

# Independent Auditor's Report

## To the Members of Rain Industries Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Rain Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet as at December 31, 2025, the Consolidated Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material 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 other auditors on separate financial statements and on the other financial information of the subsidiaries and an associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at December 31, 2025, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to note 53 of the accompanying consolidated financial statements, which describes the uncertainties with respect to applicable regulations including sanctions arising from the matters more fully described therein. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended December 31, 2025. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Impairment assessment of Goodwill (as described in Note 5 and 40 of the consolidated financial statements)</b>	
<p>As at December 31, 2025, the Group has a goodwill of ₹ 69,632.34 million (net of impairment loss) which includes goodwill of ₹ 68,304.40 million allocated to Carbon Calcination, Carbon Distillation (other than OOO RÜTGERS Severtar) and Advanced Material cash generating units (CGUs)/group of CGUs. As per the requirements of Ind AS 36 'Impairment of Assets', the Group performs an annual impairment assessment of Goodwill, by determining the recoverable value using discounted cash flow models of CGUs or group of CGUs compared to the carrying value of the assets.</p> <p>Significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as:</p> <ul style="list-style-type: none"> <li>• Projected net operating cash-flows in the years 1-5;</li> <li>• Stable long-term growth rates beyond five years and in perpetuity; and</li> <li>• Discount rates that represent the current market assessment of the risks specific to the subsidiary, taking into consideration the time value of money.</li> </ul> <p>The impairment testing includes sensitivity testing of key assumptions, including net operating cash flows, long term growth rates and discount rate.</p> <p>The impairment testing is considered a key audit matter because the assumptions involved are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balance to the Group's financial statements as a whole.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Group's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets".</li> <li>• Obtained an understanding of the process, tested the design, implementation and operating effectiveness of key internal controls related to CGU/goodwill impairment assessment.</li> <li>• We assessed the methodology applied by the Group in its impairment analysis. In making this assessment, we also evaluated the competence, objectivity and professional qualification of Group's specialists involved in the process.</li> <li>• With the assistance of a specialist engaged by us, we assessed the assumptions around the key drivers of the net operating cash flows, discount rates and terminal growth rates used in consideration of the current and estimated future economic conditions.</li> <li>• We discussed the potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions such as operating cash flows, discount rates and terminal growth rates used in the cash flow forecasts were suitable.</li> <li>• Assessed the recoverable value headroom by performing sensitivity testing of key assumptions used.</li> <li>• We assessed the adequacy of the disclosures in relation to the impairment testing as described in the consolidated financial statements.</li> </ul>

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

The Holding Company's Board of Directors is 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.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective 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 of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

## 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 Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate 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 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 information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, 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.

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 for the financial year ended December 31, 2025 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 and other financial information, in respect of 5 subsidiaries, whose

financial statements include total assets of ₹ 28,208.87 million as at December 31, 2025, and total revenues of ₹ 15,199.13 million and net cash outflows of ₹ 1,031.17 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. 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-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The accompanying consolidated financial statements include unaudited financial statements and other financial information in respect of 8 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 5,583.88 million as at December 31, 2025, and total revenues of ₹ 1,288.96 million and net cash inflows of ₹ 36.73 million for the year ended on that date. These unaudited financial statements and other financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹ 23.99 million for the year ended December 31, 2025, as considered in the consolidated financial statements, in respect of an associate, whose financial statements, other financial

information have not been audited and whose unaudited financial statements, other financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and an associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, and an associate, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information 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 sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India and to the extent applicable, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on December 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on December 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g).
  - (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, based on our audit, refer to our separate Report in "Annexure 2" to this report;

- (h) In our opinion, the managerial remuneration for the year ended December 31, 2025 has been paid / provided by the Holding Company, and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and its associate in its consolidated financial statements – Refer note 45 to the consolidated financial statements;
  - ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended December 31, 2025;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, incorporated in India during the year ended December 31, 2025.
  - iv.
    - a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The interim dividend declared and paid during the year by the Holding Company and, its subsidiary Company incorporated in India and until the date of the respective audit reports of such Holding Company and its subsidiaries is in accordance with section 123 of the Act.

- vi) Based on our examination which included test checks, the Company has two accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same is operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled throughout the year in these accounting software for direct changes to data when using certain access rights, as described in note 54 to the consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of these accounting software.

Additionally, the audit trail of relevant prior year has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in the respective year, as stated in Note 54 to the consolidated financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Vikas Pansari**

Partner

Membership Number: 093649

UDIN: 26093649HUHRVH1410

Place of Signature: Mumbai, Maharashtra

Date: February 27, 2026

# ANNEXURE '1'

referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date.

## **Re: Rain Industries Limited (“the Holding Company”)**

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and on the consideration of report on separate financial statements and the other financial information of the subsidiary companies, incorporated in India and to the best of our knowledge and belief, we state that there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Vikas Pansari**

Partner

Membership Number: 093649

UDIN: 26093649HUHRVH1410

Place of Signature: Mumbai, Maharashtra

Date: February 27, 2026

## ANNEXURE '2'

to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Rain Industries Limited

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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 December 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

### **Auditor's Responsibility**

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

internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated financial statements.

### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated 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 control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at December 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Vikas Pansari**

Partner

Membership Number: 093649

UDIN: 26093649HUHRVH1410

Place of Signature: Mumbai, Maharashtra

Date: February 27, 2026

# Consolidated Balance Sheet

as at December 31, 2025

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

	Note	As at December 31, 2025	As at December 31, 2024
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3A	48,113.75	43,603.25
(b) Capital work in progress	3B	3,358.67	4,730.85
(c) Right of use asset	4	7,645.92	5,756.94
(d) Goodwill	5	69,632.34	62,436.57
(e) Other intangible assets	5	39.49	41.96
(f) Investment in equity accounted investees	6	179.93	130.86
(g) Financial assets			
(i) Investments	7	72.03	98.96
(ii) Loans	8	7.29	5.87
(iii) Other non-current financial assets	9	349.07	340.33
(h) Deferred tax asset, net	35 (iv)	5.08	19.73
(i) Non-current tax assets, net	35 (vii)	606.20	910.38
(j) Other non-current assets	10	472.88	784.02
<b>Non-current assets</b>		<b>130,482.65</b>	<b>118,859.72</b>
<b>2. Current assets</b>			
(a) Inventories	11	36,229.06	30,520.54
(b) Financial assets			
(i) Investments	12	35.43	32.35
(ii) Trade receivables	13	20,526.86	17,303.32
(iii) Cash and cash equivalents	14A	9,257.02	13,211.86
(iv) Bank balances other than cash and cash equivalents	14B	6,005.35	5,492.24
(v) Loans	15	4.88	4.74
(vi) Other current financial assets	16	454.61	374.73
(c) Current tax assets, net	35 (vii)	557.53	891.97
(d) Other current assets	17	4,044.28	2,677.24
<b>Current assets</b>		<b>77,115.02</b>	<b>70,508.99</b>
<b>TOTAL ASSETS (1+2)</b>		<b>207,597.67</b>	<b>189,368.71</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Share capital	18	672.69	672.69
(b) Other equity	19	73,818.49	65,703.93
<b>Equity attributable to owners of the Company</b>		<b>74,491.18</b>	<b>66,376.62</b>
(c) Non-controlling interests		2,416.32	1,873.44
<b>Total equity</b>		<b>76,907.50</b>	<b>68,250.06</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	72,557.51	64,842.09
(ia) Lease liabilities	20 & 47	5,647.12	4,677.60
(ii) Other non-current financial liabilities	21	23.61	44.93
(b) Provisions	22	9,374.01	9,338.13
(c) Deferred tax liability, net	35 (iv)	1,941.33	1,932.63
(d) Other non-current liabilities	23	-	1.48
<b>Non-current liabilities</b>		<b>89,543.58</b>	<b>80,836.86</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	17,909.52	13,767.63
(ia) Lease liabilities	20 & 47	2,126.26	1,655.47
(ii) Trade payables	25		
(A) total outstanding dues of micro enterprises and small enterprises		78.46	27.26
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		12,351.74	15,181.55
(iii) Other current financial liabilities	26	5,273.76	5,803.96
(b) Other current liabilities	27	1,237.76	1,287.24
(c) Provisions	28	1,585.66	1,997.84
(d) Current tax liabilities, net	35 (vii)	583.43	560.84
<b>Current liabilities</b>		<b>41,146.59</b>	<b>40,281.79</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2)</b>		<b>207,597.67</b>	<b>189,368.71</b>
Corporate information	1		
Material accounting policies	2		

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

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

per **Vikas Pansari**  
Partner  
Membership number: 093649

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

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

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

**N. Sujith Kumar Reddy**  
Director  
DIN: 00022383

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

Place: Mumbai  
Date: February 27, 2026

Place: Hyderabad  
Date: February 27, 2026

# Consolidated Statement of Profit and loss

for the year ended December 31, 2025

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

	Note	For the year ended December 31, 2025	For the year ended December 31, 2024
<b>1 Income</b>			
Revenue from operations	29	169,458.25	153,743.91
Other income	30	1,383.98	2,455.59
<b>Total income</b>		<b>170,842.23</b>	<b>156,199.50</b>
<b>2 Expenses</b>			
Cost of materials consumed		95,408.30	86,462.11
Purchases of stock-in-trade		545.84	827.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	567.96	1,241.62
Employee benefits expense	32	13,185.92	14,091.16
Finance costs	33	9,216.47	9,405.86
Depreciation and amortisation expense	5A	9,218.32	8,071.01
Impairment loss	3B	-	730.52
(Gain) / loss on foreign currency transactions and translations, net		512.63	(898.66)
Other expenses	34	37,865.12	38,549.29
<b>Total expenses</b>		<b>166,520.56</b>	<b>158,480.27</b>
<b>3 Profit / (loss) before share of profit of associate and tax (1-2)</b>		<b>4,321.67</b>	<b>(2,280.77)</b>
<b>4 Share of profit of associate (net of income tax)</b>	37	23.99	23.93
<b>5 Profit / (loss) before tax (3+4)</b>		<b>4,345.66</b>	<b>(2,256.84)</b>
<b>6 Tax expense / (benefit)</b>	35 (i)		
1. Current tax		2,939.35	2,683.35
2. Deferred tax		47.37	(440.81)
<b>7 Net profit / (loss) for the year (5-6)</b>		<b>1,358.94</b>	<b>(4,499.38)</b>
<b>8 Other comprehensive income / (loss)</b>			
<b>A.</b> Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		1,786.65	693.40
- Income tax relating to items that will not be reclassified to profit or loss	35 (ii)	(51.60)	(48.83)
<b>B.</b> Items that will be reclassified to profit or loss			
- Exchange difference arising on translating the financial statements of foreign operations		9,630.14	(2,943.38)
- Exchange difference arising on net investment in foreign operation		(2,517.50)	864.60
- Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income/ (loss) for the year, net of tax</b>		<b>8,847.69</b>	<b>(1,434.21)</b>
<b>9 Total comprehensive income / (loss) for the year (7+8)</b>		<b>10,206.63</b>	<b>(5,933.59)</b>
Attributable to:			
- Owners of the Company		8,450.91	(6,712.40)
- Non-controlling interests		1,755.72	778.81
<b>10 Of the Total comprehensive income / (loss) above:</b>			
Profit / (loss) for the year attributable to:			
- Owners of the Company		425.24	(5,642.69)
- Non-controlling interests		933.70	1,143.31
Other comprehensive income / (loss) attributable to:			
- Owners of the Company		8,025.67	(1,069.71)
- Non-controlling interests		822.02	(364.50)
<b>11 Earnings / (loss) per equity share (face value of ₹ 2/- each)</b>			
Basic and Diluted (₹ in absolute terms)	48	1.26	(16.78)
Corporate information	1		
Material accounting policies	2		

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

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

per **Vikas Pansari**  
Partner  
Membership number: 093649

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

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

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

**N. Sujith Kumar Reddy**  
Director  
DIN: 00022383

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

Place: Mumbai  
Date: February 27, 2026

Place: Hyderabad  
Date: February 27, 2026

# Consolidated Statement of changes in Equity

for the year ended December 31, 2025

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

Particulars	Attributable to Owners of the Company										
	Equity share capital*	Reserves and Surplus						Other Comprehensive Income / (loss)		Attributable to Non-controlling interest	Total
		Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Remeasurements of defined benefit plans	Foreign currency translation reserve (FCTR)			
Balance as on January 1, 2024	672.69	43.98	516.67	47.66	1,605.01	61,065.32	2,952.91	6,521.13	4,229.04	77,654.41	
FCTR pertaining to earlier years reclassified (Refer note below)	-	-	-	-	-	(205.98)	-	205.98	-	-	
<b>Restated balance as on January 1, 2024</b>	<b>672.69</b>	<b>43.98</b>	<b>516.67</b>	<b>47.66</b>	<b>1,605.01</b>	<b>60,859.34</b>	<b>2,952.91</b>	<b>6,727.11</b>	<b>4,229.04</b>	<b>77,654.41</b>	
Net profit / (loss) for the year	-	-	-	-	-	(5,642.69)	-	-	1,143.31	(4,499.38)	
<b>Other comprehensive income / (loss) for the year</b>											
- Exchange difference arising on translating the financial statements of foreign operations	-	-	-	-	-	-	-	(2,578.88)	(364.50)	(2,943.38)	
- Exchange difference arising on net investment in foreign operation	-	-	-	-	-	-	-	864.60	-	864.60	
- Remeasurements of defined benefit plans, net of tax	-	-	-	-	-	-	644.57	-	-	644.57	
<b>Total comprehensive income / (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,642.69)</b>	<b>644.57</b>	<b>(1,714.28)</b>	<b>778.81</b>	<b>(5,933.59)</b>	
Dividend paid during the year (Refer note 18(ii) & 41)	-	-	-	-	-	(336.35)	-	-	(3,134.41)	(3,470.76)	
<b>Balance as on December 31, 2024</b>	<b>672.69</b>	<b>43.98</b>	<b>516.67</b>	<b>47.66</b>	<b>1,605.01</b>	<b>54,880.30</b>	<b>3,597.48</b>	<b>5,012.83</b>	<b>1,873.44</b>	<b>68,250.06</b>	

# Consolidated Statement of changes in Equity

for the year ended December 31, 2025

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

Particulars	Attributable to Owners of the Company									Total
	Equity share capital*	Reserves and Surplus						Other Comprehensive Income / (loss)	Attributable to Non-controlling interest	
		Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Remeasurements of defined benefit plans			
Net profit for the year	-	-	-	-	-	425.24	-	-	933.70	1,358.94
<b>Other comprehensive income / (loss) for the year</b>										
- Exchange difference arising on translating the financial statements of foreign operations	-	-	-	-	-	-	-	8,808.12	822.02	9,630.14
- Exchange difference arising on net investment in foreign operation	-	-	-	-	-	-	-	(2,517.50)	-	(2,517.50)
- Remeasurements of defined benefit plans, net of tax	-	-	-	-	-	-	1,735.05	-	-	1,735.05
<b>Total comprehensive income for the year</b>	-	-	-	-	-	425.24	1,735.05	6,290.62	1,755.72	10,206.63
Dividend paid during the year (Refer note 18(ii) & 41)	-	-	-	-	-	(336.35)	-	-	(1,212.84)	(1,549.19)
<b>Balance as on December 31, 2025</b>	<b>672.69</b>	<b>43.98</b>	<b>516.67</b>	<b>47.66</b>	<b>1,605.01</b>	<b>54,969.19</b>	<b>5,332.53</b>	<b>11,303.45</b>	<b>2,416.32</b>	<b>76,907.50</b>

\*Refer note 18 of these consolidated financial statements for details of "Share capital".

**Note:** During the current year, the Group has liquidated one of its non-operational subsidiary and the corresponding Foreign Currency Translation Reserve (FCTR) of ₹ 174.59 is recognised in the consolidated statement of profit and loss.

The remaining unadjusted FCTR debit balance of ₹ 205.98 for the aforesaid subsidiary was due to incorrect application of exchange rates applied in earlier years, resulting in overstatement of profit/retained earnings and understatement of FCTR. Accordingly, the retained earnings and FCTR has been reclassified as at January 01, 2024. The Group has assessed that such correction is not material to the users of the financial statements, and it has no further impact on account balances, EPS, cash flows from operating, investing and financing activities for the previous year. Accordingly, opening balance sheet is not presented.

