BUSINESS MODEL

Prudence and proactiveness at the heart of long-term value

KEY INPUTS

Financial capital
- Capital expenditure: US$ 74 million
- Underlying net debt: US$ 914 Mn
- Equity: ₹ 61,092 million

Manufactured capital
- Carbon plants: 13
- Advanced Materials plants: 5
- Cement plants: 2
- Waste-heat recovery power plants: 6
- Waste-heat recovery power generation capacity: ~131 MW
- Waste-heat steam plants: 3
- Waste-heat recovery steam generation capacity: ~59 MW

Intellectual capital
- Spent on R&D: US$ 6.04 million

Human capital
- Employees: ~2,400
- Training hours: ~28,400
- People employed for over 10 years with RAIN: 1,155

Social and relationship capital
- Long-term supplier base
- Robust distribution network
- Community commitments in and around the areas where we operate

Natural capital
- Solar-power generated electricity: 3 MW
- Trees planted: ~88,000

VALUE CREATION APPROACH

Our strengths
- Global presence
- Large-scale operations
- Long-term relationships with suppliers
- Diverse, blue-chip customer base
- Strong and sustainable financial profile
- Innovation and industry-leading R&D
- Skilled talent pool
- Quality and compliance
- Experienced management team

How we create value

We create value across three major pillars: upcycling, innovation and expansions.

Upcycling
- Sold 2.5 Mn metric tonnes of upcycled carbon-based industrial by-products that were essential raw materials for various everyday products and manufacturing applications
- Incorporated 726,451 tonnes of fly ash from coal-fired power plants in our cement production, reducing our consumption of limestone and eliminating the need for special handling and disposal of this hazardous industrial by-product

Innovation
- State-of-the-art rubber lab in Duisburg, Germany will significantly improve our technical services and targeted product development for the rubber industry
- Introduced a new resin for biaxial-oriented polypropylene for food packaging
- Developed anhydrous carbon pellets, which should result in enhanced carbon availability for aluminium smelting
- Developed hydrogenated hydrocarbon resins using innovative technology and a new source of raw-materials

We have developed a business model that prioritises sustainability. One that is agile and in touch with changing social and environmental needs. In alignment with our R.A.I.N business strategy, it helps us create shared value through the products we manufacture.

Our strategy

- Deliver solid returns
- Optimise assets
- Leverage innovation leadership
- Noble ambitions, noteworthy achievements

Read more about our strategies on **page 46**.

Expansions

- Commissioned the vertical-shaft calciner in India and completed first sale of CPC
- Commissioned the anhydrous carbon pellet production facility in the US
- Initiated production of PETRORES® specialty coating at Kędzierzyn-Koźle plant in Poland

OUTCOMES

Stable financial returns to shareholders

Making decisions that help enhance our capital allocation year on year

₹ 25,174 Mn
Operating profit

₹ 1 per equity share
dividend paid per share

Developing innovative and sustainable products for our customers

Playing an important role in the businesses of our consumers

- NOVARES® TM 85 AS (pure monomer resin produced in a batch process for rubber formulations such as tyres)
- NOVARES® Pure 2100 (hydrogenated hydrocarbon resin with a melting point of 100 degrees Celsius for colourless, odourless, non-toxic adhesive applications)
- NOVARES® Pure 2120 (hydrogenated hydrocarbon resin with a melting point of 120 degrees Celsius for adhesive applications)
- NOVARES® TT 140M (maleic acid-modified hydrocarbon resin for marine-coating applications)
- PETRORES® ZL150 M (carbon precursor for the production of graphite-electrode materials for lithium-ion batteries)
- Anhydrous carbon pellets
- Higher-density CPC from vertical-shaft calciner
- NOVARES® TMA 80 (functionalised pure monomer resin for tyre applications)
- NOVARES® TM 85 AS (pure monomer resin for rubber formulations)
- NOVARES® L 40 (liquid hydrocarbon resin for coating applications)
- NOVARES® MP 50 (liquid hydrocarbon resin for coating applications)
- NOVARES® YC 006 (hydrocarbon resin in dry-liquid form for tire applications)
- LIONCOAT® LM (carbon precursor for the particle coating of lithium-ion anode materials)

Taking care of our people

Creating distinctive opportunities for growth and learning - total recordable injury rate: 0.17* and total lost-time injury rate: 0.14*

* Carbon and Advanced Materials segments

Driving well-being of communities

Helping create more resilient and self-reliant communities through thoughtful initiatives

Total lives impacted through various CSR initiatives:

- 2,172 students educated during the year under Pragnya Priya Foundation
- 69,497 patients treated at three hospitals under Pragnya Priya Foundation

Reducing our environmental footprint

Helping create a cleaner and greener ecosystem

- GHG emissions avoided due to internal energy production from waste heat: 0.74 Mn metric tonnes of CO_2#
- Self-generated energy from waste heat: 1.2 Mn MWh

GHG emissions avoided due to internal energy production from waste heat: Based on electricity generation from different waste heat recovery processes at Chalmette, Lake Charles, Visakhapatnam, Castrop-Rauxel, Duisburg, Norco, Zelzate, Kurnool and Suryapet. Avoided emission are calculated from the generated megawatts, emission factors of local electricity grids and combustion of natural gas as well as respective efficiency factors.