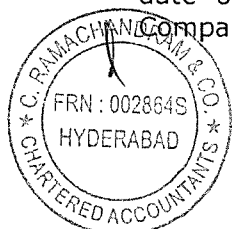
In preparing the Special Purpose Ind AS Financial Statements, the Board of Directors and the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Special Purpose Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Ind AS 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 Special Purpose Ind AS 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 Special Purpose Ind AS 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Ind AS 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.



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.

**Basis of Accounting**

We draw attention to Note no. 2 to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. As a result, the Special Purpose Ind AS Financial Statements may not be suitable for another purpose.

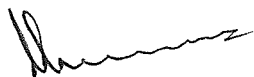
**Restriction on use and distribution**

These Special purpose Ind AS Financial Statements are not general-purpose financial statements. This report on the Special Purpose Ind AS Financial Statements has been issued solely for the limited purpose of consolidation into the financial statements of the holding company, **Rain Industries Limited** and is intended solely for the information and use by the managements of the Company, the Holding Company and the Statutory Auditors of the Holding Company. It should not be used for any other purpose or distributed to or used by other parties.

**For C. RAMACHANDRAM & Co**

Chartered Accountants

FRN: 002864S

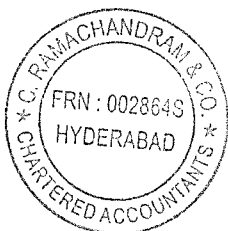


**C. RAMACHANDRAM**

Partner

Membership No.: 025834

UDIN: 24025834BKBLAI7489



Place: Hyderabad

Date: February 20, 2024

**Rain Carbon GmbH**  
Balance Sheet as at December 31, 2023

All amounts are in Indian Rupees Millions, except where otherwise stated

	Note	As at December 31, 2023	As at December 31, 2022
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment	3	1.67	1.22
(b) Right of use asset	4	6.89	4.13
(c) Capital work in progress	3	-	9.95
(d) Other intangible assets	3	8.10	6.96
		16.66	22.26
(e) Financial Assets			
(i) Investments	5	25,605.36	57,976.95
(ii) Loans	6	23,015.64	443.43
		48,621.00	58,420.38
<b>2. Current assets</b>			
(a) Financial Assets			
(i) Trade receivables	7	3,076.17	29.71
(ii) Cash and cash equivalents	8	35.09	30.35
(iii) Loans	9	152.42	189.74
(iv) Other financial assets	10	2,705.31	1,013.47
		5,968.99	1,263.27
(b) Current tax assets, net		160.66	130.37
(c) Other current assets	11	116.60	663.45
<b>TOTAL</b>		<b>54,883.91</b>	<b>60,499.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Share Capital	12	3.62	3.62
(b) Other Equity	13	9,408.08	11,818.46
		9,411.70	11,822.08
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	30,519.40	34,209.78
(ii) Other financial liabilities	15	0.41	0.37
(b) Provisions	16	583.80	491.08
(c) Deferred tax liability, net		2,311.97	2,265.06
(d) Other non-current liabilities	17	32.81	31.43
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	10,885.29	6,664.60
(ii) Trade payables	19	4.66	4.06
(A) total outstanding dues of micro enterprises and small enterprises and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		4.66	4.06
(iii) Other financial liabilities	20	1,018.04	4,870.83
(b) Other Current liabilities	21	55.22	49.07
(c) Provisions	22	43.47	44.97
(d) Current tax liabilities (net)		17.13	46.40
<b>TOTAL</b>		<b>54,883.91</b>	<b>60,499.73</b>
Corporate information	1		
Significant accounting policies	2		

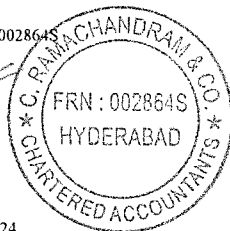
The notes referred to above form an integral part of the financial statements

In terms of our report attached


For C. Ramachandram & Co  
Chartered Accountants  
Firm Registration No: 002864S

C. Ramachandram  
Partner  
M.No 025834

Place: Hyderabad  
Date : February 20, 2024



For and on behalf of the Board of Directors

  
Jagan Mohan Reddy Nellore  
Director  
DIN: 00017633

# Rain Carbon GmbH

## Statement of Profit and Loss for the year ended December 31, 2023

All amounts are in Indian Rupees Millions, except where otherwise stated

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>1 Total income</b>			
Revenue from operations	23	116.30	138.07
Other income	24	13,711.89	5,963.39
<b>Total income</b>		<b>13,828.19</b>	<b>6,101.46</b>
<b>2 Expenses</b>			
Employee benefits expense	25	179.14	188.96
Finance costs	26	3,170.96	1,381.66
Depreciation expense	3	13.53	11.79
Impairment loss		13,404.86	558.07
Loss/ (gain) on foreign currency transactions and translations (net)		72.05	(10.87)
Other expenses	27	(253.88)	3,847.54
<b>Total expenses</b>		<b>16,586.66</b>	<b>5,977.15</b>
<b>3 Profit before tax (1-2)</b>		<b>(2,758.47)</b>	<b>124.31</b>
<b>4 Tax expense</b>	28		
1. Current tax		59.87	(278.09)
2. Deferred tax		(312.16)	1,098.40
<b>5 Profit for the year (3-4)</b>		<b>(2,506.18)</b>	<b>(696.00)</b>
<b>6 Other Comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		(46.83)	299.88
(ii) Income tax relating to items that will not be reclassified to profit or loss		(270.82)	1,637.01
B (i) Items that will be reclassified to profit or loss			
- Exchange Differences in translating the financial statements of foreign operation		(314.02)	429.74
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>Total Other Comprehensive Income for the year</b>		<b>(631.67)</b>	<b>2,366.63</b>
<b>7 Total Comprehensive Income for the year (5+6)</b>		<b>(3,137.85)</b>	<b>1,670.63</b>
<b>8 Earnings per share</b>			
Basic and Diluted (Million Rs.)		(1,253.09)	(348.00)
Corporate information	1		
Significant accounting policies	2		

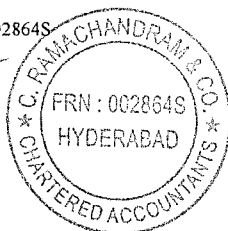
The notes referred to above form an integral part of the financial statements

In terms of our report attached


For C. Ramachandram & Co  
Chartered Accountants  
Firm Registration No: 002864S

C. Ramachandram  
Partner  
M.No 025834

Place: Hyderabad  
Date : February 20, 2024



For and on behalf of the Board of Directors

  
Jagan Mohan Reddy Nellore  
Director  
DIN: 00017633



**Rain Carbon GmbH**  
**Statement of Changes in Equity for the year ended December 31, 2023**

All amounts are in Indian Rupees Millions, except where otherwise stated

Particulars	Attributable to owners of the Company				Total
	Equity Share Capital	Capital Reserve	Retained Earnings	Other comprehensive income	
			Reserves and Surplus	Exchange differences on translating the financial statements of a foreign operation	
			Actuarial gain/(losses) on defined benefit plans		
Balance as at January 1, 2023	3.62	11,840.94	(3,638.18)	2,533.55	11,822.08
Total Comprehensive income for the year	-	-	(2,506.18)	413.47	(2,410.36)
Other adjustment			727.49	(727.49)	-
Balance as at December 31, 2023	3.62	11,840.94	(5,416.87)	2,219.53	9,411.70

Particulars	Attributable to owners of the Company				Total
	Equity Share Capital	Capital Reserve	Retained Earnings	Other comprehensive income	
			Reserves and Surplus	Exchange differences on translating the financial statements of a foreign operation	
			Actuarial gain/(losses) on defined benefit plans		
Balance as at January 1, 2022	3.62	11,840.94	(2,942.18)	2,103.81	10,151.45
Total Comprehensive income for the year	-	-	(696.00)	429.74	1,670.63
Balance as at December 31, 2022	3.62	11,840.94	(3,638.18)	2,533.55	11,822.08

(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.