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Vikas Pansari**

Partner

Membership number: 093649

For and on behalf of the Board of Directors of

**Rain Industries Limited**

CIN: L26942TG1974PLC001693

**Jagan Mohan Reddy Nellore**

Managing Director

DIN: 00017633

**T. Srinivasa Rao**

Chief Financial Officer

M. No.: F29080

**N. Sujith Kumar Reddy**

Director

DIN: 00022383

**S. Venkat Ramana Reddy**

Company Secretary

M. No.: A14143

Place: Mumbai

Date: February 27, 2026

Place: Hyderabad

Date: February 27, 2026

# Consolidated Statement of Cash Flows

for the year ended December 31, 2025

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

	For the year ended December 31, 2025	For the year ended December 31, 2024
<b>A. Cash flow from operating activities</b>		
Profit / (loss) before tax	4,345.66	(2,256.84)
Adjustments for :		
Depreciation and amortisation expense	9,218.32	8,071.01
Profit on sale of property, plant and equipment, net	(1.69)	(5.58)
Loss / (gain) on redemption of senior secured notes	9.39	(4.08)
Finance costs	9,216.47	9,405.86
Interest income	(926.49)	(1,411.43)
Fair value gain from current investments	(1.41)	(2.17)
Loss on liquidation of subsidiary	174.59	-
Assets written off	85.20	64.66
Impairment loss	-	730.52
Provision for impairment on investment	35.94	-
Liabilities / provisions no longer required written back	(261.11)	(133.33)
Bad debts written off	0.02	1.12
Provision for loss allowance on trade receivables	109.60	130.19
Share of profit of associate (net of income tax)	(23.99)	(23.93)
(Gain) / loss on foreign currency transactions and translations, net	380.23	(758.58)
<b>Operating profit before working capital changes</b>	<b>22,360.73</b>	<b>13,807.42</b>
<b>Adjustments for changes in working capital:</b>		
Inventories	(2,981.39)	781.56
Trade receivables	(1,230.63)	4,482.95
Financial assets and other assets	(466.10)	1,807.68
Trade payables	(4,312.75)	1,645.32
Financial and other liabilities and provisions	(1,927.18)	(565.72)
<b>Cash generated from operations</b>	<b>11,442.68</b>	<b>21,959.21</b>
Income taxes paid, net	(2,470.25)	(2,527.05)
<b>Net cash generated from operating activities</b>	<b>8,972.43</b>	<b>19,432.16</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets, including capital advances and capital creditors	(4,586.15)	(6,517.78)
Proceeds from sale of property, plant and equipment	39.98	38.88
Acquisition of Right of use assets	(20.90)	(13.80)
Refund of capital advances	-	600.00
Investment in fixed deposits with banks	(8,247.77)	(21,174.04)
Maturity of fixed deposits with banks	7,776.31	23,600.22
Interest received	1,092.89	1,345.66
<b>Net cash used in investing activities</b>	<b>(3,945.64)</b>	<b>(2,120.86)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	1,700.00	-
Repayment of non-current borrowings	(5,873.20)	(3,536.06)
Proceeds / (repayments) of current borrowings, net	7,092.76	0.03
Sales tax deferment paid	(64.40)	(102.76)
Principal payment of lease liabilities	(2,470.39)	(1,306.25)
Interest payment of lease liabilities	(386.84)	(286.25)

# Consolidated Statement of Cash Flows (Contd.)

for the year ended December 31, 2025

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

	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest and other borrowing costs paid	(8,703.52)	(9,003.88)
Dividend paid to owners of the Company	(336.35)	(336.35)
Dividend paid to non-controlling interests (Refer note 53)	(1,212.84)	(3,134.41)
<b>Net cash used in financing activities</b>	<b>(10,254.78)</b>	<b>(17,705.93)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(5,227.99)</b>	<b>(394.63)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	13,211.86	14,051.51
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	1,273.15	(445.02)
<b>Cash and cash equivalents at the end of the year</b>	<b>9,257.02</b>	<b>13,211.86</b>

## 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, 2025	As at December 31, 2024
Cash on hand	0.36	0.25
Cheques/ drafts on hand	5.43	-
Balances with banks:		
- in current accounts	7,997.75	9,633.06
- in exchange earners foreign currency (EEFC) accounts	965.14	889.56
- in deposit accounts (with original maturity of 3 months or less)	288.34	2,688.99
	<b>9,257.02</b>	<b>13,211.86</b>

- (iii) Refer note 20 (vi), 24(iv) and 26 for reconciliation of liabilities arising from financing activities.
- (iv) Refer note 4 for details relating to non-cash investing activities.

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of

**Rain Industries Limited**

CIN: L26942TG1974PLC001693

per **Vikas Pansari**

Partner

Membership number: 093649

**Jagan Mohan Reddy Nellore**

Managing Director

DIN: 00017633

**N. Sujith Kumar Reddy**

Director

DIN: 00022383

**T. Srinivasa Rao**

Chief Financial Officer

M. No.: F29080

**S. Venkat Ramana Reddy**

Company Secretary

M. No.: A14143

Place: Mumbai

Date: February 27, 2026

Place: Hyderabad

Date: February 27, 2026

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025

## 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 (erstwhile Companies Act) domiciled in India. The registered office of the Company is "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073, Telangana.

The Company along with its subsidiaries ("the Group" or "Rain Group") and associates is engaged in the business of manufacture and sale of Carbon, Advanced Materials and Cement. The Company's equity shares are listed at BSE Limited and National Stock Exchange of India Limited in India.

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

## Note 2: Material Accounting Policies

### a) Basis of preparation of Consolidated Financial Statements

#### (i) Statement of Compliance

These consolidated financial statements of the Group 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 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis. 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, 2026.

#### (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
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	Equity method
Borrowings	Amortised cost using effective interest rate method

#### (iv) Use of judgements, estimates and assumptions

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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

Information about critical judgements 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 42)
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Refer note 45 and 51)
- Recognition and recoverability of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used and Foreign Tax Credits (Refer note 35)
- Useful life of property, plant and equipment and Intangible Assets (Refer note 2(d))
- Determination of cost for right-of-use assets and lease term (Refer note 2(j))
- Impairment of non-financial assets. (Refer note 40 and 3B)
- Provision for inventories (Refer note 2(g))
- Provision for loss allowance on trade receivables (Refer note 36.4)
- Assessment of functional currency (Refer note 2(a)(ii))

## (v) Current and Non-current classification

The Group segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this purpose, current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified period up to twelve months as its operating cycle.

## (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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in Note 36.

- 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

### 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, 2025 and are audited. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2025	December 31, 2024
1	Rain Cements Limited (RCL)	Subsidiary of RIL	India	100	100
2	Rain Verticals Limited (RVL)	Subsidiary of RIL	India	100	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
6	Rain Carbon Inc. (RCI)	Subsidiary of RCUSA	U.S.A.	100	100
7	Rain CII Carbon (Vizag) Limited (RCCVL)	Subsidiary of RCI	India	100	100
8	Rain CII Carbon LLC (RCC)	Subsidiary of RCI	U.S.A.	100	100
9	Rain Holding Limited (RHL)	Subsidiary of RIL	U.A.E	100	100
10	Rain Commodities FZCO (RCF)**	Subsidiary of RHL	U.A.E	100	100
11	Rain Carbon GmbH (RCG)	Subsidiary of RCC	Germany	100	100
12	Rain Carbon Canada Inc. (RCCan)	Subsidiary of RCC	Canada	100	100
13	Rain Carbon BV (RCBV)	Subsidiary of RCI	Belgium	100	100
14	OOO Rain Carbon ***	Subsidiary of RHL	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 (RGmbH)	Subsidiary of RCG	Germany	99.7	99.7
18	Severtar Holding Ltd. (Severtar) (Refer note 53)	Subsidiary of RHL	Cyprus	65.3	65.3
19	Severtar Holding ILLC (SHILLC) (Refer note 53)	Subsidiary of RHL	Russia	65.3	65.3
20	OOO RÜTGERS Severtar (OOO Severtar)	Subsidiary of Severtar	Russia	65.3	65.3
21	Rain Carbon Wohnimmobilien GmbH & Co. KG	Subsidiary of RGmbH	Germany	100	100
22	Rain Carbon Gewerbeimmobilien GmbH & Co. KG	Subsidiary of RGmbH	Germany	100	100
23	Rain Carbon Poland Sp. z. o. o	Subsidiary of RGmbH	Poland	100	100
24	Rain Carbon (Shanghai) Trading Co. Ltd.	Subsidiary of RGmbH	China	100	100
25	InfraTec Duisburg GmbH (IDGmbH)	Investment in Associates by RGmbH	Germany	30	30

\* Liquidated on January 28, 2025.

\*\* RCF is a subsidiary in UAE under RHL with effect from May 30, 2024.

\*\*\* OOO Rain Carbon which was earlier held by RIL has been transferred to RHL on November 13, 2024.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

## 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.

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 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 is measured at its 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 (SOCIE) and balance sheet respectively.

## 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 Other Comprehensive Income (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.

The annual testing of goodwill is based on carrying value and the estimate of fair value as of November 30.

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) Carbon Calcination
- b) Carbon Distillation business – other than (c) below
- c) Carbon Distillation - OOO RÜTGERS Severtar
- d) Advanced Materials
- e) Cement

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

## 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.

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 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, and accumulated in equity as Foreign Currency Translation Reserve. These exchange differences are reclassified from equity to consolidated statement of profit and loss on disposal of the net investment or disposal of operations.
- 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.

### *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 the income and expenses are translated to the reporting currency at the monthly average exchange rates prevailing during the year. 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 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 while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to consolidated statement of profit and loss.

## **b) Revenue from contracts with customers**

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 Group expects to be entitled in exchange for those goods or services. The Group has

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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.

## *Sale of products*

Revenue from sale of products is recognised at the point in time when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. 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.

## *Sale of services*

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

## *Other operating revenues*

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.

If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## c) 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 a grant received within the same year of incurring expenditure, is netted off with the related expenditure and if not, it will be recorded in other income separately
- By way of financial assistance on the basis of certain qualifying criteria are recognised in other income as they become receivable.

## d) Property, plant and equipment

Property, plant and equipment are stated at cost/deemed cost less accumulated depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria is met.

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:

- 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.
- In respect of Rain CII Carbon (Vizag) Limited, the Management is using lower of useful life of asset and the leasehold period of land for calculating depreciation for plant and equipment and buildings, as the assets are constructed over leasehold land.
- For other entities, wherever the useful life of property, plant and equipment is not in line with Schedule II to the Act, the Group depreciates certain items of building, plant and equipment, office equipment over useful life which is based on technical assessment made by technical expert and management estimate, which the management believes are realistic and reflect fair approximation of the period over which the assets are likely to be used.

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

The estimated useful lives are as follows:

Items	Useful life (in years)
Buildings	3-77
Furniture and Fixtures	3-20
Land held under limestone mining lease	125
Office equipment	1-20
Plant and equipment	2-50
Vehicles	3-24

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 depreciated over the estimated period of mining rights granted and leasehold land is amortised over the lease period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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.

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 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.

### **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 as 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.

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any.

### **e) Other intangible assets**

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

The estimated useful lives are as follows:

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

Intangible assets 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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. 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.

### **f) 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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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.

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

The 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 CGU (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 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".

## g) 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. 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.

Cost of finished goods and work in progress 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.

Stock-in-trade are valued at lower of weighted average cost and net realisable value.

## h) 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. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. For plans operated outside India, the management considers the interest rates of high-quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling 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

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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.

## Compensated Absences

The employees of the Group are 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 period. The Group recognises accumulated compensated absences 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.

## i) 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.

## j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, 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

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for certain plant and equipment and vehicles, the group applies practical expedient to not to separate non-lease components from lease components, and instead account these as a single lease component.

## a. Right-of-use assets:

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 Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The right-of-use assets is subsequently measured at cost less any accumulated amortisation, 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.

## b. Lease liabilities:

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 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.

## c. Short-term leases and leases of low-value assets

The Group has opted the exemption provided under Ind AS 116 Leases for low value and 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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

## k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets:

Trade receivables and debt securities issued are initially recognised when they are originated. All other assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

### Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus or minus in the case of a financial asset not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

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

### Equity Investments:

All equity investments within the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading 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 FVOCI, 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 FVOCI 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.

### 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, 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

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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 rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the 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.

## 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.

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.

## Financial liabilities:

### Initial recognition and measurement

All financial liabilities are initially recognised when the Group 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 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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

## 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. When a new financial liability is recorded in place of an existing one, 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.

## l) Earnings Per 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) attributable to owners of parent. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

## m) 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.

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 and does not give rise to equal taxable and deductible temporary differences;
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, 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 exercises judgement in recognising 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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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.

The Group applies the exception to not recognise or disclose information about deferred tax assets and deferred tax liabilities related to countries that have enacted tax legislation that comply with the Organisation for Economic Cooperation and Development ("OECD") Pillar Two model rules.

## n) 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.

Deferred finance cost 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.

## o) Statement of Cash Flows and Cash and cash equivalents

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

## p) 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.

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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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) 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 Group. 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.

## r) Accounting Standards adopted in Current year:

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2024. Accordingly, the Group has adopted these first-time amendments, with effect from the financial year beginning January 01, 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### (i) Lease Liability in Sale and Leaseback – Amendments to Ind AS 116, Leases

The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendment does not have a material impact on the Group's financial statements.

### (ii) Ind AS 117 Insurance Contracts

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue

them as well as to certain guarantees and financial instruments with discretionary participation features.

The application of Ind AS 117 had no impact on the Group's consolidated financial statements as the Group has not entered into any contracts in the nature of insurance contracts covered under Ind AS 117.

## s) Recent Accounting pronouncements not yet adopted:

The new and amended standards that are notified by the Ministry of Corporate Affairs (MCA), applicable for annual periods beginning on or after April 01, 2025. The Group will adopt these new and amended standards, when they become effective.

### (i) Lack of exchangeability – Amendments to Ind AS 21

Amendments to Ind AS 21 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the Group's financial statements.

### (ii) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

Amendments to paragraphs 69 to 76 of Ind AS 1 *Presentation of Financial Statements* specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments must be applied retrospectively.

The Group is currently assessing the impact, the amendments are not expected to have a material impact on the Group's financial statements.

### (iii) **Supplier Finance Arrangements - Amendments to Ind AS 7 and Ind AS 107**

Amendments to Ind AS 7 *Statement of Cash Flows* and Ind AS 107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after April 01, 2025.

The amendments are not expected to have a material impact on the Group's financial statements, as the Group has not entered into any contracts that constitute Supplier finance arrangements.

### (iv) **International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12**

Amendments to Ind AS 12 *Income Taxes* in response to the OECD's BEPS Pillar Two rules include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after April 01, 2025, but not for any interim periods ending on or before March 31, 2026.

The amendments are not expected to have a material impact on the Group's financial statements.

Consequential amendments to other Ind AS have also been made which are not expected to have any material impact on the Group's financial statements.

