Independent Auditors' Report

To the Members of Rain Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Rain Industries Limited (the "Company") which comprise the standalone balance sheet as at 31 December 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 4 January 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31 December 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 December 2022 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 34(viii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 34(ix) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. : 116231W/W-100024

Vikash Somani
Partner
Membership No.: 061272
ICAI UDIN : 23061272BGYRVB2628

Place: Hyderabad
Date: 27 February 2023

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Rain Industries Limited for the year ended 31 December 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, provisions of clause 3(iii)(a) and clauses 3(iii)(c) to 3(iii)(f) of the Order are not applicable to the Company. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the investments made during the year are, prima facie, not prejudicial to the interest of the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company and the loans provided to the parties covered under Section 186 of the Act, in our opinion the provisions of Section 186 of the Act have been complied with. According to the information and explanations given to us, the Company has not provided guarantee or security to any parties covered under Section 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products sold and services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of tax deducted at source (TDS).

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 December 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount in million (₹)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	29.88	AY 2007-08	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax	39.20	AY 2009-10	Income-tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	2.60	AY 2010-11	Honorable High Court of Hyderabad
Income-tax Act, 1961	Income-tax	6.80	AY 2020-21	Commissioner of Income Tax (Appeals)

According to the information and explanations given to us, there are no dues of Goods and Service tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value added tax and Cess and other material statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Vikash Somani
Partner
Membership No.: 061272
ICAI UDIN:23061272BGYRVB2628

Place: Hyderabad
Date: 27 February 2023

Annexure B

to the Independent Auditor's Report on the standalone financial statements of Rain Industries Limited for the year ended 31 December 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Rain Industries Limited ("the Company") as of 31 December 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 December 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Vikash Somani
Partner
Membership No.: 061272
ICAI UDIN:23061272BGYRVB2628

Place: Hyderabad
Date: 27 February 2023

Standalone Balance Sheet

as at December 31, 2022

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

Particulars	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	69.27	72.77
(b) Intangible assets	4	0.76	0.92
(c) Financial assets			
(i) Investments	5	9,493.26	9,170.65
(ii) Loans	6	-	1,040.24
(iii) Other non-current financial assets	7	1.27	1.06
(d) Non-current tax assets, net	28 (vii)	73.91	104.42
(e) Other non-current assets	8	3.53	0.36
		9,642.00	10,390.42
2. Current assets			
(a) Financial assets			
(i) Trade receivables	9	114.58	174.80
(ii) Cash and cash equivalents	10A	147.80	185.23
(iii) Bank balances other than cash and cash equivalents	10B	67.04	32.15
(iv) Loans	11	830.09	536.26
(v) Other current financial assets	12	23.20	3.94
(b) Other current assets	13	9.65	5.55
		1,192.36	937.93
TOTAL		10,834.36	11,328.35
EQUITY AND LIABILITIES			
1. Equity			
(a) Share capital	14	672.69	672.69
(b) Other equity	15	8,360.60	8,419.49
		9,033.29	9,092.18
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	1,486.05
(b) Provisions	17	7.64	6.85
(c) Deferred tax liability, net	28 (iv)	4.41	5.39
		12.05	1,498.29
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,655.72	534.28
(ii) Trade payables	19		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		52.25	126.47
(iii) Other current financial liabilities	20	41.61	40.24
(b) Other current liabilities	21	5.42	4.36
(c) Provisions	22	4.57	3.07
(d) Current tax liabilities, net	28 (vii)	29.45	29.46
		1,789.02	737.88
TOTAL		10,834.36	11,328.35
Corporate information	1		
Significant accounting policies	2		

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

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration no:116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Hyderabad
Date: February 27, 2023

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Place: Hyderabad
Date: February 27, 2023

Standalone Statement of Profit and Loss

for the year ended December 31, 2022

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

	Particulars	Note	For the year ended December 31, 2022	For the year ended December 31, 2021
1	Income			
	Revenue from operations	23	540.74	535.47
	Other income	24	502.98	501.42
	Total income		**1,043.72**	**1,036.89**
2	Expenses			
	Purchases of stock-in-trade		61.30	193.35
	Employee benefits expense	25	273.51	214.38
	Finance costs	26	80.16	80.95
	Depreciation and amortisation expense	3 & 4	6.73	6.23
	Loss on foreign currency transactions and translations (net)		67.56	8.37
	Other expenses	27	230.59	142.79
	Total expenses		**719.85**	**646.07**
3	**Profit before tax (1-2)**		**323.87**	**390.82**
4	**Tax expense**	28(i)		
	1. Current tax		47.38	73.12
	2. Deferred tax		(0.98)	6.06
5	**Profit for the year (3-4)**		**277.47**	**311.64**
6	**Other comprehensive income/(Loss):**			
	A. (i) Items that will not be reclassified subsequently to profit or loss			
	- Remeasurements of the defined benefit plans	31	(0.01)	2.67
	(ii) Income tax relating to remeasurment of defined benefit plans		-	(0.87)
	Total other comprehensive income/(loss) for the year		**(0.01)**	**1.80**
7	**Total comprehensive income for the year (5+6)**		**277.46**	**313.44**
8	**Earnings per share (face value of ₹ 2/- each)**			
	Basic and Diluted (₹)	35	0.82	0.93
	Corporate information	1		
	Significant accounting policies	2		

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

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration no:116231W/W-100024

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

Vikash Somani
Partner
Membership No: 061272

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Place: Hyderabad
Date: February 27, 2023

Place: Hyderabad
Date: February 27, 2023

Standalone Statement of changes in Equity

for the year ended December 31, 2022

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

(i)

		Other equity							
		Reserves and Surplus							
Particulars	Equity Share Capital	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Remeasure-ments of Defined Benefit Plans	Total equity attributable to the owners of Company
Balance at the beginning of previous reporting year	672.69	4,319.91	47.66	516.67	828.92	509.12	2,219.36	0.76	9,115.09
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of previous reporting year	672.69	4,319.91	47.66	516.67	828.92	509.12	2,219.36	0.76	9,115.09
Total comprehensive income for previous year	-	-	-	-	-	311.64	-	1.80	313.44
Dividends (Refer note 14(ii))	-	-	-	-	-	(336.35)	-	-	(336.35)
Transfer from retained earnings	-	-	-	-	31.16	(31.16)	-	-	-
Balance at the beginning of current reporting year	672.69	4,319.91	47.66	516.67	860.08	453.25	2,219.36	2.56	9,092.18
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of current reporting year	672.69	4,319.91	47.66	516.67	860.08	453.25	2,219.36	2.56	9,092.18
Total comprehensive income for the year	-	-	-	-	-	277.47	-	(0.01)	277.46
Dividends (Refer note 14(ii))	-	-	-	-	-	(336.35)	-	-	(336.35)
Balance at the end of current reporting year	672.69	4,319.91	47.66	516.67	860.08	394.37	2,219.36	2.55	9,033.29

(ii) Description of the purposes of each reserve within equity:

Reserves and Surplus:

(a) Capital reserve: It consists of pre-acquisition profits. During amalgamation, the excess of net assets taken, over the consideration paid were treated as capital reserve in accordance with previous GAAP.

(b) Capital redemption reserve: It consists of reserves on the buyback of equity shares from its retained earnings. The amount represents nominal amount of the equity shares bought back.This reserve will be utilised in accordance with Section 69 of the Companies Act, 2013

(c) Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be utilised in accordance with Section 52 of the Companies Act, 2013.

Standalone Statement of changes in Equity

for the year ended December 31, 2022

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

(d) General reserve: It represents the portion of the net profit which the Company has transferred, before declaring dividend pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

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

(f) Foreign currency translation reserve (FCTR): Represents the FCTR of Moonglow Company Business Inc. which was merged with the Company in the financial year ended December 31, 2015.

(g) Remeasurements of defined benefit plans: Remeasurements of defined benefit plans comprise of actuarial gains and losses and return on plan assets (excluding interest income).

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

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration no:116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Hyderabad
Date: February 27, 2023

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Place: Hyderabad
Date: February 27, 2023

Standalone Statement of Cash Flows

for the year ended December 31, 2022

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

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

Standalone Statement of Cash Flows

for the year ended December 31, 2022

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

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
C. Cash flow from financing activities		
Proceeds from non-current borrowings	-	1,498.00
Repayment of non-current borrowings	(553.68)	(2,257.64)
Interest and other borrowing costs paid	(73.02)	(75.87)
Dividend paid	(336.35)	(336.35)
Net cash used in financing activities	**(963.05)**	**(1,171.86)**
Net decrease in cash and cash equivalents (A+B+C)	**(37.43)**	**(22.55)**
Cash and cash equivalents - opening balance	185.23	207.78
Cash and cash equivalents - closing balance (Refer note 10)	**147.80**	**185.23**

Notes:

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

(ii) Components of Cash and cash equivalents

	As at December 31, 2022	As at December 31, 2021
Cash and cash equivalents		
Balances with banks:		
- in current accounts	46.13	54.83
- in deposit accounts (with original maturity of 3 month or less)	101.67	130.40
	147.80	**185.23**

(iii) Refer note.16 for reconciliation of liabilities arising from financing activities

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration no:116231W/W-100024

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

Vikash Somani
Partner
Membership No: 061272

N. Radha Krishna Reddy
Managing Director
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Company Secretary
M. No.: A14143

Place: Hyderabad
Date: February 27, 2023

Place: Hyderabad
Date: February 27, 2023

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

Note 1: Corporate Overview

Rain Industries Limited ('the Company') was incorporated on March 15, 1974 under the erstwhile Companies Act, 1956 and is domiciled in India with its registered office in Hyderabad, Telangana. The Company is engaged in sale of products, duty scripts and providing shared support services to its group companies. The Company's equity shares are listed at BSE Limited and National Stock Exchange of India Limited in India.

Note 2: Significant Accounting Policies

a) Basis of preparation of standalone financial statements

(i) Statement of Compliance

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

The standalone financial statements have been prepared on a going concern basis. Relevant Ind AS effective as on the Company's annual reporting date December 31, 2022 have been applied. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

The standalone financial statements were authorised for issue by the Company's Board of Directors on February 27, 2023.

(ii) Functional and presentation currency

These Standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

(iii) Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities (refer accounting policy regarding financial instruments)	Fair value
Net defined benefit asset/liability	Fair value of plan assets less present value of defined benefit plan

(iv) Use of estimates

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Accounting estimates could change from period to period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and appropriate changes are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are reflected in the period in which such changes are made and if material, their effects are disclosed in the standalone financial statements.

Assumptions and estimation uncertainties

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Measurement of defined benefit obligations: key actuarial assumptions used in measurement (refer note 31)
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (refer note 33)

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

– Recognition and recoverability of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used (refer note 28)

– Useful life of property, plant and equipment (refer note 2 (f))

– Impairment of non-financial assets (refer note 29 and 2 (g))

– Expected Credit loss - provision for doubtful debts (refer note 29.3)

– Assessment of functional currency (refer note 2(a)(ii))

Current and Non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

Assets

An asset is classified as current when it satisfies any of the following criteria:

i) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle

ii) It is held primarily for the purpose of being traded

iii) It is expected to be realised within 12 months after the reporting date or

iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria

i) It is expected to be settled in the Company's normal operating cycle

ii) It is held primarily for the purpose of being traded

iii) It is due to be settled within 12 months after the reporting date or

iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's operating cycle is within a period of 12 months.

(v) Measurement of fair value

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

– In the principal market for the asset or liability, or

– In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

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

- o **Level 1 —** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- o **Level 2 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- o **Level 3 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For changes that have occurred between levels of hierarchy during the year, the Company re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

b) Business combinations

Business combinations are accounted for using the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired, as are the net identifiable assets acquired. Any goodwill that arises is tested annual for impairment. Any gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expenses as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit and loss or other comprehensive income, as appropriate.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit and loss.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company in the same form in which they appeared in the standalone financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Company is transferred to the capital reserve or to the accumulated balance of profit and loss.

c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and debt securities issued are initially recognised when they are originated. All other assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets

Recognition and initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) as described above are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at an individual asset level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made upon initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

However, on sale, the Company may transfer the cumulative gain or loss within equity. Equity investments designated as FVTOCI are not subject to impairment assessment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

i) The contractual rights to receive cash flows from the asset have expired, or

ii) The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities:

Initial recognition and measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Classification and Subsequent measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss. All other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method.

Derecognition

A financial liability is derecognised when the contractual obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

d) Revenue recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods and sale of duty scripts are recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions.

Revenue from services rendered is recognised when the related services are performed in accordance with contract terms.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

e) Other income

Interest income or expense is recognised using the effective interest method on time proportion method.

Dividend income is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

f) Property, plant and equipment

Property, plant and equipment are stated at cost/ professional valuation less accumulated depreciation. Cost includes directly attributable to the acquisition of the items including its purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure related to an item of tangible fixed asset is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under other non-current assets as capital advances.

Depreciation on all the tangible fixed assets is provided using the straight-line method based on the useful life of the assets as prescribed by Schedule II to the Companies Act, 2013.

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

Gains and losses on disposal of tangible assets are determined as the difference between net sales proceeds and the carrying amount and are presented in the statement of profit and loss.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items	Years
Buildings	60
Furniture and Fixtures	10
Office equipment	3-5
Vehicles	10

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

g) Impairment of non-financial assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is recognised in the statement of profit and loss in the respective financial years, if the carrying amount of the assets or CGU exceeds its recoverable

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amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortised historical cost as per requirement of Ind AS 36 - "Impairment of Assets".

h) Foreign Currency Transactions and Balances

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain/loss upon such restatement along with the gain/loss on account of foreign currency transactions are accounted in the statement of profit and loss. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised in the statement of profit and loss.

i) Equity investments in subsidiaries

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

j) Retirement and other employee benefits

Defined contribution plans

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations beyond its monthly contributions.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

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

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income.

When the benefits of a plan are changed or curtailed, the resulting change in the benefit that relates to the past service ('past service cost') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises the gains and losses on the settlement of a defined benefit plan when settlement occurs.

Compensated Absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or encash the leaves during the period of employment or retirement or at termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

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Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

k) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of- use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

In pursuance of the notification issued by the Ministry of corporate affairs dated July 24, 2020, the Company has elected to apply the practical expedient arising on account of Covid-19 not to account for the changes in the lease payments as a lease modification as it satisfies the conditions mentioned in the paragraph 46B of Ind AS 116.

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Company as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

l) Borrowing Costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.

Deferred finance costs consists of loan financing fees, which are being amortised over the life of the loan. Amortisation of deferred finance cost is included in other borrowing costs of statement of profit and loss. Other borrowings costs are recognised in the period in which they are incurred.

m) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise net profit after tax (and includes the post-tax effect of any extra ordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

n) Tax expense

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to

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the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit and loss.

o) Statement of Cash Flow and Cash & cash equivalents

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined below, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation

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at the end of the reporting period. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Contingent liabilities are disclosed in the notes to the standalone financial statements. A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

q) Dividend declared

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Interim dividend is recorded as a liability on the date of declaration by the Board of Directors.

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

Note 3: Property, plant and equipment

	Land - freehold	Buildings	Furniture and fixtures	Office equipments	Vehicles	Total
Gross carrying amount						
As at December 31, 2020	2.21	66.67	4.87	27.47	1.06	102.28
Additions	-	-	-	9.45	-	9.45
Deletions	-	-	-	0.11	-	0.11
As at December 31, 2021	2.21	66.67	4.87	36.81	1.06	111.62
Additions	2.40	-	0.48	0.19	-	3.07
Deletions	-	-	-	0.11	-	0.11
As at December 31, 2022	4.61	66.67	5.35	36.89	1.06	114.58
Accumulated depreciation						
As at December 31, 2020	-	6.74	4.87	20.67	0.60	32.88
Depreciation for the year	-	1.35	-	4.61	0.12	6.08
Deletions	-	-	-	0.11	-	0.11
As at December 31, 2021	-	8.09	4.87	25.17	0.72	38.85
Depreciation for the year	-	1.32	0.00	5.13	0.12	6.57
Deletions	-	-	-	0.11	-	0.11
As at December 31, 2022	-	9.41	4.87	30.19	0.84	45.31
Net carrying amount						
As at December 31, 2021	2.21	58.58	-	11.64	0.34	72.77
As at December 31, 2022	4.61	57.26	0.48	6.70	0.22	69.27

Note:

- Movable assets are pledged against borrowings availed from bank. Refer note 16 for details.

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

Note 4: Intangible assets

	Software	Total
Gross carrying amount		
As at December 31, 2020	1.47	1.47
Additions	-	-
Deletions	-	-
As at December 31, 2021	1.47	1.47
Additions	-	-
Deletions	-	-
As at December 31, 2022	1.47	1.47
Accumulated Amortisation		
As at December 31, 2020	0.40	0.40
Amortisation for the year	0.15	0.15
Deletions	-	-
As at December 31, 2021	0.55	0.55
Amortisation for the year	0.16	0.16
Deletions	-	-
As at December 31, 2022	0.71	0.71
Net carrying amount		
As at December 31, 2021	0.92	0.92
As at December 31, 2022	0.76	0.76

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Note 5: Non-current investments

	As at December 31, 2022	As at December 31, 2021
Investment (unquoted, at cost)		
A. Equity shares		
(i) of subsidiaries		
Rain Cements Limited, India		
29,805,000 (December 31, 2021 : 29,805,000) Equity Shares of ₹ 10 each fully paid up representing 100% of share capital	2,128.10	2,128.10
Rain Commodities (USA) Inc, United States of America (U.S.A.)		
20 (December 31, 2021 : 20) Common Stock at par value of US$ 0.01 per share fully paid up representing 100% of share capital	4.45	4.45
200,000 (December 31, 2021 : 200,000) Class B Redeemable Common Stock at par value of US$ 100 per share fully paid up representing 100% of share capital	902.80	902.80
Rain CII Carbon (Vizag) Limited, India (refer note c below)		
1,000,000 (December 31, 2021 : 1,000,000) Equity Shares of ₹ 10 each fully paid up representing 12.22% of share capital	13.00	13.00
Rain Verticals Limited, India		
100,000 (December 31, 2021 : 100,000) Equity Shares of ₹ 10 each fully paid up representing 100% of share capital	1.00	1.00
OOO Rain Carbon LLC, Russia		
1 (December 31, 2021 : Nil) Equity Share of RUB 10,000 each fully paid up representing 100% of share capital	322.61	-
B. Preference shares		
(i) of subsidiaries		
Rain Commodities (USA) Inc, United States of America (U.S.A.)	6,121.30	6,121.30
97,800 (December 31, 2021 : 97,800) Optionally Convertible Redeemable Preferred Series - B at par value US$ 1,000 per share fully paid up. These are convertible at the option of the Company after November 30, 2011.		
Total	**9,493.26**	**9,170.65**
(a) aggregate value of unquoted investments	9,493.26	9,170.65
(b) aggregate value of quoted investments	-	-
(c) Investments are pledged with banks against borrowings availed from banks. Refer note 16 for details.		

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

Note 6: Non-current loans

	As at December 31, 2022	As at December 31, 2021
(Unsecured, considered good, unless otherwise stated)		
Loans and advances		
- to related parties (Refer notes below and note 32)	-	1,040.24
Total	**-**	**1,040.24**
Loans Receivables considered good- Secured	-	-
Loans Receivables considered good- Unsecured	-	1,040.24
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
The Company's exposure to credit and currency risks related to other financial assets are disclosed in Note 29.3 and 29.7		

A) The loan of US$ 20 Million, provided during the financial year ended December 31, 2021, carries interest of SOFR plus 335 basis points payable on quarterly basis at the end of each quarter. An amount of US$ 10 Million has been repaid by Rain Commodities (USA) Inc as on June 30, 2022 by Rain Commodities (USA) Inc and balance US$ 10 Million is repayable by November 29, 2023. Balance as at December 31, 2022 is ₹ 827.86, which is entirely current.(December 31, 2021: ₹ 1,486.06 including current portion of ₹ 445.82).

B) The term loan of US$ 30 Million, provided during the year 2016 with repayable terms of 10 quarterly installments starting from November 2019, carries interest of 3 months Libor plus 425 basis points. The outstanding loan as at December 31, 2021 is repayable by Rain Commodities (USA) Inc. in one quarterly instalment. Balance as at December 31, 2022 is ₹ NIL (December 31, 2021: ₹ 89.16 which was entirely current).

C) These loans were given for the purpose of making investment in subsidiaries outside India.

Note 7: Other non-current financial assets

	As at December 31, 2022	As at December 31, 2021
Electricity deposits	0.16	0.16
Security deposits	1.11	0.90
Total	**1.27**	**1.06**

The Company's exposure to credit risk details are disclosed in note 29.3

Note 8: Other non-current assets

	As at December 31, 2022	As at December 31, 2021
Excess contribution to Plan assets for Defined benefit plan (Refer note 31 (b))	3.53	0.36
Total	**3.53**	**0.36**

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

Note 9: Trade receivables

	As at December 31, 2022	As at December 31, 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	114.58	174.80
Trade receivables - credit impaired	-	-
	114.58	174.80
Less: Allowance for doubtful trade receivables	-	-
Total	**114.58**	**174.80**

Trade receivables ageing schedule as at December 31, 2022:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Undisputed trade receivables - considered good	4.85	109.73	-	-	-	-	-	114.58
ii. Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-
iii. Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-

Trade receivables ageing schedule as at December 31, 2021:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Undisputed trade receivables - considered good	7.27	167.53	-	-	-	-	-	174.80
ii. Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-
iii. Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-

(i) Trade receivables amounting to ₹ 114.58 (December 31, 2021: ₹ 73.59) are due from related parties. Refer note 32

(ii) The Company's exposure to credit and currency risk details are disclosed in note 29.3 and 29.7.

(iii) Receivables are pledged with banks against borrowings availed from banks. Refer note 16 for details.

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

Note 10: Cash and bank balances

		As at December 31, 2022	As at December 31, 2021
A.	Cash and cash equivalents		
	Balances with banks:		
	- in current accounts	46.13	54.83
	- in deposit accounts (with original maturity of 3 months or less)	101.67	130.40
		147.80	**185.23**
B.	Bank balances other than cash and cash equivalents		
	Unpaid dividend accounts	27.24	32.15
	Bank deposits due to mature after three months but not more than twelve months from the reporting date	39.80	-
		67.04	**32.15**
	Total [A+B]	**214.84**	**217.38**

Cash and bank balances are pledged to fulfill collateral requirements against borrowings availed from banks. Refer note 16 for the details.

Note 11: Current loans

	As at December 31, 2022	As at December 31, 2021
(Unsecured, considered good, unless otherwise stated)		
Loans to related parties* (Refer note 32)	827.86	534.98
Loan to employees	2.23	1.28
Total	**830.09**	**536.26**
Loans Receivables considered good- Secured	-	-
Loans Receivables considered good- Unsecured	830.09	536.26
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-

* For details of loans to related parties refer note 6

The Company's exposure to credit and currency risks related to other financial assets are disclosed in Note 29.3 and 29.7

Note 12: Other current financial assets

	As at December 31, 2022	As at December 31, 2021
(Unsecured, considered good, unless otherwise stated)		
Interest accrued on deposits	0.56	0.30
Interest accrued on loans	-	3.64
Other receivables	22.64	-
Total	**23.20**	**3.94**

The Company's exposure to credit and currency risks related to other financial assets are disclosed in Note 29.3 and 29.7

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

Note 13: Other current assets

	As at December 31, 2022	As at December 31, 2021
(Unsecured, considered good, unless otherwise stated)		
Balances with Government authorities	2.90	5.48
Advance to suppliers and service providers	6.75	0.07
Total	**9.65**	**5.55**

Note 14: Share capital

	As at December 31, 2022		As at December 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital:				
Equity shares of ₹ 2 each	590,000,000	1,180.00	590,000,000	1,180.00
Redeemable preference shares of ₹ 100 each	4,900,000	490.00	4,900,000	490.00
Total	**594,900,000**	**1,670.00**	**594,900,000**	**1,670.00**
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 2 each	336,345,679	672.69	336,345,679	672.69
Total	**336,345,679**	**672.69**	**336,345,679**	**672.69**

Notes:

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

	As at December 31, 2022		As at December 31, 2021	
Particulars	Number of shares	Amount	Number of shares	Amount
As at beginning of the year	336,345,679	672.69	336,345,679	672.69
Add/(Less): Changes in equity shares during the year	-	-	-	-
As at end of the year	**336,345,679**	**672.69**	**336,345,679**	**672.69**

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

The Company has only one class of equity shares having a par value of ₹ 2 each per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. However, in case of interim dividend the profits are distributed based on approval of Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

The Board of Directors at its meeting held on July 29, 2022 has declared an interim dividend of 50% (₹ 1 per equity share of par value of ₹ 2 each amounting to ₹ 336.35) for the financial year ended December 31, 2022.

The Board of Directors at its meeting held on October 30, 2021 has declared an interim dividend of 50% (₹ 1 per equity share of par value of ₹ 2 each amounting to ₹ 336.35) for the financial year ended December 31, 2021 and no further dividend is recommended during the year.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

(iii) Particulars of shareholders holding more than 5% of the equity shares

	As at December 31, 2022		As at December 31, 2021	
Name of the shareholder	Number of shares	%	Number of shares	%
Sujala Investments Private Limited	37,766,675	11.23	37,766,675	11.23
Rain Enterprises Private Limited	25,316,465	7.53	25,316,465	7.53
N. Anupama Reddy	27,300,669	8.12	27,300,669	8.12

(iv) Shares held by Promoters

	As at December 31, 2022		
Name of the Promoter	Number of shares	Percentage of total shares	Percentage of change during the year
Sujala Investments Private Limited	37,766,675	11.23%	0%
N. Anupama Reddy	27,300,669	8.12%	0%
Rain Enterprises Private Limited	25,316,465	7.53%	0%
Mr. N. Radhakrishna Reddy	10,383,730	3.09%	0%
Mr. N. Sujith Kumar Reddy	10,028,770	2.98%	0%
Nivee Holdings Private Limited	8,143,250	2.42%	0%
Ms. N. Indira Reddy	7,513,100	2.23%	0%
Arunachala Holdings Private Limited	5,272,500	1.57%	0%
PCL Financial Services Private Limited	3,780,750	1.12%	0%
Ms. N. Akhila Reddy	1,869,315	0.56%	0%
Arunachala Logistics Private Limited	989,245	0.29%	0%
Ms. K. V. Arundhathi Reddy	14,285	0.00%	0%
Mr. Jagan Mohan Reddy Nellore	100	0.00%	0%

	As at December 31, 2021		
Name of the Promoter	Number of shares	Percentage of total shares	Percentage of change during the year
Sujala Investments Private Limited	37,766,675	11.23%	0%
N. Anupama Reddy	27,300,669	8.12%	0%
Rain Enterprises Private Limited	25,316,465	7.53%	0%
Mr. N. Radhakrishna Reddy	10,383,730	3.09%	0%
Mr. N. Sujith Kumar Reddy	10,028,770	2.98%	0%
Nivee Holdings Private Limited	8,143,250	2.42%	0%
Ms. N. Indira Reddy	7,513,100	2.23%	0%
Arunachala Holdings Private Limited	5,272,500	1.57%	0%
PCL Financial Services Private Limited	3,780,750	1.12%	0%
Ms. N. Akhila Reddy	1,869,315	0.56%	0%
Arunachala Logistics Private Limited	989,245	0.29%	0%
Ms. K. V. Arundhathi Reddy	14,285	0.00%	0%
Mr. Jagan Mohan Reddy Nellore	100	0.00%	0%

(v) During the five years ended December 31, 2022, there were no events of buy back of shares, rights issue, shares issued for consideration other than cash and bonus shares issued by the Company.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

Note 15: Other equity

	As at December 31, 2022	As at December 31, 2021
Reserves and Surplus:		
(a) Capital reserve (Balance at the beginning and end of the year)	4,319.91	4,319.91
(b) Securities premium (Balance at the beginning and end of the year)	516.67	516.67
(c) Capital redemption reserve (Balance at the beginning and end of the year)	47.66	47.66
(d) General reserve		
Opening balance	860.08	828.92
Add: Transferred from Retained earnings	-	31.16
Closing balance	860.08	860.08
(e) Retained earnings		
Opening balance	453.25	509.12
Add: Profit for the year	277.47	311.64
Less: Dividend	(336.35)	(336.35)
Transfer to General Reserve	-	(31.16)
Closing balance	394.37	453.25
(f) Foreign currency translation reserve (Balance at the beginning and end of the year)	2,219.36	2,219.36
(g) Remeasurements of defined benefit plans		
Opening balance	2.56	0.76
Add: Actuarial gain/(loss) on remeasurements of defined benefit plans	(0.01)	1.80
Closing balance	2.55	2.56
Total	8,360.60	8,419.49

Note 16: Non-current borrowings

	As at December 31, 2022	As at December 31, 2021
Term loans		
From banks		
- Secured	1,655.72	2,020.33
Less: Current maturities of non-current borrowings disclosed under note 18 - Current borrowings	1,655.72	534.28
Total	-	1,486.05

Notes:

(i) During the financial year ended December 31, 2016, the Company had borrowed term loan of US$ 30 million from a bank which was secured by a pari passu first charge on all immovable and movable properties of Rain Cements Limited (RCL), a wholly owned subsidiary company, except for current assets of RCL (present and future) and assets charged with Axis Bank Limited for another loan availed by RCL. Further a Corporate guarantee had been issued by RCL in favour of the bank. The loan was sanctioned vide credit facilities agreement dated February 20, 2016 between the Company, RCL and the bank. No guarantee commission has been charged by RCL based on the requirements of the bank. It carries interest of 3 months LIBOR plus 300 basis points. Balance (gross of transaction costs) as at December 31, 2022 is ₹ NIL (December 31, 2021: ₹ 534.98).