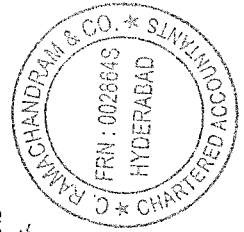
(b) **Retained earnings:** Retained earnings represents the net profits after all distributions and transfers to other reserves.

**Items of Other Comprehensive Income:**

(a) **Foreign currency translation reserve (FCTR):** Represents the FCTR of the foreign subsidiary. For the purpose of Presentation of financial statements in INR which is different from functional currency EUR, the financial statements are translated at average rate of items in statement of profit and loss and at closing rate of the items in Balance sheet.

**In terms of our report attached**

For C. Ramachandram & Co  
Chartered Accountants  
Firm Registration No: 002864S



C. Ramachandram  
Partner  
M.No 025834

Place: Hyderabad  
Date : February 20, 2024

For and on behalf of the Board of Directors

Jagan Mohan Reddy Nellore  
Director  
DIN: 00017633

**Rain Carbon GmbH**  
**Cash Flow Statement for the year ended December 31, 2023**

All amounts are in Indian Rupees Millions, except where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before taxation	(2,758.47)	124.32
Adjustments for :		
Depreciation expense	13.53	11.79
(Profit)/Loss on sale of fixed assets (net)	-	(0.02)
Gain on sale of Subsidiaries	(11,483.27)	-
Interest and other borrowing costs	3,170.96	1,381.66
Interest income	(1,029.98)	(51.72)
Dividend from subsidiary companies	(0.00)	(5,740.54)
Impairment loss	13,404.86	558.07
Liabilities / provisions no longer required written back	(17.10)	(0.80)
Foreign exchange (gain) / loss, net	74.73	(52.51)
	4,133.74	(3,894.06)
<b>Operating profit before working capital changes</b>	<b>1,375.25</b>	<b>(3,769.74)</b>
Adjustments for :		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(1,143.24)	0.44
Other non-current assets	4,853.41	1.22
Current loans	38.66	119.50
Other financial assets	(610.88)	9.30
Other current assets	239.17	19.29
Trade payables	(0.89)	(17.64)
Other current liabilities	5.13	40.13
Other financial liabilities	(1,254.93)	1,450.67
Short-term provisions	13.69	(166.54)
Long-term provisions	23.79	20.18
	2,163.90	1,476.54
<b>Cash generated from operations</b>	<b>3,539.15</b>	<b>(2,293.20)</b>
Income taxes paid, net	(122.36)	(10.60)
<b>Net cash from operating activities</b>	<b>3,416.79</b>	<b>(2,303.80)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including capital advances	(0.83)	(2.93)
Proceeds from sale of fixed assets	-	0.02
Proceeds from sale of investments	474.18	-
Interest received	26.02	2.31
Dividend received from Subsidiaries	0.00	5,740.54
<b>Net cash from investing activities</b>	<b>499.37</b>	<b>5,739.94</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	31,688.03	-
Repayment of non-current borrowings	(16,153.13)	-
Repayment of current borrowings	(202.02)	(7,170.54)
Proceeds from other current borrowings	4,605.61	5,121.37
Lease Rent paid	(3.92)	(5.06)
Interest on Lease rent paid	(0.11)	(0.12)
Interest and other borrowing costs paid	(3,785.19)	(1,420.68)
<b>Net cash used in financing activities</b>	<b>(3,850.73)</b>	<b>(3,475.03)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>65.43</b>	<b>(38.89)</b>
<b>Cash and cash equivalents - opening balance</b>	<b>30.35</b>	<b>3.64</b>
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(60.69)	65.60
<b>Cash and cash equivalents - closing balance</b>	<b>35.09</b>	<b>30.35</b>

**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**

Balances with banks:

- in current accounts

**Cash and bank balances - closing balance**

35.09

35.09

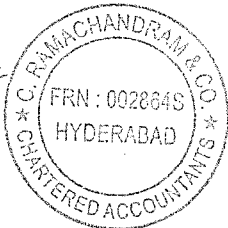
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30.35

For C. Ramachandram & Co  
Chartered Accountants  
Firm Registration No: 002864S

C. Ramachandram  
Partner  
M.No 025834

Place: Hyderabad  
Date : February 20, 2024



For and on behalf of the Board of Directors

*[Signature]*  
Jagan Mohan Reddy Nellore  
Director  
DIN: 00017633

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements**

**Note 1: Corporate Information**

**Rain Carbon GmbH (“RCG”), (“the Company”)** has been incorporated to carry on the holding investments.

The Company is a wholly owned subsidiary of Rain CII Carbon LLC (“the Holding Company) which is ultimately held by Rain Industries Limited (“RIL” or “the Ultimate Holding Company”), a company incorporated in India and listed on the National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited.

**Note 2: Significant Accounting Policies**

**a) Basis of preparation of 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 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, 2023) have been applied. The accounting policies are applied consistently to all the periods presented in the financial statements.

The standalone financial statements were authorised for issue by the Company’s Board of Directors on February 20, 2024.

**(ii) Functional and presentation currency**

The Functional currency of the Company is EURO. These Standalone financial statements are presented in Indian Rupees (INR). All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

**(iii) Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for the following:

<b>Items</b>	<b>Measurement basis</b>
Derivative financial instruments	Fair value
Certain financial assets and liabilities (refer accounting policy regarding financial instruments)	Fair value
Non-cash distribution liability	Fair value
Net defined benefit asset/liability	Fair value of plan assets less present value of defined benefit plan
Borrowings	Amortised cost using effective interest rate method

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

**(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 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:

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Useful life of property, plant and equipment
- Impairment of financial assets and non-financial assets
- Expected Credit loss - provision for doubtful debts

**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

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

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.

**b) 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.

**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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at 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 Liabilities**

**Recognition and initial measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument 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.

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.

Financial assets and financial liabilities are off-set 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.

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

**c) 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 services 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.

**d) 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.

**e) 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 profit or loss.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are shown under other non-current assets as capital advances.

Depreciation on all the property, plant and equipment 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.

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

Gains and losses on disposal of property, plant and equipment are determined as the difference between net sales proceeds and the carrying amount, and are presented in the Statement of Standalone Profit and Loss

Items	Years
Buildings	15
Plant and machinery	8
Furniture and Fixtures	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.

**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.

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.

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

On transition to Ind AS (i.e. 1 January, 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) 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's 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 a CGU (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 the asset).

**h) 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



**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

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 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.

**i) 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.

**j) Investments**

Non-current investments in subsidiaries are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments.

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

**k) 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 not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. 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.

**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 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.

**m) 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 recognized 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.

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.

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

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 unutilized accumulating compensated absences and utilize 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.