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)  
All amounts are in Indian Rupees Millions, except share data and where otherwise stated

### Note 3A: Property, plant and equipment

	Land - freehold	Land - leasehold (Refer note (iii) below)	Buildings (Refer note (ii) below)	Plant and equipment (Refer note (ii) below)	Furniture and fixtures	Office equipments	Vehicles	Total
<b>Gross carrying amount</b>								
<b>As at January 1, 2024</b>	1,094.87	51.27	9,750.02	74,921.07	1,914.81	1,221.29	1,078.29	<b>90,031.62</b>
Add: Additions	212.78	-	271.04	3,936.48	113.36	122.74	82.32	<b>4,738.72</b>
Less: Deletions / adjustments	-	-	39.21	73.90	7.12	82.51	12.45	<b>215.19</b>
Add: Effect of changes in foreign exchange rates	0.16	-	(370.97)	(234.76)	(58.63)	(31.31)	(101.92)	<b>(797.43)</b>
<b>As at December 31, 2024</b>	<b>1,307.81</b>	<b>51.27</b>	<b>9,610.88</b>	<b>78,548.89</b>	<b>1,962.42</b>	<b>1,230.21</b>	<b>1,046.24</b>	<b>93,757.72</b>
Add: Additions	-	367.03	936.62	5,124.30	163.29	341.99	84.34	7,017.57
Less: Deletions / adjustments	-	-	41.31	1,039.94	5.80	57.50	15.18	1,159.73
Add: Effect of changes in foreign exchange rates	77.61	-	1,437.98	7,722.63	342.70	173.64	233.70	9,988.26
<b>As at December 31, 2025</b>	<b>1,385.42</b>	<b>418.30</b>	<b>11,944.17</b>	<b>90,355.88</b>	<b>2,462.61</b>	<b>1,688.34</b>	<b>1,349.10</b>	<b>109,603.82</b>
<b>Accumulated depreciation and impairment</b>								
As at January 1, 2024	10.75	2.95	3,626.97	38,012.39	1,379.32	696.80	204.47	<b>43,933.65</b>
Add: Depreciation for the year	-	0.43	616.22	5,600.97	153.12	158.48	80.26	<b>6,609.48</b>
Less: Deletions / adjustments	-	-	31.80	(12.56)	7.09	65.32	12.27	<b>103.92</b>
Add: Effect of changes in foreign exchange rates	(0.34)	-	(235.49)	29.42	(42.60)	(15.43)	(20.30)	<b>(284.74)</b>
<b>As at December 31, 2024</b>	<b>10.41</b>	<b>3.38</b>	<b>3,975.90</b>	<b>43,655.34</b>	<b>1,482.75</b>	<b>774.53</b>	<b>252.16</b>	<b>50,154.47</b>
Add: Depreciation for the year	-	0.43	547.30	6,036.35	161.02	177.44	86.84	7,009.38
Less: Deletions / adjustments	-	-	8.93	1,012.26	5.12	58.09	14.22	1,098.62
Add: Effect of changes in foreign exchange rates	1.93	-	767.61	4,240.10	271.77	96.74	46.69	5,424.84
<b>As at December 31, 2025</b>	<b>12.34</b>	<b>3.81</b>	<b>5,281.88</b>	<b>52,919.53</b>	<b>1,910.42</b>	<b>990.62</b>	<b>371.47</b>	<b>61,490.07</b>
<b>Net carrying amount</b>								
<b>As at December 31, 2024</b>	<b>1,297.40</b>	<b>47.89</b>	<b>5,634.98</b>	<b>34,893.55</b>	<b>479.67</b>	<b>455.68</b>	<b>794.08</b>	<b>43,603.25</b>
<b>As at December 31, 2025</b>	<b>1,373.08</b>	<b>414.49</b>	<b>6,662.29</b>	<b>37,436.35</b>	<b>552.19</b>	<b>697.72</b>	<b>977.63</b>	<b>48,113.75</b>

#### Notes:

- (i) Certain movable and immovable property, plant and equipment are hypothecated against the non-current and current borrowings availed by the Group. Refer note 20 and 24.
- (ii) Includes buildings constructed and plant and equipment installed on leasehold land and depreciated over lease period.
- (iii) Leasehold land pertains to limestone mining leases in Rain Cements Limited.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 3B: Capital work in progress

Particulars	As at December 31, 2025	As at December 31, 2024
Balance at the beginning of the year	4,730.85	4,319.41
Add: Additions	4,063.36	4,413.79
Less: Capitalisations / adjustments	6,275.60	2,979.27
Less: Impairment losses (Refer note below)	-	730.52
Add: Effect of changes in foreign exchange rates	840.06	(292.56)
<b>Balance at the end of the year</b>	<b>3,358.67</b>	<b>4,730.85</b>

### Capital work in progress ageing schedule:

As at December 31, 2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	>3 years	
Projects in progress	1,641.01	657.17	405.93	538.40	3,242.51
Projects temporarily suspended	28.70	7.13	2.29	78.04	116.16
<b>Total</b>	<b>1,669.71</b>	<b>664.30</b>	<b>408.22</b>	<b>616.44</b>	<b>3,358.67</b>

As at December 31, 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	>3 years	
Projects in progress	2,788.03	972.54	402.04	458.07	4,620.68
Projects temporarily suspended	0.52	0.78	0.20	108.67	110.17
<b>Total</b>	<b>2,788.55</b>	<b>973.32</b>	<b>402.24</b>	<b>566.74</b>	<b>4,730.85</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, 2025

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	>3 years
<b>Projects in progress</b>				
Project 3	577.73	-	-	-
<b>Projects temporarily suspended</b>	-	-	-	-
<b>Total</b>	<b>577.73</b>	-	-	-

As at December 31, 2024

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	>3 years
<b>Projects in progress</b>				
Project 3	576.80	-	-	-
<b>Projects temporarily suspended</b>	-	-	-	-
<b>Total</b>	<b>576.80</b>	-	-	-

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Impairment loss:

The Group continues to evaluate the status of projects which are under Capital work in progress. During the year ended December 31, 2025, based on the status of the project and management evaluation, the Group had recognised an impairment loss of Nil (December 31, 2024: ₹ 730.52).

## Note:

(i) For contractual commitments relating to capital work-in-progress, refer note 45 (II).

## Note 4: Right of use asset

	Land - leasehold	Buildings	Plant and equipment	Office equipments	Vehicles	Total
<b>Gross carrying amount</b>						
As at January 1, 2024	1,358.10	1,393.87	4,134.30	38.09	2,012.52	<b>8,936.88</b>
Add: Additions (Refer note (ii) below)	19.56	664.73	913.92	10.21	957.57	<b>2,565.99</b>
Less: Deletions / adjustments	5.72	307.79	691.46	7.00	652.76	<b>1,664.73</b>
Add: Effect of changes in foreign exchange rates	(0.60)	(8.06)	(66.55)	1.33	(47.55)	<b>(121.43)</b>
<b>As at December 31, 2024</b>	<b>1,371.34</b>	<b>1,742.75</b>	<b>4,290.21</b>	<b>42.63</b>	<b>2,269.78</b>	<b>9,716.71</b>
Add: Additions (Refer note (ii) below)	528.40	225.85	250.62	4.78	2,222.01	<b>3,231.66</b>
Less: Deletions / adjustments	91.41	500.55	1,016.41	8.99	293.05	<b>1,910.41</b>
Add: Effect of changes in foreign exchange rates	4.09	113.52	486.93	5.24	687.94	<b>1,297.72</b>
<b>As at December 31, 2025</b>	<b>1,812.42</b>	<b>1,581.57</b>	<b>4,011.35</b>	<b>43.66</b>	<b>4,886.68</b>	<b>12,335.68</b>
<b>Accumulated depreciation</b>						
As at January 1, 2024	198.56	770.62	2,116.46	15.93	1,077.46	<b>4,179.03</b>
Add: Depreciation for the year	49.13	236.15	573.57	9.82	563.95	<b>1,432.62</b>
Less: Deletions / adjustments	3.30	288.34	654.35	4.11	652.76	<b>1,602.86</b>
Add: Effect of changes in foreign exchange rates	(0.24)	5.58	(34.03)	(0.24)	(20.09)	<b>(49.02)</b>
<b>As at December 31, 2024</b>	<b>244.15</b>	<b>724.01</b>	<b>2,001.65</b>	<b>21.40</b>	<b>968.56</b>	<b>3,959.77</b>
Add: Depreciation for the year	51.44	316.51	633.45	11.03	1,170.96	<b>2,183.39</b>
Less: Deletions / adjustments	91.41	500.55	1,006.29	5.27	289.32	<b>1,892.84</b>
Add: Effect of changes in foreign exchange rates	2.59	37.23	193.33	2.75	203.54	<b>439.44</b>
<b>As at December 31, 2025</b>	<b>206.77</b>	<b>577.20</b>	<b>1,822.14</b>	<b>29.91</b>	<b>2,053.74</b>	<b>4,689.76</b>
<b>Net carrying amount</b>						
<b>As at December 31, 2024</b>	<b>1,127.19</b>	<b>1,018.74</b>	<b>2,288.56</b>	<b>21.23</b>	<b>1,301.22</b>	<b>5,756.94</b>
<b>As at December 31, 2025</b>	<b>1,605.65</b>	<b>1,004.37</b>	<b>2,189.21</b>	<b>13.75</b>	<b>2,832.94</b>	<b>7,645.92</b>

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Notes:

- (i) For details regarding future minimum lease payments at the end of the year, Refer note 47.
- (ii) Additions represents non-cash investing activities except for "Acquisition of right-of-use assets" as disclosed in investing activities of consolidated statement of cash flows.

## Note 5: Goodwill and Other intangible assets:

	Goodwill	Other Intangible assests		Total
		Licenses and franchise	Other intangible assets	
<b>Gross carrying amount</b>				
As at January 1, 2024	69,950.77	579.24	57.95	<b>637.19</b>
Add: Additions	-	5.77	1.06	<b>6.83</b>
Less: Deletions	-	51.02	-	<b>51.02</b>
Add: Effect of changes in foreign exchange rates	(69.31)	(16.85)	(8.87)	<b>(25.72)</b>
<b>As at December 31, 2024</b>	<b>69,881.46</b>	<b>517.14</b>	<b>50.14</b>	<b>567.28</b>
Add: Additions	-	12.21	1.68	<b>13.89</b>
Less: Deletions	-	55.87	-	<b>55.87</b>
Add: Effect of changes in foreign exchange rates	7,795.96	90.76	22.08	<b>112.84</b>
<b>As at December 31, 2025</b>	<b>77,677.42</b>	<b>564.24</b>	<b>73.90</b>	<b>638.14</b>
<b>Accumulated amortisation and impairment</b>				
As at January 1, 2024	7,304.92	529.44	40.34	<b>569.78</b>
Add: Amortisation for the year	-	23.43	5.48	<b>28.91</b>
Less: Deletions	-	50.89	-	<b>50.89</b>
Add: Effect of changes in foreign exchange rates	139.97	(15.73)	(6.75)	<b>(22.48)</b>
<b>As at December 31, 2024</b>	<b>7,444.89</b>	<b>486.25</b>	<b>39.07</b>	<b>525.32</b>
Add: Amortisation for the year	-	19.45	6.10	<b>25.55</b>
Less: Deletions	-	55.87	-	<b>55.87</b>
Add: Effect of changes in foreign exchange rates	600.19	85.99	17.66	<b>103.65</b>
<b>As at December 31, 2025</b>	<b>8,045.08</b>	<b>535.82</b>	<b>62.83</b>	<b>598.65</b>
<b>Net carrying amount</b>				
<b>As at December 31, 2024</b>	<b>62,436.57</b>	<b>30.89</b>	<b>11.07</b>	<b>41.96</b>
<b>As at December 31, 2025</b>	<b>69,632.34</b>	<b>28.42</b>	<b>11.07</b>	<b>39.49</b>

## Note:

- (i) For impairment analysis performed for goodwill on consolidation, Refer note 40.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 5A: Depreciation and amortisation expense

	For the year ended December 31, 2025	For the year ended December 31, 2024
Depreciation on Property, plant and equipment (Refer note 3A)	7,009.38	6,609.48
Depreciation of Right of use asset (Refer note 4)	2,183.39	1,432.62
Amortisation of Other intangible assets (Refer note 5)	25.55	28.91
<b>Total</b>	<b>9,218.32</b>	<b>8,071.01</b>

## Note 6: Investment in equity accounted investees

	As at December 31, 2025	As at December 31, 2024
<b>Associates (unquoted):</b>		
- InfraTec Duisburg GmbH – 7,500 (December 31, 2024: 7,500) ordinary shares with no par value (Refer note 37)	179.93	130.86
<b>Total</b>	<b>179.93</b>	<b>130.86</b>

## Note 7: Non-current investments

	As at December 31, 2025	As at December 31, 2024
<b>A. Investment in equity shares</b>		
(i) in other entities		
<b>At Fair value through Other comprehensive income (FVOCI) (unquoted)</b>		
- Arsol Aromatics GmbH & Co. – 1,365,860 (December 31, 2024: 1,365,860) ordinary shares with no par value	35.98	30.37
Less: Impairment in value of investment	(35.98)	-
- Saisrushti Capital PTE. LTD – 25,000 (December 31, 2024: 25,000) ordinary shares fully paid up	71.94	68.50
<b>At Fair value through Profit and loss (FVTPL) (unquoted)</b>		
- Andhra Pradesh Gas Power Corporation Limited - 134,000 (December 31, 2024: 134,000) equity shares of ₹ 10 each fully paid up	16.00	16.00
Less: Impairment in value of investment	(16.00)	(16.00)
<b>B. Investment in Government securities carried at Fair value through Profit and loss (FVTPL) (unquoted)</b>		
- National Savings Certificates	0.09	0.09
<b>Total</b>	<b>72.03</b>	<b>98.96</b>
(a) Aggregate carrying amount of quoted investments and market value thereof	-	-
(b) Aggregate carrying amount of unquoted investments	72.03	98.96
(c) Aggregate amount of impairment in value of investments	51.98	16.00

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 8: Non-current loans

	As at December 31, 2025	As at December 31, 2024
<b>(Unsecured, considered good unless otherwise stated)</b>		
Loans and advances		
- to employees	7.29	5.87
<b>Total</b>	<b>7.29</b>	<b>5.87</b>

- The Group's exposure to credit risk is included in note 36.4

## Note 9: Other non-current financial assets

	As at December 31, 2025	As at December 31, 2024
<b>(Unsecured, considered good unless otherwise stated)</b>		
Security deposits	113.90	107.62
Electricity deposit	234.61	216.78
Bank deposits with remaining maturity more than 12 months*	-	15.22
Interest accrued on deposits	-	0.15
Balances held as margin money against guarantees and other commitments	0.56	0.56
<b>Total</b>	<b>349.07</b>	<b>340.33</b>

\* Represents lien marked deposits with government authorities and customers.

- The Group's exposure to credit risks is included in note 36.4.

## Note 10: Other non-current assets

	As at December 31, 2025	As at December 31, 2024
<b>(Unsecured, considered good unless otherwise stated)</b>		
Capital advances	266.70	652.18
Prepaid expenses	38.37	71.48
Balances with Statutory authorities	67.99	60.36
Excess contribution to plan assets for defined benefit plan (Refer note 42)	99.82	-
<b>Total</b>	<b>472.88</b>	<b>784.02</b>

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 11: Inventories

	As at December 31, 2025	As at December 31, 2024
<b>(At lower of cost or net realisable value)</b>		
a) Raw materials	18,366.60	12,913.55
b) Work-in-progress	2,906.91	2,264.89
c) Finished goods	10,394.74	10,858.29
d) Stock-in-trade	0.06	148.24
e) Stores and spares	4,137.59	3,536.29
f) Packing materials	129.87	91.33
g) Fuel	293.29	707.95
<b>Total</b>	<b>36,229.06</b>	<b>30,520.54</b>
<b>Goods-in-transit, included above</b>		
a) Raw materials	5,280.94	3,515.48
b) Finished goods	-	521.64
c) Stores and spares	5.37	3.73
d) Fuel	3.72	81.36
<b>Total</b>	<b>5,290.03</b>	<b>4,122.21</b>

During the year ended December 31, 2025, ₹ 610.52 (December 31, 2024: ₹ 375.00) was recognised as an expense for write down of inventories carried at net realisable value. The write-down is included in cost of materials consumed or changes in inventories of finished goods, work-in-progress and stock-in-trade.

For details of inventories hypothecated against the non-current and current borrowings availed by the Group, Refer note 20 and 24.

## Note 12: Current investments

	As at December 31, 2025	As at December 31, 2024
<b>Investment in mutual funds of (quoted, at Fair value through Profit and loss):</b>		
a) Money market funds (Goldman FS Gov Inst 465 scheme of 351,873 units (December 31, 2024: 351,873 units))	35.43	32.35
<b>Total</b>	<b>35.43</b>	<b>32.35</b>
(a) Aggregate carrying amount of quoted investments and market value thereof	35.43	32.35
(b) Aggregate carrying amount of unquoted investments	-	-

- For details of current investments secured against borrowings, refer note 20 and 24.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 13: Trade receivables

	As at December 31, 2025	As at December 31, 2024
Trade receivables considered good - secured	351.72	417.81
Trade receivables considered good - unsecured*	20,175.14	16,885.51
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	317.33	258.67
	<b>20,844.19</b>	<b>17,561.99</b>
Less: Allowance for expected credit losses	317.33	258.67
<b>Total</b>	<b>20,526.86</b>	<b>17,303.32</b>

### Trade receivables ageing schedule as at December 31, 2025:

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	119.62	18,152.04	1,848.90	226.57	163.24	15.48	1.01	20,526.86
ii. Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii. Undisputed Trade Receivables - credit impaired	-	-	31.54	145.43	32.44	23.86	84.06	317.33
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
v. Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi. Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>119.62</b>	<b>18,152.04</b>	<b>1,880.44</b>	<b>372.00</b>	<b>195.68</b>	<b>39.34</b>	<b>85.07</b>	<b>20,844.19</b>
Less: Allowance for expected credit losses								317.33
<b>Total</b>								<b>20,526.86</b>

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

### Trade receivables ageing schedule as at December 31, 2024:

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	123.97	15,126.56	1,889.81	91.78	55.21	13.56	2.43	17,303.32
ii. Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii. Undisputed Trade Receivables - credit impaired	-	51.71	22.91	47.18	34.80	3.66	98.41	258.67
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
v. Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi. Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>123.97</b>	<b>15,178.27</b>	<b>1,912.72</b>	<b>138.96</b>	<b>90.01</b>	<b>17.22</b>	<b>100.84</b>	<b>17,561.99</b>
Less: Allowance for expected credit losses								258.67
<b>Total</b>								<b>17,303.32</b>

\*The balance includes amounts receivable amounting to ₹ 473.96 (December 31, 2024: ₹ 607.51) for which the Group has received security in the form of Letters of Credit.