Notes

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

(ii) During the financial year ended December 31, 2021, the Company borrowed Term loan of US$ 20 Million from a bank and is secured by :

a) Pari passu first charge by way of hypothecation on all movable assets both present and future of the Company;

b) Corporate guarantee of Rain CII Carbon (Vizag) Limited (RCCVL) in favour of the bank; and

c) Pledge over 1,000,000 equity shares of ₹ 10 each held by the Company in RCCVL, a wholly owned step-down subsidiary

No guarantee commission has been charged by RCCVL based on the requirements of the bank. It carries interest of SOFR + margin of 310 basis points payable monthly. The loan is repayable on November 30, 2023. Balance (gross of transaction costs) as at December 31, 2022 is ₹ 1,655.72 (December 31, 2021: ₹ 1,486.05)

(iii) The term loan in the previous year, post disbursal, was utilised for the purpose for which it was borrowed. As on the Balance Sheet date the Overseas Direct Investments (ODI) in the form of investments in and loans to overseas subsidiaries exceeds the term loans obtained for ODI purposes.

(iii) The scheduled maturity of non-current borrowings and total number of installments are summarised as below:

Borrowings Repayable	As at December 31, 2022	As at December 31, 2021
Outstanding Term Loans from Banks:		
IDBI Bank Limited - US$ Nil (December 31, 2021 : US$ 7.2 Million)	-	534.98
Citibank - US$ 20.0 Million* (December 31, 2021: US$ 20.0 Million)	1,655.72	1,486.05
Total	**1,655.72**	**2,021.03**

* US$ 20 Million is a bullet repayment on November 30, 2023.

(iv) The aggregate amount of loans outstanding (including current maturities of non-current borrowings) guaranteed by subsidiaries is ₹ 1,655.72 (December 31, 2021 : ₹ 2,021.03) (Refer note 32).

(v) Reconciliation of liabilities arising from financing activities*

Particulars	As at December 31, 2022	As at December 31, 2021
Opening balance at the beginning of the year	2,020.33	2,771.14
Borrowings made during the year	-	1,498.00
Borrowings repaid during the year	(553.68)	(2,257.64)
Exchange loss on monetary items	189.07	4.63
Others - Amortisation of deferred finance cost	-	4.20
Closing balance at the end of the year	**1,655.72**	**2,020.33**

*Aforesaid reconciliation includes current maturities of non-current borrowings

(vi) The Company's exposure to liquidity, interest rate and foreign currency risk is included in note 29.4, 29.6 and 29.7.

(vii) The Company has not defaulted on payment of principal and interest thereon on the above term loans

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forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

Note 17: Non-current provisions

	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits:		
- Compensated absences (Refer note 31 (c))	7.64	6.85
Total	**7.64**	**6.85**

Note 18: Current borrowings

	As at December 31, 2022	As at December 31, 2021
Current maturities of non-current borrowings (Refer note 16)	1,655.72	534.28
Total	**1,655.72**	**534.28**

Note 19: Trade payables

	As at December 31, 2022	As at December 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	52.25	126.47
Total	**52.25**	**126.47**

Trade payables ageing schedule as at December 31, 2022:

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-	-
ii. Others	44.56	7.00	0.65	0.02	0.02	-	52.25
iii. Disputed dues-MSME	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-

Trade payables ageing schedule as at December 31, 2021:

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-	-
ii. Others	19.44	106.98	0.02	0.03	-	-	126.47
iii. Disputed dues-MSME	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-

Notes

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

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

	As at December 31, 2022	As at December 31, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	-	-
(b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The Company's exposure to liquidity risk related to trade payables is disclosed in note 29.4

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at December 31, 2022 has been made in the financial statements based on information received and available with the Company. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the management.

Note 20: Other current financial liabilities

	As at December 31, 2022	As at December 31, 2021
Interest accrued but not due on borrowings	10.45	4.03
Employee payables	3.92	4.06
Unpaid dividends*	27.24	32.15
Total	**41.61**	**40.24**

*There is no amount due and outstanding to be credited to Investor Education and Protection fund as at December 31, 2022 and December 31, 2021.

The Company's exposure to liquidity, interest rate and foreign currency risk is included in note 29.4, 29.6 and 29.7

Notes
forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

Note 21: Other current liabilities

	As at December 31, 2022	As at December 31, 2021
Other payables		
- Statutory liabilities	5.42	4.36
Total	**5.42**	**4.36**

Note 22: Current provisions

	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits:		
- Compensated absences (Refer note 31 (c))	4.57	3.07
Total	**4.57**	**3.07**

Note 23: Revenue from operations

	For the year ended December 31, 2022	For the year ended December 31, 2021
Sale of products and duty scripts (Refer note 32)	61.65	195.02
Sale of services (Refer note 32)	479.09	340.45
Revenue from operations	**540.74**	**535.47**

(i) Break up of revenue from operations based on timing of transfer of goods or services:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from operations recognised at a point in time	61.65	195.02
Revenue from operations recognised over a period of time	479.09	340.45

(ii) Contract assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Contract assets recorded in balance sheet	4.85	7.27
Contract liabilities recorded in balance sheet	-	-

(iii) Reconciliation of revenue from operations based on timing of transfer of goods or services:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue as per contracted price (A)	540.74	535.47
Less - Reductions towards variable consideration components (B)	-	-
Revenue recognised (A-B)	**540.74**	**535.47**

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forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

Note 24: Other income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income		
Interest from banks on deposits	5.71	5.57
Interest on loans and advances (Refer note 32)	46.71	69.60
Interest on income tax refund	18.86	0.59
Interest on income-tax under Section 234B refund	22.64	-
Dividend income from current investments		
Dividend income from non-current investments (Refer note 32)	393.37	410.74
Other non-operating income		
Rental income from operating leases (Refer note 32)	15.47	14.06
Profit on sale of property,plant and equipment (net)	0.02	-
Miscellaneous income	0.20	0.86
Total	**502.98**	**501.42**

Note 25: Employee benefits expense

	For the year ended December 31, 2022	For the year ended December 31, 2021
Salaries, wages and bonus	237.27	200.59
Contributions to provident and other funds (Refer note 31)	16.76	13.72
Staff welfare expenses	19.48	0.07
Total	**273.51**	**214.38**

Note 26: Finance costs

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense on borrowings	79.22	76.50
Other borrowing costs	0.94	4.45
Total	**80.16**	**80.95**

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Note 27: Other expenses

	For the year ended December 31, 2022	For the year ended December 31, 2021
Repairs and maintenance	7.53	6.27
Insurance	9.34	0.95
Rent	5.61	5.67
Rates and taxes	4.72	4.57
Communication expenses	5.43	14.61
Travelling and conveyance	13.71	4.04
Printing and stationery	1.72	0.66
Advertisement expense	0.93	0.92
Corporate Social Responsibility (Refer note 36)	1.00	1.00
Consultancy charges	22.83	13.01
Payment to auditors (Refer note below)	5.25	4.16
Directors' sitting fees (Refer note 32)	4.60	3.22
Commission to directors (Refer note 32)	3.00	3.60
IT infrastructure expenses and licenses	135.04	75.56
Miscellaneous expenses	9.88	4.55
Total	**230.59**	**142.79**

Note:

Payment to auditors comprises (excluding GST):

	For the year ended December 31, 2022	For the year ended December 31, 2021
Statutory audit	3.18	2.60
Limited review	1.32	1.20
Other services	0.26	0.32
Reimbursement of expenses	0.49	0.04
Total	**5.25**	**4.16**

Note 28: Income Taxes

(i) Income tax expense / (benefit) recognised in statement of profit and loss:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current tax		
(i) Tax for current year	47.38	70.33
(ii) Tax relating to earlier years	-	2.79
	47.38	73.12
Deferred tax		
(i) Attributable to the origination and reversal of temporory differences	(0.98)	6.06
Total	**46.40**	**79.18**

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

(ii) Income tax expense recognised in other comprehensive income:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
(a) Remeasurment of the defined benefit plans	-	0.87

(iii) Reconciliation of Effective tax rate:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Income tax expense for the year to be reconciled to the accounting profit:		
Profit before taxes	323.87	390.82
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	81.51	98.36
Effect off:		
Effects of tax-exempt income and other deductions	(5.11)	4.86
Effect of income charged at special rate (Dividend income)	(37.27)	(32.89)
Tax related to prior years	-	2.79
Others, net	7.27	6.06
Total income taxes expenses	46.40	79.18
Effective tax rate	14.3%	20.3%

(iv) Recognised deferred tax assets and liabilities:

Particulars	As at December 31, 2022	As at December 31, 2021
Deferred tax assets		
Employee benefits	3.07	1.54
Land indexation	1.77	1.66
Total deferred tax assets	4.84	3.20
Deferred tax liabilities		
Basis difference of property, plant, and equipment	(9.25)	(8.59)
Total deferred tax liabilities	(9.25)	(8.59)
Net deferred tax (liability)/asset	(4.41)	(5.39)

(v) Movement in temporary differences:

Particulars	Balance as at January 1, 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at December 31, 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	Any other adjustment	Balance as at December 31, 2022
On account of depreciation and amortisation	(2.08)	(6.51)	-	(8.59)	(0.66)	-	-	(9.25)
On account of employee benefits	2.08	0.33	(0.87)	1.54	1.53	-	-	3.07
On account of land indexation	1.54	0.12	-	1.66	0.11	-	-	1.77
Tax on losses carried forward	-	-	-	-	-	-	-	-
Total	1.54	(6.06)	(0.87)	(5.39)	0.98	-	-	(4.41)

Notes

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

(vi) Unrecognised Deferred tax assets:

Particulars	As at December 31, 2022	Expiry date	As at December 31, 2021	Expiry date
To expire under current tax legislation	220.54	2022-30	318.32	2021-26
Not to expire under current tax legislation	43.74	-	43.30	-

(vii) Non-current tax assets and current tax liabilities:

	As at December 31, 2022	As at December 31, 2021
Non-current tax assets (net of provision for tax ₹ 1,283.54 (December 31, 2021: ₹ 1,322.85)	73.91	104.42
Current tax liabilities (net of advance tax ₹ 79.87 (December 31, 2021: ₹ 260.95)	29.45	29.46

(viii) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

Note 29: Financial instruments disclosure:

Note 29.1: Fair valuation measurement hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels of fair value hierarchy:

Sl. No.	Particulars	As at December 31, 2022 Carrying value	As at December 31, 2022 Level of inputs used in Level 1	Level 2	Level 3	As at December 31, 2021 Carrying value	As at December 31, 2021 Level of inputs used in Level 1	Level 2	Level 3
I	Financial assets at amortised cost								
	Investments	9,493.26	-	-	-	9,170.65	-	-	-
	Loans	830.09	-	-	-	1,576.50	-	-	-
	Trade receivables	114.58	-	-	-	174.80	-	-	-
	Cash and cash equivalents	147.80	-	-	-	185.23	-	-	-
	Bank balances other than cash and cash equivalents	67.04	-	-	-	32.15	-	-	-
	Other financial assets	24.47	-	-	-	5.00	-	-	-
		10,677.24	**-**	**-**	**-**	**11,144.33**	**-**	**-**	**-**
II	Financial liabilities at amortised cost								
	Borrowings	1,655.72	-	-	-	2,020.33	-	-	-
	Trade payables	52.25	-	-	-	126.47	-	-	-
	Other current financial liabilities	41.61	-	-	-	40.24	-	-	-
		1,749.58	**-**	**-**	**-**	**2,187.04**	**-**	**-**	**-**

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Valuation Techniques:

(a) **Borrowings** (at amortised cost): The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

(b) The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, bank balances other than cash and cash equivalents, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Note 29.2: Financial risk management

The Company has put in place risk management systems as applicable to the respective operations. The following explains the objective and processes of the Company: The Company has a system based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Note 29.3: Credit risk:

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents. None of the financial instruments of the Company result in material concentration of credit risk.
The carrying value of financial assets represents the maximum credit risk.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations

- actual or expected significant changes in the operating results of the customer

- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers in the Company and changes in the operating results of the customer

Based on the above analysis, the Company does not expect any credit risk from its trade receivables for any of the years reported in this financial statements.

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

Particulars	As at December 31, 2022	As at December 31, 2021
Financial assets that are neither past due not impaired	114.58	174.80
Total	**114.58**	**174.80**

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	Carrying amount as at	
	December 31, 2022	December 31, 2021
United States	103.84	60.40
Asia	10.74	114.40
Total	**114.58**	**174.80**

At December 31, 2022, the carrying amount of the Company's most significant customer is ₹ 103.82 (December 31, 2021: ₹ 101.21).

The Company's exposure to credit risk for loans (both current and non-current) by geographic region is as follows:

Particulars	Carrying amount as at	
	December 31, 2022	December 31, 2021
United States	827.86	1,575.22
Asia	2.23	1.28
Total	**830.09**	**1,576.50**

Investments

The Company has investments in wholly-owned and step down subsidiaries, thereby limiting the exposure to credit risk. All the counterparties have sound financial position with positive net worth. The Company does not expect any losses from non-performance by these counter parties.

Cash and cash equivalents (including bank balances and fixed deposits):

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

Other financial assets:

There is no significant loss allowance for other financial assets.

Note 29.4: Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of December 31, 2022, cash and cash equivalents are held with major banks.

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Maturity of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payment and excludes impact of netting arrangements (if any):

As at December 31, 2022

Contractual cash flows	Carrying value*	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities							
Borrowings	1,655.72	1,655.72	-	-	-	-	1,655.72
Trade payables	52.25	52.25	-	-	-	-	52.25
Other current financial liabilities	41.61	41.61	-	-	-	-	41.61

As at December 31, 2021

Contractual cash flows	Carrying value*	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities							
Borrowings	2,020.33	534.28	1,486.05	-	-	-	2,020.33
Trade payables	126.47	126.47	-	-	-	-	126.47
Other current financial liabilities	40.24	40.24	-	-	-	-	40.24

* Carrying value of borrowings is shown as net of deferred finance cost

Note 29.5: Market risk:

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and borrowings.

Note 29.6: Interest rate risk:

Interest rate risk is measured by using the cashflow sensitivity for change in variable interest rates. Any movement in the market interest rates could have an impact on the Company's cash flows as well as costs. In order to manage the Company's position with regard to interest rate risk, it adopts a policy of ensuring an optimal mix of its interest rate risk exposure. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's borrowing with variable interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows.

Particulars	Interest rate exposure as at	
	December 31, 2022	December 31, 2021
Variable rate instruments		
Financial assets	827.86	1,575.22
Financial liabilities	(1,655.72)	(2,020.33)

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Cash flow sensitivity for variable rate instruments:

Impact on Profit and loss due to 1% change in interest rate

Particulars	For the year ended December 31, 2022		For the year ended December 31, 2021	
	Increase in rate	Decrease in rate	Increase in rate	Decrease in rate
Impact on Profit and loss (before tax)				
Variable-rate instruments	(8.28)	(8.28)	(4.45)	4.45

Note 29.7 Foreign Currency risk:

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, shared service arrangements with group entities, and advance to group entity. The currency in which these transactions are denominated are USD. There are no outstanding balances in any other currency apart from USD. The Company evaluates exchange rate exposure arising from foreign currency transactions.

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

	Amount in ₹ USD	Total
Assets:		
Trade receivables (Refer note 32)	103.84	103.84
Loans to subsidiary (Refer note 32)	827.86	827.86
	931.70	**931.70**
Liabilities:		
Interest accrued but not due on borrowings	10.45	10.45
Borrowings	1,655.72	1,655.72
	1,666.17	**1,666.17**

The following table analyses foreign currency risk from non derivative financial instruments as at December 31, 2021:

	Amount in ₹ USD	Total
Assets:		
Trade receivables (Refer note 32)	60.40	60.40
Interest accrued on loans to subsidiary (Refer note 32)	3.64	3.64
Loans to subsidiary (Refer note 32)	1,575.22	1,575.22
	1,639.26	**1,639.26**
Liabilities:		
Interest accrued but not due on borrowings	4.03	4.03
Borrowings	2,020.33	2,020.33
	2,024.36	**2,024.36**

Sensitivity Analysis:

A reasonably possible strengthening/weakening of the US dollar, Euro against all other currencies as at December 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

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Impact on profit and loss due to 1% change in foreign currency rates:

Particulars	As at December 31, 2022		As at December 31, 2021	
	Strengthening	Weakening	Strengthening	Weakening
Impact on Profit and loss (before tax)				
USD	(7.34)	7.34	(3.85)	3.85

Note 30: Capital management

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

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'Net debt' to 'equity'. For this purpose, adjusted net debt is defined as total interest-bearing loans and borrowings less cash and cash equivalents. The Company's Net debt to equity ratio is as follows.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Company monitors capital on the basis of the following gearing ratio.

Particulars	As at December 31, 2022	As at December 31, 2021
Total borrowings, net of cash and cash equivalents	1,507.92	1,835.10
Equity	9,033.29	9,092.18
Net debt to equity ratio	**0.17**	**0.20**

Note 31: Assets and liabilities related to employee benefits

a) Contribution plans:

Amounts towards defined contribution plans have been recognised under "Contributions to provident and other funds" in Note 25: ₹ 13.82 (December 31, 2021 - ₹ 10.98).

b) Defined Benefit plans:

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

Inherent risk:

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

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The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss.

(i) Amounts recognised in the Balance Sheet are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	17.96	16.56
Less: Fair value of plan assets	21.49	16.92
Net liability/(excess contribution to plan assets)	**(3.53)**	**(0.36)**

(ii) Amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	For the Year ended December 31, 2022	For the Year ended December 31, 2021
Current service cost	3.00	2.80
Interest on net defined benefit liability/(asset)	(0.06)	(0.06)
Total	**2.94**	**2.74**

Amount recognised in other comprehensive income/(loss) for the year ended December 31, 2022 is ₹ (0.01) (December 31, 2021 - ₹ 2.67).

(iii) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	As at December 31, 2022	As at December 31, 2021
Opening defined benefit obligation	16.56	15.56
Current service cost	3.00	2.80
Interest cost	0.95	0.85
Remeasurements due to:		
Changes in financial assumptions	(0.04)	(0.48)
Changes in demographic assumptions	(0.20)	-
Experience adjustments	0.32	(2.03)
Benefits paid	(2.63)	(0.14)
Closing defined benefit obligation	**17.96**	**16.56**

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

Particulars	As at December 31, 2022	As at December 31, 2021
Opening fair value of plan assets	16.92	15.99
Employer contributions	6.12	-
Interest on plan assets	1.01	0.91
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	0.07	0.16
Benefits paid	(2.63)	(0.14)
Closing fair value of plan assets	**21.49**	**16.92**
Actual return on plan assets	**1.08**	**1.07**

(v) Major Category of plan assets as a percentage to fair value of plan assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Insurer managed funds	100%	100%

(vi) Principal Actuarial assumptions used:

Particulars	As at December 31, 2022	As at December 31, 2021
Discount rates on benefit obligations	7.50%	6.60%
Expected salary increase rates	8.00%	7.00%
Retirement Age	58 Years	58 Years

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

Assumptions regarding future mortality and experience are set in accordance with published rates under Indian assured lives mortality 2012-2014. The discount rate is based on the prevailing market yield in Indian government securities as at balance sheet date for estimated term of obligation.

(vii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below:

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(0.56)	0.61
Future salary growth (0.5% movement)	0.52	(0.49)

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Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below:

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(0.45)	0.48
Future salary growth (0.5% movement)	0.48	(0.40)

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

(viii) The Company expects to contribute a sum of ₹ 1.00 to the plan for the next annual reporting period (December 31, 2021: ₹ 1.00)

(ix) As at December 31, 2022 the weighted average duration of the defined benefit obligation is 6.5 years (December 31, 2021: 5.59 years)

(x) Maturity profile of the defined benefit obligation:

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	5.96	4.39
Year 2	0.70	3.87
Year 3	1.96	0.66
Year 4	0.69	1.53
Year 5	1.02	0.66
Thereafter	24.11	15.76

c) Compensated absences

The Company provides for accumulation of compensated absences to its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods or receive cash in lieu thereof as per Company policy. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded towards this benefit as at December 31, 2022 is ₹ 12.21 (December 31, 2021 - ₹ 9.92).

Particulars	As at December 31, 2022	As at December 31, 2021
Net Liability		
- Current	4.57	3.07
- Non-Current	7.64	6.85
Total	**12.21**	**9.92**

The principal assumptions used for computation of defined benefit plan equally apply to the computation of compensated absences and are accordingly considered in the estimation of benefits.

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Note 32: Related Party Disclosures

a) Names of related parties and description of relationship

Sl. No	Relationship		Name
(a)	**List of related parties where control exists**		
(i)	Subsidiaries	1	Rain Cements Limited [RCL]
		2	Renuka Cement Limited [RenCL]
		3	Rain Verticals Limited [RVL]
		4	Rain Commodities (USA) Inc. [RCUSA]
		5	Rain Global Services LLC [RGS]
		6	Rain Carbon Inc. [RCI]
		7	Rain Carbon Holdings, LLC [RCH]*
		8	Rain CII Carbon (Vizag) Limited [RCCVL]
		9	Rain CII Carbon LLC [RCC]
		10	CII Carbon Corp [CIICC]**
		11	Rain Carbon GmbH [RCG]
		12	Rain Carbon Canada Inc.
		13	Rain Carbon BV [RCBV]
		14	VFT France SA [VFSA]
		15	Rain Carbon Wohnimmobilien GmbH & Co. KG
		16	Rain Carbon Gewerbeimmobilien GmbH & Co. KG
		17	Rain Carbon Germany GmbH
		18	OOO Rain Carbon
		19	Rain Carbon Poland Sp. z. o. o
		20	RÜTGERS Resins BV [RRBV]
		21	OOO RÜTGERS Severtar [OOOSevertar]
		22	Severtar Holding Ltd [Severtar]
		23	Rumba Invest BVBA & Co. KG [Rumba]
		24	Rain Carbon (Shanghai) Trading Co. Ltd. (formerly known as RUTGERS (Shanghai) Trading Co. Ltd.)
(b)	**Other related parties where transactions have taken place during the year/balances exist at year end**		
(i)	Enterprise where key managerial personnel along with their relatives exercise significant influence	1	Pragnya Priya Foundation (PPF)
		2	Sujala Investments Private Limited
		3	Rain Enterprises Pvt Ltd
		4	Nivee Holdings Pvt Limited
		5	Arunachala Holdings Private Limited
		6	PCL Financial Services Pvt Limited
		7	Arunachala Logistics (P) Limited

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Sl. No	Relationship		Name
(ii)	Key Managerial Personnel (KMP) and their relatives	1	Mr. N. Radha Krishna Reddy
			Managing Director
		2	Mr. T. Srinivasa Rao
			Chief Financial Officer
		3	Mr. S. Venkat Ramana Reddy
			Company Secretary
(iii)	Relatives of KMP and Non-executive director	1	Ms. N Anupama Reddy Relative of KMP
		2	Ms. N. Indira Reddy Relative of KMP
		3	Ms. N. Akhila Reddy Relative of Non-executive director
(iv)	Non-executive directors	1	Mr. Brian Jude Mc Namara -Chairman (Independent Director)
		2	Mr. Jagan Mohan Reddy Nellore - Vice Chairman (Non-Executive Director)
		3	Mr. N. Sujith Kumar Reddy - Non-Executive Director
		4	Mr. Varun Batra - Independent Director
		5	Ms. Radhika Vijay Haribhakti - Independent Director
		6	Ms. Nirmala Reddy - Independent Director
		7	Mr. Robert Tonti Thomas - Independent Director (Since October 31, 2021)
		8	Mr. H.L.Zutshi - Independent Director (till September 30, 2021)

* Merged with Rain Carbon Inc. [RCI] with effect from December, 27, 2022

**Merged with Rain CII Carbon LLC [RCC] with effect from January 27, 2022

b) Transactions with related parties for the year ended December 31, 2022

Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Sales					
- RCCVL	61.65	-	-	-	(5.81)
Purchase of Assets					
- RCCVL	0.56	-	-	-	-
Revenue from Services *					
- RCCVL	87.00	-	-	-	-
- RCL	77.77	-	-	-	(0.08)
- RCI	316.74	-	-	-	(103.84)
Loans Given					
- RCUSA	-	-	-	-	(827.86)

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Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Loans Repaid					
- RCUSA	863.63	-	-	-	-
Interest Income					
- RCUSA	46.71	-	-	-	-
Rental Income					
- RCCVL	7.74	-	-	-	-
- RCL	7.73	-	-	-	-
Remuneration * (Short term employee benefits)**					
- T Srinivasa Rao	-	-	20.62	-	-
- S Venkat Ramana Reddy	-	-	6.20	-	-
Dividend Paid					
-Sujala Investments Private Limited	-	37.77	-	-	-
-Rain Enterprises Pvt Ltd	-	25.32	-	-	-
-Nivee Holdings Pvt Limited	-	8.14	-	-	-
-Arunachala Holdings Private Limited	-	5.27	-	-	-
-PCL Financial Services Pvt Limited	-	3.78	-	-	-
-Arunachala Logistics (P) Limited	-	0.99	-	-	-
-Mr. N. Radha Krishna Reddy	-	-	10.38	-	-
-Mr. T. Srinivasa Rao	-	-	0.09	-	-
-Mr. N. Sujith Kumar Reddy	-	-	-	10.03	-
-Ms. N Anupama Reddy	-	-	27.30	-	-
-Ms. N. Indira Reddy	-	-	7.51	-	-
-Ms. N. Akhila Reddy	-	-	-	1.87	-
-Mr. Jagan Mohan Reddy Nellore****	-	-	0.00	-	-
Corporate Social Responsibility expenditure					
- PPF	-	1.00	-	-	-
Dividend Income Received from					
- RCL	77.49	-	-	-	-
- RCUSA	315.88	-	-	-	-
Sitting Fee	-	-	-	4.60	-
Commission	-	-	-	3.00	-
Reimbursement of payments made to Subsidiary					
- RCL	2.35	-	-	-	-
- RCCVL	0.09	-	-	-	-

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Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Reimbursements of payments made on behalf of					
- RCCVL	9.56	-	-	-	-
Corporate Guarantee (released)/ given on behalf of the company by **					
- RCL	(534.98)	-	-	-	-
- RCCVL	-	-	-	-	1,655.72

*Transactions are disclosed on billed basis, hence unbilled revenue amounting to ₹ 4.85 (December 31, 2021: ₹ 7.27) has not been included above.