**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.

**n) 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 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.

**o) Impairment of Financial Assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

**Rain Carbon GmbH**  
Notes forming part of the Financial Statements (continued)

All amounts are in Indian Rupees Millions, except where otherwise stated

Note 3&4: Property, plant and equipment, Intangibles and ROU Asset

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		
	As at January 1, 2023	Additions during the period	Deletions during the period	Currency realigning	As at December 31, 2023	As at January 1, 2023	For the Period	On Deletions	Currency realigning	As at December 31, 2023	As at December 31, 2022
Tangible assets (Own)											
(a) Furniture and Fixtures	8.17	0.86	6.03	0.17	3.17	7.10	0.30	6.03	0.13	1.50	1.07
(b) Office Equipment	5.70	-	-	0.25	5.95	5.55	0.15	-	0.25	5.95	0.15
Intangibles	38.15	10.39	-	1.63	50.17	31.19	9.26	-	1.62	42.06	6.96
ROU Asset	16.72	6.31	-	0.93	23.96	12.59	3.82	-	0.68	17.08	4.13
CWIP	9.95	-	(10.39)	0.44	-	-	-	-	-	-	9.95
Total	78.69	17.56	(4.36)	3.41	83.25	56.43	13.53	6.03	2.67	66.59	22.26

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		
	As at January 1, 2022	Additions during the period	Deletions during the period	Currency reallignment	As at December 31, 2022	As at January 1, 2022	For the Period	On Deletions	Currency reallignment	As at December 31, 2022	As at December 31, 2021
Tangible assets (Own)											
(a) Furniture and Fixtures	7.78	-	-	0.39	8.17	6.42	0.34	-	0.34	7.10	1.37
(b) Office Equipment	5.44	-	-	0.26	5.70	4.98	0.31	-	0.26	5.55	0.46
Intangibles	36.38	-	-	1.77	38.15	23.49	6.15	-	1.54	31.19	12.88
ROU Asset	20.06	3.10	(7.30)	0.88	16.72	14.16	4.99	(7.11)	0.55	12.59	5.90
CWIP	6.67	2.82	-	0.46	9.95	-	-	-	-	9.95	6.67
Total	76.32	5.92	(7.30)	3.75	78.69	49.06	11.79	(7.11)	2.69	56.43	27.27

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	As at December 31, 2023	As at December 31, 2022					
<b>Note 5: Non-current investments</b>							
A. Investment in equity instruments (unquoted)							
Equity shares carried at cost	14,565.36	57,976.95					
B. Investment in Preference shares (unquoted)							
Preference shares carried at cost	11,040.00						
<b>Total</b>	<b>25,605.36</b>	<b>57,976.95</b>					
(a) aggregate value of unquoted investments	25,605.36	57,976.95					
<b>Note 6: Long-term loans and advances</b> (Unsecured, considered good)							
Loans and advances							
- to employees	2.80	2.68					
- to related parties	23,012.84	440.75					
<b>Total</b>	<b>23,015.64</b>	<b>443.43</b>					
<b>Note 7: Trade receivables</b>							
Trade receivables considered good - unsecured	3,076.17	29.71					
<b>Total</b>	<b>3,076.17</b>	<b>29.71</b>					
<b>Trade receivables ageing schedule as at December 31, 2023:</b>							
Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
i. Undisputed trade receivables - considered	-	-	3,076.17	-	-	-	-
ii. Undisputed trade receivables -	-	-	-	-	-	-	-
iii. Disputed trade receivables - considered	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered	-	-	-	-	-	-	-
<b>Trade receivables ageing schedule as at December 31, 2022:</b>							
Particulars	Unbilled	Not due	Outstandi	6 months - 1 year	1-2 years	2-3 years	More than 3 years
			Less than 6 months				
i. Undisputed trade receivables - considered	-	-	29.71	-	-	-	-
ii. Undisputed trade receivables -	-	-	-	-	-	-	-
iii. Disputed trade receivables - considered	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered	-	-	-	-	-	-	-
<b>Note 8: Cash and cash equivalents</b>							
Balances with banks:							
- in current accounts					35.09		30.35
<b>Total</b>					<b>35.09</b>		<b>30.35</b>
<b>Note 9: Current Loans</b> (Unsecured, considered good)							
Advances to related parties							
- Other intercompany advances					152.42		189.74
<b>Total</b>					<b>152.42</b>		<b>189.74</b>
<b>Note 10: Other current financial assets</b>							
Interest accrued on loans					1,193.06		156.88
Others					1,512.25		856.59
<b>Total</b>					<b>2,705.31</b>		<b>1,013.47</b>
<b>Note 11: Other current assets</b>							
Prepaid expenses					-		0.19
Others					116.60		663.26
<b>Total</b>					<b>116.60</b>		<b>663.45</b>

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 12: Share capital</b>		
Issued, subscribed and paid up		
Equity Shares	3.62	3.62
<b>Total</b>	<b>3.62</b>	<b>3.62</b>

**Notes:**

- (i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the period:

Particulars	As at December 31, 2023		As at December 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
As at beginning of the period	2.00	3.62	2.00	3.62
Add/(Less): Changes in equity shares during the year	-	-	-	-
<b>As at end of the period</b>	<b>2.00</b>	<b>3.62</b>	<b>2.00</b>	<b>3.62</b>

- (ii) Shareholders holding more than 5% of the equity shares

Name of the Shareholder	As at December 31, 2023		As at December 31, 2022	
	Number of shares	%	Number of shares	%
Rain CII Carbon LLC	2.00	100%	2.00	100%

- (iii) Shares held by Promoters

Name of the Shareholder	As at December 31, 2023		As at December 31, 2022	
	% of total shares	% of change	% of total shares	% of change
Rain CII Carbon LLC	100%	-	100%	-

**Note 13: Other equity**

- (i) Reserves and Surplus

<b>(a) Capital Reserve</b>	11,840.94	11,840.94
Opening balance	11,840.94	11,840.94
Closing balance	<b>11,840.94</b>	<b>11,840.94</b>
<b>(b) Retained Earnings</b>		
Opening balance	(3,638.18)	(2,942.18)
Add: Profit for the period	(2,506.18)	(696.00)
Add: Other adjustments	727.49	
Closing balance	<b>(5,416.87)</b>	<b>(3,638.18)</b>

- (ii) Items of Other Comprehensive Income:

<b>(a) Foreign currency translation reserve</b>		
Opening balance	2,533.55	2,103.81
Add: Effect of foreign exchange rate variations	413.47	429.74
Add: Other adjustments	(727.49)	
Closing balance	<b>2,219.53</b>	<b>2,533.55</b>
<b>(b) Remeasurements of defined benefit liability/(asset)</b>		
Opening balance	1,082.15	(854.74)
Add: Actuarial gain/(loss) on remeasurements of defined benefit plans	(317.65)	1,936.89
Closing balance	<b>764.50</b>	<b>1,082.15</b>
<b>Total</b>	<b>9,408.08</b>	<b>11,818.46</b>

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 14: Non-current borrowings</b>		
<b>A. Loans and advances from related parties</b>		
Unsecured	63.86	
<b>B. Term loans</b>		
From banks		
Secured	30,451.75	34,208.40
<b>C. Long term maturities of Lease obligations</b>		
- Secured	7.05	4.39
Less: Current portion of non-current borrowings disclosed under Note 18 - Current borrowings	(3.26)	(3.01)
<b>Total</b>	<b>30,519.40</b>	<b>34,209.78</b>
<b>Note 15: Other financial liabilities</b>		
Payables to employees	0.41	0.37
	<b>0.41</b>	<b>0.37</b>
<b>Note 16: Provisions</b>		
<b>Provision for employee benefits:</b>		
- Other defined benefit plans (net)	583.80	491.08
	<b>583.80</b>	<b>491.08</b>
<b>Note 17: Other non-current liabilities</b>		
Others	32.81	31.43
<b>Total</b>	<b>32.81</b>	<b>31.43</b>
<b>Note 18: Current borrowings</b>		
Loans repayable on demand		
Loans and advances from related parties		
-Unsecured	10,882.03	6,661.59
Current maturities of long-term borrowings	3.26	3.01
<b>Total</b>	<b>10,885.29</b>	<b>6,664.60</b>
<b>Note 19: Trade payables</b>		
Trade payables - other than micro and small enterprises	4.66	4.06
<b>Total</b>	<b>4.66</b>	<b>4.06</b>

Trade payables ageing schedule as at December 31, 2023:

Particulars	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	1.34	3.32	-	-	-	4.66
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-

Trade payables ageing schedule as at December 31, 2022:

Particulars	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	2.65	1.41	-	-	-	4.06
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-