- Trade receivables are non-interest bearing and are generally on terms of 30 to 72 days.
- For details of trade receivables hypothecated against the non-current and current borrowings, refer note 20 and 24.
- Refer note 43 (b) for amounts receivable from related parties.
- The Group's exposure to credit and currency risks related to trade receivables are disclosed in note 36.4 and 36.8.

### Note 14: Cash and bank balances

	As at December 31, 2025	As at December 31, 2024
<b>A. Cash and cash equivalents</b>		
Cash on hand	0.36	0.25
Cheques/ drafts on hand	5.43	-
Balances with banks:		
- in current accounts	7,997.75	9,633.06
- in exchange earners foreign currency (EEFC) accounts	965.14	889.56
- in deposit accounts (with original maturity of 3 months or less)	288.34	2,688.99
	<b>9,257.02</b>	<b>13,211.86</b>
<b>B. Bank balances other than cash and cash equivalents</b>		
Balances held as margin money against guarantees and other commitments	139.49	105.35
Unpaid dividend accounts	17.35	21.25
Bank deposits with original maturity of more than 3 months but less than 12 months*	5,848.51	5,365.64
	<b>6,005.35</b>	<b>5,492.24</b>
<b>Total [A+B]</b>	<b>15,262.37</b>	<b>18,704.10</b>

\* Out of above deposits ₹ 285.98 (December 31, 2024: ₹ 276.26) are lien marked with government authorities and customers.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 15: Current loans

	As at December 31, 2025	As at December 31, 2024
<b>(Unsecured, considered good unless otherwise stated)</b>		
Loan to employees	4.88	4.74
<b>Total</b>	<b>4.88</b>	<b>4.74</b>

- The Group's exposure to credit risk related to current loans is disclosed in note 36.4.

## Note 16: Other current financial assets

	As at December 31, 2025	As at December 31, 2024
<b>(Unsecured, considered good unless otherwise stated)</b>		
Security deposits	33.40	15.34
Bank deposits with original maturity more than 12 months but remaining maturity less than 12 months*	32.49	15.39
Interest accrued on deposits	172.04	156.40
Advance to employees	14.87	8.73
Other receivables	201.81	178.87
<b>Total</b>	<b>454.61</b>	<b>374.73</b>

\* Represents lien marked deposits with government authorities and customers.

## Note 17: Other current assets

	As at December 31, 2025	As at December 31, 2024
<b>(Unsecured, considered good unless otherwise stated)</b>		
Prepaid expenses	438.66	568.02
Balances with statutory authorities	2,122.70	1,543.64
Advance to suppliers and service providers	1,471.55	548.23
Advance to employees	6.95	7.96
Others	4.42	9.39
<b>Total</b>	<b>4,044.28</b>	<b>2,677.24</b>

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 18: Share capital

	As at December 31, 2025		As at December 31, 2024	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital:</b>				
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
<b>Total</b>	<b>594,900,000</b>	<b>1,670.00</b>	<b>594,900,000</b>	<b>1,670.00</b>
<b>Issued, subscribed and fully paid up share capital</b>				
Equity shares of ₹ 2 each	336,345,679	672.69	336,345,679	672.69
<b>Total</b>	<b>336,345,679</b>	<b>672.69</b>	<b>336,345,679</b>	<b>672.69</b>

### Notes:

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

Particulars	As at December 31, 2025		As at December 31, 2024	
	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	-	-	-	-
<b>As at end of the year</b>	<b>336,345,679</b>	<b>672.69</b>	<b>336,345,679</b>	<b>672.69</b>

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

The Company has only one class of equity shares having a par value of ₹ 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 August 06, 2025 declared an interim dividend of 50% (₹ 1 per equity share of par value of ₹ 2 each amounting to ₹ 336.35) and no further dividend was recommended for the financial year ended December 31, 2025. This dividend was paid during the year ended December 31, 2025.

The Board of Directors at its meeting held on August 06, 2024 declared an interim dividend of 50% (₹ 1 per equity share of par value of ₹ 2 each amounting to ₹ 336.35) and no further dividend was recommended for the financial year ended December 31, 2024. This dividend was paid during the year ended December 31, 2024.

#### (iii) Shareholders holding more than 5% of the equity shares

Name of the Shareholder	As at December 31, 2025		As at December 31, 2024	
	Number of shares	%	Number of shares	%
Sujala Investments Private Limited	37,922,874	11.27	37,766,675	11.23
N. Anupama Reddy	27,300,669	8.12	27,300,669	8.12
Rain Enterprises Private Limited	25,316,465	7.53	25,316,465	7.53

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## (iv) Shares held by Promoters

As at December 31, 2025

Name of the Promoter	Number of shares	Percentage of total shares	Percentage of change during the year
Sujala Investments Private Limited	37,922,874	11.27	0.04%
Ms. N. Anupama Reddy	27,300,669	8.12	0.0%
Rain Enterprises Private Limited	25,316,465	7.53	0.0%
Mr. N. Radhakrishna Reddy	10,383,730	3.09	0.0%
Mr. N. Sujith Kumar Reddy	10,028,770	2.98	0.0%
Nivee Holdings Private Limited	8,143,250	2.42	0.0%
Ms. N. Indira Reddy	7,513,100	2.23	0.0%
Arunachala Holdings Private Limited	5,272,500	1.57	0.0%
PCL Financial Services Private Limited	3,780,750	1.12	0.0%
Ms. N. Akhila Reddy	1,869,315	0.56	0.0%
Arunachala Logistics Private Limited	989,245	0.29	0.0%
Ms. K. V. Arundhathi Reddy	14,285	0.00	0.0%
Mr. Jagan Mohan Reddy Nellore	100	0.00	0.0%

As at December 31, 2024

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	0.0%
Ms. N. Anupama Reddy	27,300,669	8.12	0.0%
Rain Enterprises Private Limited	25,316,465	7.53	0.0%
Mr. N. Radhakrishna Reddy	10,383,730	3.09	0.0%
Mr. N. Sujith Kumar Reddy	10,028,770	2.98	0.0%
Nivee Holdings Private Limited	8,143,250	2.42	0.0%
Ms. N. Indira Reddy	7,513,100	2.23	0.0%
Arunachala Holdings Private Limited	5,272,500	1.57	0.0%
PCL Financial Services Private Limited	3,780,750	1.12	0.0%
Ms. N. Akhila Reddy	1,869,315	0.56	0.0%
Arunachala Logistics Private Limited	989,245	0.29	0.0%
Ms. K. V. Arundhathi Reddy	14,285	0.00	0.0%
Mr. Jagan Mohan Reddy Nellore	100	0.00	0.0%

- (v) In the five years ended December 31, 2025, 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 consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 19: Other equity

	As at December 31, 2025	As at December 31, 2024
<b>(i) Reserves and Surplus</b>		
<b>(a) Capital Reserve (Balance at the beginning and end of the year)</b>	<b>43.98</b>	<b>43.98</b>
<b>(b) Securities premium (Balance at the beginning and end of the year)</b>	<b>516.67</b>	<b>516.67</b>
<b>(c) Capital redemption reserve (Balance at the beginning and end of the year)</b>	<b>47.66</b>	<b>47.66</b>
<b>(d) General reserve (Balance at the beginning and end of the year)</b>	<b>1,605.01</b>	<b>1,605.01</b>
<b>(e) Retained earnings</b>		
Opening balance	54,880.30	61,065.32
Less: FCTR pertaining to earlier years reclassified (Refer note in SOCIE)	-	(205.98)
Restated opening balance	<b>54,880.30</b>	<b>60,859.34</b>
Add: Profit / (loss) for the year	425.24	(5,642.69)
Less: Dividend for the year	336.35	336.35
Closing balance	<b>54,969.19</b>	<b>54,880.30</b>
<b>(f) Remeasurements of defined benefit plans</b>		
Opening balance	3,597.48	2,952.91
Add: Actuarial gain / (loss) on remeasurements of defined benefit plans, net of tax	1,735.05	644.57
Closing balance	<b>5,332.53</b>	<b>3,597.48</b>
<b>(ii) Other comprehensive income / (loss):</b>		
<b>(a) Foreign currency translation reserve (FCTR)</b>		
Opening balance	5,012.83	6,521.13
Add: FCTR pertaining to earlier years reclassified (Refer note in SOCIE)	-	205.98
Restated opening balance	<b>5,012.83</b>	<b>6,727.11</b>
Add: Exchange difference arising on translating the financial statements of foreign operations	8,808.12	(2,578.88)
Add: Exchange difference arising on net investment in foreign operation	(2,517.50)	864.60
Closing balance	<b>11,303.45</b>	<b>5,012.83</b>
<b>Total</b>	<b>73,818.49</b>	<b>65,703.93</b>

### Description of the purposes of each reserve within equity:

#### (i) 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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

- (e) **Retained earnings:** Retained earnings are the net profits / (losses) 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).
- (ii) **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). It includes exchange differences arising on net investment in foreign operation. (Refer note 49).

## Note 20: Non-current borrowings

	As at December 31, 2025	As at December 31, 2024
<b>A. Bonds</b>		
- Secured (Refer note (i))		
12.25% Senior secured notes (due for repayment in September 2029)	39,595.12	37,946.89
7.25% Senior secured notes (due for repayment in April 2025)	-	3,741.51
Less: Current maturities of non-current borrowings disclosed under Note 24 - Current Borrowings	-	(3,741.51)
	<b>39,595.12</b>	<b>37,946.89</b>
<b>B. Term loans</b>		
From banks		
- Secured (Refer note (ii))	1,700.00	1,700.00
From other parties		
- Secured (Refer note (iii))	32,107.25	26,895.20
Less: Current maturities of non-current borrowings disclosed under Note 24 - Current Borrowings	(844.86)	(1,700.00)
	<b>32,962.39</b>	<b>26,895.20</b>
<b>C. Deferred payment liabilities</b>		
- Unsecured (Refer note (iv))	-	79.75
Less: Current maturities of non-current borrowings disclosed under Note 24 - Current Borrowings	-	(79.75)
	-	-
<b>Total [A+B+C]</b>	<b>72,557.51</b>	<b>64,842.09</b>

### Notes:

- (i) On March 31, 2017, Rain Carbon Inc ("RCI"), a subsidiary in the United States issued USD 550.0 million of 7.25% Senior Secured Notes maturing in April 2025 (the "2025 Notes"). The 2025 Notes contain covenants that limit the RCI group's (RCI and its subsidiaries) ability to, among other things, pay cash dividends, incur additional debt and make investments. RCI Group has the option to 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 premium prices. The 2025 Notes are secured by substantially all of the assets of the RCI Group and are guaranteed by the RCI subsidiaries incorporated in United States on a joint and several basis.

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

RCI repurchased 2025 notes amounting to USD 43.7 million and USD 6.1 million during the year ended December 31, 2025 and 2024 respectively. With this entire 2025 Notes are redeemed.

During August 2023, RCI issued Senior Secured Notes maturing in September 2029 ("2029 Notes") for USD 450.0 million. RCI used the proceeds from 2029 Notes together with existing cash to repay 2025 Notes of USD 480.0 million with offered tender price leaving USD 49.8 million outstanding. During the year ended December 31, 2025, Rain Commodities (USA) Inc., holding company of RCI has purchased 2029 notes amounting to USD 4.1 million (December 31, 2024: USD 1.0 million).

The 2029 Notes are issued at an interest rate of 12.25% (fixed) and are guaranteed by RCI and its subsidiaries in Belgium, Canada, Germany and the USA. The 2029 Notes and 2025 Notes have second-lien priority on assets after Revolving Credit Facilities and Euro Term loan B ("TLB") as explained in note (iii) below.

2025 Notes balance (gross of transaction costs) as at December 31, 2025 was Nil and as at December 31, 2024 was ₹ 3,744.42 (USD 43.7 million) net of deferred finance cost balance as at December 31, 2025 was Nil and as at December 31, 2024 was ₹ 2.91 (USD 0.0 million).

2029 Notes balance (gross of transaction costs) as at December 31, 2025 was ₹ 40,004.96 (USD 444.9 million) and as at December 31, 2024 was ₹ 38,443.38 (USD 449.0 million) net of deferred finance cost balance as at December 31, 2025 was ₹ 409.84 (USD 4.6 million) and as at December 31, 2024 was ₹ 496.49 (USD 5.8 million).

(ii) During the year ended December 31, 2023, the Company had availed a credit facility of ₹ 2,000.00 from a bank which included a Term loan of ₹ 1,700.00 (carrying interest rate of I-MCLR-1Y plus spread of 25 basis points and repayable on November 30, 2025) and a non-fund based limit of ₹ 300.00.

l) Term loan of ₹ 1,700.00 was secured by:

- a) First charge over the movable fixed assets of the Company, present and future;
- b) Second pari-passu charge over current assets of the Company, both present and future;
- c) Pledge over 1,000,000 equity shares of ₹ 10 each held by the Company in Rain CII Carbon (Vizag) Limited (RCCVL), a wholly owned step-down subsidiary;
- d) Corporate guarantee of RCCVL in favour of the bank.

ll) Non-fund based limit of ₹ 300.00 (derivative) was secured by

- a) Corporate guarantee of RCCVL, in favour of the bank.

During the current year, the Company repaid the above Term Loan and closed the non-fund based facility. The Company availed a New Term Loan of ₹ 1,700.00 carrying interest rate of I-MCLR-3M plus spread of 15 basis points, repayable in annual instalments with September 30, 2028 as the last repayment date. The security terms of the New Term Loan are similar to the earlier loan. Further, no guarantee commission is charged by RCCVL based on the requirements of the bank.

During the year ended December 31, 2024, the company availed working capital credit facilities of ₹ 100.00 which was secured by current assets of the Company along with corporate guarantee of RCCVL in favour of the bank and another facility of ₹ 400.00 which was secured by corporate guarantee of RCL, wholly owned subsidiary in favour of the bank.

As on December 31, 2025, available limit under the working capital credit facility amounts to ₹ 500.00 (December 31, 2024: ₹ 500.00) and non-fund based facility amounts to Nil (December 31, 2024: ₹ 300.00).

(iii) On January 16, 2018, Rain Carbon GmbH ("RCG"), a subsidiary of the Group in Europe issued TLB of EUR 390.0 million with a maturity date of January 2025. Interest rate on the TLB was EURIBOR (subject to a 0.0% floor) plus 3% (floating). The TLB is First Lien Debt having priority over 2025 Notes. The TLB included certain covenants and conditions that limit the restricted group's ability to, among other things, pay cash dividends, incur additional debt and make investments. The TLB was secured by substantially all of the assets of RCI and was guaranteed by RCI and its subsidiaries in Belgium, Canada, Germany and the USA.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

During August 2023, RCG amended and extended the maturity of the TLB amounting to EUR 353.5 million till October 2028 and repaid the balance principal of EUR 36.5 million. The amended TLB is issued at an interest rate of EURIBOR (subject to a 0.0% floor) plus 5% (floating) and are guaranteed by RCI and its subsidiaries in Belgium, Canada, Germany and the USA. The amended TLB has mandatory amortisation payments of 2.5% - 5% in subsequent years along with additional payments in case of excess cash flows. In 2025, the Group has repaid amount of EUR Nil (December 31, 2024 : EUR 32.9 million).

Balance (gross of transaction costs) as at December 31, 2025 was ₹ 32,787.14 (EUR 310.6 million) and as at December 31, 2024: ₹ 27,671.53 (EUR 310.6 million) net of deferred finance cost balance as at December 31, 2025 was ₹ 679.89 (EUR 6.4 million) and as at December 31, 2024 was ₹ 776.33 (USD 8.7 million).