**

(i) The corporate guarantee given amounted to ₹ 2,229.08 (US$ 30 million). However considering the borrowing outstanding as on December 31, 2022 is ₹ Nil, accordingly the corporate guarantee amount received from RCL has been released

(ii) The corporate guarantee was given by RCCVL towards borrowings of US$ 20 million. This borrowing was outstanding as on December 31, 2022, which amounted to ₹ 1,655.72 post the forex adjustment.

***** Long term employee benefits paid to Key managerial personnel:**
The managerial personnel are covered by the Company's gratuity policy, personal accident insurance policy, mediclaim insurance policy taken and are eligible for leave encashment along with other employees of the Company. The proportionate premium paid towards these policies and provision made for leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are not determined on an individual basis.

****Rounding off norm adopted by the company. The actual amount is ₹ 100.

c) Transactions with related parties for the year ended December 31, 2021

Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Sales					
- RCCVL	73.81	-	-	-	(5.92)
Revenue from Services *					
- RCCVL	59.35	-	-	-	-
- RCL	52.41	-	-	-	-
- RCI	225.92	-	-	-	(60.40)
Loans Given					
- RCUSA	1,486.05	-	-	-	(1,575.22)
Loans Repaid					
- RCUSA	2,293.09	-	-	-	-
Interest Income					
- RCUSA	69.60	-	-	-	(3.64)

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Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Rental Income					
- RCCVL	7.03	-	-	-	-
- RCL	7.03	-	-	-	-
Remuneration * (Short term employee benefits)**					
- T Srinivasa Rao	-	-	18.21	-	-
- S Venkat Ramana Reddy	-	-	5.11	-	-
Dividend Paid					
-Sujala Investments Private Limited	-	37.77	-	-	-
-Rain Enterprises Pvt Ltd	-	25.32	-	-	-
-Nivee Holdings Pvt Limited	-	8.14	-	-	-
-Arunachala Holdings Private Limited	-	5.27	-	-	-
-PCL Financial Services Pvt Limited	-	3.78	-	-	-
-Arunachala Logistics (P) Limited	-	0.99	-	-	-
-Mr. N. Radha Krishna Reddy	-	-	10.38	-	-
-Mr. T. Srinivasa Rao	-	-	0.09	-	-
-Mr. N. Sujith Kumar Reddy	-	-	-	10.03	-
-Ms. N Anupama Reddy	-	-	27.30	-	-
-Ms. N. Indira Reddy	-	-	7.51	-	-
-Ms. N. Akhila Reddy	-	-	-	1.87	-
-Mr. Jagan Mohan Reddy Nellore****	-	-	0.00	-	-
Corporate Social Responsibility expenditure					
- PPF	-	1.00	-	-	-
Dividend Income Received from					
- RCUSA	410.74	-	-	-	-
Sitting Fee	-	-	-	3.22	-
Commission	-	-	-	3.60	3.60
Reimbursement of payments made to Subsidiary					
- RCCVL	0.62	-	-	-	-
Investment in equity shares of subsidiary					
- RVL	1.00	-	-	-	-

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Nature of Transaction	Subsidiary Companies	Enterprise where key managerial personnel along with their relatives exercise significant control	Key Management Personnel	Non-executive directors	Balance Outstanding To/ (From)
Corporate Guarantee (released)/ given on behalf of the company by **					
- RCL	-	-	-	-	534.28
- RCCVL	-	-	-	-	1,486.05

*Transactions are disclosed on billed basis, hence unbilled revenue amounting to ₹ 7.27 (December 31, 2020: ₹ 4.50) has not been included above.

** (i) The corporate guarantee given amounted to ₹ 2,229.08 (US$ 30 million). However considering the borrowing outstanding as on December 31, 2021 is ₹ 534.98 (US$ 7.2 million), accordingly the corporate guarantee amount received from RCL has been restricted to the borrowing outstanding.

(ii) During the year ended December 31, 2021, on account of repayment of the borrowing, corporate guarantee given by RCCVL was released. Further, for the borrowing availed during the year ended December 31, 2021, a new corporate guarantee was given by RCCVL towards borrowings of US$ 20 million. This borrowing was outstanding as on December 31, 2021, which amounted to ₹ 1,486.05 post the forex adjustment.

*** Long term employee benefits paid to Key managerial personnel:

The managerial personnel are covered by the Company's gratuity policy, personal accident insurance policy, mediclaim insurance policy taken and are eligible for leave encashment along with other employees of the Company. The proportionate premium paid towards these policies and provision made for leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are not determined on an individual basis.

**** Rounding off norm adopted by the company. The actual amounts is ₹ 100.

Terms and conditions of transactions with related parties: All transactions with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in case within 60 days of the reporting date. None of the balance is secured.

No trade or other receivables are due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member.

Reconciliation of opening and closing balances of loans to related parties as per the requirement of scetion 186(4) of Companies Act 2013:

a) Loans to Rain Commodities (USA) Inc.

Particulars	For the year ended	
	December 31, 2022	December 31, 2021
As at the beginning of the year	1,575.22	2,337.71
Given during the year	-	1,486.05
Repaid during the year	(863.63)	(2,293.09)
Exchange gain / (loss)	116.27	44.55
As at the end of the year	**827.86**	**1,575.22**

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

Information pursuant to Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	As at December 31, 2022	As at December 31, 2021
Loans to subsidiaries		
Loan to Rain Commodities (USA) Inc.:		
Amount outstanding as at the year ended	827.86	1,575.22
Maximum amount outstanding	1,575.22	2,337.71

Note 33: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at December 31, 2022	As at December 31, 2021
(I) Contingent liabilities		
(a) In respect of demands/ claims arising on account of:		
- Income tax	38.05	170.74

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that there are no material foreseeable losses on such long term contracts which needs to be provided for in the books of account.

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

Note 34: Additional Regulatory Information

(i) The title deeds of immovable properties are held in the name of the Company except the property held at Srinagar Colony, Hyderabad which is held in the name of Priyadarshini Cement Limited (erstwhile name of the Company).

(ii) The Company has not revalued its Property, plant and equipment and intangible assets during the year.

(iii) During the year there are no loans or advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are repayable on demand.

(iv) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(v) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

(vi) Details of Key Financial Ratios:

Key Financial Ratios	2022	2021	Variance	Reason for variance
(a) Current Ratio	0.67	1.27	-47%	Due to increase in Current maturities of long term borrowings as the loan of US $20 million is a bullet repayment on November 30, 2023
(b) Debt-Equity Ratio	0.18	0.22	-18%	
(c) Debt Service Coverage Ratio	0.57	0.17	235%	Due to decrease in repayment borrowings during the year 2022 as per loan repayment schedule.
(d) Return on Equity Ratio	3.06%	3.42%	-10.6%	
(e) Trade Receivables turnover ratio	3.74	4.82	-22%	
(f) Trade payables turnover ratio	0.69	2.92	-77%	Due to decrease in purchase of duty scripts
(g) Net capital turnover ratio	(2.73)	2.73	-200%	Due to increase in Current maturities of long term borrowings as the loan of US $20 million is a bullet repayment on November 30, 2023
(h) Net profit ratio	51.31%	58.00%	-12%	
(i) Return on Capital employed	3.78%	4.24%	-11%	
(j) Return on investment	3.92%	3.58%	9%	

Based on the estimates prepared by the management, the Company will receive dividends from their wholly owned subsidiaries in the subsequent financial year, which shall be utilised by the Company to meet its obligations, where required in the coming year.

Definition of Ratios:

(a) **Current Ratio:** The numerator consists of current assets and the denominator consists of current liabilities.

(b) **Debt-Equity Ratio:** The numerator consists of Borrowings including lease liabilities and the denominator consists of Equity.

(c) **Debt Service Coverage Ratio:** The numerator consists of Earnings before interest, depreciation and tax excluding share of associates and the denominator consists of borrowings repaid during the year including interest thereon.

(d) **Return on Equity Ratio:** The numerator consists of Profit after tax and the denominator consists of Equity.

(e) **Trade Receivables Turnover Ratio:** The numerator consists of Revenue from operations and the denominator consists of Average Trade receivables.

(f) **Trade Payables Turnover Ratio:** The numerator consists of total purchases of stock-in-trade and the denominator consists of Average Trade payables.

(g) **Net Capital Turnover Ratio:** The numerator consists of revenue from operations and the denominator consists of average working capital (current assets minus current liabilities).

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

(h) **Net Profit Ratio:** The numerator consists of Profit after tax and the denominator consists of Revenue from operations.

(i) **Return on Capital employed:** The numerator consists of Earnings before interest and taxes and the denominator consists of equity,total borrowings and deferred tax liabilities,net of intangible assets.

(j) **Return on Investment:** The numerator consists of interest income earned on fixed deposits and loans and the denominator consists of average fixed deposits held and loans given.

(vii) The Company has Wholly Owned Subsidiaries in USA and one of the step down Wholly Owned US Subsidiaries has made investment in Rain CII Carbon (Vizag) Limited, India during 2010; which is in compliance with the structure as per Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Rules, 2022 as on 31 December 2022. Given the ambiguity prevalent under the foreign exchange law during 2010, no prior approval from Reserve Bank of India ('RBI') was considered necessary at that time. The Company will approach RBI seeking clarification in this regard.

(viii) The Company has not advanced or loaned or invested funds, to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Company have not received any fund, from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(x) The Company does not have any undisclosed income in terms of any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessment.

(xi) During the year, the Company has not entered into any transactions companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(xii) The Company does not trade in crypto currency or virtual currency.

Note 35: Earnings per Share (EPS)

	For the year ended	
Particulars	December 31, 2022	December 31, 2021
a. Profit for the year	277.47	311.64
b. Weighted average number of equity shares of ₹ 2/- each outstanding during the year (Nos.)	336,345,679	336,345,679
Earnings per Share		
c. Basic and Diluted - [a]/[b] - (₹)	0.82	0.93

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

Note 36: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social responsibility (CSR) Committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education, rural development activities, medical facilities, employment and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013. Expenditure incurred under Section 135 of the Companies Act, 2013 on CSR activities are as below:

Gross amount required to be spent by the Company during the year ended December 31, 2022 is Nil (December 31, 2021: Nil)

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Amount to be spent	-	-
Amount of expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) On Purposes other than (i) above	1.00	1.00
Shortfall at the end of the year	-	-
Previous year shortfall	-	-
Reason for shortfall	Not Applicable	
Related party transaction Name of the entity: Pragnya Priya Foundation	1.00	1.00

The CSR amount is incurred towards Promotion of Health and Education

Note 37: The Company has leased its assets to its wholly owned subsidiaries in India. The leases are operating and cancellable in nature. There are no finance leases.

Note 38: The Company applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to building lease that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes

forming part of the Standalone Financial Statements for the year ended December 31, 2022

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

Note 39: Segment Reporting

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

Note 40: On 24 March 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III to the Companies Act, 2013, applicable for financial period commencing from 1 April 2021. The Company has incorporated the changes as per the said amendment in these financial statements.

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration no:116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Hyderabad
Date: February 27, 2023

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Place: Hyderabad
Date: February 27, 2023

Independent Auditors' Report

To the Members of Rain Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rain Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at December 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at December 31, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill

See Note 39 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group has goodwill of ₹ 68,426.47 million as at December 31, 2022 that represents goodwill acquired through various business combinations and allocated to cash generating unit (CGU)/group of CGUs. A CGU/group of CGUs to which goodwill has been allocated to or belongs to, is tested for impairment annually. As disclosed in Note 39, impairment of goodwill is determined by assessing the recoverable amount of each CGU/group of CGUs to which these assets relate. The determination of the value in use of the CGU/group of CGUs requires the Group to make significant estimates and assumptions related to forecasts of future revenues and operating margins and discount rates. The recoverable amount of the CGU/group of CGUs as at December 31, 2022 has been determined based on Discounted Cashflow method. We identified this area as key audit matter because of the judgmental factors involved in impairment assessment and the significance of the carrying value.	Our audit procedures in testing this area included the following: 1. Evaluating the design of key controls and its operating effectiveness with respect to impairment testing and preparation of cash flow forecasts of the CGU/group of CGUs. 2. Testing the arithmetical accuracy of the computation of recoverable amounts of the CGU/group of CGUs. 3. Evaluating reasonableness of the assumptions used by the Group in the forecasted cashflows within the budgeted period. This was based on our understanding of the Group's historical financial performance, industry's external factors and performing a high-level sensitivity analysis. 4. Involving valuation experts to assist in testing the impairment valuation model, including an independent assessment of the underlying assumptions relating to discount rate, growth rate and terminal values. 5. Assessing the disclosures provided by the Group in relation to its annual impairment test in the notes to the consolidated financial statements.

Impairment of property, plant and equipment at Rain Carbon Germany GmbH

See Note 2(h) and 54(a) to consolidated financial statements. As reported by the auditor of the subsidiary – Rain Carbon Germany GmbH

The key audit matter	How the matter was addressed in our audit
During the current year, one of the Group's plants located in Germany was temporarily shutdown. As informed to us, the Company was of the view that indicators of impairment existed and it accordingly decided to test this relevant asset for impairment as per the requirements of Ind AS 36 on 'Impairment of Assets.' The Company has engaged an independent third-party valuer to arrive at the recoverable value. Assessment of impairment is complex as it involves significant judgment in determining the assumptions used to estimate the recoverable value of a asset. Further, several key assumptions relating to estimation of recoverable value are dependent on external factors. As part of this testing, the Company is required to determine the recoverable amount of the relevant asset and compare it to the corresponding carrying value to conclude whether or not there is an impairment. The total carrying value of its asset as at December 31 2022 is ₹ 7,838.30 million. Based on the report issued by the valuer, the recoverable value of the relevant asset is higher than its carrying value and hence the Company has concluded that no impairment provision needs to be recorded in the financial statements. Given the significant level of judgement involved and considering the significance of the carrying amount of the relevant asset, we have determined this to be a key audit matter.	The audit procedures carried out by the auditor of the subsidiary included the following: 6. Making inquiries with the client regarding the impairment process and performing a walkthrough and test of design and implementation. 7. Making inquiries of management regarding the indicators they assess as possible indicators of impairment for relevant asset. 8. Inspecting management's assessment and considering whether further indicators should have been assessed based on the subsidiary's auditor's knowledge of the business, its operating environment, industry knowledge, current market conditions and other information obtained during the audit. 9. Verifying the accuracy of management's calculations for relevant asset subject to impairment testing and considering whether the assets tested are complete. 10. Evaluating the valuation techniques, assumptions and data used by management to make their accounting estimates (and range thereof) used for recoverable value. 11. Evaluating the appropriateness and likelihood of the sensitivities and their impact on the overall impairment test outcome and assessing whether additional sensitivity analysis would have been appropriate. 12. Evaluating whether judgements and decisions made by management when measuring recoverable amount are indicators of possible management bias. 13. Involving specialists to challenge significant assumptions/judgements relating to key assumptions.

Independent Auditors' Report (continued)

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial statements of 9 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 201,535.16 million as at December 31, 2022, total revenues (before consolidation adjustments) of ₹ 119,505.45 million and net cash inflows (before consolidation adjustments) amounting to ₹ 1,630.37 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by

Independent Auditors' Report (continued)

the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

c. The financial statements of 7 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 2,198.40 million as at December 31, 2022, total revenues (before consolidation adjustments) of ₹ 2,836.38 million and net cash outflows (before consolidation adjustments) amounting to ₹ 109.54 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 2.83 million for the year ended December 31, 2022, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on January 04, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies which are incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 December 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at December 31, 2022 on the consolidated financial position of the Group and its associate. Refer Note 44 to the consolidated financial statements.

b. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 December 2022.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 December 2022.

d. (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 45(ix) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

– directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or

– provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 45(x) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any persons or entities,

Independent Auditors' Report (continued)

including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in compliance with Section 123 of the Act.

As stated in Note 17(ii) to the consolidated financial statements, the respective Board of Directors of the Holding Company has not proposed final dividend for the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration payable during the current year by the Holding Company and its subsidiary companies which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration payable to any director by the Holding Company and its subsidiary companies which are incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vikash Somani
Partner
Membership Number: 061272
ICAI UDIN:23061272BGYRVC2942

Place: Hyderabad
Date: 27 February 2023

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of Rain Industries Limited for the year ended December 31, 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by its auditor in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	Rain CII Carbon (Vizag) Limited	U11100TG2008PLC058785	Subsidiary	3(vii)(a)
2.	Rain Verticals Limited	U01100TG2021PLC150325	Subsidiary	3(vii)(a)

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vikash Somani
Partner
Membership Number: 061272
ICAI UDIN:23061272BGYRVC2942

Place: Hyderabad
Date: 27 February 2023

Annexure B

to the Independent Auditor's Report on the consolidated financial statements of Rain Industries Limited for the year ended December 31, 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Rain Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 December 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 December 2022, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vikash Somani
Partner
Membership Number: 061272
ICAI UDIN:23061272BGYRVC2942

Place: Hyderabad
Date: 27 February 2023

Consolidated Balance Sheet

as at December 31, 2022

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

	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	46,586.50	41,852.84
(b) Capital work in progress	3	4,669.22	7,907.63
(c) Right of use asset	4	4,669.21	4,078.62
(d) Goodwill	5	68,426.47	63,306.14
(e) Other intangible assets	5	85.79	154.83
(f) Equity accounted investments	6	94.29	87.06
(g) Financial assets			
(i) Investments	7	46.13	44.79
(ii) Loans	8	6.80	116.81
(iii) Other financial assets	9	454.58	318.89
(h) Deferred tax asset, net	34 (iv)	2,283.24	2,708.66
(i) Non-current tax assets, net	34 (vii)	1,073.61	922.06
(j) Other non-current assets	10	855.71	242.87
2. Current assets			
(a) Inventories	11	45,146.98	25,118.03
(b) Financial assets			
(i) Trade receivables	12	24,940.84	16,985.37
(ii) Cash and cash equivalents	13	11,676.89	11,031.21
(iii) Bank balances other than (ii) above	13	5,029.25	2,810.30
(iv) Loans	14	1,179.09	3,012.45
(v) Other financial assets	15	323.00	413.86
(c) Current tax assets, net	34 (vii)	282.36	544.18
(d) Other current assets	16	3,904.13	4,859.01
TOTAL		**221,734.09**	**186,515.61**
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	17	672.69	672.69
(b) Other equity	18	83,595.68	60,419.44
Equity attributable to owners of the Company		**84,268.37**	**61,092.13**
(c) Non-controlling interests		3,560.83	2,561.16
Total equity		**87,829.20**	**63,653.29**
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	77,954.93	74,436.17
(ia) Lease liabilities	19 & 46	4,098.40	3,531.99
(ii) Other financial liabilities	20	48.64	62.98
(b) Provisions	21	8,883.17	13,352.95
(c) Deferred tax liability, net	34 (iv)	3,730.73	1,889.23
(d) Other non-current liabilities	22	5.46	11.57
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	14,296.34	6,049.15
(ia) Lease liabilities	19 & 46	964.50	877.01
(ii) Trade payables	24		
(A) total outstanding dues of micro enterprises and small enterprises		46.53	38.82
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		15,435.82	13,934.55
(iii) Other financial liabilities	25	5,003.21	4,849.19
(b) Other current liabilities	26	1,345.07	1,666.26
(c) Provisions	27	932.06	641.98
(d) Current tax liabilities, net	34 (vii)	1,160.03	1,520.47
TOTAL		**221,734.09**	**186,515.61**
Corporate information	1		
Significant accounting policies	2		

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

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vikash Somani
Partner
Membership Number: 061272

Place: Hyderabad
Date: February 27, 2023

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Place: Hyderabad
Date: February 27, 2023

Consolidated Statement of Profit and Loss

for the year ended December 31, 2022

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

		Note	For the year ended December 31, 2022	For the year ended December 31, 2021
1	INCOME			
	Revenue from operations	28	210,109.97	145,267.82
	Other income	29	1,051.33	1,931.16
	Total income		**211,161.30**	**147,198.98**
2	EXPENSES			
	Cost of materials consumed		88,707.34	66,175.52
	Purchases of stock-in-trade		30,330.99	12,988.19
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(6,148.40)	(5,080.55)
	Employee benefits expense	31	13,520.73	12,372.36
	Finance costs	32	5,237.40	4,789.14
	Depreciation and amortisation expense	3,4 & 5	7,903.10	7,981.53
	Impairment loss	3 & 54	465.64	168.07
	(Gain)/loss on foreign currency transactions and translations (net)		648.29	(212.25)
	Other expenses	33	47,226.37	35,247.32
	Total expenses		**187,891.46**	**134,429.33**
3	PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF ASSOCIATE AND TAX (1-2)		**23,269.84**	**12,769.65**
4	SHARE OF PROFIT/(LOSS) OF ASSOCIATE (NET OF INCOME TAX)	36	2.83	(5.45)
5	PROFIT BEFORE TAX (3+4)		**23,272.67**	**12,764.20**
6	TAX EXPENSE	34		
	1. Current tax		5,295.23	4,191.06
	2. Deferred tax		2,208.47	1,637.73
7	PROFIT FOR THE YEAR (5-6)		**15,768.97**	**6,935.41**
8	OTHER COMPREHENSIVE INCOME/(LOSS)			
	A. (i) Items that will not be reclassified to profit or loss			
	– Remeasurements of defined benefit plans		5,752.44	2,535.49
	(ii) Income tax relating to items that will not be reclassified to profit or loss	34 (ii)	(138.69)	(1,655.50)
	B. (i) Items that will be reclassified to profit or loss			
	– Gain/(loss) on translating the financial statements of foreign operations		3,860.76	(600.51)
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Other comprehensive income for the year		**9,474.51**	**279.48**
9	TOTAL COMPREHENSIVE INCOME FOR THE YEAR (7+8)		**25,243.48**	**7,214.89**
	Attributable to:			
	– Owners of the Company		23,512.59	6,093.52
	– Non-controlling interests		1,730.89	1,121.37
10	OF THE TOTAL COMPREHENSIVE INCOME ABOVE:			
	Profit for the year attributable to:			
	– Owners of the Company		14,386.45	5,801.58
	– Non-controlling interests		1,382.52	1,133.83
	Other comprehensive income/(loss) attributable to:			
	– Owners of the Company		9,126.14	291.94
	– Non-controlling interests		348.37	(12.46)
11	EARNINGS PER EQUITY SHARE (FACE VALUE OF ₹ 2/- EACH)			
	Basic and Diluted (₹ in absolute terms)	47	42.77	17.25
Corporate information		1		
Significant accounting policies		2		

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

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vikash Somani
Partner
Membership Number: 061272

Place: Hyderabad
Date: February 27, 2023

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Place: Hyderabad
Date: February 27, 2023

Consolidated Statement of Changes in Equity

for the year ended December 31, 2022

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

(i)

Particulars	Attributable to Owners of the Company								Attributable to Non-controlling interest	Total
	Equity share capital	Reserves and Surplus						Other Comprehensive Income/(loss)		
		Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Remeasure--ments of defined benefit plans	Foreign currency translation reserve		
Balances as on January 1, 2022	672.69	43.98	516.67	47.66	1,605.01	56,730.62	(1,778.71)	3,254.21	2,561.16	63,653.29
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as on January 1, 2022	**672.69**	**43.98**	**516.67**	**47.66**	**1,605.01**	**56,730.62**	**(1,778.71)**	**3,254.21**	**2,561.16**	**63,653.29**
Profit for the year	-	-	-	-	-	14,386.45	-	-	1,382.52	15,768.97
Other comprehensive income/(loss) for the year										
– Gain/(loss) on translating the financial statements of foreign operations	-	-	-	-	-	-	-	3,512.39	348.37	3,860.76
– Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	-	5,613.75	-	-	5,613.75
Total Comprehensive Income (loss) for the year	**-**	**-**	**-**	**-**	**-**	**14,386.45**	**5,613.75**	**3,512.39**	**1,730.89**	**25,243.48**
Dividends (Refer Note 17(ii) & 40)	-	-	-	-	-	(336.35)	-	-	(731.22)	(1,067.57)
Balance as on December 31, 2022	**672.69**	**43.98**	**516.67**	**47.66**	**1,605.01**	**70,780.72**	**3,835.04**	**6,766.60**	**3,560.83**	**87,829.20**

Particulars	Attributable to Owners of the Company								Attributable to Non-controlling interest	Total
	Equity share capital	Reserves and Surplus						Other Comprehensive Income/(loss)		
		Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Remeasure--ments of defined benefit plans	Foreign currency translation reserve		
Balance as on January 1, 2021	672.69	43.98	516.67	47.66	1,573.85	51,296.55	(2,658.70)	3,842.26	1,715.02	57,049.98
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated Balance as on January 1, 2021	**672.69**	**43.98**	**516.67**	**47.66**	**1,573.85**	**51,296.55**	**(2,658.70)**	**3,842.26**	**1,715.02**	**57,049.98**
Profit for the year	-	-	-	-	-	5,801.58	-	-	1,133.83	6,935.41
Other comprehensive income/(loss) for the year										
– Gain/(loss) on translating the financial statements of foreign operations	-	-	-	-	-	-	-	(588.05)	(12.46)	(600.51)
– Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	-	879.99	-	-	879.99
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**5,801.58**	**879.99**	**(588.05)**	**1,121.37**	**7,214.89**
Dividends (Refer note 17(ii))	-	-	-	-	-	(336.35)	-	-	-	(336.35)
Transfer to general reserve	-	-	-	-	31.16	(31.16)	-	-	-	-
Payment on capital reduction	-	-	-	-	-	-	-	-	(275.23)	(275.23)
Balance as on December 31, 2021	**672.69**	**43.98**	**516.67**	**47.66**	**1,605.01**	**56,730.62**	**(1,778.71)**	**3,254.21**	**2,561.16**	**63,653.29**

Consolidated Statement of Changes in Equity

for the year ended December 31, 2022

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

(ii) Description of the purposes of each reserve within equity:

Reserves and Surplus

(a) Capital reserve: It consists of pre-acquisition profits. During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

(b) Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, to write-off equity related expenses like underwriting costs etc.

(c) Capital redemption reserve: It consists of reserves on the buyback of equity shares from its retained earnings. The amount represents nominal amount of the equity shares bought back.

(d) General reserve: It represents the portion of the net profit which the Group has transferred, before declaring dividend. Mandatory transfer to general reserve is not required under the Companies Act 2013.

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

(f) Remeasurements of defined benefit plans: Remeasurements of defined benefit plans comprises actuarial gains and losses and return on plan assets (excluding interest income).

Items of Other Comprehensive income:

(a) Foreign currency translation reserve (FCTR): Represents the FCTR of a foreign subsidiary. For the purpose of consolidation of subsidiaries financial statements with the financial statement of the parent company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange difference which is accumulated in Foreign Currency Translation Reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies in the current year. Refer note 2(a)(vii).