\*Micro, Small and Medium Enterprises

<b>Note 20: Other current financial liabilities</b>		
Interest accrued but not due on borrowings	362.81	231.93
Interest accrued and due on borrowings	186.28	-
Employee payables	17.70	42.97
Others	451.25	4,595.93
- Payables to auditors	-	0.01
- Others	451.25	4,595.92
<b>Total</b>	<b>1,018.04</b>	<b>4,870.83</b>
<b>Note 21: Other Current liabilities</b>		
Others	55.22	49.07
<b>Total</b>	<b>55.22</b>	<b>49.07</b>
<b>Note 22: Provisions</b>		
- Provision for other employee benefits	22.24	-
- Other provisions	21.23	44.97
<b>Total</b>	<b>43.47</b>	<b>44.97</b>

**Rain Carbon GmbH****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Note 23: Revenue from operations</b>		
Other operating revenues	116.30	138.07
<b>Total</b>	<b>116.30</b>	<b>138.07</b>
<b>Note 24: Other income</b>		
Interest income		
Interest from banks on deposits	0.93	-
other balances	-	0.02
Interest on loans and advances	1,025.46	45.96
Interest on income tax refund	3.60	5.74
Rental income from operating leases	-	-
Liabilities / provisions no longer required written back	17.10	0.80
Profit on sale of fixed assets (net)	-	0.02
Dividend Income	1,122.12	5,740.54
Gain on sale of Subsidiaries	11,483.27	-
Miscellaneous Income	59.41	170.31
<b>Total</b>	<b>13,711.89</b>	<b>5,963.39</b>
<b>Note 25: Employee benefits expense</b>		
Salaries, wages and bonus	142.52	164.59
Contributions to provident and other funds	36.06	24.12
Staff welfare expenses	0.56	0.25
<b>Total</b>	<b>179.14</b>	<b>188.96</b>
<b>Note 26: Finance costs</b>		
Interest expense	3170.46	1381.24
Interest expense on leases	0.11	0.12
Other borrowing costs	0.39	0.30
<b>Total</b>	<b>3170.96</b>	<b>1381.66</b>



**Rain Carbon GmbH****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**Note 27: Other expenses**

Repairs and maintenance	2.06	1.85
Insurance	1.85	1.79
Rates and taxes	1.33	0.78
Communication expenses		0.01
Travelling and conveyance	1.45	1.66
Printing and stationery	0.15	0.16
Selling and distribution expenses	-	0.20
Advertisement	0.29	0.45
Corporate Social Responsibility and other donations	-	0.51
Consultancy charges	56.19	65.39
Payment to auditors	0.00	0.00
Miscellaneous expenses*	(317.20)	3774.74
<b>Total</b>	<b>(253.88)</b>	<b>3847.54</b>

\*This includes (Income)/Loss transfer from its German Subsidiaries during the year amounting to (746.26) Mn's for 2023 and 3,310.2 Mn's for 2022

**Note:****Payment to auditors comprises (excluding GST):**

Other Auditor fee	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**Note 28: Tax expense**

Current tax		
(i) Tax for current year	59.87	(278.09)
Net current tax	59.87	(278.09)
Deferred tax	(312.16)	1,098.40
<b>Total</b>	<b>(252.29)</b>	<b>820.31</b>

## Rain Carbon GmbH

### Notes forming part of the financial statements (continued)

All amounts are in Indian Rupees Millions, except where otherwise stated

#### 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

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, 2023				As at December 31, 2022			
	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
<b>Financial Assets</b>								
<b>At Amortised cost</b>								
Non-current investments	25,605.36				57,976.95			
Trade receivables	3,076.17				29.71			
Cash and cash equivalents	35.09				30.35			
Non-current loans	23,015.64				443.43			
Current loans	152.42				189.74			
Other current financial assets	2,705.31				1,013.47			
<b>Financial Liabilities</b>								
<b>At Amortised cost</b>								
Non-current borrowings (including current maturities included in other current financial liabilities)	30,519.40				34,209.78			
Finance lease obligations								
Other non-current financial liabilities	0.41				0.37			
Current borrowings	10,885.29				6664.6			
Trade payables	4.66				4.06			
Other current financial liabilities	1,018.04				4,870.83			

#### Valuation Techniques:

(a) **Borrowings (at amortised cost):** The valuation model considers the present value of expected receipt/payment discounted using risk-adjusted or 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 entities within the Company 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, derivatives provided by the Company. 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.

**Rain Carbon GmbH****Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**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, 2023, cash and cash equivalents are held with major banks.

**Maturity of financial liabilities:**

The table below provides details regarding the remaining contractual maturities of significant 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, 2023**

Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
<b>Non-derivative financial liabilities:</b>							
Borrowings	41,404.69	11,184.87	1,692.34	29,677.96	-	-	42,555.17
Other current financial liabilities	1,018.04	1,018.04	-	-	-	-	1,018.04

**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
<b>Non-derivative financial liabilities:</b>							
Borrowings	40,874.38	6,664.60	2.38	34,379.00			41,045.98
Other current financial liabilities	4,870.83	4,870.83					4,870.83

**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, commodity prices, equity prices 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	
	Dec-23	Dec-22
<b>Variable rate instruments</b>		
Financial assets	453.01	-
Financial liabilities	(33,037.53)	(34,875.24)
	<b>(32,584.52)</b>	<b>(34,875.24)</b>

**Interest rate Sensitivity:**

**Impact on net interest expense for the year on 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 by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Dec-23		Dec-22	
	Increase	Decrease	Increase	Decrease
<b>Impact on profit and loss</b>				
Variable-rate instruments	(325.85)	325.85	(348.75)	348.75
Interest rate swaps	-	-	-	-
<b>Total Impact</b>	<b>(325.85)</b>	<b>325.85</b>	<b>(348.75)</b>	<b>348.75</b>

**Rain Carbon GmbH****Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**Note 29.7 Currency risk:**

The Company 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 Company.

The following table analyzes foreign currency risk from non derivative financial instruments as at December 31, 2023:

	USD	EUR	CAD	RUB	Others*	Total
<b>Assets:</b>						
Cash and bank balances						-
EEFC balance						-
Trade receivables	0.11					0.11
Loans						-
Loans and advances to subsidiary						-
Other Financial Assets	575.55			229.93		805.48
	<b>575.66</b>	<b>-</b>	<b>-</b>	<b>229.93</b>	<b>-</b>	<b>805.59</b>
<b>Liabilities:</b>						
Trade payables						-
Borrowings	1,376.77					1,376.77
Other financial liabilities	128.40					128.40
	<b>1,505.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,505.18</b>

\*Others include GBP, CHF and others

The following table analyzes foreign currency risk from non derivative financial instruments as at December 31, 2022:

	USD	EUR	CAD	RUB	Others*	Total
<b>Assets:</b>						
Cash and bank balances	0.27					0.27
EEFC balance						-
Trade receivables						-
Loans						-
Other Financial Assets	268.36			268.92		537.28
	<b>268.63</b>	<b>-</b>	<b>-</b>	<b>268.92</b>	<b>-</b>	<b>537.55</b>
<b>Liabilities:</b>						
Trade payables						-
Borrowings						-
Other financial liabilities	780.57		0.08			780.65
	<b>780.57</b>	<b>-</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>780.65</b>

\*Others include GBP, CHF and others

**Sensitivity Analysis:**

A reasonably possible strengthening (weakening) of the US dollar, Euro, Canadian Dollar, Ruble 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 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 Foreign currency loss/(gain) for the year on 1% change in rates are:**

Particulars	December 31, 2023		December 31, 2022	
	Strengthening	Weakening	Strengthening	Weakening
<b>Impact on profit and loss</b>				
INR		-		-
Euro	-	-	-	-
USD	9.30	(9.30)	5.12	(5.12)
CAD	-	-	0.00	(0.00)
RUB	(2.30)	2.30	(2.69)	2.69
Others*	-	-	-	-