- (iv) Sales tax deferment represents interest free liability in Rain Cements Limited. Liability has been repaid and there is no future liability. (December 31, 2024: 06 installments).
- (v) The Group has not defaulted on payment of principal and interest thereon on above term loans.
- (vi) 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, 2025	December 31, 2024
Opening balance at the beginning of the year	70,363.35	73,278.62
Borrowings made during the year	1,700.00	-
Borrowings repaid during the year	(5,873.20)	(3,536.06)
Adjusted against sales tax refund receivable (non-cash changes)	(15.34)	-
Sales tax deferment paid	(64.40)	(102.76)
Effect of changes in foreign exchange rates (non-cash changes)	6,940.84	269.04
Amortisation of deferred finance cost (non-cash changes)	351.12	454.51
<b>Closing balance at the end of the year</b>	<b>73,402.37</b>	<b>70,363.35</b>

## (b) Lease liabilities (including current maturities):

Particulars	As at	
	December 31, 2025	December 31, 2024
Opening balance at the beginning of the year	6,333.07	5,167.39
Additions during the year (non-cash changes)	3,257.85	2,550.74
Accretion of interest (non-cash changes)	402.67	297.98
Deletions during the year (non-cash changes)	(71.35)	(44.94)
Lease principal payments during the year	(2,470.39)	(1,306.25)
Lease interest payments during the year	(386.84)	(286.25)
Effect of changes in foreign exchange rates (non-cash changes)	708.37	(45.60)
<b>Closing balance at the end of the year</b>	<b>7,773.38</b>	<b>6,333.07</b>
<b>Net Lease Liability</b>		
- Current	2,126.26	1,655.47
- Non-current	5,647.12	4,677.60
<b>Total</b>	<b>7,773.38</b>	<b>6,333.07</b>

- The Group's exposure to liquidity and currency risk related to borrowings is disclosed in note 36.5 and 36.8.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 21: Other non-current financial liabilities

	As at December 31, 2025	As at December 31, 2024
Employee payables	23.61	44.93
<b>Total</b>	<b>23.61</b>	<b>44.93</b>

- The Group's exposure to liquidity risk is disclosed in note 36.5.

## Note 22: Non-current provisions

	As at December 31, 2025	As at December 31, 2024
<b>Provision for employee benefits:</b>		
- Defined benefit plans, net (Refer note 42)	7,860.66	7,964.92
<b>Provision - others</b>		
- Provision for environment liabilities (Refer note 50)	1,309.96	1,194.79
- Other provisions (Refer note 51)	203.39	178.42
<b>Total</b>	<b>9,374.01</b>	<b>9,338.13</b>

## Note 23: Other non-current liabilities

	As at December 31, 2025	As at December 31, 2024
Unearned revenue (Refer note 29)	-	1.48
<b>Total</b>	<b>-</b>	<b>1.48</b>

## Note 24: Current borrowings

	As at December 31, 2025	As at December 31, 2024
<b>From banks - Secured</b>		
- Buyer's credit (Refer note (i))	2,641.67	494.47
- Packing credit foreign currency loan (Refer note (i))	1,978.07	446.52
- Working capital demand loan (Refer note (i))	1,150.00	-
- Revolver credit facility (Refer note (ii))	11,294.92	7,305.38
Current maturities of non-current borrowings (Refer note 20)	844.86	5,521.26
<b>Total</b>	<b>17,909.52</b>	<b>13,767.63</b>

### Notes:

- (i) One of the subsidiary incorporated in India, has entered into agreements with five banks (December 31, 2024: four banks) for an aggregated facility amount of ₹ 13,313.33 (USD 148.0 million) (December 31, 2024: ₹ 7,591.19 (USD 88.7 million)) which can be utilised for cash drawings in the form of cash credit, packing credit, suppliers credit or working capital demand loan or for issuance of letter of credits and bank guarantees. Letters of credit issued under these facilities are subject to a fee of 0.35% - 0.50% per annum. Cash drawings under packing credit and suppliers credit facilities are subject to interest rate of SOFR plus 35 - 190 basis points per annum (December 31, 2024: SOFR plus 55 - 135 basis points per annum) and are repayable for a

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

period of one to six months as per the facility utilised. Cash drawings under working capital demand loan facility are subject to a interest rate of 7.63% - 10.50% per annum and are repayable on demand.

These facilities are secured by pari-passu first charge over current assets and movable assets comprising of all inventories and book debts both present and future of the said company.

At December 31, 2025, cash drawings outstanding under packing credit foreign currency loan aggregated to ₹ 1,978.07 (USD 22.0 million) (December 31, 2024: ₹ 446.52 (USD 5.2 million)), under Buyer's credit facility aggregated to ₹ 2,641.67 (USD 29.4 million) (December 31, 2024: ₹ 494.47 (USD 5.8 million)) and under working capital demand loan aggregated to ₹ 1,150.00 (USD 12.7 million) (December 31, 2024: Nil).

At December 31, 2025, letters of credit outstanding were ₹ 5.91 (USD 0.1 million) (December 31, 2024: ₹ 2,895.61 (USD 33.8 million)) and bank guarantees outstanding were ₹ 417.35 (USD 4.6 million) (December 31, 2024: ₹ 76.58 (USD 0.9 million)) under the facility.

As at December 31, 2025, available limit under both facilities amounts to ₹ 7,120.33 (USD 79.2 million) (December 31, 2024: ₹ 3,678.01 (USD 43.0 million)).

- (ii) On January 16, 2018, certain Group Companies in North America and Europe entered into a Revolver Credit Facility (RCF) Agreement with three banks. During the year 2023, the Group amended the credit agreement and increased the commitment amount from ₹ 16,558.00 (USD 200.0 million) to ₹ 23,379.20 (USD 260.0 million) and added a fourth bank. The commitment has a sub-limit of ₹ 8,992.00 (USD 100.0 million) towards Letter of Credit and Bank Guarantee with an option to use entire commitment towards cash drawings. The facility was extended till January 2027. The interest rates are variable and depend on currency of the borrowing and financial leverages. As at December 31, 2025 interest rate for USD borrowings was SOFR plus 250 basis points (December 31, 2024: SOFR plus 250 basis points) and for EUR borrowings is EURIBOR plus 250 basis points (December 31, 2024: EURIBOR plus 250 basis points).

The RCF is secured and guaranteed by substantially all of the assets of the Group Company in United States and guaranteed by RCI and its subsidiaries in Belgium, Canada, Germany and the USA.

At December 31, 2025 cash drawings outstanding under the RCF aggregated to ₹ 11,294.92 (USD 125.7 million) (December 31, 2024: ₹ 7,305.38 (USD 85.2 million)) of which EUR borrowings aggregated to ₹ 11,294.92 (EUR 107.0 million) (December 31, 2024: ₹ 7,305.38 (EUR 82.0 million)). Variable interest rate depends on the type of borrowing.

At December 31, 2025, letters of credit and bank guarantees outstanding aggregated ₹ 6,159.52 (USD 68.5 million) (December 31, 2024: ₹ 3,005.26 (USD 35.1 million)).

As at December 31, 2025, available limit under the facility amounts to ₹ 5,924.76 (USD 65.8 million) (December 31, 2024: ₹ 11,950.56 (USD 139.7 million)).

- (iii) The Group has not defaulted on payment of principal and interest thereon on above loans.

## (iv) Reconciliation of liabilities arising from financing activities (excluding current maturities of non-current borrowings):

Particulars	As at	As at
	December 31, 2025	December 31, 2024
Opening balance at the beginning of the year	8,246.37	8,455.76
Borrowings made during the year	29,808.23	11,936.82
Borrowings repaid during the year	(22,715.47)	(11,936.79)
Effect of changes in foreign exchange rates (non-cash changes)	1,725.53	(209.42)
<b>Closing balance at the end of the year</b>	<b>17,064.66</b>	<b>8,246.37</b>

- The Group's exposure to liquidity, interest and currency risks related to borrowings is disclosed in note 36.5, 36.7 and 36.8.

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

### Note 25: Trade payables

	As at December 31, 2025	As at December 31, 2024
Total outstanding dues of micro enterprises and small enterprises	78.46	27.26
Total outstanding dues of creditors other than micro enterprise and small enterprises	12,351.74	15,181.55
<b>Total</b>	<b>12,430.20</b>	<b>15,208.81</b>

#### Trade payables ageing schedule as at December 31, 2025:

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*	-	13.35	65.11	-	-	-	78.46
ii. Others	2,482.91	8,374.40	1,107.72	77.10	159.95	149.66	12,351.74
iii. Disputed dues-MSME	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-
<b>Balance as at December 31, 2025</b>	<b>2,482.91</b>	<b>8,387.75</b>	<b>1,172.83</b>	<b>77.10</b>	<b>159.95</b>	<b>149.66</b>	<b>12,430.20</b>

#### Trade payables ageing schedule as at December 31, 2024:

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*	-	21.98	5.28	-	-	-	27.26
ii. Others	2,045.37	11,305.86	1,002.17	589.04	10.53	228.58	15,181.55
iii. Disputed dues-MSME	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-
<b>Balance as at December 31, 2024</b>	<b>2,045.37</b>	<b>11,327.84</b>	<b>1,007.45</b>	<b>589.04</b>	<b>10.53</b>	<b>228.58</b>	<b>15,208.81</b>

\* Micro enterprises and small enterprises.

The Group's exposure to liquidity and currency risks related to trade payables is disclosed in note 36.5 and 36.8.

### Note 26: Other current financial liabilities

	As at December 31, 2025	As at December 31, 2024
Interest accrued but not due on borrowings	1,713.95	1,718.90
Trade and security deposits	46.96	110.98
Employee payables	606.13	543.40
Deposits from contractors	785.76	939.88
Discounts payable	97.83	194.03
Unpaid dividends*	17.35	21.25
Others		
- Payables on purchase of property, plant and equipment	571.93	743.71
- Retention money	15.67	9.30
- Others	1,418.18	1,522.51
<b>Total</b>	<b>5,273.76</b>	<b>5,803.96</b>

\* There are no amounts due and outstanding to be credited to Investor Education and Protection fund as at December 31, 2025 and December 31, 2024.

- The Group's exposure to liquidity and currency risks related to other current financial liabilities is disclosed in note 36.5 and 36.8.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Reconciliation of liabilities (interest accrued) arising from financing activities:

	As at December 31, 2025	As at December 31, 2024
Opening balance at the beginning of the year	1,718.90	2,168.16
Interest accrued during the year (non-cash changes)	8,362.80	8,653.37
Interest paid during the year	(8,703.52)	(9,003.88)
Effect of changes in foreign exchange rates (non-cash changes)	335.77	(98.75)
<b>Closing balance at the end of the year</b>	<b>1,713.95</b>	<b>1,718.90</b>

## Note 27: Other current liabilities

	As at December 31, 2025	As at December 31, 2024
Unearned revenue (Refer note 29)	26.32	1.78
Other payables		
- Statutory liabilities	1,086.19	1,036.85
- Advances from customers (Refer note 29)	104.33	179.88
- Others	20.92	68.73
<b>Total</b>	<b>1,237.76</b>	<b>1,287.24</b>

## Note 28: Current provisions

	As at December 31, 2025	As at December 31, 2024
<b>Provision for employee benefits:</b>		
- Compensated absences (Refer note 42)	782.22	740.27
- Defined benefit plans, net (Refer note 42)	62.72	48.80
- Other provisions (Refer note 51)	44.39	473.84
<b>Provision - Others:</b>		
- Provision for environment liabilities (Refer note 50)	136.11	152.49
- Other provisions (Refer note 51)	560.22	582.44
<b>Total</b>	<b>1,585.66</b>	<b>1,997.84</b>

## Note 29: Revenue from operations

	For the year ended December 31, 2025	For the year ended December 31, 2024
Sale of products	167,896.41	152,660.24
Sale of services	14.98	12.46
Other operating revenues [Refer note (i) below]	1,546.86	1,071.21
<b>Total</b>	<b>169,458.25</b>	<b>153,743.91</b>

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Notes:

### (i) Other operating revenues comprises:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Scrap sales	51.83	49.09
Rental income	360.87	498.13
Insurance claims	507.77	26.79
Dock revenue	173.40	187.20
Others	452.99	310.00
<b>Total</b>	<b>1,546.86</b>	<b>1,071.21</b>

### (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, 2025	For the year ended December 31, 2024
Sale of products recognised at a point in time	167,896.41	152,660.24
Sale of services recognised over a period of time	14.98	12.46
<b>Total</b>	<b>167,911.39</b>	<b>152,672.70</b>

### (iii) Contract balances:

Particulars	As at December 31, 2025	As at December 31, 2024
Contract liabilities recorded in balance sheet (Refer notes 23 and 27)	130.65	183.14

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 ₹ 181.66 included in contract liabilities as at December 31, 2024 has been recognised as revenue in the current year.

### (iv) Reconciliation of revenue from sale of products with contract price:

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Contract price (A)	170,141.57	154,862.25
Less - Reductions towards variable consideration components: (B)		
Sales returns	-	6.22
Discounts	2,183.72	2,143.15
Rebates	61.44	52.64
<b>Revenue recognised (A-B)</b>	<b>167,896.41</b>	<b>152,660.24</b>

### (v) Refer note 39 for geographical segment wise revenue and product wise revenue.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 30: Other income

	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest income		
Interest from banks on deposits	876.35	1,204.92
Interest on income tax refund	3.07	2.37
Other interest	47.07	204.14
Fair value gain from current investments	1.41	2.17
Other non-operating income		
Insurance claims	60.27	503.40
Liabilities / provisions no longer required written back	261.11	133.33
Gain on redemption of senior secured notes	-	4.08
Profit on sale of property, plant and equipment, net	1.69	5.58
Government grant income	79.80	341.77
Miscellaneous income	53.21	53.83
<b>Total</b>	<b>1,383.98</b>	<b>2,455.59</b>

## Note 31: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended December 31, 2025	For the year ended December 31, 2024
<b>Opening Stock</b>		
Finished goods	10,858.29	10,244.09
Work-in-progress	2,264.89	2,250.65
Stock-in-trade	148.24	2,127.75
	<b>13,271.42</b>	<b>14,622.49</b>
<b>Closing Stock</b>		
Finished goods	10,394.74	10,858.29
Work-in-progress	2,906.91	2,264.89
Stock-in-trade	0.06	148.24
	<b>13,301.71</b>	<b>13,271.42</b>
<b>Decrease / (Increase) in stock</b>	<b>(30.29)</b>	<b>1,351.07</b>
Foreign currency translation adjustment	598.25	(109.45)
<b>Net decrease / (increase) in stock</b>	<b>567.96</b>	<b>1,241.62</b>

## Note 32: Employee benefits expense

	For the year ended December 31, 2025	For the year ended December 31, 2024
Salaries and wages	10,235.06	11,287.92
Contributions to provident and other funds (Refer note 42)	2,363.39	2,150.03
Staff welfare expenses	587.47	653.21
<b>Total</b>	<b>13,185.92</b>	<b>14,091.16</b>

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 33: Finance costs

	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest expense on borrowings	8,422.86	8,768.74
Interest expense on lease liabilities	402.67	297.98
Interest on income tax	21.47	-
Other borrowing costs	291.06	306.43
Exchange differences regarded as an adjustment to borrowing cost	78.41	32.71
<b>Total</b>	<b>9,216.47</b>	<b>9,405.86</b>

## Note 34: Other expenses

	For the year ended December 31, 2025	For the year ended December 31, 2024
Consumption of stores and spares	2,446.82	2,175.72
Consumption of packing materials	1,045.89	1,079.96
Power and fuel	8,799.03	8,932.77
Repairs and maintenance		
- Plant and machinery	2,863.74	2,883.76
- Buildings	195.70	136.78
- Others	2,605.37	2,617.49
Insurance	1,249.63	1,351.72
Rent (Refer note 47)	616.27	566.88
Rates and taxes	616.99	721.78
Travelling and conveyance	247.27	263.48
Selling and distribution expense	1,313.74	2,087.46
Freight expense	10,678.52	10,561.33
Corporate social responsibility and other donations	160.78	186.70
Consultancy charges	2,103.17	2,566.64
Payment to auditors	124.99	111.98
Directors' sitting fees	20.13	19.65
Commission to directors	0.92	2.80
Provision for loss allowance on trade receivables (Refer note 36.4)	109.60	130.19
Provision for impairment on investment*	35.94	-
Loss on redemption of senior secured notes	9.39	-
Assets written off	85.20	64.61
Bad debts written off	0.02	1.12
Loss on sale of property, plant and equipment, net	-	-
Miscellaneous expenses**	2,536.01	2,086.47
<b>Total</b>	<b>37,865.12</b>	<b>38,549.29</b>

\* During the year ended December 31, 2025, based on the assessment of its recoverable value, the Group has recognised an impairment provision amounting to ₹ 35.94 (EUR 0.3 million) on its investment in Arsol pursuant to filing of application for liquidation by the investee.

\*\* Including FCTR adjustment of ₹ 174.59 in current year (December 31, 2024; ₹ Nil) (Refer note in SOCIE).