As per our Report of even dated
For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vikash Somani
Partner
Membership Number: 061272

Place: Hyderabad
Date: February 27, 2023

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Place: Hyderabad
Date: February 27, 2023

Consolidated Statement of Cash Flows

for the year ended December 31, 2022

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

		For the year ended December 31, 2022	For the year ended December 31, 2021
A.	**Cash flow from operating activities**		
	Profit before tax	23,272.67	12,764.20
	Adjustments for:		
	Depreciation and amortisation expense	7,903.10	7,981.53
	Loss/(profit) on sale of property, plant and equipment (net)	6.84	(349.45)
	(Gain)/loss on repurchase of Senior Secured Notes	(38.12)	10.83
	Interest and other borrowing costs	5,237.40	4,789.14
	Interest income	(497.80)	(411.92)
	Gain on sale of subsidiaries	(32.47)	(40.10)
	Interest on income-tax under Section 234B refund	(22.64)	-
	Provision for advances	50.00	-
	Assets written off	114.71	4.49
	Impairment loss	465.64	168.07
	Government grant income	-	(458.33)
	Liabilities/provisions no longer required written back	(244.16)	(648.96)
	Bad debts written off	0.49	3.11
	Provision for loss allowance on trade receivables	25.74	50.01
	Share of loss/(profit) of associates (net of income tax)	(2.83)	5.45
	Loss/(Gain) on foreign currency transactions and translations (net)	137.25	(249.73)
	Operating profit before working capital changes	**36,375.82**	**23,618.34**
	Adjustments for changes in working capital:		
	Inventories	(17,815.09)	(9,707.47)
	Trade receivables	(6,102.41)	(5,797.25)
	Financial assets and other assets	2,779.28	(3,441.26)
	Trade payables, other liabilities and provisions	686.47	7,694.65
	Cash generated from operations	**15,924.07**	**12,367.01**
	Income taxes paid, net	(5,565.55)	(4,031.13)
	Net cash from operating activities	**10,358.52**	**8,335.88**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment and intangible assets, including capital advances	(6,691.40)	(5,477.95)
	Proceeds from sale of property, plant and equipment	25.66	407.37
	Inter corporate deposits placed	(2,536.01)	(3,710.05)
	Inter corporate deposits redeemed	4,481.24	3,073.73
	Proceeds from sale of subsidiaries (Refer note 55)	32.47	40.10
	Proceeds from sale of investments	0.05	0.03
	Share application money paid	(49.48)	-
	Fixed/restricted deposits with banks placed	(27,562.52)	(8,537.51)
	Fixed/restricted deposits with banks refunded	25,173.95	8,513.08
	Interest received	496.30	423.23
	Net cash used in investing activities	**(6,629.74)**	**(5,267.97)**

Consolidated Statement of Cash Flows

for the year ended December 31, 2022

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

	For the year ended December 31, 2022	For the year ended December 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment on capital reduction	-	(275.23)
Proceeds from non-current borrowings	-	1,498.00
Repayment of non-current borrowings	(1,804.52)	(2,645.08)
Proceeds of current borrowings, net	5,154.48	224.68
Sales tax deferment paid	(138.92)	(83.10)
Payment of lease liabilities	(900.13)	(1,045.86)
Payment of interest on lease liabilities	(219.80)	(217.52)
Interest and other borrowing costs paid	(4,980.40)	(4,520.07)
Dividend paid to owners of the Company	(336.35)	(336.35)
Dividend paid to non-controlling interests	(731.22)	-
Net cash used in financing activities	**(3,956.86)**	**(7,400.53)**
Net decrease in cash and cash equivalents (A+B+C)	(228.08)	(4,332.62)
Cash and cash equivalents – opening balance	11,031.21	15,198.32
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	873.76	165.51
Cash and cash equivalents – closing balance	**11,676.89**	**11,031.21**

Notes:

(i) The above consolidated cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard – 7 on Statement of Cash Flows.

(ii) **Components of Cash and cash equivalents**

	As at December 31, 2022	As at December 31, 2021
Cash on hand	0.29	0.47
Cheques/drafts on hand	0.05	-
Balances with banks:		
– in current accounts	9,208.92	8,218.34
– in exchange earners foreign currency (EEFC) accounts	0.37	1,246.75
– in deposit accounts (with original maturity of three months or less)	2,467.26	1,565.65
	11,676.89	**11,031.21**

(iii) Refer note 19 (x), 23(v) and 25 for reconciliation of liabilities arising from financing activities.

As per our report of even date attached
For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

Vikash Somani
Partner
Membership Number: 061272

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Managing Director
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T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Place: Hyderabad
Date: February 27, 2023

Place: Hyderabad
Date: February 27, 2023

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

Note 1: Corporate Information

Rain Industries Limited ("RIL" or "the Company" or the "Parent Company" or the "Holding Company") was incorporated on March 15, 1974 under the Companies Act, 1956 ("the Act") domiciled in India and headquartered in Hyderabad, Telangana. The Company along with its subsidiaries and associates ("the Group" or "Rain Group") is engaged in the business of manufacture and sale of Carbon, Advanced Materials and Cement. The Company's equity shares are listed at BSE Limited and National Stock Exchange of India Limited in India.

Carbon comprises of Calcined Petroleum Coke ("CPC"), Green Petroleum Coke ("GPC"), Coal Tar Pitch ("CTP"), Energy produced through Waste-heat recovery and other derivates of Coal Tar distillation. Advanced Materials represent the downstream operations of Coal Tar distillation and comprises of Engineered Products, Petro Chemical Intermediaries, Naphthalene Derivates and Resins. The manufacture and sale of Cement has been classified as Cement.

Note 2: Significant Accounting Policies

(a) Basis of preparation of Consolidated Financial Statements

(i) Statement of Compliance

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

The consolidated financial statements have been prepared on a going concern basis. Relevant Ind AS effective as on Company's annual reporting date December 31, 2022 have been applied. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on February 27, 2023.

(ii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All amounts have been rounded-off to the nearest millions with 2 decimals, unless otherwise indicated.

(iii) Basis of measurement

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

Items	Measurement basis
Derivative financial instruments	Fair value
Certain financial assets and liabilities (refer accounting policy regarding financial instruments)	Fair value
Net defined benefit asset/liability	Fair value of plan assets less present value of defined benefit plan obligation
Inventories	Lower of cost or net realisable value
Investment in Associates/Joint Ventures	Equity method
Borrowings	Amortised cost using effective interest rate method

(iv) Use of estimates

In preparing these Consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Accounting estimates could change from period to period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and appropriate changes are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are reflected in the period in which such changes are made and if material, their effects are disclosed in the financial statements.

Assumptions and estimation uncertainties

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

– Measurement of defined benefit obligations: key actuarial assumptions used in measurement. (Refer note 41)

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- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Refer note 44, 50 & 51)
- Recognition and recoverability of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used & utilisation of Minimum Alternate Tax and Foreign Tax Credits (Refer note 34)
- Useful life of property, plant and equipment (Refer note 2(e))
- Determination of cost for right-of-use assets and lease term (Refer note 2(m))
- Impairment of financial & non-financial assets. (Refer note 39)
- Provision for inventories (Refer note 11)
- Provision for loss allowance on trade receivables (Refer note 35.4)
- Assessment of functional currency (Refer note 2(a)(ii))

(v) Current and Non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle.

Assets

An asset is classified as current when it satisfies any of the following criteria:

i. It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

ii. It is held primarily for the purpose of being traded;

iii. It is expected to be realised within 12 months after the reporting date; or

iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i. It is expected to be settled in the Group's normal operating cycle;

ii. It is held primarily for the purpose of being traded;

iii. It is due to be settled within 12 months after the reporting date; or

iv. The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's operating cycle is within a period of 12 months.

(vi) Measurement of Fair value

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For changes that have occurred between levels in the hierarchy during the year, the Group re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in Note 35.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

(vii) Principles of Consolidation

Business Combination

In accordance with Ind AS 103- "Business Combinations", the Group accounts for business combinations using the acquisition method when control is transferred to the Group. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The consideration transferred for the business combination is generally measured at fair value as at the acquisition date, as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in consolidated statement of profit and loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in consolidated statement of profit and loss.

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Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A cash generating unit is defined as an operating segment or a component of an operating segment. Accordingly, the following are considered as reporting units for the above assessment:

a. Calcination business forming part of Carbon Segment

b. Carbon distillation business forming part of Carbon Segment

c. Advanced materials business

d. Cements business

Subsidiaries

Subsidiary entities are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

– Power over the investee (i.e. existing rights that gives the current ability to direct the relevant activities of the investee)

– Exposure, or rights, to variable returns from its involvement with the investee, and

– The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

– The contractual arrangement with the other vote holders of the investee

– Rights arising from other contractual arrangements

– The Group's voting rights and potential voting rights

– The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

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The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling interest and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated statement of profit and loss.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the reporting date and are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the Group has joint control of the rights to the net assets of the arrangement along with the other joint venturer.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity- accounted investees until the date on which significant influence or joint control ceases.

Unrealised gains arising from the transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Foreign Currency Transactions

For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in consolidated statement of profit and loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in consolidated statement of profit and loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to consolidated statement of profit and loss on disposal of the net investment or disposal of operations.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation.

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These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to consolidated statement of profit and loss.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences are recognised in consolidated statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI.

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in consolidated statement of profit and loss.

Any goodwill arising in the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to consolidated statement of profit and loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to consolidated statement of profit and loss.

Hedge of a net investment in a foreign operation

The Group applies hedge accounting to exchange differences arising between the functional currency of the foreign operation and the Group's functional currency (INR). To the extent that the hedge is effective, exchange differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in OCI and accumulated under other equity. Any remaining differences are recognised in consolidated statement of profit and loss.

Preparation of consolidated financial statements

The Financial Statements of the subsidiaries and associates used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended December 31, 2022 and are audited. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

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Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Ind AS12 – "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Companies considered in the consolidated financial statements along with Rain Industries Limited are:

S. No.	Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest (%)	
				December 31, 2022	December 31, 2021
1	Rain Cements Limited (RCL)	Subsidiary of RIL	India	100	100
2	Rain Verticals Limited (RVL) (1)	Subsidiary of RIL	India	100	-
3	Rain Commodities (USA) Inc. (RCUSA)	Subsidiary of RIL	United States of America (U.S.A.)	100	100
4	Renuka Cement Limited (RenCL)	Subsidiary of RCL	India	100	100
5	Rain Global Services LLC (RGS)	Subsidiary of RCUSA	U.S.A.	100	100
6	Rain Carbon Inc. (RCI)	Subsidiary of RCUSA	U.S.A.	100	100
7	Rain Carbon Holdings, LLC (RCH) (2)	Subsidiary of RCI	U.S.A.	-	100
8	Rain CII Carbon (Vizag) Limited (RCCVL)	Subsidiary of RCI	India	100	100
9	Rain CII Carbon LLC (RCC)	Subsidiary of RCI	U.S.A.	100	100
10	CII Carbon Corp. (CIICC) (3)	Subsidiary of RCC	U.S.A.	-	100
11	Rain Carbon GmbH (RCG)	Subsidiary of RCC	Germany	100	100
12	Rain Carbon Canada Inc.	Subsidiary of RCC	Canada	100	100
13	Rain Carbon BV (RCBV)	Subsidiary of RCG	Belgium	100	100
14	OOO Rain Carbon LLC (4)	Subsidiary of RIL	Russia	100	100
15	VFT France S.A (VFSA)	Subsidiary of RCBV	France	100	100
16	Rumba Invest BVBA & Co. KG (Rumba)	Subsidiary of RCG	Germany	94.9	94.9
17	Rain Carbon Germany GmbH	Subsidiary of RCG	Germany	99.7	99.7
18	Severtar Holding Ltd. (Severtar)	Subsidiary of RCG	Cyprus	65.3	65.3
19	OOO RÜTGERS Severtar (OOOSevertar)	Subsidiary of Severtar	Russia	65.3	65.3
20	Rain Carbon Wohnimmobilien GmbH & Co. KG	Subsidiary of RGmbH	Germany	100	100
21	Rain Carbon Gewerbeimmobilien GmbH & Co. KG	Subsidiary of RGmbH	Germany	100	100
22	Rain Carbon Poland Sp. z. o. o	Subsidiary of RGmbH	Poland	100	100
23	RÜTGERS Resins BV (RRBV)	Subsidiary of RGmbH	The Netherlands	100	100
24	Rain Carbon (Shanghai) Trading Co. Ltd. (formerly known as RÜTGERS (Shanghai) Trading Co. Ltd.)	Subsidiary of RGmbH	China	100	100
25	InfraTec Duisburg GmbH (IDGmbH)	Investment in Associates by RGmbH	Germany	30	30

(1) New entity incorporated on April 6, 2021.

(2) Merged with RCI on December 27, 2022.

(3) Merged with RCC on January 27, 2022.

(4) Ownership got transferred from RCBV to RIL on April 27, 2022.

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(b) Revenue recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions.

Revenue from sale of carbon products also include sale of co-generated energy generated in the process which is sold to industrial consumers in accordance with the underlying contract terms and is recorded exclusive of electricity duty payable to Government authorities.

Revenue from services rendered is recognised when the related services are performed in accordance with contract terms.

Revenues which arise from the Group's operating activities, principal or ancillary, but which are not arising from sale of products/services rendered are included as other operating revenues.

Income from sale of Certified Emission Reduction (CER's) are recognised on conclusion of CER sale to ultimate buyers.

Rental income is recognised on a time-apportioned basis in accordance with the underlying substance of the relevant contract.

Dock revenue is accrued on completion of the service in line with terms of the contract.

(c) Other income

Interest income is recognised using the time proportion method, based on the underlying interest rates.

Dividend income is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

(d) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Accordingly, government grants:

- Related to or used for assets, are deducted from the carrying amount of the asset.
- Related to incurring specific expenditures are taken to the consolidated statement of profit and loss on the same basis and in the same periods as the expenditures incurred.
- By way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost/deemed cost less accumulated depreciation. Cost includes directly attributable to the acquisition of the items including its purchase price, import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure related to an item of tangible fixed asset is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under other non-current assets as capital advances.

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Depreciation for companies in India are provided at the rates specified in the Schedule II to the Companies Act, 2013 for all blocks of assets except as mentioned below:

(a) In respect of Rain Cements Limited, Plant and machinery is depreciated based on the technical evaluation and assessment. The Management believes that the useful lives adopted (2 - 25 years) by it best represent the period over which an asset is expected to be available for use.

(b) In respect of Rain CII Carbon (Vizag) Limited, the Management is using the remaining leasehold period of land for calculating depreciation for plant and equipment and buildings, as the assets are constructed over leasehold land.

The range of estimated useful lives are as follows:

Items	Years
Buildings	1-77
Furniture and Fixtures	1-20
Land held under limestone mining lease	125
Office equipment	2-40
Plant and equipment	1-50
Vehicles	1-28

Freehold land is not depreciated.

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

The cost of land used for mining is amortised over the estimated period of mining rights granted and leasehold land is amortised over the lease period.

Gains and losses on disposal of tangible assets are determined as the difference between net sales proceeds and the carrying amount, and are presented in the consolidated statement of profit and loss.

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use such as costs of site preparation and remediation, and estimated costs of dismantling and removing/disposal of the item and restoring the site on which it is located.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major overhaul is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

On transition to Ind AS (i.e. 1 January, 2016), the group has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Provision for site restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated site is recognised as and when the site is used and related restoration or environmental obligations occur. The provision is measured at the present value of the best estimate of the cost of restoration or agreed redemption plan.

(f) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit and loss in the period in which the expenditure is incurred.

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The estimated useful lives are as follows:

Items	Years
Licenses and franchise	2-10
Other intangibles assets	5

Intangible assets which are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated intangibles, research expenditure and brands, is recognised in consolidated statement of profit and loss as incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

On transition to Ind AS (i.e. January 1, 2016), the group has elected to continue with the carrying value of intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(g) Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs of disposal. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in consolidated statement of profit and loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

(h) Impairment of non-financial assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGU).

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or a group of CGUs or an individual asset) is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or a group of CGUs or the asset). Impairment loss recognised in respect of a CGU (or a group of CGUs) is allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or a group of CGUs), and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs (or a group of CGUs) to which the corporate asset belongs.

An impairment loss recognised in respect of Goodwill is not subsequently reversed. For other assets, at the balance sheet date there is an indication that if a previously assessed impairment loss no longer

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exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortised historical cost as per requirement of Ind AS 36 – "Impairment of Assets".

(i) Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due over a reasonable period of credit
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on the financial asset has increased significantly if there is an indication that the financial asset is outstanding significantly beyond the usual credit period. The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); and
- the financial asset past due over its normal credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(j) Inventories

Inventories are valued at lower of cost (including prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition) and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Raw materials, goods in transit, packing materials and stores and spares are valued at cost computed on moving weighted average basis, after providing for obsolescence, if any. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

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Finished goods and work in progress are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises material, labour and applicable overhead expenses including depreciation. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Traded goods are valued at lower of weighted average cost and net realisable value.

(k) Retirement and other employee benefits

Defined contribution plans

Contributions paid/payable under defined contribution plans are recognised in the consolidated statement of profit and loss each year. The Group makes the contributions and has no further obligations under the plan beyond its contributions.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

Past service costs are recognised in consolidated statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. On amendment, curtailment and settlement of a defined benefit plan, entities should use the updated assumptions to determine the current service cost and net interest for the reminder of the annual reporting period.

Other long-term employee benefits

The employees of the Group entitled to Compensated absences. The employees can carry forward the portion of unutilised accumulated compensated absences and utilise it in future periods or encash the leave balance during the period of employment or termination or retirement of the employment. The Group records an obligation for compensated absences in the period in which the employee renders services that increased this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of reporting year, based on actuarial valuation using projected unit credit method carried out in accordance with Ind AS-19 "Employee Benefits" at the end of the year. Non-accumulating compensated absences are recognised in the period in which the absences occur.

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

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(l) Segment Reporting

An operating segment is the component of the Group that engages in business activities from which it may earn revenues and incur expenses, includes revenue and expenses that relate to transactions with any of the Group's other components and for which discreet financial information is available. All operating segments' operating results are reviewed regularly by Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess the performance. The business segments have been identified based on the nature of products, risks and return, organisation structure and internal financial reporting.

The Group currently has the following reportable segments:

- Carbon
- Advanced Materials
- Cement

These have been defined as the operating segments of the Group because they are the segments that

(1) engage in business activities from which revenue is earned and expenses are incurred;

(2) whose operating results are regularly reviewed by the Group's CODM to make decisions about resources to be allocated to the segment and assess its performance; and

(3) for which discrete financial information is available.

(m) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of- use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease

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liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

In pursuance of the notification issued by the Ministry of corporate affairs dated July 24, 2020, the Group has elected to apply the practical expedient arising on account of COVID-19 not to account for the changes in the lease payments as a lease modification as it satisfies the conditions mentioned in the paragraph 46B of Ind AS 116.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and debt securities issued are initially recognised when they are originated. All other assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) as described above are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at an individual asset level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets:

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made upon initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

However, on sale, the Group may transfer the cumulative gain or loss within equity. Equity investments designated as FVTOCI are not subject to impairment assessment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated statement of profit and loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Any gain or loss on derecognition is recognised in consolidated statement of profit and loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition,

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gains and losses accumulated in OCI are reclassified to consolidated statement of profit and loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in consolidated statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to consolidated statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangements and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities:

Initial recognition and measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Classification and Subsequent measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. Financial liabilities carried at fair value through consolidated statement of profit and loss are measured at fair value with all changes in fair value recognised in the consolidated statement of profit and loss.

All other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(o) Derivative Financial Instruments and Hedge Accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to consolidated statement of profit and loss when the hedge item affects consolidated statement of profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group has designated certain foreign currency loans availed as a hedging instrument to hedge its net investment in non-integral foreign operations. Accordingly, the translation gain/(loss) on such foreign currency loans, determined as an effective net investment hedge through the designated period is recognised in Foreign Currency Translation Reserve (FCTR) included under OCI and would be transferred to the consolidated statement of profit and loss either upon sale or disposal of the investment or repayment of designated loans in the non-integral foreign operations.

Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in consolidated statement of profit and loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

(p) Earnings Per Equity Share

The earnings considered in ascertaining the Group's Earnings Per Share (EPS) comprise net profit after tax (and includes the post-tax effect of any extra ordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

(q) Tax Expense

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

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

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Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside consolidated statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in consolidated statement of profit and loss.

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(r) Borrowing Costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.

Deferred finance consists of loan financing fees, which are being amortised over the estimated life of the loan. Such life of the loan is reviewed by management on an ongoing basis. The Group considers its plans to repay the borrowings in determining the life of the asset. Amortisation of deferred finance cost is included in other borrowing costs of consolidated statement of profit and loss. Other borrowings costs including redemption premium are recognised in the period in which they are incurred.

(s) Statement of Cash Flows and Cash & cash equivalents

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined below, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term, highly liquid investments with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Provisions and Contingencies

A provision is recognised when the Group has a present, legal and constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Contingent liabilities are disclosed in the notes to the consolidated financial statements, when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amount of income recognised in accordance with the requirements of revenue recognition.

(u) Dividend declared

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Interim dividend is recorded as a liability on the date of declaration by the Board of Directors.

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

Note 3: Property, plant and equipment and Capital work in progress

	Land – freehold	Land – leasehold (Refer note (iv) below)	Buildings (Refer note (ii) below)	Plant and equipment (Refer note (ii) below)	Furniture and fixtures	Office equipments	Vehicles	Total	Capital work-in-progress (Refer note (v), (vi) & (vii) below)	Total
Gross carrying amount										
As at January 1, 2021	1,035.51	44.31	7,122.35	54,081.22	1,797.20	1,144.03	992.36	66,216.98	9,313.55	75,530.53
Add: Additions	-	-	1,630.10	6,619.94	135.75	69.41	22.46	8,477.66	5,981.60	14,459.26
Less: Deletions/adjustments (Refer note (vi) below)	14.30	-	20.40	342.23	51.55	(18.96)	30.07	439.59	7,246.59	7,686.18
Add: Exchange difference	(8.28)	-	30.78	(926.52)	(119.61)	(29.08)	15.03	(1,037.68)	(140.93)	(1,178.61)
As at December 31, 2021	**1,012.93**	**44.31**	**8,762.83**	**59,432.41**	**1,761.79**	**1,203.32**	**999.78**	**73,217.37**	**7,907.63**	**81,125.00**
Add: Additions	10.91	6.96	792.98	7,890.55	127.63	122.48	172.73	9,124.24	4,191.92	13,316.16
Less: Deletions/adjustments	-	-	211.25	990.42	232.46	221.34	57.25	1,712.72	7,196.82	8,909.54
Less: Impairment losses (Refer note (v) below)	-	-	-	-	-	-	-	-	465.64	465.64
Add: Exchange difference	59.84	-	673.69	4,352.04	71.41	65.08	81.56	5,303.62	232.13	5,535.75
As at December 31, 2022	**1,083.68**	**51.27**	**10,018.25**	**70,684.58**	**1,728.37**	**1,169.54**	**1,196.82**	**85,932.51**	**4,669.22**	**91,067.37**
Accumulated depreciation										
Up to January 1, 2021	10.50	1.77	2,229.06	20,997.54	1,098.82	516.76	56.47	24,910.92	-	24,910.92
Add: Depreciation for the year	-	0.37	603.78	5,745.04	163.32	164.05	70.88	6,747.44	-	6,747.44
Less: Deletions/Adjustments (Refer note (vi) below)	-	-	19.96	330.40	3.95	(12.36)	29.11	371.06	-	371.06
Add: Impairment losses (Refer note (v) below)	-	-	-	168.07	-	-	-	168.07	-	168.07
Add: Exchange difference	(0.68)	-	117.40	(120.69)	(82.82)	(11.30)	7.25	(90.84)	-	(90.84)
Up to December 31, 2021	**9.82**	**2.14**	**2,930.28**	**26,459.56**	**1,175.37**	**681.87**	**105.49**	**31,364.53**	**-**	**31,364.53**
Add: Depreciation for the year	-	0.38	560.32	5,968.66	150.53	141.55	93.03	6,914.47	-	6,914.47
Less: Deletions/Adjustments	-	-	201.27	975.68	194.21	204.90	48.06	1,624.12	-	1,624.12
Add: Exchange difference	0.48	-	282.79	2,303.15	51.11	32.35	21.25	2,691.13	-	2,691.13
Up to December 31, 2022	**10.30**	**2.52**	**3,572.12**	**33,755.69**	**1,182.80**	**650.87**	**171.71**	**39,346.01**	**-**	**39,346.01**
Net carrying amount										
As at December 31, 2021	**1,003.11**	**42.17**	**5,832.55**	**32,972.85**	**586.42**	**521.45**	**894.29**	**41,852.84**	**7,907.63**	**49,760.47**
As at December 31, 2022	**1,073.38**	**48.75**	**6,446.13**	**36,928.89**	**545.57**	**518.67**	**1,025.11**	**46,586.50**	**4,669.22**	**51,721.36**

Note:

(i) Certain movable and immovable property, plant and equipment are hypothecated against the non-current and current borrowings availed by the Group. Refer note 19 and 23.

(ii) Includes buildings constructed and plant and equipment installed on leasehold land and depreciated over lease period.

(iii) For contractual commitments relating to capital work-in-progress, refer note 44 (II).

(iv) Leasehold land pertains to limestone mining leases in Rain Cements Limited.

(v) For details regarding impairment refer note 54.

(vi) During the year, administrative costs of ₹ 109.21* (Previous year: ₹ 193.85**) have been capitalised as these costs were incurred directly in connection with capital projects.

* Includes salaries of ₹ 15.99, rent of ₹ 0.36, power and fuel of ₹ 14.67, Insurance of ₹ 0.83, repairs and maintenance of ₹ 2.49, Water Charges of ₹ 0.55, consultancy charges of ₹ 72.07 and Cost of material consumed of ₹ 2.25.

** Includes salaries of ₹ 61.56, rent of ₹ 1.04, power and fuel of ₹ 17.94, Insurance of ₹ 7.04, repairs and maintenance of ₹ 10.20, Water Charges of ₹ 1.55, consultancy charges of ₹ 89.88 and Cost of material consumed of ₹ 4.64.

(vii) Refer note 45(v) for disclosure relating to capital-work-in progress.

(viii) Exchange difference pertains to gain/(loss) on translating the financial statements of foreign operations.

Notes

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

Note 4: Right of use asset

	Land - leasehold	Buildings	Plant and equipment	Office equipments	Vehicles	Total
Gross carrying amount						
As at January 1, 2021	609.54	945.67	3,043.63	23.89	1,625.14	6,247.87
Add: Additions	-	157.83	52.55	1.65	183.56	395.59
Less: Deletions/adjustments (Refer note (ii) below)	13.90	0.36	3.45	0.56	3.08	21.35
Add: Exchange difference	(1.56)	(63.89)	(181.33)	(2.30)	(113.36)	(362.44)
As at December 31, 2021	**594.08**	**1,039.25**	**2,911.40**	**22.68**	**1,692.26**	**6,259.67**
Add: Additions	734.52	175.54	328.41	18.46	81.88	1,338.81
Less: Deletions/adjustments	-	20.88	29.43	15.70	19.51	85.52
Add: Exchange difference	0.63	162.91	272.85	3.61	86.66	526.66
As at December 31, 2022	**1,329.23**	**1,356.82**	**3,483.23**	**29.05**	**1,841.29**	**8,039.62**
Accumulated depreciation						
Up to January 1, 2021	61.45	202.07	759.91	7.26	303.82	1,334.51
Add: Depreciation for the year	50.75	211.89	493.17	7.38	323.65	1,086.84
Less: Deletions/adjustments (Refer note (ii) below)	9.64	-	3.45	0.56	3.04	16.69
Add: Exchange difference	(0.58)	(66.08)	(123.72)	(1.70)	(31.53)	(223.61)
Up to December 31, 2021	**101.98**	**347.88**	**1,125.91**	**12.38**	**592.90**	**2,181.05**
Add: Depreciation for the year	47.68	212.05	440.51	6.98	198.51	905.73
Less: Deletions/adjustments	-	-	21.33	11.43	17.69	50.45
Add: Exchange difference	0.49	107.98	182.80	2.01	40.80	334.08
Up to December 31, 2022	**150.15**	**667.91**	**1,727.89**	**9.94**	**814.52**	**3,370.41**
Net carrying amount						
As at December 31, 2021	**492.10**	**691.37**	**1,785.49**	**10.30**	**1,099.36**	**4,078.62**
As at December 31, 2022	**1,179.08**	**688.91**	**1,755.34**	**19.11**	**1,026.77**	**4,669.21**

Notes:

(i) For details regarding future minimum lease payments at the end of the year, Refer note 46.