**Rain Carbon GmbH****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**Note 30: Related Party Disclosures****a) Names of related parties and description of relationship**

Sl. No	Relationship	Name
(a)	<b>List of related parties where control exists</b>	
(i)	Holding Company	Rain CII Carbon LLC [RCC]
	Intermediate Holding Company	Rain Carbon Inc. [RCI]
	Intermediate Holding Company	Rain Commodities (USA) Inc
	Ultimate Holding Company	Rain Industries Limited[RIL]
(i)	Subsidiaries	1 Rain Carbon Poland Sp.zo.o. 2 Rain Carbon Wohnimmobilien GmbH & Co. KG 3 Rain Carbon Gewerbeimmobilien GmbH & Co. KG 4 Rain Carbon (Shanghai) Co., Ltd 5 Rumba Invest SPRL& Co.KG 6 Rain Carbon Germany GmbH
(ii)	Entities Under Common Control	1 Rain Carbon Canada Inc. 2 Rain Holdings Limited 3 Severter Holding Limited 4 OOO Ruetgers severter 5 OOO Rain Carbon LLC 6 Rain Carbon BV (RCBV)

**Rain Carbon GmbH****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**b) Transactions with related parties for the year ended December 31, 2023**

Nature of Transaction	Related Parties	
	2023	2022
<b>Revenue from Services</b>		
- Rain Carbon Germany GmbH	104.45	126.25
- Rumba Invest SPRL& Co.KG	0.62	0.52
- Rain Carbon Canada Inc.	1.55	1.65
- Rain Carbon Inc	0.47	-
- Rain Carbon Wohnimmobilien GmbH & Co. KG	1.63	1.52
- Rain Carbon Gewerbeimmobilien GmbH & Co. KG	1.90	1.85
- Rain Carbon BV	4.88	2.86
- Rain Carbon Poland Sp.zo.o.	0.17	0.13
<b>Intercompany Administration and IT costs recharges Income</b>		
- Rain Carbon Germany GmbH	4.03	1.07
- Rain Carbon Inc	55.35	46.05
- Rain Carbon Canada Inc.	-	0.01
<b>Loss/(Profit) on Profit/Loss Transfer agreements</b>		
- Rain Carbon Germany GmbH	(756.10)	3,301.11
- Rumba Invest SPRL& Co.KG	9.83	9.08
<b>Interest Income</b>		
- Rain Holding Limited	29.25	-
- Rain Carbon Inc	968.17	-
- OOO RÜTGERS Severtar	20.07	26.73
- OOO Rain Carbon LLC	7.96	19.24
<b>Interest Expenses</b>		
- Severtar Holding Ltd	2.69	-
- Rain CII Carbon LLC	16.09	-
- Rain Carbon Inc	2.98	-
- Rain Carbon Germany GmbH	574.03	140.67
- Rain Carbon BV	10.23	126.36
<b>Consultancy charges</b>		
- Rain Carbon Germany GmbH	15.07	22.93
<b>Dividend Received</b>		
- Rain Holding Limited	1,122.12	-
- Rain Carbon BV	-	4,364.50
- Severtar Holding Ltd.	-	1,376.04
<b>Management fees</b>		
- Rain Carbon Inc	-	312.31
<b>Gain on sale of investments</b>		
- Rain Holding Limited	11,483.27	-
<b>Intercompany Administration and IT costs recharges expenses</b>		
- Rain Carbon Inc	80.45	133.54
- Rain Carbon Germany GmbH	1.89	0.65
- Rain Carbon Poland Sp.zo.o.	-	2.04

**Rain Carbon GmbH****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**c) The Company has the following dues from / to related parties:**

<b>Loans Receivable (including Interest):</b>		
- Rain Carbon Inc	23,551.43	-
- Rain Holding Limited	806.89	-
- OOO Rain Carbon	-	268.92
- OOO RÜTGERS Severtar	-	518.45
<b>Loans Payable( including Interest)</b>		
- Severtar Holding Ltd.	66.62	-
- Rain Carbon Inc	1,377.04	-
- Rain Carbon Germany GmbH	9,136.41	6,465.55
- Rain Carbon BV	552.36	196.04
<b>Other Payables(Net)</b>		
- Rain Carbon Germany GmbH	213.95	393.93
- Rumba Invest SPRL& Co.KG	102.06	99.69
- Rain Industries Limited	-	-
- Rain Carbon Inc	3.40	385.28
<b>Other Payables Net (Profit Loss Transfer Agreements)</b>		
- Rain Carbon Germany GmbH	-	3,333.64
<b>Other Receivables Net (Profit Loss Transfer Agreements)</b>		
- Rumba Invest SPRL& Co.KG	766.79	741.99
- Rain Carbon Germany GmbH	625.86	-
<b>Other Receivables( Net)</b>		
- Rain Carbon Inc	-	-
- Rain Carbon BV	-	-
- Rain CII Carbon LLC	-	-
- Rain Carbon Poland Sp.zo.o.	-	0.14
- RHL	3,026.80	-
<b>Trade Payables</b>		
- Rain Carbon Germany GmbH	1.37	0.94
<b>Trade Receivables</b>		
- Rumba Invest SPRL& Co.KG	0.24	0.16
- Rain Carbon BV	-	-
- Rain Carbon Gewerbeimmobilien GmbH & Co. KG	0.48	-
- Rain Carbon Wohnimmobilien GmbH & Co. KG	-	-
- Rain Carbon Germany GmbH	29.50	28.85
- Rain Carbon Canada Inc.	0.11	0.71

**Rain Carbon GmbH**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except where otherwise stated

**Note 31 : Earnings per Share (EPS)**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
a. Profit for the year	(2,506.18)	(696.00)
b. Weighted average number of equity shares outstanding during the year (Nos.)	2.00	2.00
<b>Earnings per Share</b>		
c. Basic and Diluted - [a]/[b] (Million Rs.)	(1,253.09)	(348.00)

**Note 32: Additional Regulatory Information**

- (i) The title deeds of immovable properties are held in the name of the Company
- (ii) The Company has not revalued its Property, plant and equipment and intangible assets during the year.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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.
- (viii) 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.
- (ix) 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.
- (x) During the year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (xi) The Company does not trade in crypto currency or virtual currency.







**Independent Auditors' Report**  
**On the Special Purpose Ind AS Financial Statements**

**To the Members of Rain Commodities (USA) Inc.**

**Opinion**

We have audited the accompanying Standalone special purpose IND AS financial statements of **Rain Commodities (USA) Inc** (the Company), which comprise the balance sheet as at December 31, 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements"). The Special Purpose Ind AS Financial Statements of the Company is prepared by the Board of Directors in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") to enable holding company **Rain Industries Limited** to prepare its Ind AS consolidated financial statements for the year ended December 31, 2023.

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended December 31, 2023 gives information required in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ('the Act') and in conformity with the basis of preparation referred to in Note No. 2 of the Special Purpose Ind AS Financial Statements, as amended and are prepared in compliance with the instructions received from **Rain Industries Limited** and based on significant accounting policies adopted by **Rain Industries Limited**

**Basis for Opinion**

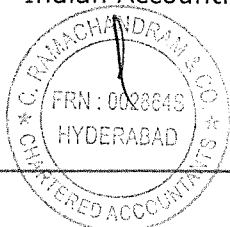
We conducted our audit in accordance with the Standards on Auditing ("the SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Special Purpose Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the requirements and of the ICAI's 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 Special Purpose Ind AS Financial Statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

As informed to us, there is no information other than financial statements. Consequently, in our opinion, the reporting requirements under SA 720 "The Auditor's Responsibility Relating to Other Information" are not applicable.