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 35: Income Taxes

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
<b>Current tax</b>		
Tax for current year	2,939.35	2,683.35
	<b>2,939.35</b>	<b>2,683.35</b>
<b>Deferred tax</b>		
Attributable to the origination and reversal of temporary differences	47.37	(399.56)
Tax rate change (Refer (iii) below)	-	(41.25)
	<b>47.37</b>	<b>(440.81)</b>
<b>Total</b>	<b>2,986.72</b>	<b>2,242.54</b>

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Remeasurements of defined benefit plans	51.60	48.83
<b>Total</b>	<b>51.60</b>	<b>48.83</b>

### (iii) Reconciliation of Effective tax rate:

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
<b>Income tax expense for the year to be reconciled to the accounting profit:</b>		
Profit / (loss) before tax	4,345.66	(2,256.84)
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	1,093.72	(568.00)
<b>Effect off:</b>		
Global Intangible Low Taxed Income (GILTI)	116.31	106.17
Tax rate changes	-	(41.25)
Tax related to prior years	106.02	99.77
Permanent differences and non-deductible expenses	645.66	732.54
Effect of deferred tax unrecognised / deferred tax asset derecognised, net	1,485.74	1,935.97
Deferred tax benefit on Foreign tax credit	(398.55)	-
Foreign tax credit written off	0.16	136.22
Impact of differences in tax rates between jurisdictions	(228.22)	(376.69)
Taxes on un-distributed foreign earnings	164.30	171.72
Others, net	1.58	46.09
<b>Total income tax expense</b>	<b>2,986.72</b>	<b>2,242.54</b>

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

### (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, 2025	As at December 31, 2024
Property, plant and equipment and intangible assets	(3,217.48)	(3,225.32)
Employee benefits	54.50	191.68
Inventories	228.09	185.89
Interest carried forward	768.63	949.75
Lease liability	1,878.75	1,564.97
Right of use asset	(1,791.81)	(1,436.63)
Tax losses carry forward	37.04	151.08
Unrealised forex	(61.15)	(136.14)
Foreign tax credit	-	-
Taxes on unremitted foreign earnings	(365.61)	(379.88)
Other	532.79	221.70
<b>Deferred tax liability, net</b>	<b>(1,936.25)</b>	<b>(1,912.90)</b>
Deferred tax asset, net	5.08	19.73
Deferred tax liability, net	(1,941.33)	(1,932.63)
<b>Deferred tax liability, net</b>	<b>(1,936.25)</b>	<b>(1,912.90)</b>

### (v) Movement in temporary differences:

Particulars	Balance as at January 1, 2025	Recognised in consolidated statement of profit and loss during 2025	Recognised in other comprehensive income during 2025	Impact of changes in tax rate	Exchange differences on translation/ other adjustment	Balance as at December 31, 2025
Property, plant and equipment and Intangible assets	(3,225.32)	192.58	-	-	(184.74)	(3,217.48)
Employee benefits	191.68	(36.89)	(51.60)	-	(48.69)	54.50
Inventories	185.89	23.57	-	-	18.63	228.09
Interest carried forward	949.75	(326.71)	-	-	145.59	768.63
Lease liability	1,564.97	91.61	-	-	222.17	1,878.75
Right of use asset	(1,436.63)	(176.93)	-	-	(178.25)	(1,791.81)
Tax losses carry forward	151.08	(99.61)	-	-	(14.43)	37.04
Taxes on unremitted foreign earnings	(379.88)	63.94	-	-	(49.67)	(365.61)
Unrealised forex	(136.14)	78.31	-	-	(3.32)	(61.15)
Others	221.70	142.76	-	-	168.33	532.79
<b>Total</b>	<b>(1,912.90)</b>	<b>(47.37)</b>	<b>(51.60)</b>	<b>-</b>	<b>75.62</b>	<b>(1,936.25)</b>

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

Particulars	Balance as at January 1, 2024	Recognised in consolidated statement of profit and loss during 2024	Recognised in other comprehensive income during 2024	Impact of changes in tax rate	Exchange differences on translation/ other adjustment	Balance as at December 31, 2024
Property, plant and equipment and Intangible assets	(3,360.86)	131.06	-	30.57	(26.09)	(3,225.32)
Employee benefits	358.88	(120.96)	(48.83)	(0.56)	3.15	191.68
Inventories	182.34	8.82	-	1.99	(7.26)	185.89
Interest carried forward	930.85	0.01	-	(5.13)	24.02	949.75
Lease liability	1,101.74	444.29	-	9.52	9.42	1,564.97
Right of use asset	(1,151.19)	(320.57)	-	(8.65)	43.78	(1,436.63)
Tax losses carry forward	343.51	(193.80)	-	-	1.37	151.08
Taxes on unremitted foreign earnings	(762.88)	353.92	-	-	29.08	(379.88)
Unrealised forex	(28.26)	(105.45)	-	(1.52)	(0.91)	(136.14)
Others	44.08	202.24	-	15.03	(39.65)	221.70
<b>Total</b>	<b>(2,341.79)</b>	<b>399.56</b>	<b>(48.83)</b>	<b>41.25</b>	<b>36.91</b>	<b>(1,912.90)</b>

## (vi) Unrecognised deferred tax assets:

Particulars	As at December 31, 2025		As at December 31, 2024	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses carry forward	12,154.92	2,796.43	9,008.85	2,575.72
Interest losses carry forward	24,929.14	5,713.74	19,424.46	4,967.56
Property, plant and equipment and Intangible assets	1,782.79	593.22	1,813.04	606.92
Employee benefits	1,850.82	615.86	3,206.70	1,073.44
Inventories	195.71	65.12	164.19	54.96
Others	4,011.87	967.45	1,259.06	355.00
<b>Total</b>	<b>44,925.25</b>	<b>10,751.83</b>	<b>34,876.30</b>	<b>9,633.60</b>

Particulars	December 31, 2025	Expiry date	December 31, 2024	Expiry date
To expire under current tax legislation	1,477.40	FY 2026-2045	664.75	FY 2024-2045
Not to expire under current tax legislation	43,447.84	-	34,211.55	-

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

Particulars	As at December 31, 2025	As at December 31, 2024
Non-current tax assets, net	606.20	910.38
Current tax assets, net	557.53	891.97
Current tax liabilities, net	583.43	560.84

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

- (viii) In earlier years, 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 derecognised the deferred tax assets amounting to ₹ 463.44 (December 31, 2024: ₹ 904.09) in consolidated statement of profit and loss. Further, as per the legislative approval in July 2025, the corporate income tax shall be gradually reduced beginning in 2028 by one percentage point per year, decreasing from 15% to 10% by 2032. Since the subsidiary has derecognised the deferred tax assets, there is no impact of such decrease in tax rates in the current year's consolidated statement of profit and loss. During the year ended December 31, 2025, the Group's US subsidiary, based on its assessment of scheduled reversals of deferred tax liabilities, projected future taxable income and projected realisation of unrealised forex, has derecognised the deferred tax assets amounting to ₹ 1,022.30 (December 31, 2024: ₹ 1,031.88) towards interest carry-forward.
- (ix) For the year 2025, the Group's US subsidiary has undistributed earnings generated by its foreign subsidiaries of approximately USD 6.9 million which are subject to GILTI required by the 2017 Tax Act. Based on currently available information, the Group's GILTI tax for the year 2025 is estimated to be ₹ 116.31 (USD 1.3 million) approximately.
- (x) As of December 31, 2025, the Group has recorded a deferred tax liability of ₹ 365.61 (December 31, 2024: ₹ 379.88) towards dividend distribution at various levels within the Group. Deferred tax liability is not provided on undistributed earnings of subsidiaries amounting to ₹ 18,920.94 (December 31, 2024: ₹ 16,445.24), where it is expected that earnings of the subsidiaries will not be distributed in the foreseeable future. Generally, the Company indefinitely reinvests all of the accumulated undistributed earnings of subsidiaries, and accordingly, has not recorded any deferred taxes in relation to such undistributed earnings of its subsidiaries. The Group is subject to several income tax examinations by taxing authorities in various jurisdictions within which it operates. As of December 31, 2025, management does not anticipate the outcome of these examinations to result in a material change to its Balance sheet.
- (xi) On July 4, 2025, U.S. legislation formally titled "An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14" ("the Act") and commonly referred to as the One Big Beautiful Bill Act was signed into law. The Act, among other things, extended key provisions of the 2017 Tax Cuts and Jobs Act and introduced targeted changes to the U.S. federal income tax regime. Based on the preliminary analysis by the Group, the Act may have positive impact on the its effective tax rate.
- (xii) The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations. Since the law in certain jurisdictions where the Group operates 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 and 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 36: Financial instruments disclosure:

### Note 36.1: 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).

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

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

Particulars	As at December 31, 2025				As at December 31, 2024			
	Carrying amount	Level of inputs used in			Carrying amount	Level of inputs used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>								
<b>At Amortised cost</b>								
Trade receivables	20,526.86	-	-	-	17,303.32	-	-	-
Cash and cash equivalents	9,257.02	-	-	-	13,211.86	-	-	-
Bank balances other than cash and cash equivalents	6,005.35	-	-	-	5,492.24	-	-	-
Loans (includes current and non-current)	12.17	-	-	-	10.61	-	-	-
Other non-current financial assets	349.07	-	-	-	340.33	-	-	-
Other current financial assets	454.61	-	-	-	374.73	-	-	-
<b>At Fair value through Profit and Loss (FVTPL)</b>								
Non-current investments	0.09	-	-	0.09	0.09	-	-	0.09
Current investments	35.43	35.43	-	-	32.35	32.35	-	-
<b>At Fair value through other comprehensive income (FVOCI)</b>								
Non-current investments	71.94	-	71.94	-	98.87	-	98.87	-
<b>Financial Liabilities</b>								
<b>At Amortised cost</b>								
Borrowings (includes current and non-current)	90,467.03	-	-	-	78,609.72	-	-	-
Lease liabilities (includes current and non-current)	7,773.38	-	-	-	6,333.07	-	-	-
Other non-current financial liabilities	23.61	-	-	-	44.93	-	-	-
Trade payables	12,430.20	-	-	-	15,208.81	-	-	-
Other current financial liabilities	5,273.76	-	-	-	5,803.96	-	-	-

There have been no transfers between Level 1 and Level 2 during the year.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 36.2: Valuation Techniques

- (a) **Investments at FVTPL/FVOCI:** 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 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 36.3: 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 36.4: 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

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

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.

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

Particulars	As at December 31, 2025	As at December 31, 2024
<b>Financial assets that are neither past due nor impaired</b>	18,271.66	15,250.53
<b>Financial assets that are past due but not impaired</b>		
Past due 0-30 days	1,624.91	1,420.77
Past due 31-60 days	180.72	82.92
Past due 61-90 days	75.25	97.57
Past due over 90 days	374.32	451.53
<b>Total past due but not impaired</b>	<b>2,255.20</b>	<b>2,052.79</b>
Credit impaired	317.33	258.67
Less: Loss allowance	317.33	258.67
<b>Total</b>	<b>20,526.86</b>	<b>17,303.32</b>

## Movement in loss allowance for doubtful trade receivables:

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
<b>Balance at the beginning of the year</b>	258.67	187.99
Additional provision	109.60	130.19
Provisions utilised/reversed	(134.35)	(68.81)
Foreign exchange fluctuation	83.41	9.30
<b>Balance at the end of the year</b>	<b>317.33</b>	<b>258.67</b>

## Expected Credit Loss (ECL):

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. 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. The average credit period range is between 30-72 days.

As a practical expedient, the Group uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. Accordingly, the Group creates provision for past due receivables less than 630 days ranging between 0%-13% and 100% for the receivables due beyond 630 days. The ECL allowance (or reversal) during the year is recognised in the consolidated statement of profit and loss.

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

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

Particulars	Carrying amount	
	As at December 31, 2025	As at December 31, 2024
United States	2,349.99	2,181.96
North America excluding United States	5,409.39	4,759.51
South America	507.90	61.40
Europe including CIS	6,630.58	6,094.09
Middle East	858.85	442.59
Africa	577.32	376.36
Australia	-	6.02
Asia excluding Middle East	4,192.83	3,381.39
<b>Total</b>	<b>20,526.86</b>	<b>17,303.32</b>

At December 31, 2025, the carrying amount of trade receivable of the Group's most significant customer is ₹ 2,236.90 (December 31, 2024: ₹ 1,934.98).

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

Particulars	Carrying amount	
	As at December 31, 2025	As at December 31, 2024
United States	4.68	10.22
Europe including CIS	7.29	-
Asia excluding Middle East	0.20	0.39
<b>Total</b>	<b>12.17</b>	<b>10.61</b>

### 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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 36.5: 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 assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. The Group's corporate treasury department is responsible for liquidity and funding as well as settlement. 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, 2025, 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, 2025

Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
<b>Non-derivative financial liabilities:</b>							
Borrowings*	90,467.03	17,922.01	2,715.77	70,918.98	-	-	91,556.76
Interest payments on borrowings**	1,713.95	7,024.20	5,246.69	7,911.69	-	-	20,182.58
Lease liabilities	7,773.38	2,172.38	1,719.77	2,457.48	1,885.92	2,319.74	10,555.29
Other non-current financial liabilities	23.61	-	-	4.42	19.19	-	23.61
Trade payables	12,430.20	12,430.20	-	-	-	-	12,430.20
Other current financial liabilities***	3,559.81	3,559.81	-	-	-	-	3,559.81

### As at December 31, 2024

Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
<b>Non-derivative financial liabilities:</b>							
Borrowings*	78,609.72	13,770.54	508.37	65,606.36	-	-	79,885.27
Interest payments on borrowings**	1,718.90	8,637.03	6,618.95	14,014.87	-	-	29,270.85
Lease liabilities	6,333.07	1,721.41	1,085.11	2,084.20	1,970.30	2,276.23	9,137.25
Other non-current financial liabilities	44.93	-	-	25.21	19.72	-	44.93
Trade payables	15,208.81	15,208.81	-	-	-	-	15,208.81
Other current financial liabilities***	4,085.06	4,085.06	-	-	-	-	4,085.06

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

\*\* Includes future committed interest payment and outstanding interest accrued but not due on borrowings.

\*\*\* Excludes Interest accrued but not due on borrowings.

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

### Note 36.6: 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 36.7: 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, 2025	December 31, 2024
<b>Variable rate instruments</b>		
Financial assets	2,080.60	2,109.36
Financial liabilities	(51,551.80)	(37,617.90)
	<b>(49,471.20)</b>	<b>(35,508.54)</b>

#### 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, by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	December 31, 2025		December 31, 2024	
	Increase in rate	Decrease in rate	Increase in rate	Decrease in rate
<b>Impact on profit and loss (before tax)</b>				
Variable-rate instruments	(494.71)	494.71	(355.09)	355.09
<b>Total Impact</b>	<b>(494.71)</b>	<b>494.71</b>	<b>(355.09)</b>	<b>355.09</b>

### Note 36.8 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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## The following table analyses foreign currency risk from non derivative financial instruments as at December 31, 2025:

Particulars*	Amount in ₹				Total
	USD	EUR	CAD	Others**	
<b>Foreign Currency involved</b>					
<b>Assets:</b>					
Cash and bank balances	514.18	57.31	225.54	26.68	823.71
EEFC balance	965.14	-	-	-	965.14
Trade receivables	8,660.34	362.61	338.20	201.94	9,563.09
Loans	2,031.77	-	-	513.10	2,544.87
	<b>12,171.43</b>	<b>419.92</b>	<b>563.74</b>	<b>741.72</b>	<b>13,896.81</b>
<b>Liabilities:</b>					
Trade payables	3,425.54	442.37	499.71	148.47	4,516.09
Borrowings	5,010.05	-	-	196.85	5,206.90
Other financial liabilities	30.47	1,744.65	-	7.93	1,783.05
Payables on purchase of property, plant and equipment	143.98	-	-	-	143.98
	<b>8,610.04</b>	<b>2,187.02</b>	<b>499.71</b>	<b>353.25</b>	<b>11,650.02</b>

\* 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, 2024:

Particulars*	Amount in ₹				Total
	USD	EUR	CAD	Others**	
<b>Foreign Currency involved</b>					
<b>Assets:</b>					
Cash and bank balances	1,091.88	21.73	200.08	32.11	1,345.80
EEFC balance	889.56	-	-	-	889.56
Trade receivables	5,670.30	270.66	368.52	66.40	6,375.88
Loans	1,830.12	-	-	344.87	2,174.99
Other financial assets	-	1,711.28	-	-	1,711.28
	<b>9,481.86</b>	<b>2,003.67</b>	<b>568.60</b>	<b>443.38</b>	<b>12,497.51</b>
<b>Liabilities:</b>					
Trade payables	4,795.26	183.12	681.41	337.35	5,997.14
Borrowings	1,500.44	8,468.76	-	130.53	10,099.73
Other financial liabilities	137.41	67.82	-	4.18	209.41
Payables on purchase of property, plant and equipment	137.10	-	-	-	137.10
	<b>6,570.21</b>	<b>8,719.70</b>	<b>681.41</b>	<b>472.06</b>	<b>16,443.38</b>

\* Includes intercompany balances.