(ii) Deletions/Adjustments include derecognition of assets on sale of subsidiaries.

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forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

Note 5: Goodwill and Other intangible assets:

	Goodwill (A)	Licenses and franchise (a)	Other intangible assets (b)	Total Other Intangible assets (B=a+b)	Total (A+B)
Gross carrying amount					
As at January 1, 2021	64,726.35	553.87	45.30	599.17	65,325.52
Add: Additions	-	6.26	9.80	16.06	16.06
Less: Deletions (Refer note (ii) below)	-	0.10	-	0.10	0.10
Add: Exchange difference	(1,420.21)	(35.04)	(0.44)	(35.48)	(1,455.69)
As at December 31, 2021	**63,306.14**	**524.99**	**54.66**	**579.65**	**63,885.79**
Add: Additions	-	7.28	-	7.28	7.28
Less: Deletions	-	6.00	-	6.00	6.00
Add: Exchange difference	5,120.33	25.58	8.69	34.27	5,154.60
As at December 31, 2022	**68,426.47**	**551.85**	**63.35**	**615.20**	**69,041.67**
Accumulated amortisation					
As at January 1, 2021	-	285.70	15.46	301.16	301.16
Add: Amortisation for the year	-	138.54	8.71	147.25	147.25
Less: Deletions (Refer note (ii) below)	-	0.10	-	0.10	0.10
Add: Exchange difference	-	(23.36)	(0.13)	(23.49)	(23.49)
Up to December 31, 2021	**-**	**400.78**	**24.04**	**424.82**	**424.82**
Add: Amortisation for the year	-	70.61	12.29	82.90	82.90
Less: Deletions	-	5.98	-	5.98	5.98
Add: Exchange difference	-	23.94	3.73	27.67	27.67
Up to December 31, 2022	**-**	**489.35**	**40.06**	**529.41**	**529.41**
Net carrying amount					
As at December 31, 2021	63,306.14	124.21	30.62	154.83	63,460.97
As at December 31, 2022	68,426.47	62.50	23.29	85.79	68,512.26

Notes:

(i) For impairment analysis performed for goodwill on consolidation, Refer note 39.

(ii) Deletions include derecognition of assets on sale of subsidiaries.

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

Note 6: Equity accounted investments

	As at December 31, 2022	As at December 31, 2021
Associates (unquoted):		
– InfraTec Duisburg GmbH – 7,500 (December 31, 2021: 7,500) ordinary shares with no par value (Refer note 36)	94.29	87.06
Total	**94.29**	**87.06**

Note 7: Non-current investments

	As at December 31, 2022	As at December 31, 2021
A. Investment in equity shares		
(i) in other entities		
At Fair value through Other comprehensive income (FVTOCI) (unquoted)		
– Arsol Aromatics GmbH & Co. – 1,365,860 (December 31, 2021: 1,365,860) ordinary shares with no par value	30.04	28.65
At Fair value through Profit and loss (FVTPL) (unquoted)		
– Andhra Pradesh Gas Power Corporation Limited – 134,000 (December 31, 2021: 134,000) equity shares of ₹ 10 each fully paid up	16.00	16.00
B. Investment in Government securities carried at Fair value through Profit and loss (FVTPL) (unquoted)		
– National Savings Certificates	0.09	0.14
Total	**46.13**	**44.79**
(a) aggregate value of quoted investments	-	-
(b) aggregate value of unquoted investments	46.13	44.79

Note 8: Non-current loans
(Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Loans and advances		
– to employees	6.80	6.81
Inter-corporate deposits	-	110.00
Total	**6.80**	**116.81**

– The Group's exposure to credit risks is included in note 35.4.
– There are no loans due by directors of the Company either severally or jointly with any other persons.

Notes

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

Note 9: Other non-current financial assets

(Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Security deposits	125.82	120.46
Electricity deposit	199.97	195.46
Bank deposits due to mature after 12 months of the reporting date* (Refer note 13)	126.73	2.95
Interest accrued on deposits	0.06	0.02
Balances held as margin money against guarantees and other commitments	2.00	-
Total	**454.58**	**318.89**

* Represents lien marked deposits with government authorities and customers.

– The Group's exposure to credit risks is included in note 35.4.

Note 10: Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Capital advances	815.99	206.13
Advances other than capital advances:		
Balances with Statutory authorities	36.19	36.38
Excess contribution to Plan assets for Defined benefit plan	3.53	0.36
Total	**855.71**	**242.87**

Note 11: Inventories

(At lower of cost or net realisable value)

	As at December 31, 2022	As at December 31, 2021
(a) Raw materials	21,638.09	9,965.46
(b) Work-in-progress	2,847.21	1,990.44
(c) Finished goods	13,109.61	8,035.70
(d) Stock-in-trade	3,228.17	2,129.50
(e) Stores and spares	2,900.39	2,382.72
(f) Packing materials	177.20	162.91
(g) Fuel	1,246.31	451.30
Total	**45,146.98**	**25,118.03**
Goods-in-transit, included above		
(a) Raw materials	3,150.87	811.38
(b) Stock-in-trade	532.76	962.96
(c) Stores and spares	1.87	0.95
(d) Fuel	188.48	20.96
Total	**3,873.98**	**1,796.25**

The above inventories are net of provision for net realisable values of ₹ 1,383.42 and ₹ 921.32 as at December 31, 2022 and December 31, 2021 respectively. The write-down and reversal are included in cost of materials consumed or changes in inventories of finished goods, work-in-progress and stock-in-trade. Refer note 52.

For details of inventories hypothecated against the non-current and current borrowings availed by the Group. Refer note 19 and 23.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

Note 12: Trade receivables

	As at December 31, 2022	As at December 31, 2021
Trade receivables considered good – secured	138.84	200.55
Trade receivables considered good – unsecured*	24,802.00	16,784.82
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	131.45	172.77
	25,072.29	17,158.14
Less: Allowance for expected credit losses	131.45	172.77
Total	**24,940.84**	**16,985.37**

Trade receivables ageing schedule as at December 31, 2022:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivables considered good	112.17	21,715.28	2,996.54	51.22	19.58	12.35	33.70	24,940.84
ii. Undisputed Trade Receivables considered doubtful	-	4.05	17.85	0.53	9.36	11.06	88.60	131.45
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
v. Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-	-
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Sub-Total	112.17	21,719.33	3,014.39	51.75	28.94	23.41	122.30	25,072.29
Less: Allowance for credit Impairment								131.45
Total								24,940.84

Trade receivables ageing schedule as at December 31, 2021:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivables considered good	207.57	14,352.72	2,283.87	30.01	34.82	36.75	39.63	16,985.37
ii. Undisputed Trade Receivables considered doubtful	-	3.29	24.78	6.98	9.66	42.31	85.75	172.77
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
v. Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-	-
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Sub-Total	207.57	14,356.01	2,308.65	36.99	44.48	79.06	125.38	17,158.14
Less: Allowance for credit Impairment								172.77
Total								16,985.37

* The balance includes amounts receivable amounting to ₹ 2,215.75 (Previous year: ₹ 1,130.91) for which the Group has received security in the form of Letters of Credit.

– For details of trade receivables hypothecated against current borrowings, refer note 23.

– Refer note 42 (b) for amounts receivable from related parties.

– The Group's exposure to credit and currency risks related to trade receivables are disclosed in note 35.4 and 35.8.

– There are no trade receivables due from directors of the Company either severally or jointly with any other persons.

Notes

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

Note 13: Cash and bank balances

	As at December 31, 2022	As at December 31, 2021
A. Cash and cash equivalents		
Cash on hand	0.29	0.47
Cheques/drafts on hand	0.05	-
Balances with banks:		
– in current accounts	9,208.92	8,218.34
– in exchange earners foreign currency (EEFC) accounts	0.37	1,246.75
– in deposit accounts (with original maturity of three months or less)	2,467.26	1,565.65
	11,676.89	**11,031.21**
B. Bank balances other than cash and cash equivalents		
Balances held as margin money against guarantees and other commitments	323.15	263.74
Unpaid dividend accounts	27.24	32.15
Bank deposits due to mature after three months of the reporting date*	4,805.59	2,517.36
Less: Bank deposits due to mature after 12 months of the reporting date (Refer note 8)	126.73	2.95
	5,029.25	**2,810.30**
Total [A+B]	**16,706.14**	**13,841.51**

* Out of above deposits ₹ 1,526.35 (December 31, 2021: ₹ 159.43) are lien marked with government authorities and customers.

Note 14: Current loans
(Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Inter-corporate deposits with financial institutions (HDFC)	1,169.29	3,004.52
Loan to employees	9.80	7.93
Total	**1,179.09**	**3,012.45**

– The Group's exposure to credit and currency risks related to current loans are disclosed in note 35.4 and 35.8.

– There are no loans due by directors of the Company either severally or jointly with any other persons.

Note 15: Other current financial assets
(Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Security deposits	31.65	4.81
Interest accrued on deposits	171.59	128.68
Advance to employees	2.65	5.20
Other receivables	117.11	275.17
Total	**323.00**	**413.86**

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

Note 16: Other current assets
(Unsecured, considered good unless otherwise stated)

	As at December 31, 2022	As at December 31, 2021
Prepaid expenses	455.01	232.00
Balances with statutory authorities	1,328.50	1,720.72
Advance to suppliers and service providers	2,090.23	2,862.87
Advance to employees	9.08	3.39
Others	21.31	40.03
Total	**3,904.13**	**4,859.01**

– Refer note 42 (b) for advances paid to related parties.

Note 17: Equity Share capital

	As at December 31, 2022		As at December 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital:				
Equity shares of ₹ 2 each	590,000,000	1,180.00	590,000,000	1,180.00
Redeemable preference shares of ₹ 100 each	4,900,000	490.00	4,900,000	490.00
Total	**594,900,000**	**1,670.00**	**594,900,000**	**1,670.00**
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 2 each	336,345,679	672.69	336,345,679	672.69
Total	**336,345,679**	**672.69**	**336,345,679**	**672.69**

Notes:

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

	As at December 31, 2022		As at December 31, 2021	
Particulars	Number of shares	Amount	Number of shares	Amount
As at beginning of the year	336,345,679	672.69	336,345,679	672.69
Add/(Less): Changes in equity shares during the year	-	-	-	-
As at end of the year	**336,345,679**	**672.69**	**336,345,679**	**672.69**

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

The Company has one class of equity shares having a par value of ₹ 2 each per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. However, in case of interim dividend the profits are distributed based on approval of Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

The Board of Directors at its meeting held on July 29, 2022 has declared an interim dividend of 50% (₹ 1 per equity share of par value of ₹ 2 each amounting to ₹ 336.35) and no further dividend has been recommended for the financial year ended December 31, 2022.

The Board of Directors at its meeting held on October 30, 2021 had declared an interim dividend of 50% (₹ 1 per equity share of par value of ₹ 2 each amounting to ₹ 336.35) and no further dividend has been recommended for the financial year ended December 31, 2021.

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

Note 17: Equity Share capital (continued)

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

	As at December 31, 2022		As at December 31, 2021	
Name of the shareholder	Number of shares	%	Number of shares	%
Sujala Investments Private Limited	37,766,675	11.23	37,766,675	11.23
Rain Enterprises Private Limited	25,316,465	7.53	25,316,465	7.53
N. Anupama Reddy	27,300,669	8.12	27,300,669	8.12

(iv) Shares held by Promoters

	As at December 31, 2022		
Name of the Promoter	Number of shares	Percentage of total shares	Percentage of change during the year
Mr. N. Radhakrishna Reddy	10,383,730	3.09	0%
Mr. N. Sujith Kumar Reddy	10,028,770	2.98	0%
Mr. Jagan Mohan Reddy Nellore	100	0.00	0%
Ms. N. Indira Reddy	7,513,100	2.23	0%
Ms. N. Akhila Reddy	1,869,315	0.56	0%
Ms. K. V. Arundhathi Reddy	14,285	0.00	0%
Ms. N. Anupama Reddy	27,300,669	8.12	0%
Sujala Investments Private Limited	37,766,675	11.23	0%
Rain Enterprises Private Limited	25,316,465	7.53	0%
Nivee Holdings Private Limited	8,143,250	2.42	0%
Arunachala Holdings Private Limited	5,272,500	1.57	0%
PCL Financial Services Private Limited	3,780,750	1.12	0%
Arunachala Logistics Private Limited	989,245	0.29	0%

	As at December 31, 2021		
Name of the Promoter	Number of shares	Percentage of total shares	Percentage of change during the year
Mr. N. Radhakrishna Reddy	10,383,730	3.09	0%
Mr. N. Sujith Kumar Reddy	10,028,770	2.98	0%
Mr. Jagan Mohan Reddy Nellore	100	0.00	0%
Ms. N. Indira Reddy	7,513,100	2.23	0%
Ms. N. Akhila Reddy	1,869,315	0.56	0%
Ms. K. V. Arundhathi Reddy	14,285	0.00	0%
Ms. N. Anupama Reddy	27,300,669	8.12	0%
Sujala Investments Private Limited	37,766,675	11.23	0%
Rain Enterprises Private Limited	25,316,465	7.53	0%
Nivee Holdings Private Limited	8,143,250	2.42	0%
Arunachala Holdings Private Limited	5,272,500	1.57	0%
PCL Financial Services Private Limited	3,780,750	1.12	0%
Arunachala Logistics Private Limited	989,245	0.29	0%

(v) There are no shares issued pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the reporting date.

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

Note 18: Other equity

	As at December 31, 2022	As at December 31, 2021
(i) Reserves and Surplus		
(a) Capital Reserve (Balance at the beginning and end of the year)	43.98	43.98
(b) Securities premium (Balance at the beginning and end of the year)	516.67	516.67
(c) Capital redemption reserve (Balance at the beginning and end of the year)	47.66	47.66
(d) General reserve		
Opening balance	1,605.01	1,573.85
Add: Transferred from retained earnings	-	31.16
Closing balance	**1,605.01**	**1,605.01**
(e) Retained earnings		
Opening balance	56,730.62	51,296.55
Add: Profit for the year	14,386.45	5,801.58
Less: Dividend for the year	336.35	336.35
Less: Transfer to general reserve	-	31.16
Closing balance	**70,780.72**	**56,730.62**
(f) Remeasurements of defined benefit plans		
Opening balance	(1,778.71)	(2,658.70)
Add: Acturial gain/(loss) on remeasurements of defined benefit plans	5,613.75	879.99
Closing balance	**3,835.04**	**(1,778.71)**
(ii) Items of other comprehensive income:		
(a) Foreign currency translation reserve		
Opening balance	3,254.21	3,842.26
Add: Translation adjustments	3,512.39	(588.05)
Closing balance	**6,766.60**	**3,254.21**
Total	**83,595.68**	**60,419.44**

Note 19: Non-current borrowings

	As at December 31, 2022	As at December 31, 2021
A. Bonds		
From banks (Refer note (i))		
– Secured banks		
7.25% Senior secured notes (due for repayment in April 2025)	43,558.72	40,123.60
	43,558.72	**40,123.60**
B. Term loans		
From banks (Refer note (ii) to (vi))		
– Secured banks	35,864.13	34,632.15
From other parties (Refer note (vii))		
– Unsecured	0.31	0.28
Less: Current maturities of non-current borrowings disclosed under Note 23 – Current Borrowings	(1,655.72)	(608.22)
	34,208.72	**34,024.21**
C. Deferred payment liabilities		
– Unsecured (Refer note (viii))	288.34	427.26
Less: Current maturities of non-current borrowings disclosed under Note 23 – Current Borrowings	(100.85)	(138.90)
	187.49	**288.36**
Total [A+B+C]	**77,954.93**	**74,436.17**

Notes

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

Notes:

(i) On March 31, 2017, one of the Group Companies in United States issued USD 550 million of 7.25% senior secured notes due in April 2025 (the "2025 Notes"). The net proceeds were used to redeem all of the outstanding 2018 Notes and tendered for USD 115 million of 2021 Notes. The 2025 Notes contain covenants and conditions that limit the Group Company's ability to, among other things, pay cash dividends, incur indebtedness and make investments. The Group Company may redeem some or all of the 2025 Notes at any time on or after April 1, 2020 up to March 31, 2023 at specified redemption prices. The 2025 Notes are secured by substantially all of the assets of the Group Company and are guaranteed by the Group Company's subsidiaries incorporated in United States on a joint and several basis. The Group Company has repurchased notes amounting to ₹ 1,172.64 (USD 15.7 million) during the year ended December 31, 2022 (December 31, 2021: ₹ 338.47 (USD 4.5 million). The 2025 Notes are having second-lien on assets after Term loan B. Balance (gross of transaction costs) as at December 31, 2022 is ₹ 43,865.70 (USD 529.8 million) and as at December 31, 2021 is ₹ 40,534.07 (USD 545.5 million).

(ii) During the financial year ended December 31, 2016, the Company had borrowed Term loan of USD 30 Million from a bank which was secured by a pari passu first charge on all immovable and movable properties of Rain Cements Limited (RCL), a wholly owned subsidiary Company, except for current assets of RCL (present and future) and assets charged with Axis Bank Limited for another loan availed by RCL. Further a Corporate Guarantee has been issued by RCL in favour of the bank. The loan was sanctioned vide credit facilities agreement dated February 20, 2016 between the Company, RCL and the bank. No guarantee commission has been charged by RCL based on the requirements of the bank. It carries interest of 3 months LIBOR plus 300 basis points. Balance (gross of transaction costs) as at December 31, 2022 is ₹ Nil (USD Nil) and as at December 31, 2021 is ₹ 534.98 (USD 7.2 million).

(iii) During the financial year ended December 31, 2021, the Company has borrowed Term loan of USD 20 Million from a bank and is secured by:

(a) Pari passu first charge by way of hypothecation on all movable assets both present and future of the Company

(b) Corporate guarantee of Rain CII Carbon (Vizag) Limited (RCCVL) in favour of the bank

(c) Pledge over 1,000,000 equity shares of ₹ 10 each held by the Company in RCCVL, a wholly owned step-down subsidiary

No guarantee commission has been charged by RCCVL based on the requirements of the bank. It carries interest of SOFR + margin of 310 basis points payable monthly. The loan is repayable on November 30, 2023. Balance (gross of transaction costs) as at December 31, 2022 is ₹ 1,655.72 (USD 20 million) and as at December 31, 2021: ₹ 1,486.05 (USD 20 million).

(iv) The term loans in (ii) and (iii) above, post its disbursal in the previous year, was utilised for the purpose for which it was borrowed. As on the Balance Sheet date the Overseas Direct Investments (ODI) in the form of investments in and loans to overseas subsidiaries exceeds the term loans obtained for ODI purposes.

(v) During the year 2020, one of the Group company incorporated in India availed a loan of ₹ 199.10 from a bank towards purchase of Earth Moving Equipment such as Wheel Loaders, Tippers & Excavators. The loan is repayable in 35 equated monthly installments and is secured by First and exclusive charge on assets financed by a bank. The loan carries an interest rate of 8.50% p.a. (previous year: 8.5% p.a.) Balance as at December 31, 2022 is ₹ Nil (December 31, 2021: ₹ 73.94).

(vi) On January 16, 2018, one of the Group Companies in United States repaid its erstwhile 2021 Notes financed by a new Term Loan B of EUR 390 million ("TLB") borrowed by Wholly Owned Subsidiary in Germany. Interest rate on the TLB is EURIBOR (subject to a 0.0% floor) plus 3%. The TLB is First Lien Debt having priority over 2025 Notes. The TLB contain covenants and conditions that limit the Group Company's ability to, among other things, pay cash dividends, incur indebtedness and make investments. The TLB is secured by substantially all of the assets of the Group Company and are guaranteed by the Group Company's subsidiaries except Group Company's subsidiaries incorporated in India and Russia on a joint and several basis. The TLB will mature in 7 years after the closing date i.e. in January 2025. The TLB is repayable

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after December 31, 2019 in the manner specified under the provisions for mandatory and voluntary prepayment in the credit agreement. The prepayment is determined at the percentage on excess cash flows at specified financial leverages in the credit agreement. Balance (gross of transaction costs) as at December 31, 2022 is ₹ 34,378.50 (EUR 390 million) and as at December 31, 2021: ₹ 32,779.50 (EUR 390 million).

(vii) On April 27, 2020, two subsidiary companies incorporated in USA received a ₹ 476.64 (USD 6.2 million) loan from the U.S. Small Business Administration (SBA) through the Paycheck Protection Program (PPP). All or a portion of the loan is Forgiveable if the subsidiary companies meet specified requirements regarding the use of these funds over the designated period following receipt of loan proceeds. The unforgiven portion of the loan, if any, is payable over eighteen months, after the conclusion of a six month deferral period, and the subsidiary companies are permitted to repay at any time without penalty. The PPP loan is unsecured and is evidenced by a note in favour of Bank of America.

The subsidiary companies have recognized the loan at its fair value and the interest expense being recognised on the loan under the effective interest rate method as at and for the year ended December 31, 2021 and 2022. The benefit (i.e. difference between the fair value of loan on recognition and the amount received) is recognised as a government grant under the heading Other Income. During September 2021, the SBA communicated its formal forgiveness after completion of its verification of one of the subsidiary company in USA. Accordingly, the subsidiary de-recognised the liability and the forgiveness was recorded as government grant income under the heading Other Income. Balance as at December 31, 2022 is ₹ 0.31 (December 31, 2021: ₹ 0.28).

(viii) Sales tax deferment represents interest free liability in Rain Cements Limited. Balance outstanding is repayable in 30 monthly instalments based on deferment schedule.

(ix) The Group has not defaulted on payment of principal and interest thereon on above term loans.

(x) Reconciliation of liabilities arising from financing activities

(a) Non-current borrowings (including current maturities of non-current borrowings included in current borrowings):

Particulars	As at December 31, 2022	As at December 31, 2021
Opening balance at the beginning of the year	75,183.29	78,185.26
Borrowings made during the year	-	1,498.00
Borrowings repaid during the year	(1,804.52)	(2,645.08)
Loan forgiven during the year (non-cash changes)	-	(458.33)
Sales tax deferment paid	(138.92)	(83.10)
Effect of changes in foreign exchange rates (non-cash changes)	6,400.12	(1,535.15)
Amortisation of deferred finance cost (non-cash changes)	71.53	221.69
Closing balance at the end of the year	**79,711.50**	**75,183.29**

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

(b) Lease liabilities (including current maturities):

Particulars	As at December 31, 2022	As at December 31, 2021
Opening balance at the beginning of the year	4,409.00	5,239.44
Additions during the year	1,338.81	393.98
Interest accrued during the year	225.19	221.11
Deletions during the year	(33.11)	(18.06)
Lease principal payments during the year	(900.13)	(1,045.86)
Lease interest payments during the year	(219.80)	(217.52)
Effect of changes in foreign exchange rates	242.94	(164.09)
Closing balance at the end of the year	**5,062.90**	**4,409.00**

The Group's exposure to liquidity and currency risk related to borrowings is disclosed in note 35.5 and 35.8.

Note 20: Other non-current financial liabilities

Particulars	As at December 31, 2022	As at December 31, 2021
Employee payables	48.64	62.98
Total	**48.64**	**62.98**

The Group's exposure to liquidity risks and currency risks are disclosed in note 35.5 and 35.8, respectively.

Note 21: Non-current provisions

	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits:		
– Compensated absences (Refer note 41)	320.40	258.14
– Defined benefit plans (net) (Refer note 41)	7,260.82	11,919.16
Provision – others		
– Provision for environment liabilities (Refer note 50)	1,221.72	1,125.23
– Other provisions (Refer note 51)	80.23	50.42
Total	8,883.17	13,352.95

Note 22: Other non-current liabilities

	As at December 31, 2022	As at December 31, 2021
Unearned revenue (Refer note 28)	5.42	11.54
Others	0.04	0.03
Total	**5.46**	**11.57**

Notes

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

Note 23: Current borrowings

	As at December 31, 2022	As at December 31, 2021
Loans repayable on demand		
From banks – Secured		
– Packing credit foreign currency loan (Refer note (i) and (ii))	2,203.22	1,102.40
– Supplier's credit facility (Refer note (i))	1,038.14	780.48
– Revolver credit facility (Refer note (iii))	9,298.41	3,419.15
Current maturities of non-current borrowings (Refer note 19)	1,756.57	747.12
Total	**14,296.34**	**6,049.15**

Notes:

(i) During 2013, the Group Company incorporated in India, entered into agreements with two banks for an aggregated facility amount of ₹ 5,752.92 (USD 69.5 million) (December 31, 2021: ₹ 4,526.28 (USD 60.9 million)) which can be utilized for issuance of letter of credits, bank guarantees, suppliers credit facility and cash drawings. Outstanding letters of credit issued under these facilities are subject to a fee of 0.75% per annum. The Group Company is not obliged to pay commitment fee on unused portion of the working capital line of credit under this facility. Cash drawings under these facilities are subject to interest rate of SOFR plus 100 basis points and SOFR plus 135 basis points per annum for each bank.

These facilities are secured by pari-passu first charge over current assets comprising of all inventories and book debts both present and future of the said company.

At December 31, 2022, cash drawings outstanding under packing credit foreign currency loan aggregated to ₹ 1,528.63 (USD 18.5 million) and ₹ 1,038.14 (USD 12.5 million) towards Suppliers credit facility

At December 31, 2021, cash drawings outstanding under the facility aggregated to ₹ 1,352.61 (USD 18.2 million), of which ₹ 572.13 (USD 7.7 million) were towards packing credit foreign currency loan and ₹ 780.48 (USD 10.5 million) were towards Suppliers credit facility.

At December 31, 2022, letters of credit outstanding were ₹ 1,229.38 (USD 14.9 million) and bank guarantees outstanding were ₹ 30.65 (USD 0.4 million) under the facility.

At December 31, 2021, bank guarantees outstanding were ₹ 26.00 (USD 0.3 million) under the facility.

Available limit under both facilities amounts to ₹ 1,926.12 (USD 23.2 million) and ₹ 3,147.67 (USD 42.4 million) as at December 31, 2022 and 2021 respectively.

(ii) During 2013, the Group Company incorporated in India, entered into an agreement with two banks for an aggregated cash credit facility of ₹ 2,840.00 (USD 34.3 million) (December 31, 2021: ₹ 810.00 (USD 10.9 million)).

Outstanding letters of credit issued under these facilities are subject to a fee of 0.75% per annum. The Group Company is not obliged to pay a commitment fee on the unused portion of the working capital line of credit under this facility. Cash drawings under the above said facility are subjected to interest rate of SOFR plus 50 basis points per annum.

These facilities are secured by pari-passu first charge over current assets comprising of all inventories and book debts both present and future of the said company.

At December 31, 2022, cash drawings outstanding under the facility aggregated to ₹ 674.59 (USD 8.2 million), which is towards packing credit foreign currency loan.

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At December 31, 2021, cash drawings outstanding under the facility aggregated to ₹ 530.27 (USD 7.1 million), which is towards packing credit foreign currency loan.

At December 31, 2022 bank guarantees outstanding under the facility aggregated to ₹ 156.06 (USD 1.9 million).

At December 31, 2021 bank guarantees outstanding under the facility aggregated to ₹ 220.06 (USD 3.0 million).

Available limits under the facility were ₹ 2,009.35 (USD 24.2 million) and ₹ 59.67 (USD 0.8 million) as at December 31, 2022 and 2021, respectively.