**Management's Responsibility for the Special Purpose Ind AS Financial Statements**

Board of Directors including those charged with governance are responsible for preparation of these Special Purpose Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the basis described in Note no. 2 of the Special Purpose Ind AS Financial Statements and accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS).



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgement 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 Special purpose financial statement including adjustments to be made to comply with the requirements of Ind AS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

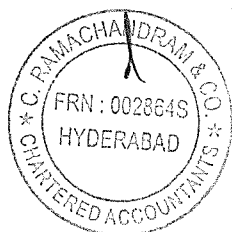
In preparing the Special Purpose Ind AS Financial Statements, the Board of Directors and the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Special Purpose Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Ind AS 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 Special Purpose Ind AS 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 Special Purpose Ind AS 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Ind AS 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.



**Chartered Accountants**

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.

**Basis of Accounting**

We draw attention to Note no. 2 to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. As a result, the Special Purpose Ind AS Financial Statements may not be suitable for another purpose.

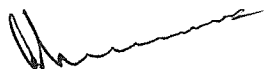
**Restriction on use and distribution**

These Special purpose Ind AS Financial Statements are not general-purpose financial statements. This report on the Special Purpose Ind AS Financial Statements has been issued solely for the limited purpose of consolidation into the financial statements of the holding company, **Rain Industries Limited** and is intended solely for the information and use by the managements of the Company, the Holding Company and the Statutory Auditors of the Holding Company. It should not be used for any other purpose or distributed to or used by other parties.

**For C. RAMACHANDRAM & Co**

Chartered Accountants

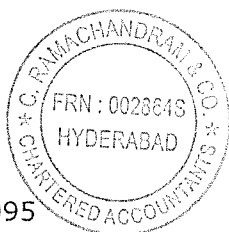
FRN: 002864S

**C. RAMACHANDRAM**

Partner

Membership No.: 25834

UDIN: 24025834BKBLAS3095



Place: Hyderabad

Date: February 20, 2024

**Rain Commodities (USA) Inc.**  
**Balance Sheet as at December 31, 2023**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	Note	As at December 31, 2023	As at December 31, 2022
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment	3	-	-
(b) Financial Assets			
(i) Investments	4	23,269.74	23,269.74
(c) Deferred tax asset, net		109.56	-
(d) Non-current tax assets (net)		398.12	434.79
		23,777.42	23,704.53
<b>2. Current assets</b>			
(a) Financial Assets			
(i) Cash and cash equivalents	5	288.48	22.55
(ii) Other financial assets	6	66.84	50.01
		355.32	72.56
<b>TOTAL</b>		<b>24,132.74</b>	<b>23,777.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Share Capital	7	7,732.13	7,732.13
(b) Other Equity	8	15,114.54	14,276.11
		22,846.67	22,008.24
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	9	-	-
(b) Deferred tax liability, net		-	55.63
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	886.79	1,260.63
(ii) Other financial liabilities	11	399.28	452.59
<b>TOTAL</b>		<b>24,132.74</b>	<b>23,777.09</b>
Corporate information	1		
Significant accounting policies	2		

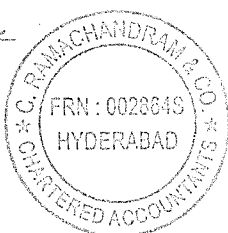
The notes referred to above form an integral part of the financial statements

In terms of our report attached

**For C. Ramachandram & Co**  
Chartered Accountants  
Firm Registration No: 002864S

**C. Ramachandram**  
Partner  
M.No 025834

Place: Hyderabad  
Date : February 20, 2024



**For and on behalf of the Board of Directors**

**Jagan Mohan Reddy Nellore**  
Director  
DIN: 00017633

**Rain Commodities (USA) Inc.**  
**Statement of Profit and Loss for the year ended December 31, 2023**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

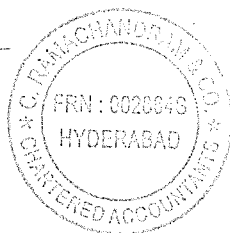
	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>1 Total income</b>			
Other income	12	1,087.63	336.18
<b>Total income</b>		<b>1,087.63</b>	<b>336.18</b>
<b>2 Expenses</b>			
Finance costs	13	93.90	58.63
Depreciation expense	3	-	6.80
Other expenses	14	7.29	18.61
<b>Total expenses</b>		<b>101.19</b>	<b>84.04</b>
<b>3 Profit/(Loss) before tax (1-2)</b>		<b>986.44</b>	<b>252.14</b>
<b>4 Tax expense (benefit)</b>	15		
1. Current tax		(22.08)	(15.26)
2. Deferred tax		(165.74)	(0.79)
<b>5 Profit/(Loss) for the year (3-4)</b>		<b>1,174.26</b>	<b>268.19</b>
<b>6 Other Comprehensive profit/(Loss)</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>B</b> (i) Items that will be reclassified to profit or loss			
- Exchange Differences in translating the financial statements of foreign operation		(6.49)	(126.49)
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>Total Other Comprehensive profit/(Loss) for the year</b>		<b>(6.49)</b>	<b>(126.49)</b>
<b>7 Total Comprehensive profit/(Loss) for the year (5+6)</b>		<b>1,167.77</b>	<b>141.70</b>
<b>8 Earnings per share</b>			
Basic and Diluted (Rs.)		0.59	0.13
Corporate information	1		
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

In terms of our report attached


**For C. Ramachandram & Co**  
Chartered Accountants  
Firm Registration No: 002864S

  
**C. Ramachandram**  
Partner  
M.No 025834



Place: Hyderabad  
Date : February 20, 2024

**For and on behalf of the Board of Directors**

  
**Jagan Mohan Reddy Nellore**  
Director  
DIN: 00017633

**Rain Commodities (USA) Inc.**

**Statement of Changes in Equity for the year ended December 31, 2023**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Particulars	Attributable to owners of the Company					Total
	Equity Share Capital	Preferential Share Capital	Reserves and Surplus		Other comprehensive income	
			Capital Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance as at January 1, 2023	906.67	6,825.46	339.96	12,548.21	1,387.94	22,008.24
Total Comprehensive profit/(loss) for the year	-	-	-	1,174.26	(6.49)	1,167.78
Dividends	-	-	-	(329.36)	-	(329.36)
<b>Balance as at December 31, 2023</b>	<b>906.67</b>	<b>6,825.46</b>	<b>339.96</b>	<b>13,393.12</b>	<b>1,381.45</b>	<b>22,846.67</b>

Particulars	Attributable to owners of the Company					Total
	Equity Share Capital	Preferential Share Capital	Reserves and Surplus		Other comprehensive income	
			Capital Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance as at January 1, 2022	906.67	6,825.46	339.96	12,598.41	1,514.43	22,184.93
Total Comprehensive loss for the year	-	-	-	268.19	(126.49)	141.70
Dividends	-	-	-	(318.39)	-	(318.39)
<b>Balance as at December 31, 2022</b>	<b>906.67</b>	<b>6,825.46</b>	<b>339.96</b>	<b>12,548.21</b>	<b>1,387.94</b>	<b>22,008.24</b>

**(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) **Retained earnings:** Retained earnings represents the net profits after all distributions and transfers to other reserves.

**Items of Other Comprehensive Income:**

(a) **Foreign currency translation reserve (FCTR):** Represents the FCTR of the foreign subsidiary. For the purpose of Group consolidation, the financial statements are translated at average rate of items in statement of profit and loss and at closing rate of the items in Balance sheet.