\*\* Others include RUB, GBP, CHF and others.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Sensitivity Analysis:

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

## Impact on Profit / (loss) before tax and equity before tax due to 1% change in foreign currency rates:

Particulars	December 31, 2025		December 31, 2024	
	Strengthening	Weakening	Strengthening	Weakening
USD	35.61	(35.61)	29.12	(29.12)
EUR	(17.67)	17.67	(67.16)	67.16
CAD	0.64	(0.64)	(1.13)	1.13
Others*	3.88	(3.88)	(0.29)	0.29

\* Others include RUB, GBP, CHF and others.

## Note 37: 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	
	2025	2024
Current assets	1,971.25	1,773.24
Deferred tax asset, net	327.85	313.58
Non-current assets	890.29	674.19
<b>Total assets</b>	<b>3,189.39</b>	<b>2,761.01</b>
Equity	599.77	436.21
Current liabilities	624.39	582.23
Non-current liabilities	1,965.23	1,742.57
<b>Total equity and liabilities</b>	<b>3,189.39</b>	<b>2,761.01</b>
Group's share in Equity of associate for the year (carrying amount of investment in equity accounted investees)	179.93	130.86
Revenue	2,690.57	2,349.49
Expenses	2,610.60	2,269.73
<b>Profit after tax for the year</b>	<b>79.97</b>	<b>79.76</b>
Group's share in Profit of associate for the year	23.99	23.93

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 38: 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 maximise 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 determines the amount of capital required on the basis of annual budgets and rolling forecasts. The funding requirements are met through internal accruals and non-current/current borrowings. 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.

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	As at
	December 31, 2025	December 31, 2024
Total borrowings, net of cash and cash equivalents	81,210.01	65,397.86
Equity	74,491.18	66,376.62
<b>Net debt to equity ratio</b>	<b>1.09</b>	<b>0.99</b>

## Note 39: Segmental Information

### a) Business Segment

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments as follows.

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

No operating segments have been aggregated to form the above reportable operating segments.

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 material 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 amortisation expense, impairment loss, finance costs, interest income, share of profit of associate, unallocable (income) / expense and income taxes. All inter segment transactions are accounted for at agreed upon rates based on transfer pricing agreements.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

Particulars	For the year ended December 31, 2025				For the year ended December 31, 2024			
	Carbon	Advanced Materials	Cement	Total	Carbon	Advanced Materials	Cement	Total
<b>Revenue</b>								
External Sales (including other operating revenue)	126,174.78	31,978.49	11,304.98	169,458.25	107,325.75	34,105.85	12,312.31	153,743.91
Inter-Segment Sales	6,279.46	3,948.92	0.14	10,228.52	6,366.69	3,329.37	0.11	9,696.17
<b>Total</b>	<b>132,454.24</b>	<b>35,927.41</b>	<b>11,305.12</b>	<b>179,686.77</b>	<b>113,692.44</b>	<b>37,435.22</b>	<b>12,312.42</b>	<b>163,440.08</b>
Less: Eliminations	(6,279.46)	(3,948.92)	(0.14)	(10,228.52)	(6,366.69)	(3,329.37)	(0.11)	(9,696.17)
<b>Total Revenue from operations</b>	<b>126,174.78</b>	<b>31,978.49</b>	<b>11,304.98</b>	<b>169,458.25</b>	<b>107,325.75</b>	<b>34,105.85</b>	<b>12,312.31</b>	<b>153,743.91</b>
Cost of materials consumed*	77,816.91	17,096.20	1,608.99	96,522.10	67,140.28	19,471.84	1,918.97	88,531.09
Others	28,497.03	13,340.51	9,213.50	51,051.04	29,785.31	12,447.30	10,407.84	52,640.45
<b>Operating profit / (loss)</b>	<b>19,860.84</b>	<b>1,541.78</b>	<b>482.49</b>	<b>21,885.11</b>	<b>10,400.16</b>	<b>2,186.71</b>	<b>(14.50)</b>	<b>12,572.37</b>
Less: Depreciation and amortisation expense				9,218.32				8,071.01
Less: Impairment loss (Refer note 3B)				-				730.52
Less: Finance costs				9,216.47				9,405.86
Add: Interest income				926.49				1,411.43
Add/Less: Unallocable income / (expense)				(55.14)				1,942.82
Add: Share of profit of associate (net of income tax)				23.99				23.93
<b>Profit / (loss) before tax</b>				<b>4,345.66</b>				<b>(2,256.84)</b>
Tax expense, net				2,986.72				2,242.54
<b>Profit / (loss) after tax and before minority interest</b>				<b>1,358.94</b>				<b>(4,499.38)</b>

\*Cost of materials consumed (including purchases of stock-in-trade and changes in inventories of finished goods, work-in-progress and stock-in-trade).

## Segmental assets and liabilities:

Total assets and liabilities balance for each reportable segment is not reviewed by or provided to the Chief Operating Decision Maker (CODM). Hence, the details for segment assets and liabilities have not been disclosed in the above table.

Inter-segment sales are recognised on the basis of generally accepted accounting principles. These are eliminated upon consolidation which is reflected in 'Eliminations' above.

## b) Geographical Segment (secondary segment information)

Particulars	Revenue from operations for the		Non-current assets as at*	
	Year ended December 31, 2025	Year ended December 31, 2024	December 31, 2025	December 31, 2024
India	35,299.24	27,175.61	13,222.67	13,032.84
Outside India	134,159.01	126,568.30	116,646.58	105,231.13
	<b>169,458.25</b>	<b>153,743.91</b>	<b>129,869.25</b>	<b>118,263.97</b>

\* Non-current assets exclude financial assets, equity accounted investments and deferred tax assets.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

Particulars	Revenue from operations for the		Non-current assets as at*	
	Year ended December 31, 2025	Year ended December 31, 2024	December 31, 2025	December 31, 2024
Europe including CIS	60,727.02	60,178.21	63,230.95	52,797.95
Asia excluding Middle East (Including India)	38,236.70	29,612.89	13,222.67	13,032.86
United States	24,112.53	24,038.60	44,918.91	44,908.61
North America excluding United States	27,490.71	25,662.12	8,494.83	7,521.36
Others	18,891.29	14,252.09	1.89	3.19
<b>Total</b>	<b>169,458.25</b>	<b>153,743.91</b>	<b>129,869.25</b>	<b>118,263.97</b>

\* Non-current assets exclude financial assets, equity accounted investments and deferred tax 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	
	2025	2024
Calcined petroleum coke	62,159.38	43,950.21
Coal tar pitch	35,785.26	34,648.73

## Revenue from major customer:

The revenue from Group's one of the major customer (contributing more than 10% of revenue) amounting to ₹ 17,518.59 is reported in Carbon Segment. There were no major customers contributing more than 10% of Group revenue in previous year.

## Note 40: 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. Accordingly, the following are considered as cash generating units (Refer note 2 (a) (vii) for description of above CGU's) for the impairment assessment and the aggregate carrying amount of goodwill (net of impairment) allocated to each unit are as follows:

	As at December 31, 2025	As at December 31, 2024
(a) Carbon Calcination	31,851.19	30,328.06
(b) Carbon Distillation - other than (c) below	33,791.15	28,648.91
(c) Carbon Distillation - OOO RÜTGERS Severtar	1,126.57	950.80
(d) Advanced Materials	2,662.06	2,307.43
(e) Cement	201.37	201.37
	<b>69,632.34</b>	<b>62,436.57</b>

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

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/group of cash generating units have been assessed being higher of fair value less cost of disposal and 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/group of cash generating units 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. It was concluded that the fair value less costs of disposal approximates to the value-in-use.

### Key assumptions on which the Group has based its determination of value-in-use include:

- Estimated cash flows for five years based on approved budget and management estimates.
- The net operating cashflows forecasts are based on historical trends, approved financial plan for the FY 2026 and adjusted to give effect of the geopolitical situations, macroeconomic factors including volatility in energy costs, expected plant capacity and revenue growth based on demand forecasts.
- Terminal value arrived by extrapolating last forecasted year cash flows to perpetuity, using a constant long-term growth rate for various CGU's/group of CGU's. This long-term growth rate takes into consideration external macro-economic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- The post-tax discount rates used are based on the capital structure of a peer group in accordance with Ind AS 36.
- Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions.

#### As at December 31, 2025

	Carbon Calcination	Carbon Distillation - OOO RÜTGERS Severtar	Carbon Distillation - other than OOO RÜTGERS Severtar	Advanced Materials	Cements
Discount rate	10.50% - 13.00%	21.00%	11.50%	12.00%	12.00%
Terminal value growth rate	2% - 4%	2%	1.00%	1.00%	2.00%

#### As at December 31, 2024

	Carbon Calcination	Carbon Distillation - OOO RÜTGERS Severtar	Carbon Distillation - other than OOO RÜTGERS Severtar	Advanced Materials	Cements
Discount rate	11.00% - 13.50%	18.00%	10.50%	11.00%	12.00%
Terminal value growth rate	2% - 4%	2%	1.00%	1.00%	2.00%

### Sensitivity to changes in key assumptions for the year ended December 31, 2025 is set out as below:

The Group believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit pertaining to Carbon Calcination, Carbon Distillation - OOO Rutgers Severtar, Advanced Materials and Cements.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

For other CGU, refer below impact due to reasonably possible change in respective key assumptions which would result its carrying amount being equal to the recoverable value.

	<b>Carbon Distillation - other than OOO RÜTGERS Severtar</b>
Amount of recoverable value exceeding carrying value	4,818.80
Change in key assumptions which would result its carrying amount being equal to the recoverable value	
Increase in discount rate	0.9%
Reduction in net operating cashflows	6.0%

The Group believes that any reasonably possible change in terminal growth rate retaining other assumptions constant would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit pertaining to Carbon Distillation - other than OOO RÜTGERS Severtar.

## Note 41: Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests (NCI).

<b>December 31, 2025</b>	<b>Severtar Holding Group*</b>
Non-controlling interest percentage	34.7%
Non-current assets	3,818.60
Current assets	3,996.03
Non-current liabilities	(461.87)
Current liabilities	(675.25)
<b>Net assets</b>	<b>6,677.51</b>
Net assets attributable to non-controlling interests	2,317.10
Revenue	12,039.68
Profit for the year	2,690.81
Other comprehensive income	2,305.81
<b>Total comprehensive income</b>	<b>4,996.62</b>
Profit allocated to non-controlling interests	933.70
Other comprehensive income allocated to non-controlling interests	800.12
<b>Total comprehensive income allocated to non-controlling interests</b>	<b>1,733.82</b>
Cash flows from operating activities	3,037.36
Cash flows from investing activities	3,497.28
Cash flows used in financing activities (Dividend to NCI: ₹ 1,212.84)	(7,090.50)
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	644.54
Net increase in cash and cash equivalents	88.68

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

December 31, 2024	Severtar Holding Group*
Non-controlling interest percentage	34.7%
Non-current assets	2,604.38
Current assets	3,603.93
Non-current liabilities	(277.89)
Current liabilities	(677.11)
<b>Net assets</b>	<b>5,253.31</b>
Net assets attributable to non-controlling interests	1,822.90
Revenue	11,330.36
Profit for the year	3,294.82
Other comprehensive loss	(1,059.08)
<b>Total comprehensive income</b>	<b>2,235.74</b>
Profit allocated to non-controlling interests	1,143.31
Other comprehensive loss allocated to non-controlling interests	(367.50)
<b>Total comprehensive income allocated to non-controlling interests</b>	<b>775.81</b>
Cash flows from operating activities	3,108.54
Cash flows used in investing activities	(399.13)
Cash flows used in financing activities (Dividend to NCI: ₹ 3,134.41)	(9,107.87)
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(451.21)
Net decrease in cash and cash equivalents	(6,849.67)

\* Includes OOO RÜTGERS Severtar, Severtar Holding Limited and Severtar Holding ILLC.

## Note 42: 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 32 of ₹ 1,671.98 for the year ended December 31, 2025 (December 31, 2024 - ₹ 1,543.94).

### 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 for compensated absences, classified as current, amounted to ₹ 782.22 as at December 31, 2025 (December 31, 2024: ₹ 740.27).

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## c) Benefit plans:

The Group has various employee benefit plans covering different categories of employees based on their location of employment.

The various benefit plans are as follows:

- (A) Gratuity plan in India
- (B) Pension plan in United States of America
- (C) Pension plan in Germany
- (D) Pension plan in Belgium
- (E) Pension plan in Canada
- (F) Health care plan in Canada

### Inherent risk:

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

### A. Gratuity plan in India:

In accordance with applicable Indian laws, the Company and its Indian subsidiaries have a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Company. Vesting occurs on completion of 5 years of service. The Group makes annual contribution in Gratuity funds of Insurance companies. The Parent and its Indian subsidiaries account for the liability for gratuity benefits payable in the future based on an actuarial valuation. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2025. 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, 2025	December 31, 2024
Present value of funded obligation	315.49	268.70
Less: Fair value of plan assets	49.54	50.06
<b>Net liability</b>	<b>265.95</b>	<b>218.64</b>

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2025	For the year ended December 31, 2024
Current service cost	21.23	19.27
Past service cost (Refer note below)	45.30	-
Interest cost	12.56	11.50
<b>Total</b>	<b>79.09</b>	<b>30.77</b>

**Note:** On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, (collectively, the "Labour Codes") which consolidate twenty- nine existing labour laws into a unified framework governing employee benefits during employment and post employment. The Labour Codes introduce several changes, including a uniform definition of wages and enhanced leave related benefits. The Group has assessed the financial implications of these changes which has resulted in net increase in gratuity and compensated absences liabilities arising out of past service cost amounting to ₹ 45.30 during the year ended December 31, 2025. As the State Governments are still in the process of issuing related rules to the New Labour Codes, the Group continues to monitor the developments pertaining to Labour Codes and will evaluate impact if any, on the measurement of liability pertaining to employee benefits as and when the rules are notified.

*(iii) Net employee benefits expense / (benefit) (recognised in other comprehensive income):*

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Remeasurements of defined benefit plans	(9.72)	13.04

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Opening defined benefit obligation	268.70	233.73
Current service cost	21.23	19.27
Past service cost	45.30	-
Interest cost	15.81	14.78
Actuarial loss / (gain)		
Changes in financial assumptions	3.59	3.30
Experience adjustments	(12.97)	10.11
Amount paid to employees	(26.17)	(12.49)
<b>Closing defined benefit obligation</b>	<b>315.49</b>	<b>268.70</b>

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2025	For the year ended December 31, 2024
Opening fair value of plan assets	50.06	47.68
Interest on plan assets	3.25	3.28
Actuarial gain	0.34	0.37
Contribution by employer	22.06	11.22
Amount paid to employees	(26.17)	(12.49)
<b>Closing fair value of plan assets</b>	<b>49.54</b>	<b>50.06</b>
<b>Actual return on plan assets</b>	<b>3.59</b>	<b>3.65</b>

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

Particulars	As at December 31, 2025	As at December 31, 2024
Insurer managed funds	100%	100%

(vii) *Principal Actuarial assumptions used:*

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Discount rates on benefit obligations	6.65% - 6.70%	6.90%
Expected salary increase rates	7.50% - 8.50%	7.50% - 8.50%

(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, 2025 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(8.24)	8.78
Future salary growth (0.5% movement)	7.72	(7.46)

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, 2024 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(5.88)	6.27
Future salary growth (0.5% movement)	6.09	(5.46)

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

- (ix) The expected contribution to be made by the Group during the next annual reporting period is ₹ 93.19 (December 31, 2024: ₹ 77.43).
- (x) As at December 31, 2025, the weighted average duration of the defined benefit obligation is in the range of 3.64 to 8.37 years (December 31, 2024: 3.62 to 7.52 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.

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.