(iii) On January 16, 2018, certain Group Companies in United States and European region entered into a Revolver Credit Facility (RCF) Agreement with three banks. The agreement provides for a ₹ 16,558.00 (USD 200.0 million) (December 31, 2021: ₹ 11,145.00 (USD 150.0 million)) RCF loan commitment of which ₹ 4,553.45 (USD 55.0 million) were separated in an Ancillary facility for documentary business needs for the aforesaid companies. Allocation of limit for the Ancillary facility between the aforesaid companies is flexible. The facility is available till October 2024. The interest rates are variable and depend on currency of the borrowing. At December 31, 2022 rate for USD borrowings was SOFR plus 250 basis points (previous year: LIBOR plus 250 basis points) and for EUR borrowings is EURIBOR plus 250 basis points (previous year: EURIBOR plus 250 basis points).

The RCF is secured by substantially all of the assets of the Group Company and are guaranteed by the Group Company's subsidiaries except Group Company's subsidiaries incorporated in India and Russia on a joint and several basis.

At December 31, 2022 cash drawings outstanding under the RCF aggregated to ₹ 9,298.41 (USD 112.3 million) of which USD borrowings aggregated to ₹ 1,655.80 (USD 20.0 million) and EUR borrowings aggregated to ₹ 7,642.61 (EUR 86.7 million). Variable interest rate depends on the type of borrowing.

At December 31, 2021 cash drawings outstanding under the RCF aggregated to ₹ 3,419.15 (USD 46.0 million) of which USD borrowings aggregated to ₹ 1,486.00 (USD 20.0 million) and EUR borrowings aggregated to ₹ 1,933.15 (EUR 23.0 million). Variable interest rate depends on the type of borrowing.

At December 31, 2022, letters of credit outstanding aggregated ₹ 836.12 (USD 10.1 million) under the North-America facility and ₹ 2,160.82 (USD 26.1 million) under the European Ancillary facility.

At December 31, 2021, letters of credit outstanding aggregated ₹ 371.50 (USD 5.0 million) under the North-America facility and ₹ 988.19 (USD 13.3 million) under the European Ancillary facility.

Available limit under the facility amounts to ₹ 4,262.65 (USD 51.5 million) and ₹ 6,366.16 (USD 85.7 million) as at December 31, 2022 and 2021 respectively.

(iv) The Group has not defaulted on payment of principal and interest thereon on above loans.

(v) **Reconciliation of liabilities arising from financing activities (excluding current maturities of non-current borrowings):**

Particulars	As at December 31, 2022	As at December 31, 2021
Opening balance at the beginning of the year	5,302.03	5,162.32
Borrowings made during the year	11,929.47	7,228.31
Borrowings repaid during the year	(6,774.99)	(7,003.63)
Effect of changes in foreign exchange rates (non-cash changes)	2,083.26	(84.97)
Closing balance at the end of the year	**12,539.77**	**5,302.03**

The Group's exposure to liquidity, interest and currency risks related to borrowings is disclosed in note 35.5, 35.7 and 35.8.

Notes

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

Note 24: Trade payables

	As at December 31, 2022	As at December 31, 2021
Total outstanding dues of micro enterprises and small enterprises	46.53	38.82
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,435.82	13,934.55
Total	**15,482.35**	**13,973.37**

Trade payables ageing schedule as at December 31, 2022:

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME*	6.17	29.54	2.03	0.77	2.17	5.85	46.53
ii. Others	3,652.10	9,527.01	1,755.13	89.95	253.50	158.13	15,435.82
iii. Disputed dues – MSME	-	-	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-	-	-
Balance as at December 31, 2022	3,658.27	9,556.55	1,757.16	90.72	255.67	163.98	15,482.35

Trade payables ageing schedule as at December 31, 2021:

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME*	-	27.76	3.05	2.17	1.47	4.37	38.82
ii. Others	2,124.54	9,156.90	2,317.76	120.28	139.17	75.90	13,934.55
iii. Disputed dues – MSME	-	-	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-	-	-
Balance as at December 31, 2021	2,124.54	9,184.66	2,320.81	122.45	140.64	80.27	13,973.37

* Micro, Small and Medium Enterprises.

The Group's exposure to liquidity and currency risks related to trade payables is disclosed in note 35.5 and 35.8.

Note 25: Other current financial liabilities

	As at December 31, 2022	As at December 31, 2021
Interest accrued but not due on borrowings	1,042.84	934.64
Trade and security deposits	325.42	237.78
Employee payables	1,279.32	1,110.21
Deposits from contractors	397.61	710.52
Discounts payable	283.51	89.88
Unpaid dividends*	27.24	32.15
Others		
– Payables on purchase of property, plant and equipment	1,103.70	922.78
– Retention money	48.37	79.60
– Others	495.20	731.63
Total	**5,003.21**	**4,849.19**

*There is no amount due and outstanding to be credited to Investor Education and Protection fund as at December 31, 2022.

The Group's exposure to liquidity and currency risks related to other current financial liabilities is disclosed in note 35.5 and 35.8.

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

Note 25: Other current financial liabilities (continued)

Reconciliation of liabilities (interest accrued) arising from financing activities:

	As at December 31, 2022	As at December 31, 2021
Opening balance at the beginning of the year	934.64	958.07
Interest accrued during the year (non-cash changes)	5,004.18	4,554.10
Interest paid during the year	(4,980.40)	(4,520.07)
Effect of changes in foreign exchange rates (non-cash changes)	84.42	(57.46)
Closing balance at the end of the year	**1,042.84**	**934.64**

Note 26: Other current liabilities

	As at December 31, 2022	As at December 31, 2021
Unearned revenue (Refer note 28)	6.69	6.36
Other payables		
– Statutory liabilities	1,169.37	1,451.53
– Advances from customers (Refer note 28)	158.02	185.79
– Others	10.99	22.58
Total	**1,345.07**	**1,666.26**

Note 27: Current provisions

	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits:		
– Compensated absences (Refer note 41)	82.19	74.98
– Defined benefit plans, net (Refer note 41)	12.33	18.36
– Other provisions (Refer note 51)	13.80	10.09
Provision – Others:		
– Provision for environment liabilities (Refer note 50)	320.20	301.00
– Other provisions (Refer note 51)	503.54	237.55
Total	**932.06**	**641.98**

Note 28: Revenue from operations

	For the year ended December 31, 2022	For the year ended December 31, 2021
Sale of products	209,042.61	143,669.81
Sale of services	19.36	27.14
Other operating revenues [Refer note below]	1,048.00	1,570.87
Total	**210,109.97**	**145,267.82**

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

Note:

(i) Other operating revenues comprises:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Scrap sales	22.01	40.63
Duty drawback on exports	-	412.23
Income from sale of certified emission reductions	-	1.24
Rental income	214.36	220.88
Insurance claims	219.49	351.30
Dock revenue	203.13	137.53
Others	389.01	407.06
Total	**1,048.00**	**1,570.87**

(ii) Break up of sale of products and sale of services based on timing of transfer of goods or services:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Sale of products recognised at a point in time	209,042.61	143,669.81
Sale of services recognised over a period of time	19.36	27.14
Total	**209,061.97**	**143,696.95**

(iii) Contract assets and contract liabilities:

	As at December 31, 2022	As at December 31, 2021
Contract liabilities recorded in balance sheet (Refer note 22 & 26)	170.13	203.69

The Contract liabilities are primarily related to advance from customers for sale of products, for which revenue is recorded at a point in time. The amount of ₹ 185.79 included in contract liabilities as at December 31, 2021 has been recognised as revenue in the current year.

(iv) Reconciliation of revenue from sale of products with contract price:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Contract price (A)	211,619.97	146,595.41
Less – Reductions towards variable consideration components: (B)		
Sales returns	-	92.22
Discounts and rebates	2,491.97	2,774.43
Rebates	42.06	-
Other such reductions	43.33	58.95
Revenue recognised (A-B)	**209,042.61**	**143,669.81**

(v) Refer note 38 for geographical segment wise revenue and product wise revenue

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Note 29: Other income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income		
Interest from banks on deposits including inter-corporate deposits	465.46	400.23
Interest on income tax refund	24.60	1.47
Other interest	7.74	10.22
Other non-operating income		
Gain on sale of subsidiaries (Refer note 55)	32.47	40.10
Insurance claims	26.50	-
Liabilities/provisions no longer required written back	244.16	648.96
Gain on redemption of senior secured notes	38.12	-
Profit on sale of property, plant and equipment (net)*	-	349.45
Government grant income	26.41	458.33
Miscellaneous income	163.23	22.40
Interest on income-tax under Section 234B refund	22.64	-
Total	**1,051.33**	**1,931.16**

* Includes amount of ₹ 243.70 for the year ended December 31, 2021 relating to assets held for sale (refer note 53).

Note 30: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening Stock		
Finished goods	8,035.70	4,450.36
Work-in-progress	1,990.44	1,410.23
Stock-in-trade	2,129.50	1,558.23
	12,155.64	**7,418.82**
Closing Stock		
Finished goods	13,109.61	8,035.70
Work-in-progress	2,847.21	1,990.44
Stock-in-trade	3,228.17	2,129.50
	19,184.99	**12,155.64**
Increase in stock	**(7,029.35)**	**(4,736.82)**
Foreign currency translation adjustment	880.95	(343.73)
Net increase	**(6,148.40)**	**(5,080.55)**

Note 31: Employee benefits expense

	For the year ended December 31, 2022	For the year ended December 31, 2021
Salaries and wages	11,974.06	10,864.47
Contributions to provident and other funds (Refer note 41)	974.93	992.94
Staff welfare expenses	571.74	514.95
Total	**13,520.73**	**12,372.36**

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

Note 32: Finance costs

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense	4,560.10	4,300.90
Interest expense on lease liabilities	225.19	221.11
Interest on income tax	8.03	13.93
Other borrowing costs	315.44	253.20
Exchange differences regarded as an adjustment to borrowing cost	128.64	-
Total	**5,237.40**	**4,789.14**

Note 33: Other expenses

	For the year ended December 31, 2022	For the year ended December 31, 2021
Consumption of stores and spares	3,110.54	2,188.29
Consumption of packing materials	1,264.04	1,221.81
Power and fuel	17,124.75	9,737.75
Repairs and maintenance		
– Plant and machinery	2,876.49	2,217.93
– Buildings	124.70	261.65
– Others	1,141.85	1,339.81
Insurance	1,059.17	876.26
Rent	606.48	687.28
Rates and taxes	404.73	555.18
Travelling and conveyance	200.90	95.36
Selling and distribution expense	2,592.84	2,342.03
Freight expense	10,043.88	8,243.79
Corporate social responsibility and other donations	202.24	160.32
Consultancy charges	2,409.87	2,205.74
Payment to auditors	68.62	78.43
Directors' sitting fees	20.56	18.25
Commission to directors	18.00	28.60
Provision for loss allowance on trade receivables (Refer note 35.4)	25.74	50.01
Loss on redemption of senior secured notes	-	10.83
Provision for advances	50.00	-
Assets written off	114.71	4.49
Bad debts written off	0.49	3.11
Loss on sale of property, plant and equipment	6.84	-
Other expenses	3,758.93	2,920.40
Total	**47,226.37**	**35,247.32**

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

Note 34: Income Taxes

(i) Income tax expense/(benefit) recognised in consolidated statement of profit and loss:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current tax:		
Tax for current year	5,705.72	4,107.71
Tax relating to earlier years (Refer (iii) below)	(410.49)	83.35
	5,295.23	**4,191.06**
Deferred tax:		
Attributable to the origination and reversal of temporary differences	2,203.34	1,637.73
Tax rate change (Refer (iii) below)	5.13	-
	2,208.47	**1,637.73**
Total	**7,503.70**	**5,828.79**

(ii) Income tax expense/(benefit) recognised in other comprehensive income:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of defined benefit plans	138.69	1,655.50
Total	**138.69**	**1,655.50**

(iii) Reconciliation of Effective tax rate:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Income tax expense for the year to be reconciled to the accounting profit:		
Profit before tax	**23,272.67**	**12,764.20**
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	5,857.27	3,212.49
Effect off:		
Foreign-Derived Intangible Income (FDII) deduction	(167.12)	(114.24)
Tax-exempt income and other deductions	(27.36)	(276.52)
Tax rate changes	5.13	-
Tax related to prior years	(410.49)	83.35
Permanent differences and non-deductible expenses	691.01	758.41
Deferred tax asset derecognised, net	2,485.86	2,339.13
Impact of differences in tax rates between jurisdictions	(1,009.37)	(634.28)
Tax effects on tax base transfers	(19.22)	(26.07)
Taxes on un-distributed foreign earnings	(154.82)	91.29
Others, net	252.81	395.23
Total income tax expense	**7,503.70**	**5,828.79**

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Note 34: Income Taxes (continued)

(iv) Recognised deferred tax assets and liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	As at December 31, 2022	As at December 31, 2021
Property, plant and equipment and intangible assets	(3,429.11)	(2,538.35)
Employee benefits	433.85	468.59
Inventories	225.83	136.05
Interest carried forward	1,184.24	1,039.83
Tax losses carry forward	65.48	460.99
Foreign tax credit	623.96	1,719.95
Taxes on unremitted foreign earnings	(121.73)	(273.64)
Other	(430.01)	(193.99)
Net Deferred tax asset	**(1,447.49)**	**819.43**
Deferred tax asset	2,283.24	2,708.66
Deferred tax liability	(3,730.73)	(1,889.23)
Net Deferred tax asset	**(1,447.49)**	**819.43**

(v) Movement in temporary differences:

Particulars	Balance as at January 1, 2022	Recognised in consolidated statement of profit and loss during 2022	Recognised in other comprehensive income during 2022	Impact of changes in tax rate	Exchange differences on translation/ other adjustment	Balance as at December 31, 2022
Property, plant and equipment and Intangible assets	(2,538.35)	(632.12)	-	(18.12)	(240.52)	**(3,429.11)**
Employee benefits	468.59	(18.37)	(138.69)	1.43	120.89	**433.85**
Inventories	136.05	85.27	-	-	4.51	**225.83**
Interest carried forward	1,039.83	375.92	-	8.35	(239.86)	**1,184.24**
Tax losses carry forward	460.99	(722.34)	-	0.07	326.76	**65.48**
Foreign tax credit	1,719.95	(1,131.59)	-	-	35.60	**623.96**
Taxes on unremitted foreign earnings	(273.64)	165.90	-	-	(13.99)	**(121.73)**
Others	(193.99)	(326.01)	-	3.14	86.85	**(430.01)**
Total	**819.43**	**(2,203.34)**	**(138.69)**	**(5.13)**	**80.24**	**(1,447.49)**

Particulars	Balance as at January 1, 2021	Recognised in consolidated statement of profit and loss during 2021	Recognised in other comprehensive income during 2021	Impact of changes in tax rate	Exchange differences on translation/ other adjustment	Balance as at December 31, 2021
Property, plant and equipment and Intangible assets	(1,687.93)	(732.67)	-	-	(117.75)	**(2,538.35)**
Employee benefits	3,673.49	(1,396.51)	(1,655.50)	-	(152.89)	**468.59**
Inventories	194.85	(47.04)	-	-	(11.76)	**136.05**
Interest carried forward	1,035.73	68.65	-	-	(64.55)	**1,039.83**
Tax losses carry forward	330.01	45.82	-	-	85.16	**460.99**
Foreign tax credit	1,120.96	604.00	-	-	(5.01)	**1,719.95**
Taxes on unremitted foreign earnings	(192.87)	(90.38)	-	-	9.61	**(273.64)**
Others	(106.88)	(89.60)	-	-	2.49	**(193.99)**
Total	**4,367.36**	**(1,637.73)**	**(1,655.50)**	**-**	**(254.70)**	**819.43**

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Note 34: Income Taxes (continued)

(vi) Unrecognised deferred tax assets:

Particulars	As at December 31, 2022		As at December 31, 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses carry forward	6,608.36	2,040.52	4,685.20	592.03
Interest losses carry forward	6,059.52	1,761.05	4,420.72	1,284.77
Property, plant and equipment and Intangible assets	3,460.22	1,158.31	2,345.98	785.32
Employee benefits	2,580.55	863.84	7,138.35	2,389.56
Inventories	213.37	71.42	42.11	14.09
Others	670.84	224.56	295.62	96.75
Total	**19,592.86**	**6,119.70**	**18,927.98**	**5,162.52**

Particulars	December 31, 2022	Expiry date	December 31, 2021	Expiry date
To expire under current tax legislation	5,478.92	2022-2031	2,817.78	2022-2030
Not to expire under current tax legislation	14,113.94	-	16,110.20	-

(vii) Non-current and current tax assets and liabilities

Particulars	December 31, 2022	December 31, 2021
Non-current tax assets, net	1,073.61	922.06
Current tax assets, net	282.36	544.18
Current tax liabilities, net	1,160.03	1,520.47

(viii) Due to significant increase in operating costs driven by higher natural gas prices and tax losses, the Group's German subsidiary re-assessed the deferred tax assets to be recognised based on the scheduled reversal of deferred tax liabilities and projected future taxable income. Based on such assessment, the Group's German subsidiary reversed the deferred tax assets amounting to ₹ 1,075.43 (previous year: ₹ 2,926.06) in consolidated statement of profit and loss.

During the year ended December 31, 2022, the Group's US subsidiary, based on its assessment of scheduled reversals of deferred tax liabilities and projected future taxable income, has reversed the deferred tax assets amounting to ₹ 246.71 towards interest carry-foward.

The Group's US subsidiary had un-recognised deferred tax assets amounting to ₹ 930.03 towards Foreign Tax Credits ("FTC") as at December 31, 2020. During the year ended December 31, 2021, Management reassessed the recoverability of this unrecognised deferred tax asset based on the scheduled reversal of deferred tax liabilities and projected future taxable income. Accordingly, the Group's US subsidiary recognised the deferred tax assets during the year ended December 31, 2021, amounting to ₹ 930.03 in consolidated statement of profit and loss.

(ix) The Group has recorded a deferred tax liability of ₹ 62.67 towards dividend expected to be repatriated out of profits from its US subsidiaries to India.

Rain Carbon GmbH, Germany and Severtar Holding Ltd, Cyprus have planned fixed dividends from its foreign subsidiaries in future years contingent on the future earnings of its respective subsidiaries.

Based on the above, the Group has provided Deferred Tax Liability of ₹ 61.71 (EUR 0.7 million) on the estimated future dividends for the year ended December 31, 2022.

Based on the above, the Group has provided Deferred Tax Liability of ₹ 210.57 (EUR 2.5 million) on the estimated future dividends for the year ended December 31, 2021.

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Subject to above, the Company intends to indefinitely reinvest other earnings, as well as future earnings from its foreign subsidiaries, to fund international operations. In addition, they expect future U.S. cash generation will be sufficient to meet future U.S. cash needs.

The Group is subject to several income tax examinations by taxing authorities in various jurisdictions within which it operates. As of December 31, 2022, management does not anticipate the outcome of these examinations to result in a material change to its financial position.

(x) The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

Note 35: Financial instruments disclosure:

Note 35.1: Fair Valuation measurement hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels of fair value hierarchy:

Particulars	As at December 31, 2022				As at December 31, 2021			
	Carrying Amount	Level of inputs used in			Carrying Amount	Level of inputs used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised cost								
Trade receivables	24,940.84	-	-	-	16,985.37	-	-	-
Cash and cash equivalents	11,676.89	-	-	-	11,031.21	-	-	-
Bank balances other than cash and cash equivalents	5,029.25	-	-	-	2,810.30	-	-	-
Loans	1,185.89	-	-	-	3,129.26	-	-	-
Other non-current financial assets	454.58	-	-	-	318.89	-	-	-
Other current financial assets	323.00	-	-	-	413.86	-	-	-
At Fair value through Profit and Loss (FVTPL)								
Non-current investments	16.09	-	-	16.09	16.14	-	-	16.14
At Fair value through other comprehensive income (FVTOCI)								
Non-current investments	30.04	-	30.04	-	28.65	-	28.65	-
Financial Liabilities								
At Amortised cost								
Borrowings (including current maturities)	92,251.27	-	-	-	80,485.32	-	-	-
Lease liabilities (including current maturities)	5,062.90	-	-	-	4,409.00	-	-	-
Other non-current financial liabilities	48.64	-	-	-	62.98	-	-	-
Trade payables	15,482.35	-	-	-	13,973.37	-	-	-
Other current financial liabilities	5,003.21	-	-	-	4,849.19	-	-	-

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Note 35.2: Valuation Techniques

(a) **Investments at FVTPL/FVTOCI:** The Group measures the fair values of such investments using expected cash flow model.

(b) **Borrowings including lease liabilities (at amortised cost):** The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

(c) The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Note 35.3 Financial risk management

The Group has put in place risk management systems as applicable to the respective operations. The following explains the objective and processes of the Group. The Group has a system based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Note 35.4: Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The entities within the Group have a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk.

Trade receivables:

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower’s ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

Based on the above analysis, the Group does not expect any credit risk from its trade receivables for any of the years reported in this financial statements except for the amounts disclosed as credit impaired in the below table.

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

Particulars	As at December 31, 2022	As at December 31, 2021
Financial assets that are neither past due nor impaired	21,827.45	14,560.29
Financial assets that are past due but not impaired		
Past due 0-30 days	2,222.37	2,058.15
Past due 31-60 days	425.31	-
Past due 61-90 days	347.96	50.13
Past due over 90 days	117.75	316.80
Total past due but not impaired	**3,113.39**	**2,425.08**
Credit impaired	131.45	172.77
Less: Loss allowance	131.45	172.77
Total	**24,940.84**	**16,985.37**

Movement in loss allowance for doubtful trade receivables:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Balance at the beginning of the year	172.77	156.84
Additional provision	25.74	50.01
Provisions utilised/reversed	(59.40)	-
Foreign exchange fluctuation	(7.66)	(34.08)
Balance at the end of the year	**131.45**	**172.77**

The Group's exposure to credit risk for trade receivables by geographic region is as follows:

	Carrying amount	
Particulars	As at December 31, 2022	As at December 31, 2021
United States	3,486.40	2,607.86
North America excluding United States	7,731.88	3,655.72
South America	135.51	86.66
Europe including CIS	7,028.60	5,460.01
Middle East	2,091.90	251.78
Africa	55.03	29.92
Australia	5.24	20.79
Asia excluding Middle East	4,406.28	4,872.63
Total	**24,940.84**	**16,985.37**

At December 31, 2022, the carrying amount of trade receivable of the Group's most significant customer is ₹ 2,956.85 (December 31, 2021: ₹ 2,132.03).

The Group's exposure to credit risk for loans (both current and non-current) by geographic region is as follows:

	Carrying amount	
Particulars	As at December 31, 2022	As at December 31, 2021
United States	0.35	4.70
Europe including CIS	6.45	8.53
Asia excluding Middle East	1,179.09	3,116.03
Total	**1,185.89**	**3,129.26**

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Investments:

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counter-parties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Cash and bank balances:

Credit risk on cash and bank balances is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets:

There is no significant loss allowance for other financial assets.

Note 35.5: Liquidity risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation. The Group's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. As of December 31, 2022, cash and cash equivalents are held with major banks.

Maturity of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payment and excludes impact of netting arrangements (if any):

As at December 31, 2022

Contractual cash flows	Carrying value*	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities:							
Borrowings (including current maturities)	92,251.27	18,716.00	4,410.41	79,484.29	-	-	102,610.70
Lease liabilities (including current maturities)	5,062.90	1,096.24	821.79	1,396.77	2,387.49	2,466.99	8,169.28
Other non-current financial liabilities	48.64	-	-	28.07	20.57	-	48.64
Trade payables	15,482.35	15,482.35	-	-	-	-	15,482.35
Other current financial liabilities	5,003.21	5,003.21	-	-	-	-	5,003.21

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payment and excludes impact of netting arrangements (if any):

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As at December 31, 2021

Contractual cash flows	Carrying value*	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities:							
Borrowings (including current maturities)	80,485.32	10,021.59	5,552.14	78,484.71	-	-	94,058.44
Lease liabilities (including current maturities)	4,409.00	1,001.32	753.21	1,239.32	2,059.73	1,010.92	6,064.50
Other non-current financial liabilities	62.98	-	-	38.27	24.71	-	62.98
Trade payables	13,973.37	13,973.37	-	-	-	-	13,973.37
Other current financial liabilities	4,849.19	4,849.19	-	-	-	-	4,849.19

* Carrying value of borrowings is shown as net of deferred finance cost.

Note 35.6: Market risk:

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and borrowings.

Note 35.7: Interest rate risk:

Interest rate risk is measured by using the cashflow sensitivity for change in variable interest rates. Any movement in the market interest rates could have an impact on the Group's cash flows as well as costs. In order to manage the Group's position with regard to interest rate risk, it adopts a policy of ensuring an optimal mix of its interest rate risk exposure. The Group's exposure to the risk of changes in market interest rates related primarily to the Group's borrowing with variable interest rates.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to management is as follows:

Particulars	Interest rate exposure as at	
	December 31, 2022	December 31, 2021
Variable rate instruments		
Financial assets	1,705.59	1,256.87
Financial liabilities	(48,940.99)	(40,814.49)
	(47,235.40)	**(39,557.62)**

Cash flow Sensitivity for variable rate instruments:

Impact on Profit and loss due to 1% change in interest rate: A reasonably possible change of 1% in interest rates at the reporting date would have increased/(decreased) profit and loss on consolidated equity, net of tax, by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	December 31, 2022		December 31, 2021	
	Increase in rate	Decrease in rate	Increase in rate	Decrease in rate
Impact on profit and loss				
Variable-rate instruments	(472.35)	472.35	(395.58)	395.58
Total Impact	**(472.35)**	**472.35**	**(395.58)**	**395.58**

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Note 35.8 Currency risk:

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of individual entities in the Group.

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

Particulars*	Amounts in ₹				
Foreign Currency involved	USD	EUR	CAD	Others**	Total
Assets:					
Cash and bank balances	636.54	21.00	0.73	369.63	1,027.90
EEFC balance	0.37	-	-	-	0.37
Trade receivables	9,711.62	1.54	386.00	87.59	10,186.75
Loans	2,415.40	-	-	268.92	2,684.32
Loans and advances to subsidiary	827.86	-	-	-	827.86
	13,591.79	**22.54**	**386.73**	**726.14**	**14,727.20**
Liabilities:					
Trade payables	2,853.27	777.15	426.61	105.00	4,162.03
Borrowings	5,933.92	565.58	-	-	6,499.50
Other financial liabilities	10.45	-	-	-	10.45
Contractually reimbursable expenses	51.14	-	-	-	51.14
	8,848.78	**1,342.73**	**426.61**	**105.00**	**10,723.12**

* Includes intercompany balances.

** Others include RUB, GBP, CHF and others.

The following table analyses foreign currency risk from non derivative financial instruments as at December 31, 2021:

Particulars*	Amounts in ₹				
Foreign Currency involved	USD	EUR	CAD	Others**	Total
Assets:					
Cash and bank balances	602.19	90.07	523.12	2,101.32	3,316.70
EEFC balance	1,246.75	-	-	-	1,246.75
Trade receivables	3,157.03	64.33	245.73	257.50	3,724.59
Loans	778.37	-	-	346.82	1,125.19
Loans and advances to subsidiary	1,575.22	-	-	-	1,575.22
Other financial assets	3.64	-	-	-	3.64
	7,363.20	**154.40**	**768.85**	**2,705.64**	**10,992.09**
Liabilities:					
Trade payables	1,143.03	103.01	2,527.84	50.48	3,824.36
Borrowings	5,065.71	511.77	-	5.17	5,582.65
Other financial liabilities	124.97	-	-	-	124.97
Contractually reimbursable expenses	88.64	-	-	-	88.64
	6,422.35	**614.78**	**2,527.84**	**55.65**	**9,620.62**

* Includes intercompany balances.