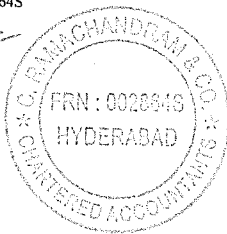
In terms of our report attached

For C. Ramachandram & Co  
Chartered Accountants  
Firm Registration No: 002864S



C. Ramachandram  
Partner  
M.No 025834

Place: Hyderabad  
Date : February 20, 2024



For and on behalf of the Board of Directors



Jagan Mohan Reddy Nellore  
Director  
DIN: 00017633

**Rain Commodities (USA) Inc.**  
**Cash Flow Statement for the year ended December 31, 2023**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before taxation	986.44	252.14
Adjustments for :		
Depreciation expense	-	6.80
Interest and other borrowing costs	93.90	58.63
Interest income	(0.17)	(0.05)
Dividend from subsidiary companies	(1,078.10)	(318.40)
Liabilities / provisions no longer required written back	-	(9.38)
	(984.37)	(262.40)
<b>Operating profit/(loss) before working capital changes</b>	2.07	(10.26)
<b>Adjustments for :</b>		
Adjustments for (increase) / decrease in operating assets:		
Other financial assets	(13.12)	-
Other current liabilities	(0.02)	(1.64)
Other financial liabilities	(85.91)	5.06
	(99.05)	3.42
<b>Cash used in operations</b>	(96.98)	(6.84)
Income taxes paid, net	60.65	(0.05)
<b>Net cash from/(used in) operating activities</b>	(36.33)	(6.89)
<b>B. Cash flow from investing activities</b>		
Purchase of non-current investments	-	-
Share application money paid	(16.40)	(49.48)
Interest received	0.17	0.05
Dividend received from Subsidiaries	995.76	867.33
<b>Net cash from investing activities</b>	979.53	817.90
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	-	-
Repayment of non-current borrowings	(666.40)	(858.21)
Net increase / (decrease) in working capital borrowings	380.53	408.67
Interest and other borrowing costs paid	(63.75)	(51.62)
Dividend paid (including tax on dividend)	(329.36)	(318.40)
<b>Net cash used in financing activities</b>	(678.98)	(819.56)
<b>Net increase in cash and cash equivalents (A+B+C)</b>	264.22	(8.55)
<b>Cash and cash equivalents - opening balance</b>	22.55	28.19
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	1.71	2.91
<b>Cash and cash equivalents - closing balance</b>	288.48	22.55

**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**

Balances with banks:

- in current accounts

288.48

22.55

**Cash and bank balances - closing balance**

288.48

22.55

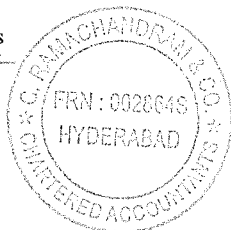
(iii) Comparative figures of the previous year, where necessary, have been regrouped to conform to those of the current year.

In terms of our report attached


For C. Ramachandram & Co  
Chartered Accountants  
Firm Registration No: 002864S

C. Ramachandram  
Partner  
M.No 025834

Place: Hyderabad  
Date : February 20, 2024



For and on behalf of the Board of Directors

  
Jagannathan Reddy Nellore  
Director  
DIN: 00017633

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements**

**Note 1: Corporate Information**

Rain Commodities (USA) Inc. ("RCUSA") ("the Company") has been incorporated to carry on the businesses of producing calcined petroleum coke (CPC), trading metallic and/or non-metallic substances, investing in entities engaged in such businesses and to provide freight forwarding services.

The Company is a wholly owned subsidiary of Rain Industries Limited ("RIL" or "the Holding Company"), a company incorporated in India and listed on the National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited. The Company was incorporated in the State of Delaware, United States of America on November 2, 2005.

**Note 2: Significant Accounting Policies**

**a) Basis of preparation of 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 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, 2023) have been applied. The accounting policies are applied consistently to all the periods presented in the financial statements.

The standalone financial statements were authorised for issue by the Company's Board of Directors on February 20, 2024.

**(ii) Functional and presentation currency**

The Functional currency of the Company is US Dollars (USD). These Standalone financial statements are presented in Indian Rupees (INR). All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

**(iii) Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for the following:

<b>Items</b>	<b>Measurement basis</b>
Derivative financial instruments	Fair value
Certain financial assets and liabilities (refer accounting policy regarding financial instruments)	Fair value
Non-cash distribution liability	Fair value
Net defined benefit asset/liability	Fair value of plan assets less present value of defined benefit plan
Borrowings	Amortised cost using effective interest rate method



**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

**(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 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:

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Useful life of property, plant and equipment
- Impairment of financial assets and non-financial assets
- Expected Credit loss - provision for doubtful debts

**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

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

- 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.

**b) 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.

**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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at 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 Liabilities**

**Recognition and initial measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument 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.

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.

Financial assets and financial liabilities are off-set 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.

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

**c) 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 services 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.

**d) 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.

**e) 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 property plant and equipment 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 profit or loss.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are shown under other non-current assets as capital advances.

Depreciation on all the property, plant and equipment 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 property, plant and equipment are determined as the difference between net sales proceeds and the carrying amount, and are presented in the Statement of Standalone Profit and Loss

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

<b>Items</b>	<b>Years</b>
Buildings	15
Furniture and Fixtures	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.

**f) 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's 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 a CGU (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 the asset).

**g) 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.

**h) Investments**

Non-current investments in subsidiaries are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments.

**i) 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.

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

**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 recognized 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.

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 unutilized accumulating compensated absences and utilize 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.

**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.

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

**k) 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 not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. 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.

**l) 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 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.

**m) 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.

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 3: Property, plant and equipment**

Description	Gross Block				Depreciation				Net Block	
	As at January 1, 2023	Additions	Deletions/ Adjustments	Foreign Exchange Adjustments	As at December 31, 2023	For the year	Deletions/ Adjustments	Foreign Exchange Adjustments	As at December 31, 2023	As at December 31, 2022
Tangible assets										
Buildings	251.39	-	-	1.00	252.39	-	-	1.00	252.39	-
Furniture and Fixtures	5.80	-	-	0.02	5.82	-	-	0.02	5.82	-
<b>Total</b>	<b>257.19</b>	<b>-</b>	<b>-</b>	<b>1.02</b>	<b>258.21</b>	<b>-</b>	<b>-</b>	<b>1.02</b>	<b>258.21</b>	<b>-</b>
Description	Gross Block				Depreciation				Net Block	
	As at January 1, 2022	Additions	Deletions/ Adjustments	Foreign Exchange Adjustments	As at December 31, 2022	For the year	Deletions/ Adjustments	Foreign Exchange Adjustments	As at December 31, 2022	As at December 31, 2021
Tangible assets										
Buildings	225.61	-	-	25.78	251.39	6.80	-	25.63	251.39	6.65
Furniture and Fixtures	5.20	-	-	0.60	5.80	-	-	0.60	5.80	-
<b>Total</b>	<b>230.81</b>	<b>-</b>	<b>-</b>	<b>26.38</b>	<b>257.19</b>	<b>6.80</b>	<b>-</b>	<b>26.23</b>	<b>257.19</b>	<b>6.65</b>

**Rain Commodities (USA) Inc.****Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 4: Non-current investments</b>		
<b>A. Investment in equity instruments (unquoted)</b>		
Equity shares carried at cost		
(i) of subsidiaries		
Rain Carbon Inc	22,920.58	22,920.58
Rain Global Services LLC	349.16	349.16
<b>Total</b>	<b>23,269.74</b>	<b>23,269.74</b>
(a) aggregate value of unquoted investments	23,269.74	23,269.74
<b>Note 5: Cash and cash equivalents</b>		
Balances with banks:		
- in current accounts	288.48	22.55
<b>Total</b>	<b>288.48</b>	<b>22.55</b>
<b>Note 6: Other current financial assets</b>		
Security deposits	0.34	0.34
Contractually reimbursable expenses	-	-
Share application money paid	66.50	49.67
<b>Total</b>	<b>66.84</b>	<b>50.01</b>



**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 7: Share capital</b>		
Issued, subscribed and paid up		
Equity Shares	906.67	906.67
Preference Shares	6,825.46	6,825.46
<b>Total</b>	<b>7,732.13</b>	<b>7,732.13</b>