**Others include RUB, GBP, CHF and others.

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Sensitivity Analysis:

A reasonably possible strengthening/weakening of the US dollar (USD), Euro (EUR), Canadian Dollar (CAD) against all other currencies as at December 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected consolidated statement of profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Impact on Profit/(loss) due to 1% change in foreign currency rates:

Particulars	December 31, 2022		December 31, 2021	
	Strengthening	Weakening	Strengthening	Weakening
USD	47.43	(47.43)	9.41	(9.41)
EUR	(13.20)	13.20	(4.60)	4.60
CAD	(0.40)	0.40	(17.59)	17.59
Others*	6.21	(6.21)	26.50	(26.50)

* Others include RUB, GBP, CHF and others.

Note 36: Investment in equity accounted investees

The Group holds 30% equity in Infratec Duisburg GmbH (IDGmbH) which is involved in infrastructure services located in Germany.

Summary financial information of the equity accounted investees and not adjusted for the percentage of ownership held by the Group, is as follows:

Particulars	As at/For the year ended December 31,	
	2022	2021
Total current assets	1,829.55	1,512.82
Total non-current assets	652.38	606.12
Total assets	**2,481.93**	**2,118.94**
Equity	301.11	290.19
Total current liabilities	587.50	348.88
Total non-current liabilities	1,593.32	1,479.87
Total equity and liabilities	**2,481.93**	**2,118.94**
Revenue	2,504.50	1,995.08
Expenses	2,495.07	2,013.24
(Loss)/profit for the year, net	**9.43**	**(18.16)**
Group's share in (Loss)/Profit for the year	2.83	(5.45)

Note 37: Capital management

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

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Group monitors capital using a ratio of 'Net debt' to 'equity'. For this purpose, adjusted net debt is defined as total interest-bearing borrowings less cash and cash equivalents. Equity comprises all components of equity excluding non-controlling interest. The Group's Net debt to equity ratio is given below.

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In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current period.

Particulars	As at December 31, 2022	As at December 31, 2021
Total borrowings, net of cash and cash equivalents	80,574.38	69,454.11
Equity	84,268.37	61,092.13
Net debt to equity ratio	**0.96**	**1.14**

Note 38: Segmental Information

(a) Business Segment

The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditures in individual segment, and are set out in significant accounting policies.

The Group evaluates performance and determines resource allocations based on a number of factors, the primary measure being operating profit. Operating profit does not include depreciation and amortization expense, finance costs, share of profit of associates, other income, gain/loss on foreign currency transactions, exceptional items and income taxes. All inter segment transactions are accounted for at agreed upon rates based on transfer pricing agreements.

Particulars	For the year ended December 31, 2022				For the year ended December 31, 2021			
	Carbon	Advanced Materials	Cement	Total	Carbon	Advanced Materials	Cement	Total
Revenue								
External Sales	154,627.48	39,104.72	15,329.77	209,061.97	96,965.87	32,909.77	13,821.31	143,696.95
Inter-segment Sales	8,896.20	3,978.79	13.69	12,888.68	6,631.47	3,827.78	20.19	10,479.44
Total	**163,523.68**	**43,083.51**	**15,343.46**	**221,950.65**	**103,597.34**	**36,737.55**	**13,841.50**	**154,176.39**
Less: Eliminations	(8,896.20)	(3,978.79)	(13.69)	(12,888.68)	(6,631.47)	(3,827.78)	(20.19)	(10,479.44)
Total Revenue from sale of products and from services provided	**154,627.48**	**39,104.72**	**15,329.77**	**209,061.97**	**96,965.87**	**32,909.77**	**13,821.31**	**143,696.95**
Other operating income	790.34	257.66	-	1,048.00	1,282.93	268.48	19.46	1,570.87
Total Revenue from operations	**155,417.82**	**39,362.38**	**15,329.77**	**210,109.97**	**98,248.80**	**33,178.25**	**13,840.77**	**145,267.82**
Result								
Operating Profit	**34,305.27**	**960.19**	**1,214.32**	**36,479.78**	**19,990.16**	**888.54**	**2,686.28**	**23,564.98**
Unallocable (income)/expense								
Depreciation and amortisation expense				7,903.10				7,981.53
Impairment				465.64				168.07
Finance costs				5,237.40				4,789.14
Other Income (net of loss on sale of property, plant and equipment)				(1,044.49)				(1,931.16)
Forex loss/(gain)				648.29				(212.25)
Share of (profit)/loss of associates (net of income tax)				(2.83)				5.45
Profit before taxation				**23,272.67**				**12,764.20**
Tax expense, net				7,503.70				5,828.79
Profit after tax and before minority interest				**15,768.97**				**6,935.41**

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Segmental assets and liabilities:

As certain assets of the Company are often deployed interchangeably between segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for segment assets and liabilities have not been disclosed in the above table.

Inter-segment revenues are recognised on the basis of generally accepted accounting principles. These are eliminated upon consolidation which is reflected in 'Eliminations' above.

Since the information about material items of income and expense are not reviewed by Chief Operating Decision Maker (CODM), the Group has not presented such information as part of its segment disclosures which is in accordance with requirements of Ind AS 108 – "Operating Segments".

(b) Geographical Segment (secondary segment information)

Particulars	Revenue from operations for the		Non-current assets as at*	
	Year ended December 31, 2022	Year ended December 31, 2021	December 31, 2022	December 31, 2021
India	35,695.66	29,366.05	13,305.74	12,841.39
Outside India	174,414.31	115,901.77	113,060.77	105,623.60
	210,109.97	**145,267.82**	**126,366.51**	**118,464.99**

* Non-current assets exclude financial instruments, equity accounted investments, deferred tax assets and post-employment benefit assets.

Particulars	Revenue from operations for the		Non-current assets as at*	
	Year ended December 31, 2022	Year ended December 31, 2021	December 31, 2022	December 31, 2021
Europe including CIS	74,756.75	58,487.94	55,500.37	53,624.39
Asia excluding Middle East (Including India)	40,006.29	32,492.23	13,306.17	12,842.18
United States	35,157.08	23,973.41	51,131.51	45,959.99
North America excluding United States	38,532.71	19,572.66	6,428.46	6,038.43
Others	21,657.14	10,741.58	-	-
Total	**210,109.97**	**145,267.82**	**126,366.51**	**118,464.99**

*Non-current assets exclude financial instruments, equity accounted investments, deferred tax assets and post-employment benefit assets.

Note: Revenue by geographic area in the above table are attributed by the destination country of sale.

Revenue from major products:

Major product	For the year ended December 31	
	2022	2021
Calcined petroleum coke	75,681.00	42,136.26
Coal tar pitch	49,969.00	31,317.19
Other carbon products	26,741.00	21,124.97
Resins	16,857.00	13,027.81
Cement	15,345.00	13,821.31

Revenue from major customer:

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

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Note 39: Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amount of goodwill allocated to each unit are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
(a) Carbon Calcination	34,899.38	31,320.50
(b) Carbon Distillation – other than (c) below	30,101.90	29,604.58
(c) Carbon Distillation – OOO RÜTGERS Severtar *	937.81	-
(d) Advanced Materials	2,286.01	2,179.69
(e) Cement	201.37	201.37
	68,426.47	**63,306.14**

* Subsequent to the conflict between Russia and Ukraine, OOO RUTGERS Severtar is operating largely independent of the Group and hence considered as a separate cash-generating unit for the purpose of impairment testing of goodwill for the year ended December 31, 2022.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

Key assumptions on which the Group has based its determination of value-in-use include:

(a) Estimated cash flows for five years based on management's budgets and estimates.

(b) Terminal value arrived by extrapolating last forecasted year cash flows to perpetuity, using a constant long-term growth rate for various cash generating units. This long-term growth rate takes into consideration external macro-economic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.

(c) The post-tax discount rates used are based on the capital structure of a peer group in accordance with Ind AS 36.

(d) Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions.

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The key assumptions used in the estimation of the recoverable amounts are set out below:

As at December 31, 2022

	Carbon Calcination	Carbon Distillation – OOO RÜTGERS Severtar	Carbon Distillation – other than OOO RÜTGERS Severtar	Advanced Materials	Cements
Discount rate	9.50% - 14.00%	20.90%	8.50%	9.50%	12.00%
Terminal value growth rate	2%	2%	0.75%	0.75%	2.00%

As at December 31, 2021

	Carbon Calcination	Carbon Distillation	Advanced Materials	Cements
Discount rate	10.50% - 14.00%	7.35%	7.35%	12.00%
Terminal value growth rate	2%	0.75%	0.75%	2.00%

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Note 40: Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests (NCI), before any intra-group eliminations

December 31, 2022	Severtar Holding Group
Non-controlling interest percentage	34.7%
Non-current assets	3,039.15
Current assets	8,883.21
Non-current liabilities	(1,187.42)
Current liabilities	(835.11)
Net assets	**9,899.83**
Net assets attributable to non-controlling interests	3,435.25
Revenue	16,038.97
Profit for the year	3,996.16
Other comprehensive income/(loss)	1,004.62
Total comprehensive income	**5,000.78**
Profit allocated to non-controlling interests	1,386.67
Other comprehensive income/(loss) allocated to non-controlling interests	348.60
Total comprehensive income allocated to non-controlling interests	**1,735.27**
Cash flows from/(used in) operating activities	4,133.00
Cash flows (used in)/from investing activities	(848.08)
Cash flows (used in)/from financing activities (Dividend to NCI: 731.22)	(2,204.93)
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	552.53
Net (decrease)/increase in cash and cash equivalents	1,632.52

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December 31, 2021	Severtar Holding Group
Non-controlling interest percentage	34.7%
Non-current assets	1,857.30
Current assets	6,378.60
Non-current liabilities	(441.16)
Current liabilities	(753.16)
Net assets	**7,041.58**
Net assets attributable to non-controlling interests	2,443.43
Revenue	11,408.92
Profit for the year	3,273.58
Other comprehensive loss	(35.88)
Total comprehensive income	**3,237.70**
Profit allocated to non-controlling interests	1,135.93
Other comprehensive loss allocated to non-controlling interests	(12.45)
Total comprehensive income allocated to non-controlling interests	**1,123.48**
Cash flows from operating activities	2,966.58
Cash flows (used in)/from investing activities	(77.63)
Cash flows used in financing activities (Dividend to NCI: INR Nil)	(23.78)
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.83
Net (decrease)/increase in cash and cash equivalents	2,866.00

Note 41: Assets and liabilities related to employee benefits

The Group has various employee benefit schemes covering different categories of employees based on their location of employment.

(a) Contribution plans:

Amounts towards defined contribution plans have been recognised under "Contributions to provident and other funds" in Note 31 of ₹ 167.96 for the year ended December 31, 2022 (December 31, 2021 - ₹ 146.18).

(b) Compensated absences:

The Group provides for accumulation of compensated absences to certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods or receive cash in lieu thereof as per the Group's policy. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded towards this benefit as at December 31, 2022 is ₹ 402.59 (December 31, 2021 – ₹ 333.12).

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

Particulars	As at December 31, 2022	As at December 31, 2021
Net Liability		
– Current	82.19	74.98
– Non-current	320.40	258.14
Total	**402.59**	**333.12**

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(c) Benefit plans:

The Group has various employee benefit plans covering different categories of employees based on their location of employment.

The various benefit plans are as follows:

(A) Gratuity plan in India

(B) Pension plan in United States of America

(C) Pension plan in Germany

(D) Pension plan in Belgium

(E) Pension plan in Canada

(F) Health care plan in Canada

Inherent risk:

The plans are defined benefit in nature which is sponsored by the Group and hence it underwrites all the risk pertaining to the plans. In particular, this exposes the Group, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plans are not subject to longevity risk.

A. Gratuity plan in India:

In accordance with applicable Indian laws, the Company and its Indian subsidiaries have a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Company. Vesting occurs on completion of 5 years of service. The Group makes annual contribution in Gratuity funds of Insurance companies. The Parent and its Indian subsidiaries account for the liability for gratuity benefits payable in the future based on an actuarial valuation. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) Amounts recognised in the Consolidated Balance Sheet are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	200.16	207.17
Less: Fair value of plan assets	48.99	39.17
Net liability	**151.17**	**168.00**

(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	17.19	16.56
Interest cost	10.61	9.39
Total	**27.80**	**25.95**

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(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of defined benefit plans	(18.09)	(5.48)

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	207.17	206.37
Current service cost	17.19	16.56
Interest Cost	12.24	11.20
Actuarial loss/(gain)		
Changes in financial assumptions	(9.33)	(6.44)
Changes in demographic assumptions	(0.41)	-
Experience adjustments	(7.00)	2.01
Amount paid to employees	(19.70)	(22.53)
Closing defined benefit obligation	**200.16**	**207.17**

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

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening fair value of plan assets	39.17	46.36
Interest on plan assets	1.63	1.81
Actuarial gain	1.35	1.05
Contribution by employer	26.54	12.48
Amount paid to employees	(19.70)	(22.53)
Closing fair value of plan assets	**48.99**	**39.17**
Actual return on plan assets	**2.98**	**2.86**

(vi) Major Category of plan assets as a percentage to fair value of plan assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Insurer managed funds	100%	100%

(vii) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rates on benefit obligations	7.45% - 7.50%	6.60%
Expected salary increase rates	7.00% - 8.00%	7.00% - 7.50%

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(viii) **Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(5.25)	5.57
Future salary growth (0.5% movement)	5.33	(5.08)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(5.46)	0.21
Future salary growth (0.5% movement)	5.63	0.02

(ix) The expected contribution to be made by the Group during the next annual reporting period is ₹ 12.00 (December 31, 2021: ₹ 12.00).

(x) As at December 31, 2022, the weighted average duration of the defined benefit obligation is in the range of 5.21 to 6.50 years (December 31, 2021: 5.59 to 6.93 years).

(xi) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

(xii) **Maturity profile of the defined benefit obligation:**

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	45.76	43.57
Year 2	23.82	24.08
Year 3	26.67	22.57
Year 4	24.65	24.80
Year 5	17.43	23.50
Thereafter	205.28	202.32

(xiii) **The following table sets forth the status of the benefit plans:**

Particulars	As at December 31, 2022	As at December 31, 2021
Net Liability		
– Current	12.33	18.36
– Non-current	138.85	149.64
Total	**151.19**	**168.00**

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B. Pension plan in United States of America:

The subsidiaries in the United States of America (USA) have a non-contributory defined benefit pension plan covering hourly employees in the USA. Benefits under the hourly employees' plan are based on years of service and age. Their funding policy is to contribute amounts to meet minimum funding requirements, plus additional amounts as the subsidiary companies may determine to be appropriate.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) Amounts recognised in the Consolidated Balance Sheet are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	888.66	1,059.84
Less: Fair value of plan assets	697.38	790.36
Net liability*	**191.28**	**269.48**

*Represents non-current portion

(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	37.88	39.17
Past service cost	17.54	25.13
Interest cost	30.04	25.10
Interest on plan assets	(50.61)	(50.40)
Total	**34.85**	**39.00**

(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of Defined Benefit Plans	(145.43)	(84.95)

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	1,059.84	1,046.07
Current service cost	37.88	39.17
Past service cost	17.54	25.13
Interest Cost	30.04	25.10
Actuarial (gain)/loss	(349.53)	(100.42)
Amendments	-	31.34
Amount paid to employees	(30.26)	(25.77)
Exchange differences	123.15	19.22
Closing defined benefit obligation	**888.66**	**1,059.84**

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

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening fair value of plan assets	790.36	712.09
Interest on plan assets	50.61	50.40
Actuarial (loss)/gain	(204.10)	15.87
Contribution by employer	-	25.54
Amount paid to employees	(30.26)	(25.77)
Exchange differences	90.77	12.23
Closing fair value of plan assets	**697.38**	**790.36**
Actual return on plan assets	**(153.49)**	**66.27**

(vi) Major Category of plan assets as a percentage to fair value of plan assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Equity securities	50%	49%
Debt securities	45%	45%
Others	5%	6%

(vii) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rates on benefit obligations	4.99%	2.75%
Expected rate of return on plan assets	6.25%	7.00%

Assumptions regarding future mortality and experience are set in accordance with Scale MP – 2022. The discount rate is based on the FTSE spot rates as at balance sheet date for estimated term of obligation.

(viii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	50.51	(63.34)
Attrition rate (0.5% movement)	0.90	(1.07)
Future mortality (0.5% movement)	(13.09)	13.57

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Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	77.68	(101.23)
Attrition rate (0.5% movement)	1.11	(1.34)
Future mortality (0.5% movement)	(19.31)	19.87

(ix) The expected contribution to be made by the Group during the next annual reporting period is Nil (December 31, 2021: ₹ Nil).

(x) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

(xi) **Maturity profile of the defined benefit obligation:**

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	44.84	37.14
Year 2	45.08	38.49
Year 3	48.14	38.73
Year 4	49.98	40.93
Year 5	49.97	42.80
Year 6 - Year 10	257.14	218.39

C. Pension plan in Germany:

In respect of subsidiary companies in Germany, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognized for obligations due to benefit plans for old age, invalidity, and surviving dependent's benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country. Benefits are usually based on the length of service and final salary of employees.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) **Amounts recognised in the Consolidated Balance Sheet are as follows:**

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of unfunded obligation	6,506.67	10,762.49
Less: Fair value of plan assets	-	-
Net liability*	**6,506.67**	**10,762.49**

*Represents non-current portion

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(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	401.09	503.18
Interest cost	103.20	43.10
Total	**504.29**	**546.28**

(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of Defined Benefit Plans	(5,185.91)	(1,977.05)

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	10,762.49	13,068.55
Current service cost	401.09	503.18
Interest Cost	103.20	43.10
Actuarial (gain)/loss	(5,185.91)	(1,977.05)
Plan participant contributions	48.15	51.92
Amount paid to employees	(120.87)	(106.10)
Exchange differences	498.52	(821.11)
Closing defined benefit obligation	**6,506.67**	**10,762.49**

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

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening fair value of plan assets	-	-
Contribution by employer	72.72	54.18
Plan participant contributions	48.15	51.92
Amount paid to employees	(120.87)	(106.10)
Closing fair value of plan assets	-	-
Actual return on plan assets	-	-

(vi) Principal Actuarial assumptions used:

Particulars	As at December 31, 2022	As at December 31, 2021
Discount rates on benefit obligations	3.77%	0.98%
Expected salary increase rates	3.00%	3.00%

Assumptions regarding future mortality and experience are set in accordance with Heubeck 2018G. The discount rate is based on the IBoxx Corporate AA 10+ Indices as at balance sheet date for estimated term of obligation.

Notes

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

(vii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(574.53)	664.07
Future salary growth (0.5% movement)	10.88	(10.71)
Weighted average duration	18.48 Years	19.43 Years

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(1,271.03)	1,508.43
Future salary growth (0.5% movement)	22.33	(21.97)
Weighted average duration	25.13 Years	26.23 Years

(viii) The expected contribution to be made by the Group during the next annual reporting period is ₹ 147.13 (December 31, 2021: ₹ 126.61).

(ix) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

(xi) Maturity profile of the defined benefit obligation:

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	147.13	126.61
Year 2	164.91	143.48
Year 3	180.86	157.08
Year 4	195.60	171.62
Year 5	216.39	185.52
Year 6 - Year 10	1,375.99	1,204.20

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

D. Pension plan in Belgium:

In respect of subsidiary companies in Belgium, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognized for obligations due to benefit plans for old age, invalidity, and surviving dependents' benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country. Benefits are usually based on the length of service and final salary of employees.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) Amounts recognised in the Consolidated Balance Sheet are as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	1,638.41	1,773.42
Less: Fair value of plan assets	1,425.70	1,246.43
Net liability*	**212.71**	**526.99**

*Represents non-current portion

(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	120.44	135.95
Interest cost	16.78	6.15
Interest on plan assets	(12.49)	(4.07)
Total	**124.73**	**138.03**

(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of Defined Benefit Plans	(318.75)	(115.77)

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	1,773.42	1,868.94
Current service cost	120.44	135.95
Interest Cost	16.78	6.15
Actuarial (gain)/loss	(292.47)	(91.41)
Administrative expenses, taxes and insurance premiums	(43.16)	(46.99)
Plan participant contributions	21.97	24.61
Amount paid to employees	(46.55)	(1.26)
Exchange differences	87.98	(122.57)
Closing defined benefit obligation	**1,638.41**	**1,773.42**

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

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

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening fair value of plan assets	1,246.43	1,171.15
Interest on plan assets	12.49	4.07
Actuarial gain	26.28	24.36
Contribution by employer	141.51	150.93
Plan participant contributions	21.97	24.61
Administrative expenses, taxes and insurance premiums	(43.16)	(46.99)
Amount paid to employees	(46.55)	(1.26)
Exchange differences	66.73	(80.44)
Closing fair value of plan assets	**1,425.70**	**1,246.43**
Actual return on plan assets	**38.77**	**28.43**

(vi) **Major Category of plan assets as a percentage to fair value of plan assets:**

Particulars	As at December 31, 2022	As at December 31, 2021
Insurer managed funds	100%	100%

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

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rates on benefit obligations	3.77%	0.98%
Expected rate of return on plan assets	2.20%	2.20%
Expected salary increase rates	2.50%	2.50%

Assumptions regarding future mortality and experience are set in accordance with MR/FR-5. The discount rate is based on the IBoxx Corporate AA 10+ Indices as at balance sheet date for estimated term of obligation.

(viii) **Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(88.63)	96.86
Future salary growth (0.5% movement)	(3,276.81)	(3,276.81)
Weighted average duration	11.12 Years	11.48 Years

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

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(117.19)	128.06
Future salary growth (0.5% movement)	(3,546.84)	(3,546.84)
Weighted average duration	13.67 Years	13.94 Years

(ix) The expected contribution to be made by the Group during the next annual reporting period is ₹ 140.1 (December 31, 2021: ₹ 148.62).

(x) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

(xi) **Maturity profile of the defined benefit obligation:**

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	65.00	30.98
Year 2	48.80	12.62
Year 3	7.26	99.94
Year 4	82.57	20.99
Year 5	109.34	71.56
Year 6 - Year 10	855.39	595.52

E. Pension plan in Canada:

In respect of subsidiary companies in Canada, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognized for obligations due to benefit plans for old age, invalidity, and surviving dependents benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country. Benefits are usually based on the length of service and final salary of employees.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) **Amounts recognised in the Consolidated Balance Sheet are as follows:**

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	1,803.81	2,038.86
Less: Fair value of plan assets	2,049.64	2,364.14
Net liability/(asset)*	**(245.83)**	**(325.28)**

*Represents non-current portion

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forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

(ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	26.85	39.82
Past service cost	41.91	-
Interest cost	65.93	57.41
Interest on plan assets	(77.41)	(58.59)
Administrative expenses	6.04	6.13
Total	**63.32**	**44.77**

(iii) Net employee benefits expense (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of Defined Benefit Plans	63.94	(296.83)

(iv) Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	2,038.86	2,194.04
Current service cost	26.85	39.82
Past service cost	41.91	-
Interest Cost	65.93	57.41
Actuarial (gain)/loss	(391.28)	(168.82)
Plan participant contributions	3.55	4.12
Amount paid to employees	(90.86)	(122.38)
Exchange differences	108.85	34.67
Closing defined benefit obligation	**1,803.81**	**2,038.86**

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

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening fair value of plan assets	2,364.14	2,209.52
Interest on plan assets	77.41	58.59
Actuarial gain	(455.22)	128.01
Contribution by employer	30.60	53.45
Plan participant contributions	3.55	4.12
Administrative expenses, taxes and insurance premiums	(6.04)	(6.13)
Amount paid to employees	(90.86)	(122.38)
Exchange differences	126.06	38.96
Closing fair value of plan assets	**2,049.64**	**2,364.14**
Actual return on plan assets	**(377.81)**	**186.60**

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

(vi) Major Category of plan assets as a percentage to fair value of plan assets:

Particulars	As at December 31, 2022	As at December 31, 2021
Others	100%	100%

(vii) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rates on benefit obligations	5.25%	3.20%
Expected rate of return on plan assets	4.40%	4.40%
Expected salary increase rates	4.00%	3.00%

The discount rate is based on the Mercer Yield Curve Indices as at balance sheet date for estimated term of obligation.

(viii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(117.46)	128.82
Future salary growth (0.5% movement)	1.64	(1.43)
Weighted average duration	10.67 Years	11.13 Years

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(161.85)	178.63
Future salary growth (0.5% movement)	6.35	(4.40)
Weighted average duration	12.97Years	13.43Years

(ix) The expected contribution to be made by the Group during the next annual reporting period is ₹ 41.22 (December 31, 2021: ₹ 59.82).

(x) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

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

(xi) **Maturity profile of the defined benefit obligation:**

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	114.02	91.81
Year 2	116.21	104.16
Year 3	124.46	104.60
Year 4	132.05	113.84
Year 5	131.24	119.88
Year 6 - Year 10	702.26	642.41

F. Health care plan in Canada:

One of the subsidiaries in Canada have non-pension post-employment benefit plans funded on a cash basis by contribution from the subsidiaries. The plan is for the purpose of providing medical and dental benefits for retirees and eligible dependents and life insurance for retirees. The plan is funded on a pay-as-you-go basis. The subsidiary funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for the plan. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2022. The following table sets forth the status of the various defined benefit plans of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

(i) **Amounts recognised in the Consolidated Balance Sheet are as follows:**

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligation	453.62	535.48
Less: Fair value of plan assets	-	-
Net liability*	**453.62**	**535.48**

*Represents non-current portion

(ii) **Net employee benefits expense (recognised in employee benefits expense):**

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	32.67	36.57
Interest cost	17.46	14.52
Total	**50.13**	**51.09**

(iii) **Net employee benefits expense (recognised in other comprehensive income):**

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurements of Defined Benefit Plans	(148.20)	(55.41)

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

(iv) **Reconciliation of opening and closing balances of the present value of the obligations:**

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Opening defined benefit obligation	535.48	549.60
Current service cost	32.67	36.57
Interest Cost	17.46	14.52
Actuarial loss/(gain)	(148.20)	(55.41)
Amount paid to employees	(14.56)	(17.93)
Exchange differences	30.77	8.13
Closing defined benefit obligation	**453.62**	**535.48**

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

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rates on benefit obligations	5.25%	3.20%
Annual increase in health cost		
Initial trend rate	5.65%	5.65%
Ultimate trend rate	4.00%	4.00%
Year ultimate trend rate is reached	2,040	2,040

Assumptions regarding future mortality and experience are set in accordance with 2014 Private Sector Canadian Pensioners Mortality Table (CPM2014Priv) with projection scale CPM-B. The discount rate is based on the Mercer Yiled Curve as at balance sheet date for estimated term of obligation.

(vi) **Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2022 shown below.

Particulars	Increase	Decrease
Health care cost trend rates (0.5% movement)	24.38	(18.16)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2021 shown below.