**Notes:**

- (i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the period:

Particulars	As at December 31, 2023		As at December 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
As at beginning of the period	200,020	906.67	200,020	906.67
Add/(Less): Changes in equity shares during the year	-	-	-	-
As at end of the period	<b>200,020</b>	<b>906.67</b>	<b>200,020</b>	<b>906.67</b>

- (ii) Shareholders holding more than 5% of the equity shares

Name of the Shareholder	As at December 31, 2023		As at December 31, 2022	
	Number of shares	%	Number of shares	%
Rain Industries Limited	200,020.00	100%	200,020.00	100%

- (iii) Shares held by Promoters

Name of the Shareholder	As at December 31, 2023		As at December 31, 2022	
	% of total shares	% of change during the year	% of total shares	% of change during the year
Rain Industries Limited	100%	-	100%	-

**Note 8: Other equity**

- (i) Reserves and Surplus

(a) Capital Reserve	339.96	339.96
(b) Retained Earnings		
Opening balance	12,548.21	12,598.41
Add: Profit/(Loss) for the year	1,174.26	268.19
Less: Dividend paid	(329.36)	(318.39)
Closing balance	<b>13,393.12</b>	<b>12,548.21</b>

- (ii) Items of Other Comprehensive income:

(a) Foreign currency translation reserve		
Opening balance	1,387.94	1,514.43
Add: Effect of foreign exchange rate variations	(6.49)	(126.49)
Closing balance	<b>1,381.45</b>	<b>1,387.94</b>
<b>Total</b>	<b>15,114.54</b>	<b>14,276.11</b>

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	As at December 31, 2023	As at December 31, 2022
<b>Note 9: Non-current borrowings</b>		
Loans and advances from related parties (Unsecured)	166.24	827.90
Less: Current maturities of non-current borrowings disclosed under Note 11	166.24	827.90
<b>Total</b>	<u>-</u>	<u>-</u>
<b>Note 10: Current borrowings</b>		
Loans repayable on demand		
Loans and advances from related parties		
- Unsecured	720.55	432.73
Current maturities of non-current borrowings	166.24	827.90
<b>Total</b>	<u>886.79</u>	<u>1,260.63</u>
<b>Note 11: Other current financial liabilities</b>		
Interest accrued but not due on borrowings	41.74	11.27
Others		
- Contractually reimbursable expenses	357.54	441.32
<b>Total</b>	<u>399.28</u>	<u>452.59</u>

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Note 12: Other income</b>		
Other interest	0.17	0.05
Dividend income from long term investments	1,078.10	318.40
Rental income from operating leases	9.08	8.35
Liabilities / provisions no longer required written back	-	9.38
Miscellaneous income	0.28	-
<b>Total</b>	<b>1,087.63</b>	<b>336.18</b>
<b>Note 13: Finance costs</b>		
Interest expense	92.94	57.54
Interest on income tax	-	0.05
Other borrowing costs	0.96	1.04
<b>Total</b>	<b>93.90</b>	<b>58.63</b>
<b>Note 14: Other expenses</b>		
Repairs and maintenance		
- Others	3.68	3.12
Rates and taxes	2.67	3.12
Corporate Social Responsibility and other donations	-	-
Consultancy charges	0.94	12.35
Payment to auditors [Refer Note below]	0.00	0.00
Miscellaneous expenses	-	0.02
<b>Total</b>	<b>7.29</b>	<b>18.61</b>
<b>Note:</b>		
<b>Payment to auditors comprises (excluding GST):</b>		
Other Auditor fees	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Note 15: Tax expense</b>		
Current tax		
(i) Tax for current year	(22.08)	(15.26)
Net current tax	(22.08)	(15.26)
Deferred tax		
(i) Attributable to the origination and reversal of temporary differences	(166.95)	0.09
(ii) Deferred tax due to rate change	1.21	(0.88)
Net deferred tax	(165.74)	(0.79)
<b>Total</b>	<b>(187.82)</b>	<b>(16.05)</b>

**Rain Commodities (USA) Inc.****Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 16: Financial instruments disclosure:****Note 16.1: 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, 2023				As at December 31, 2022			
	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								
Non-current investments	23,269.74				23,269.74			
Cash and cash equivalents	288.48				22.55			
Other current financial assets	66.84				50.01			
Financial Liabilities								
At Amortised cost								
Non-current borrowings (including current maturities included in other current financial liabilities)	886.79				1,260.63			
Other current financial liabilities	399.28				452.59			

**Valuation Techniques:**

(a) **Borrowings (at amortised cost):** The valuation model considers the present value of expected receipt/payment discounted using risk-adjusted or 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 16.2: 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 16.3: 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 entities within the Company 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, derivatives provided by the Company. 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.

**Rain Commodities (USA) Inc.****Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 16.4: 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, 2023, cash and cash equivalents are held with major banks.

**Maturity of financial liabilities:**

The table below provides details regarding the remaining contractual maturities of significant 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, 2023**

Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
<b>Non-derivative financial liabilities:</b>							
Borrowings	886.79	886.79	-	-	-	-	886.79
Other current financial liabilities	399.28	399.28	-	-	-	-	399.28

**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
<b>Non-derivative financial liabilities:</b>							
Borrowings	1,260.63	1,260.63	-	-	-	-	1,260.63
Other current financial liabilities	452.59	452.59	-	-	-	-	452.59

**Note 16.5: 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, commodity prices, equity prices 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 16.6: 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	
	Dec-23	Dec-22
<b>Variable rate instruments</b>		
Financial assets	(567.44)	(1,260.63)
Financial liabilities	-	-

**Interest rate Sensitivity:**

**Impact on net interest expense for the year on 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 by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Dec-23		Dec-22	
	Increase	Decrease	Increase	Decrease
<b>Impact on profit and loss</b>				
Variable-rate instruments	(5.67)	5.67	(12.61)	12.61
Interest rate swaps	-	-	-	-
<b>Total Impact</b>	(5.67)	5.67	(12.61)	12.61

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 17: 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)	Holding company	1 Rain Industries Limited [RIL]
(b)	Other related parties where transactions have taken place during the year/balances exists at year end	
	Entites under common control	2 Rain Carbon Inc. [RCI] 3 Rain CII Carbon LLC [RCC]

**b) Transactions with related parties:**

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>Rent Income</b>		
a) RCC	9.08	8.35
<b>Interest Expenditure</b>		
a) RIL	62.70	46.71
b) RCI	30.24	10.99
<b>Dividend Declared</b>		
a) RIL	329.36	318.40
<b>Repayment of borrowings</b>		
a) RIL	666.40	858.21
<b>Dividend Received</b>		
a) RCI	1,078.10	318.40

**(c) The Company has the following dues from / to related parties:**

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>Loans from</b>		
a) RIL	166.24	827.90
b) RCI	720.55	432.73
<b>Accrued interest payable</b>		
a) RIL	-	-
b) RCI	41.74	11.27
<b>Dividend Receivable</b>		
a) RCI	-	-
<b>Amounts payable to</b>		
a) RCC	357.54	441.32

**Rain Commodities (USA) Inc.**  
**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

**Note 18 : Earnings per Share (EPS)**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
a. Profit for the year	1,174.26	268.19
b. Weighted average number of equity shares outstanding during the year	2,000,000,020	2,000,000,020
<b>Earnings per Share</b>		
c. Basic and Diluted - [a]/[b] (Rs.)	0.59	0.13

**Note 19: Additional Regulatory Information**

- (i) The title deeds of immovable properties are held in the name of the Company
- (ii) The Company has not revalued its Property, plant and equipment and intangible assets during the year.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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.
- (viii) 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.
- (ix) 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.
- (x) During the year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (xi) The Company does not trade in crypto currency or virtual currency.