Particulars	Increase	Decrease
Health care cost trend rates (0.5% movement)	32.59	(24.86)

(vii) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

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

(viii) Maturity profile of the defined benefit obligation:

Particulars	As at December 31, 2022	As at December 31, 2021
Year 1	18.25	15.55
Year 2	20.01	16.47
Year 3	22.21	17.82
Year 4	23.62	19.08
Year 5	25.03	20.51
Year 6 - Year 10	148.09	122.80

Note 42: Related Party Disclosures

(a) Names of related parties and description of relationship

Key Managerial Personnel (KMP) and their relatives	1. Mr. N. Radha Krishna Reddy – Managing Director
	2. Mr. Jagan Mohan Reddy Nellore – Non-Executive Director
	3. Mr. N. Sujith Kumar Reddy – Non-Executive Director
	4. Mr. N. Venkata Pranav Reddy – Relative of Managing Director
	5. Mr. N. Shiv Keshav Reddy – Relative of Managing Director
	6. Mr. N. Sridutt Reddy – Relative of Managing Director
	7. Mr. T. Srinivasa Rao – Chief Financial Officer
	8. Mr. S. Venkat Ramana Reddy – Company Secretary
	9. Ms. N Indira Reddy – Relative of Managing Director
	10. Ms. N Anupama Reddy – Relative of Non-Executive Director
Enterprise where key managerial personnel along with their relatives exercise significant influence	1. Rain Entertainments Private Limited (REPL)
	2. Rain Enterprises Private Limited (REnPL)
	3. Nivee Holdings Private Limited
	4. Nivee Property Developers Private Limited (NPDPL)
	5. Sujala Investments Private Limited
	6. Pragnya Priya Foundation (PPF)
	7. Arunachala Holdings Private Limited
	8. Arunachala Logistics Private Limited
	9. PCL Financial Services Private Limited
	10. Protector Facilities Management Private Limited
Non-executive directors and their relatives	1. Mr. Jagan Mohan Reddy Nellore – Vice Chairman (Non-Executive Director)
	2. Mr. N. Sujith Kumar Reddy – Non-Executive Director
	3. Mr. Brian Jude McNamara – Independent Director (Chairman)
	4. Mr. Varun Batra – Independent Director
	5. Ms. Radhika Vijay Haribhakti – Independent Director
	6. Ms. Nirmala Reddy – Independent Director
	7. Mr. Robert Tonti Thomas – Independent Director (since October 31, 2021)
	8. Mr. H.L.Zutshi – Independent Director (till September 30, 2021)
	9. Ms. N Akhila Reddy – Relative of Non-executive Director
Equity accounted investees	1. InfraTec Duisburg GmbH (IDGmbH) (Investment by Rain Carbon Germany GmbH)

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(b) Transactions with related parties:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Purchases and services (net of reimbursements) from:		
(a) InfraTec Duisburg GmbH	881.63	792.42
(b) Arunachala Logistics Private Limited	5,471.61	4,932.30
Sale of cement:		
(a) Rain Entertainments Private Limited	0.05	0.04
(b) Pragnya Priya Foundation	0.02	-
(c) Nivee Property Developers Private Limited	2.81	3.24
(d) Arunachala Logistics Private Limited	38.77	41.23
Other operating income		
(a) InfraTec Duisburg GmbH	107.79	93.90
(b) Arunachala Logistics Private Limited - Rental Income	0.54	0.50
(c) Arunachla Logistics Private Limited - Sale of Scrap	0.10	0.32
(d) Pragnya Priya Foundation - Rental Income	0.06	-
Other operating expenses		
(a) Arunachala Logistics Private Limited - Rental Expenses	4.04	3.86
(a) Protector Facilities Management Private Limited - Man Power Services	71.49	40.85
Managerial remuneration (Short term employee benefits) (See Note (iii) below)		
(a) T. Srinivasa Rao	20.62	18.21
(b) S. Venkat Ramana Reddy	6.20	5.11
Remuneration, commission and sitting fees to relatives of KMP		
(a) N. Sujith Kumar Reddy (managing director of a wholly owned subsidiary)	37.33	47.11
(b) N. Venkata Pranav Reddy (son of managing director of a wholly owned subsidiary)	2.32	0.87
(c) N. Shiv Keshav Reddy (son of managing director of a wholly owned subsidiary)	0.06	0.15
(d) N. Sridutt Reddy (relative of managing director)	2.70	1.68
Sitting fees to Non-executive directors of the Company	5.55	3.89
Commission to Non-executive directors of the Company	3.00	3.60
Dividend paid		
(a) Enterprise where key managerial personnel along with their relatives exercise significant influence		
– Sujala Investments Private Limited	37.77	37.77
– Rain Enterprises Private Limited	25.32	25.32
– Nivee Holdings Private Limited	8.14	8.14
– Arunachala Holdings Private Limited	5.27	5.27
– PCL Financial Services Private Limited	3.78	3.78
– Arunachala Logistics Private Limited	0.99	0.99
(b) Key Managerial Personnel and their relatives		
– N. Radha Krishna Reddy	10.38	10.38
– T. Srinivasa Rao	0.09	0.09
– N. Indira Reddy	7.51	7.51
– N. Anupama Reddy	27.30	27.30
– Jagan Mohan Reddy Nellore*	0.00	0.00
(c) Non-executive directors		
– N. Sujith Kumar Reddy	10.03	10.03
– N. Akhila Reddy	1.87	1.87
Corporate social responsibility expense		
(a) Pragnya Priya Foundation	71.20	54.45

*Rounding off norm adopted by the company. The actual amount is ₹ 100 in absoulte terms.

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

Particulars	As at December 31, 2022	As at December 31, 2021
Advances paid to		
(a) InfraTec Duisburg GmbH	245.99	255.76
(b) Arunachala Logistics Private Limited	252.85	110.90
Amounts receivable from		
(a) Pragnya Priya Foundation	0.06	-
Amounts payable to		
(a) Commission payable to Non-executive directors	3.00	3.60
(b) Protector Facilities Management Private Limited	1.40	0.45
(c) N. Sujith Kumar Reddy (managing director of a wholly owned subsidiary)	15.00	25.00

(i) No trade or other receivables are due by directors or other officers of the Group or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member other than disclosed above.

(ii) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

(iii) **Long term employee benefits for Key Managerial Personnel:**

The managerial personnel are covered by Company's gratuity policy and are eligible for compensated absences along with the employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

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Note 43: Additional information to Consolidated Financial Statements

S. No.	Name of the Company	As at December 31, 2022 — Net Assets i.e., Total Assets minus Total Liabilities: As a % of Consolidated Net Assets	Amount	For the year ended December 31, 2022 — Share in Profit or Loss: As a % of Consolidated Profit or Loss	Amount	Other comprehensive income (OCI): As a % of Consolidated OCI	Amount	Total comprehensive income (TCI): As a % of Consolidated TCI	Amount
	PARENT								
	Rain Industries Limited	4.97	9,033.31	1.09	277.47	-	(0.01)	0.78	277.46
	SUBSIDIARIES								
	Indian								
1.	Rain Cements Limited	4.54	8,251.94	3.04	775.64	0.12	12.22	2.22	787.86
2.	Renuka Cement Limited	0.14	257.62	(0.18)	(47.14)	-	-	(0.13)	(47.14)
3.	Rain CII Carbon (Vizag) Limited	12.71	23,117.44	26.48	6,753.41	0.01	1.32	19.07	6,754.73
4.	Rain Verticals Limited	-	0.58	-	(0.06)	-	-	-	(0.06)
	Foreign								
5.	Rain Commodities (USA) Inc.	8.35	15,182.78	1.05	268.19	(1.28)	(126.49)	0.40	141.70
6.	Rain Carbon Inc.	12.10	22,000.31	18.50	4,719.19	(0.97)	(95.85)	13.05	4,623.34
7.	Rain Carbon Holdings, LLC [1]	-	-	-	-	-	-	-	-
8.	Rain Global Services LLC	-	-	-	-	-	-	-	-
9.	Rain CII Carbon LLC	21.21	38,578.37	34.80	8,876.52	24.19	2,398.40	31.83	11,274.92
10.	CII Carbon Corp. [2]	-	-	-	-	-	-	-	-
11.	Rain Carbon Canada Inc.	4.40	7,999.62	1.97	502.66	4.36	432.69	2.64	935.35
12.	Rain Carbon BV	8.20	14,909.34	9.23	2,354.48	8.33	826.06	8.98	3,180.54
13.	VFT France S.A	0.74	1,319.56	0.13	27.23	0.16	16.35	0.12	43.58
14.	Rumba Invest BVBA & Co. KG	-	(2.06)	0.41	104.57	-	(0.16)	0.29	104.41
15.	Rain Carbon Germany GmbH	7.47	13,587.60	(10.03)	(2,557.67)	33.15	3,287.02	2.06	729.35
16.	RÜTGERS Resins BV	1.03	1,878.59	0.09	22.55	0.89	87.81	0.31	110.36
17.	Severtar Holding Ltd.	1.26	2,291.81	(0.04)	(10.57)	1.31	129.44	0.34	118.87
18.	OOO RÜTGERS Severtar	5.37	9,774.66	15.71	4,007.41	5.26	521.16	12.79	4,528.57
19.	OOO Rain Carbon LLC [3]	0.13	243.50	0.08	21.21	0.28	27.58	0.14	48.79
20.	Rain Carbon Poland Sp. z. o. o	0.29	523.52	0.27	69.57	(0.06)	(6.36)	0.18	63.21
21.	Rain Carbon (Shanghai) Trading Co. Ltd.	0.06	113.26	0.01	3.49	0.03	2.91	0.02	6.40
22.	Rain Carbon Wohnimmobilien GmbH & Co. KG	0.11	202.43	(0.07)	(17.02)	0.09	9.01	(0.02)	(8.01)
23.	Rain Carbon Gewerbeimmobilien GmbH & Co. KG	0.42	768.55	0.19	49.15	0.26	25.39	0.21	74.54
24.	Rain Carbon GmbH	6.50	11,822.09	(2.73)	(695.98)	23.87	2,366.63	4.72	1,670.65
	Sub total	**100.00**	**181,854.82**	**100.00**	**25,504.30**	**100.00**	**9,915.12**	**100.00**	**35,419.42**
	Less: Inter company adjustments/ eliminations		(97,586.45)		(9,738.16)		(440.61)		(10,178.77)
	Non-controlling interests		-		(1,382.52)		(348.37)		(1,730.89)
	Share of profit/(loss) of associates (net of income tax):								
	InfraTec Duisburg GmbH		-		2.83		-		2.83
	TOTAL		**84,268.37**		**14,386.45**		**9,126.14**		**23,512.59**

Net assets and share in profit or loss, other comprehensive income and total comprehensive income for parent company, subsidiaries and associates are as per the standalone financial statements of the respective entities.

Notes:

[1] Merged with RCI on December 27, 2022.

[2] Merged with RCC on January 27, 2022.

[3] Ownership got transferred from RCBV to RIL on April 27, 2022.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

		As at December 31, 2021		For the year ended December 31, 2021					
		Net Assets i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Other comprehensive income (OCI)		Total comprehensive income (TCI)	
S. No.	Name of the Company	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
	PARENT								
	Rain Industries Limited	5.16	9,092.18	1.92	311.64	0.55	1.80	1.89	313.44
	SUBSIDIARIES								
	Indian								
1.	Rain Cements Limited	4.28	7,541.53	10.47	1,699.55	(0.53)	(1.72)	10.25	1,697.83
2.	Renuka Cement Limited	0.17	304.76	0.02	3.31	-	-	0.02	3.31
3.	Rain CII Carbon (Vizag) Limited	9.29	16,362.74	15.22	2,470.83	1.17	3.82	14.94	2,474.65
4.	Rain Verticals Limited (See note 1 below)	-	0.64	-	(0.36)	-	-	-	(0.36)
	Foreign								
5.	Rain Commodities (USA) Inc.	8.72	15,359.45	21.08	3,423.50	(13.13)	(42.94)	20.41	3,380.56
6.	Rain Carbon Inc.	10.25	18,044.58	2.06	334.25	(4.04)	(13.22)	1.94	321.03
7.	Rain Carbon Holdings, LLC	11.17	19,668.07	3.64	590.63	-	-	3.57	590.63
8.	Rain Global Services LLC	-	-	-	-	-	-	-	-
9.	Rain CII Carbon LLC	18.27	32,156.94	18.16	2,948.58	88.90	290.81	19.55	3,239.39
10.	CII Carbon Corp.	-	-	-	-	-	-	-	-
11.	Rain Carbon Canada Inc.	4.86	8,564.95	2.62	425.14	119.27	390.17	4.92	815.31
12.	Rain Carbon BV	8.97	15,785.22	11.64	1,890.62	(232.73)	(761.32)	6.82	1,129.30
13.	VFT France S.A	0.72	1,230.61	0.12	22.93	(6.07)	(19.91)	0.03	3.02
14.	Rumba Invest BVBA & Co. KG	-	(1.96)	0.62	101.30	0.01	0.03	0.61	101.33
15.	Rain Carbon Germany GmbH	5.25	9,249.94	(11.15)	(1,811.34)	332.96	1,089.19	(4.36)	(722.15)
16.	RÜTGERS Resins BV	1.00	1,768.23	0.35	56.38	(15.53)	(50.81)	0.03	5.57
17.	Severtar Holding Ltd.	2.43	4,280.11	13.10	2,127.54	(3.59)	(11.74)	12.77	2,115.80
18.	OOO RÜTGERS Severtar	2.74	4,829.54	22.78	3,699.42	35.60	116.47	23.03	3,815.89
19.	OOO Rain Carbon LLC	0.11	194.74	0.07	10.85	19.60	64.11	0.45	74.96
20.	Rain Carbon Poland Sp. z. o. o	0.27	472.37	1.04	169.13	0.09	0.31	1.02	169.44
21.	Rain Carbon (Shanghai) Trading Co. Ltd.	0.06	106.63	0.06	10.17	2.53	8.28	0.11	18.45
22.	Rain Carbon Wohnimmobilien GmbH & Co. KG	0.12	209.85	0.02	3.67	(4.11)	(13.43)	(0.06)	(9.76)
23.	Rain Carbon Gewerbeimmobilien GmbH & Co. KG	0.39	682.41	0.32	51.53	(9.19)	(30.07)	0.13	21.46
24.	Rain Carbon GmbH	5.77	10,151.45	(14.16)	(2,300.03)	(211.76)	(692.71)	(18.07)	(2,992.74)
	Sub total	**100.00**	**176,054.98**	**100.00**	**16,239.24**	**100.00**	**327.12**	**100.00**	**16,566.36**
	Less: Inter company adjustments/eliminations		(114,962.85)		(9,298.38)		(47.64)		(9,346.02)
	Non-controlling interests		-		(1,133.83)		12.46		(1,121.37)
	Share of profit/(loss) of associates (net of income tax):								
	InfraTec Duisburg GmbH		-		(5.45)		-		(5.45)
	TOTAL		**61,092.13**		**5,801.58**		**291.94**		**6,093.52**

Net assets and share in profit or loss, other comprehensive income and total comprehensive income for parent company, subsidiaries and associates are as per the standalone financial statements of the respective entities.

Notes:

1. Incorporated on April 6, 2021.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

Note 44: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at December 31, 2022	As at December 31, 2021
(I) CONTINGENT LIABILITIES		
(a) Claims against the Group not acknowledged as debt *		
– Income tax	233.70	435.11
– Wheeling charges [Refer note below]	1,149.91	447.76
– Grid support charges	291.65	-
– Operating charges of state load dispatch centre and minimum energy/ demand	3.64	12.53
– Customs Duty, Sales Tax, Service Tax and Excise Duty related matters under dispute	1,978.14	726.18
– Fuel Surcharge Adjustment levied by Electricity Distributing Companies	34.57	34.57
– Others (these liabilities are time barred as at 31 December 2022)	482.30	410.30

Note: i) During 2002, the erstwhile Rain Calcining Limited had disputed the order of Andhra Pradesh Electricity Regulatory Commission ('APERC') in respect of wheeling charges before the Honorable High Court of Andhra Pradesh. The Honorable High Court of Andhra Pradesh had set aside the order of APERC. Transmission Corporation of Andhra Pradesh ('AP Transco') filed a Special Leave Petition in the Honorable Supreme Court of India against the order of the Honorable High Court of Andhra Pradesh. The Company had issued a bank guarantee amounting to ₹ 146.96 for the aforesaid matter.

On November 29, 2019, the Honorable Supreme court pronounced its judgement ordering that the wheeling charges are to be levied as per the tariff order passed by APERC. Subsequently, the Company received a claim from various distribution companies amounting to ₹ 1,149.91 (including other charges).

The Company has disputed the aforesaid claim as the Management believes that the claim is not tenable based on the judgement given by the Supreme Court. The Company does not expect the outcome of these proceedings to have a material and adverse effect on its financial position and accordingly no adjustment in respect thereof is expected.

*In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group. The Group is contesting these demands and the Management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the consolidated financial statements for the demands raised. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

Particulars	As at December 31, 2022	As at December 31, 2021
(b) Corporate Guarantees issued Disclosure of Corporate guarantees given as per provisions of Section 186(4) of the Companies Act 2013		
– As at the beginning of the year	-	-
– Given during the year	300.00	-
– As at the end of the year	300.00	-
One of the Group's subsidiaries in India has provided a corporate guarantee to one of its power customers to the extent of ₹ 300.00 (as at Decemebr 31, 2021: Nil) for securing its obligation towards charges levied by APSPDCL for the period from January 2020 to March 2022.		
(II) COMMITMENTS Estimated amounts of contracts remaining to be executed on capital account and not provided for [net of Capital advances of ₹ 815.99 (December 31, 2021: ₹ 206.13)]	1,156.07	971.48

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that there are no material foreseeable losses on such long term contracts which needs to be provided for in the books of account.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

Note 45: Additional Regulatory Information

(i) The Holding Company or its Indian subsidiaries are not declared a wilful defaulter by any bank or financial Institution or other lender.

(ii) The Group has not revalued its Property, plant and equipment (including Right of use assets) and intangible assets during the year.

(iii) On disbursal, the loan has been utlised by the Group for the purpose for which it was obtained and no short term funds have been used for long term purpose.

(iv) During the year there are no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

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

(a) Capital work in progress ageing schedule:

As at December 31, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	2,637.93	631.35	132.57	499.59	3,901.44
Projects temporarily suspended	27.44	81.52	455.39	203.43	767.78

As at December 31, 2021

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	4,011.77	650.66	1,515.69	435.24	6,613.36
Projects temporarily suspended	245.98	751.81	105.09	191.39	1,294.27

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule:

As at December 31, 2022

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	>3 years
Projects in progress				
Project 1	275.44	-	-	-
Projects temporarily suspended				
Project 2	516.56	-	-	-
Total	**792.00**	**-**	**-**	**-**

As at December 31, 2021

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	>3 years
Projects in progress				
Project 1	275.22	-	-	-
Project 3	1,922.63	-	-	-
Project 4	1,596.11	-	-	-
Projects temporarily suspended				
Project 2	-	985.07	-	-
Total	**3,518.74**	**985.07**	**-**	**-**

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

(vi) There are no proceeding initiated or pending against the Holding Company or its Indian Subsidiaries as at December 31, 2022, under Benami Property Transactions Act, 1988 (as amended in 2016).

(vii) The Group has borrowings from banks on the basis of security of current assets. The quarterly return or statements of current assets filed by the Group with such banks are in agreement with the books of accounts.

(viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Group have not advanced or loaned or invested funds, to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(x) The Group have not received any fund, from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xi) **Undisclosed income:** The Group does not have any undisclosed income in terms of any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessment.

(xii) The Holding Company or its Indian subsidiaries have not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(xi) The Company has Wholly Owned Subsidiaries in USA and one of the step down Wholly Owned US Subsidiaries has made investment in Rain CII Carbon (Vizag) Limited, India during 2010; which is in compliance with the structure as per Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Rules, 2022 as on 31 December 2022. Given the ambiguity prevalent under the foreign exchange law during 2010, no prior approval from Reserve Bank of India ('RBI') was considered necessary at that time. The Company will approach RBI seeking clarification in this regard.

Note 46: Leases

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

During the year ended December 31, 2022, the Group recognised the following in the consolidated statement of profit and loss:

(a) expense in respect of short-term leases ₹ 517.73.

(b) expense in respect of variable lease payments not included in the measurement of lease liabilities ₹ 88.75.

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

During the year ended December 31, 2021, the Group recognised the following in the consolidated statement of profit and loss:

(a) expense in respect of short-term leases ₹ 733.05.

(b) expense in respect of variable lease payments not included in the measurement of lease liabilities ₹ 30.83.

Cash outflow on leases are as follows:

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Principal payment on lease liabilities	900.13	1,045.86
Interest payment on lease liabilities	219.80	217.52
Total cash outflow on leases	**1,119.93**	**1,263.38**

The future minimum lease payments as at December 31, 2022 are as follows:

Particulars	Minimum lease payments
– Not later than 1 year	1,096.24
– Later than 1 year and not later than 5 years	2,218.56
– Beyond 5 years	4,854.48

The future minimum lease payments as at December 31, 2021 are as follows:

Particulars	Minimum lease payments
– Not later than 1 year	1,001.32
– Later than 1 year and not later than 5 years	1,992.53
– Beyond 5 years	3,070.65

The Group's exposure to leases not yet commenced to which Group is committed is ₹ 1,555.35 (2021: Nil).

Note 47: Earnings per Equity Share (EPS)

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
a. Consolidated profit after tax attributable to the owners of the Holding Company considered for calculation of basic and diluted earnings per share	14,386.45	5,801.58
b. Weighted average number of equity shares of ₹ 2/- each outstanding during the year (Nos.)	336,345,679	336,345,679
Earnings per Equity Share		
c. Basic and Diluted - [a]/[b] - (₹ in absolute terms)	42.77	17.25

Note 48: Net Investment Hedge

The Group has designated the 'foreign currency loan' as a hedging instrument to hedge its net investment in a non-integral foreign operation, with effect from January 1, 2009. The translation loss/(gain) for the year ended December 31, 2022 on such foreign currency loan, determined as an effective net investment hedge, recognised in the foreign currency translation reserve included in Note 18 - Other equity is ₹ 78.86 (December 31, 2021: ₹ 7.50).

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

Note 49: Net investment in foreign operations

The Group supports its overseas subsidiaries through non-current loans wherever required and in respect of any loan, which is considered in substance a part of the net investment in a non-integral foreign operation, the exchange difference arising on translation of such loans will be accumulated in "Foreign currency translation reserve" as per Ind AS 21 - "The Effects of Changes in Foreign Exchange Rates". The Group has designated certain non-current loans effective July 1, 2015 which was de-designated during 2018. The outstanding balance as on December 31, 2022 is ₹ 442.16 (December 31, 2021: ₹ 442.16) which will be reclassfied to profit and loss upon sale of investment in subsidiary.

Note 50: Provision for environment liabilities including site restoration

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Balance at beginning of year	1,426.23	1,375.77
Additional provision made	372.86	327.49
Provisions utilised/reversed	(125.49)	(73.56)
Changes in estimates, including timing	(35.98)	-
Accretion expense	(53.10)	-
Unused amounts reversed during the year	(107.65)	(120.03)
Foreign currency exchange rate changes	65.05	(83.44)
Balance at end of year	**1,541.92**	**1,426.23**
Non-current provision	1,221.72	1,125.23
Current provision	320.20	301.00
Total	**1,541.92**	**1,426.23**

Note 51: Other provisions

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Balance at beginning of year	298.06	743.11
Additional provision made	534.43	1,163.00
Provisions utilised/reversed	(234.92)	(1,608.05)
Balance at end of year	**597.57**	**298.06**
Non-current provision	80.23	50.42
Current provision*	517.34	247.64
Total	**597.57**	**298.06**

*Includes provisions primarily towards expenses for plant shutdowns.

Note 52: Provision for inventories

Particulars	For the year ended December 31, 2022	For the year ended December 31, 2021
Balance at beginning of year	921.32	803.55
Additional provision made	393.02	103.49
Exchange differences	53.36	14.28
Balance at end of year	**1367.70**	**921.32**

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

Note 53: Assets held for sale

During the year ended December 31, 2021, the Group has sold its Moundsville plant located in the United States of America which was classified as "Assets held for sale' in the Consolidated Balance Sheet as at December 31, 2020 for an amount of ₹ 284.63 (USD 3.8 million). The resultant gain of ₹ 243.70 (USD 3.3 million) was recorded under the heading Other income.

Note 54: Impairment of assets

(a) As per the press release issued dated September 9, 2022, the Group has temporarily shut-down one of its operating unit in Europe. The carrying value of the relevant asset as at December 31, 2022 amounted to INR 7,838.30. The management has evaluated the impact of the same on the impairment, if any, on the entity as well as at group level. With the information available as at the reporting date and the fair value less costs to sell computed, the management believes there is no impairment required. Further, there are no other impacts on the financial statements. Since the impact assessment of such situation is a continuous process given the uncertainties associated with its nature and duration, the Group will continue to monitor any material changes to future economic conditions.

(b) During 2018, the Group initiated a "Dual-Solvent Process (DSP)" project towards replacement of the existing phenol distillation plant. The plant is under construction as at December 31, 2022. However, due to technical problems faced during the test runs, the facility cannot be used as initially planned. Based on the current evaluation and fair value less costs to sell computed, an impairment loss of INR 465.64 has been recoginsed in the consolidated statement of profit and loss for the year ended December 31, 2022.

(c) During 2020, the Group initiated a project to extract Pitch from a Pond at its Castrop-Rauxel site. The Group incurred capital expenditure towards certain equipment for extracting and melting the Pitch to avoid environmental issues and disposal costs to clean up the site. The equipments had a carrying value of INR 168.07 as at December 31, 2021 and was classified under property, plant and equipment. The Group received permission from the authorities for the clean-up for a specified period of time and also expected that the permissions would be renewed until the project was completed.

During the year ended December 31, 2021, upon expiry of the permit, a request was made to the authorities to extend the permit for additional time. However, subsequent to September 30, 2021, the authorities denied the request for extension. Accordingly, the Group evaluated the alternate usage of the asset for other purposes and concluded that it cannot be used for any other purpose.

Based on above evaluation and the value in use computed, the Group has recognised an impairment loss of ₹ 168.07 in the consolidated statement of profit and loss for the year ended December 31, 2021.

Note 55: Divestment

On December 31, 2020, the Group completed the sale of its Wholly Owned Subsidiaries engaged in the manufacturing and distribution of Polynaphthalene Sulfonates, RUTGERS Polymers Limited and Handy Chemicals (U.S.A.) Limited, for an aggregate cash consideration of ₹ 6,386.27 which resulted in a gain of ₹ 3,864.20 which was recorded under the heading Other income during the year ended December 31, 2020.

During the year ended December 31, 2022, upon completion of certain additional formalities on sale transaction, a partial amount retained in escrow account during year-end was released and recorded as income amounting to ₹ 32.47 (December 31, 2021: ₹ 40.10) under the heading Other income.

Notes

forming part of the Consolidated Financial Statements for the year ended December 31, 2022

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

Note 56: Russia-Ukraine war

Due to the global implications of the conflict between Russia and Ukraine that started in February 2022, there is an increase in volatility in the commodity prices, stock and foreign exchange markets. Given this geopolitical uncertainty resulting from this war and the likelihood that changes may occur rapidly or unexpectedly, management has carefully evaluated information that became available in this regard to assess its potential impact on the Group's activities such as supply chain disruption, closure/abandonment of operations/manufacturing facilities, travel restrictions, market volatility, recoverability of inter-company loan within group entities, repatriation of dividends between group entities, etc. Currently, the management does not foresee any significant impact of the above events on its financial results as the operations of its Russian entities and the rest of the entities are largely independent of each other. Based on the management's assessment, the Group has been in compliance with the various sanctions imposed. However, since the impact assessment of such situation is a continuing process given the uncertainties associated with its nature and duration, the Group will continue to monitor any material changes to future economic conditions.

Note 57: Subsequent events

The Group has performed an evaluation of subsequent events from the balance sheet date through February 27, 2023, the date at which consolidated financial statements were made available to be issued and determined that there are no items to disclose.

Note 58: On 24 March 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III to the Companies Act, 2013, applicable for financial period commencing from April 1, 2021. The Group has incorporated the changes as per the said amendment in these financial statements.

As per our report of even date attached
For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vikash Somani
Partner
Membership Number: 061272

Place: Hyderabad
Date: February 27, 2023

For and on behalf of the Board of Directors of
Rain Industries Limited
CIN: L26942TG1974PLC001693

N. Radha Krishna Reddy
Managing Director
DIN: 00021052

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

T. Srinivasa Rao
Chief Financial Officer
M. No.: F29080

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

Place: Hyderabad
Date: February 27, 2023