(xii) *Maturity profile of the defined benefit obligation:*

Particulars	As at December 31, 2025	As at December 31, 2024
Year 1	98.78	84.78
Year 2	30.42	37.47
Year 3	34.18	24.24
Year 4	36.67	28.50
Year 5	21.59	28.65
Thereafter	279.22	216.28

(xiii) *The following table sets forth the status of the benefit plans:*

Particulars	As at December 31, 2025	As at December 31, 2024
<b>Net Liability</b>		
- Current	62.72	48.80
- Non-current	203.23	169.84
<b>Total</b>	<b>265.95</b>	<b>218.64</b>

## 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, 2025. 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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

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

Particulars	As at December 31, 2025	As at December 31, 2024
Present value of funded obligation	927.61	896.88
Less: Fair value of plan assets	960.86	830.66
<b>Net (asset) / liability*</b>	<b>(33.25)</b>	<b>66.22</b>

\*Represents non-current portion

## (ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Current service cost	23.65	26.41
Past service cost	9.51	9.62
Interest cost	47.67	44.43
Interest on plan assets	(53.27)	(49.84)
<b>Total</b>	<b>27.56</b>	<b>30.62</b>

## (iii) Net employee benefits expense / (benefit) (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Remeasurements of Defined Benefit Plans	(119.69)	(103.83)

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Opening defined benefit obligation	896.88	947.99
Current service cost	23.65	26.41
Past service cost	9.51	9.62
Interest cost	47.67	44.43
Actuarial gain	(56.34)	(85.21)
Amount paid to employees	(41.28)	(74.00)
Exchange differences	47.52	27.64
<b>Closing defined benefit obligation</b>	<b>927.61</b>	<b>896.88</b>

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2025	For the year ended December 31, 2024
Opening fair value of plan assets	830.66	758.48
Interest on plan assets	53.27	49.84
Actuarial gain	63.35	18.62
Contribution by employer	12.24	53.77
Amount paid to employees	(41.28)	(74.00)
Exchange differences	42.62	23.95
<b>Closing fair value of plan assets</b>	<b>960.86</b>	<b>830.66</b>
<b>Actual return on plan assets</b>	<b>116.62</b>	<b>68.46</b>

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

Particulars	As at December 31, 2025	As at December 31, 2024
Equity securities	18%	55%
Debt securities	80%	43%
<b>Others</b>	<b>2%</b>	<b>2%</b>

### (vii) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Discount rates on benefit obligations	5.45%	5.49%
Expected rate of return on plan assets	6.50%	6.50%

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, 2025 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(48.65)	60.19
Attrition rate (0.5% movement)	(0.81)	0.90
Future mortality (0.5% movement)	13.91	(14.44)

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2024 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(51.17)	63.51
Attrition rate (0.5% movement)	(0.93)	1.07
Future mortality (0.5% movement)	13.27	(13.80)

- (ix) The expected contribution to be made by the Group during the next annual reporting period is ₹ 26.53 (December 31, 2024: ₹ 35.02).
- (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, 2025	As at December 31, 2024
Year 1	54.18	51.93
Year 2	54.59	51.96
Year 3	55.26	52.23
Year 4	55.97	53.42
Year 5	60.17	54.48
Year 6 - Year 10	297.84	293.85

## 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 recognised 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 Pension plan in Germany is unfunded.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2025. 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, 2025	As at December 31, 2024
Present value of unfunded obligation	7,582.22	7,523.30
Less: Fair value of plan assets	-	-
<b>Net liability*</b>	<b>7,582.22</b>	<b>7,523.30</b>

\*Represents non-current portion

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2025	For the year ended December 31, 2024
Current service cost	137.79	157.88
Past service cost	(12.79)	(34.73)
Interest cost	277.72	247.17
<b>Total</b>	<b>402.72</b>	<b>370.32</b>

### (iii) Net employee benefits expense / (benefit) (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Remeasurements of Defined Benefit Plans	(1,549.06)	(495.02)

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Opening defined benefit obligation	7,523.30	8,009.67
Current service cost	137.79	157.88
Past service cost	(12.79)	(34.73)
Interest cost	277.72	247.17
Actuarial gain	(1,549.06)	(495.02)
Plan participant contributions	61.74	61.74
Amount paid to employees	(197.38)	(152.88)
Exchange differences	1,340.90	(270.53)
<b>Closing defined benefit obligation</b>	<b>7,582.22</b>	<b>7,523.30</b>

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Opening fair value of plan assets	-	-
Contribution by employer	135.64	91.14
Plan participant contributions	61.74	61.74
Amount paid to employees	(197.38)	(152.88)
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>
<b>Actual return on plan assets</b>	<b>-</b>	<b>-</b>

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## (vi) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Discount rates on benefit obligations	4.46%	3.38%
Expected salary increase rates	3.00%	3.00%

Assumptions regarding future mortality and experience are set in accordance with published rates under Heubeck 2018G. The discount rate is determined using the Mercer Yield Curve (MYC), a spot-rate curve derived from AA-rated corporate bonds without interest-distorting options and excluding statistical outliers. The rate applied corresponds to the MYC spot-rate for actual weighted average duration of the defined benefit obligation which is ranging from 16 years to 19 years.

## (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, 2025 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(601.34)	688.32
Future salary growth (0.5% movement)	6.81	(6.74)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2024 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(671.98)	779.24
Future salary growth (0.5% movement)	9.15	(9.05)

(viii) The expected contribution to be made by the Group during the next annual reporting period is ₹ 151.50 (December 31, 2024: ₹ 114.93).

(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.

## (x) Maturity profile of the defined benefit obligation:

Particulars	As at December 31, 2025	As at December 31, 2024
Year 1	217.67	175.70
Year 2	241.65	191.51
Year 3	266.15	212.28
Year 4	286.94	233.38
Year 5	326.23	251.44
Year 6 - Year 10	1,957.39	1,557.16

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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 recognised 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. Pension plan in Belgium is funded.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at December 31, 2025. 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, 2025	As at December 31, 2024
Present value of funded obligation	2,092.84	1,827.56
Less: Fair value of plan assets	2,017.63	1,703.78
<b>Net liability*</b>	<b>75.21</b>	<b>123.78</b>

\*Represents non-current portion

### (ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Current service cost	128.75	115.76
Interest cost	66.82	56.65
Interest on plan assets	(65.90)	(52.67)
<b>Total</b>	<b>129.67</b>	<b>119.74</b>

### (iii) Net employee benefits expense / (benefit) (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Remeasurements of Defined Benefit Plans	48.01	(15.49)

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Opening defined benefit obligation	1,827.56	1,859.63
Current service cost	128.75	115.76
Interest cost	66.82	56.65
Actuarial loss / (gain)	41.26	(20.90)
Administrative expenses, taxes and insurance premiums	(77.28)	(65.05)
Plan participant contributions	35.21	31.53
Amount paid to employees	(261.49)	(89.70)
Exchange differences	332.01	(60.36)
<b>Closing defined benefit obligation</b>	<b>2,092.84</b>	<b>1,827.56</b>

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2025	For the year ended December 31, 2024
Opening fair value of plan assets	1,703.78	1,630.83
Interest on plan assets	65.90	52.67
Actuarial loss	(6.75)	(5.41)
Contribution by employer	243.21	202.74
Plan participant contributions	35.21	31.53
Administrative expenses, taxes and insurance premiums	(77.28)	(65.05)
Amount paid to employees	(261.49)	(89.70)
Exchange differences	315.05	(53.83)
<b>Closing fair value of plan assets</b>	<b>2,017.63</b>	<b>1,703.78</b>
<b>Actual return on plan assets</b>	<b>59.15</b>	<b>47.26</b>

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

Particulars	As at December 31, 2025	As at December 31, 2024
Insurer managed funds	100%	100%

## (vii) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Discount rates on benefit obligations	4.08%	3.38%
Expected rate of return on plan assets	2.00%	4.31%
Expected salary increase rates	3.00%	2.50%

Assumptions regarding future mortality and experience are set in accordance with MR/FR-5. The discount rate is determined using the Mercer Yield Curve (MYC), a spot-rate curve derived from AA-rated corporate bonds without interest-distorting options and excluding statistical outliers. The rate applied corresponds to the MYC spot-rate for actual weighted average duration of the defined benefit obligation which is ranging from 8 years to 12 years.

## (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, 2025 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(112.59)	122.94
Future salary growth (0.5% movement)	150.61	(145.35)

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2024 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(95.23)	105.30
Future salary growth (0.5% movement)	129.69	(124.29)

- (ix) The expected contribution to be made by the Group during the next annual reporting period is ₹ 268.48 (December 31, 2024: ₹ 204.51).
- (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, 2025	As at December 31, 2024
Year 1	54.39	52.31
Year 2	5.49	56.94
Year 3	52.75	40.88
Year 4	158.23	177.26
Year 5	135.39	127.54
Year 6 - Year 10	934.18	795.27

## 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 recognised 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, 2025. 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, 2025	As at December 31, 2024
Present value of funded obligation	1,969.95	1,856.68
Less: Fair value of plan assets	2,519.39	2,251.94
<b>Net asset*</b>	<b>(549.44)</b>	<b>(395.26)</b>

\*Represents non-current portion

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2025	For the year ended December 31, 2024
Current service cost	13.88	14.91
Interest cost	88.35	86.79
Interest on plan assets	(108.33)	(101.35)
Administrative expenses	10.92	10.69
<b>Total</b>	<b>4.82</b>	<b>11.04</b>

## (iii) Net employee benefits expense / (benefit) (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Remeasurements of Defined Benefit Plans	(90.72)	(88.71)

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Opening defined benefit obligation	1,856.68	1,979.63
Current service cost	13.88	14.91
Interest cost	88.35	86.79
Actuarial gain	(66.90)	(20.74)
Plan participant contributions	2.98	3.12
Amount paid to employees	(110.46)	(104.81)
Exchange differences	185.42	(102.22)
<b>Closing defined benefit obligation</b>	<b>1,969.95</b>	<b>1,856.68</b>

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Opening fair value of plan assets	2,251.94	2,285.87
Interest on plan assets	108.33	101.35
Actuarial gain	23.82	67.97
Contribution by employer	25.13	26.02
Plan participant contributions	2.98	3.12
Administrative expenses, taxes and insurance premiums	(10.92)	(10.69)
Amount paid to employees	(110.46)	(104.81)
Exchange differences	228.57	(116.89)
<b>Closing fair value of plan assets</b>	<b>2,519.39</b>	<b>2,251.94</b>
<b>Actual return on plan assets</b>	<b>132.15</b>	<b>169.32</b>

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2025	As at December 31, 2024
Others	100%	100%

### (vii) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Discount rates on benefit obligations	4.90%	4.70%
Expected rate of return on plan assets	5.19%	5.29%
Expected salary increase rates	3.00%	3.00%

The discount rate is determined using the Mercer Yield Curve (MYC), a spot-rate curve derived from AA-rated corporate bonds without interest-distorting options and excluding statistical outliers. The rate applied corresponds to the MYC spot-rate for actual weighted average duration of the defined benefit obligation which is ranging from 9 years to 11 years.

### (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, 2025 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(89.83)	97.66
Future salary growth (0.5% movement)	2.74	(2.65)

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, 2024 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(119.46)	129.61
Future salary growth (0.5% movement)	0.13	(3.92)

(ix) The expected contribution to be made by the Group during the next annual reporting period is Nil (December 31, 2024: ₹ 26.14).

(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, 2025	As at December 31, 2024
Year 1	139.30	121.71
Year 2	140.53	129.10
Year 3	146.87	127.90
Year 4	151.73	132.68
Year 5	151.04	136.74
Year 6 - Year 10	721.98	669.56

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## 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, 2025. 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, 2025	As at December 31, 2024
Present value of unfunded obligation	482.87	477.04
Less: Fair value of plan assets	-	-
<b>Net liability*</b>	<b>482.87</b>	<b>477.04</b>

\*Represents non-current portion

### (ii) Net employee benefits expense (recognised in employee benefits expense):

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Current service cost	22.46	21.48
Interest cost	22.93	21.28
<b>Total</b>	<b>45.39</b>	<b>42.76</b>

### (iii) Net employee benefits expense / (benefit) (recognised in other comprehensive income):

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Remeasurements of Defined Benefit Plans	(65.47)	(3.39)

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Opening defined benefit obligation	477.04	480.01
Current service cost	22.46	21.48
Interest cost	22.93	21.28
Actuarial gain	(65.47)	(3.39)
Amount paid to employees	(20.78)	(17.89)
Exchange differences	46.69	(24.45)
<b>Closing defined benefit obligation</b>	<b>482.87</b>	<b>477.04</b>

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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, 2025	For the year ended December 31, 2024
Opening fair value of plan assets	-	-
Contribution by employer	20.78	17.89
Amount paid to employees	(20.78)	(17.89)
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>

### (vi) Principal Actuarial assumptions used:

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Discount rates on benefit obligations	4.90%	4.70%
Annual increase in health cost		
Initial trend rate	5.33%	5.54%
Ultimate trend rate	4.00%	4.00%
Year ultimate trend rate is reached	2040	2040

Assumptions regarding future mortality and experience are set in accordance with published rates under 2014 Private Sector Canadian Pensioners Mortality Table (CPM2014Priv) with projection scale CPM-B. The discount rate is determined using the Mercer Yield Curve (MYC), a spot-rate curve derived from AA-rated corporate bonds without interest-distorting options and excluding statistical outliers. The rate applied corresponds to the MYC spot-rate for actual weighted average duration of the defined benefit obligation which is ranging from 12 years to 18 years.

### (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, 2025 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(32.94)	37.09
Health care cost trend rates (0.5% movement)	23.88	(19.59)

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, 2024 shown below.

Particulars	Increase	Decrease
Discount rate (0.5% movement)	(33.40)	35.55
Health care cost trend rates (0.5% movement)	12.28	(10.48)

(viii) The expected contribution to be made by the Group during the next annual reporting period is ₹ 20.61 (December 31, 2024: ₹ 19.85).

(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.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## (x) Maturity profile of the defined benefit obligation:

Particulars	As at	
	December 31, 2025	December 31, 2024
Year 1	20.61	19.85
Year 2	21.86	21.27
Year 3	23.71	22.56
Year 4	25.50	24.52
Year 5	26.14	26.44
Year 6 - Year 10	135.99	138.09

## Note 43: Related Party Disclosures

### a) Names of related parties and description of relationship

Key Managerial Personnel (KMP) and their relatives	1.	Mr. Jagan Mohan Reddy Nellore Managing Director
	2.	Mr. N. Radha Krishna Reddy - Vice Chairman 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 Managing 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

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

Non-Executive Directors and their relatives	1. Mr. N. Radha Krishna Reddy - Vice Chairman (Non-Executive Director with effect from December 10, 2024)
	2. Mr. Jagan Mohan Reddy Nellore - Vice Chairman (Non-Executive Director till December 09, 2024)
	3. Mr. N. Sujith Kumar Reddy - Non-Executive Director
	4. Mr. Brian Jude McNamara - Independent Director (Chairman)
	5. Mr. Varun Batra - Independent Director
	6. Mr. Robert Thomas Tonti - Independent Director
	7. Ms. B. Shanti Sree - Independent Director
	8. Ms. N Akhila Reddy - Relative of Non-Executive Director
Equity accounted investees	1. InfraTec Duisburg GmbH (IDGmbH) (Investment by Rain Carbon Germany GmbH)

### b) Transactions with related parties:

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Purchases and services (net of reimbursements) from :		
a) Equity accounted investees		
- InfraTec Duisburg GmbH	907.35	733.68
b) Enterprise where key managerial personnel along with their relatives exercise significant influence		
- Protector Facilities Management Private Limited	-	0.06
- Arunachala Logistics Private Limited	4,906.24	5,127.72
Sale of cement:		
a) Enterprise where key managerial personnel along with their relatives exercise significant influence		
- Rain Entertainments Private Limited	-	0.01
- Pragnya Priya Foundation	8.96	5.53
- Nivee Property Developers Private Limited	0.95	1.28
- Arunachala Logistics Private Limited	67.03	63.67
Other operating income		
a) Equity accounted investees		
- InfraTec Duisburg GmbH	213.13	131.16
b) Enterprise where key managerial personnel along with their relatives exercise significant influence		
- Arunachala Logistics Private Limited - Rental Income	0.64	0.64
- Arunachala Logistics Private Limited - Sale of Gypsum & Conveyor Belt	-	0.10
- Arunachala Logistics Private Limited - Equipment Rental	-	2.09
- Arunachala Logistics Private Limited - SAP operations -Shared Services	3.13	-
- Pragnya Priya Foundation - Rental Income	0.18	0.06

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Other operating expenses		
a) Enterprise where key managerial personnel along with their relatives exercise significant influence		
- Arunachala Logistics Private Limited - Rental Expenses	5.38	4.35
- Arunachala Logistics Private Limited - Purchase of Vehicle	2.59	-
- Arunachala Logistics Private Limited - Purchase of Pedestal Fans, Air conditioners and Refrigerators	44.87	-
- Rain Entertainments Private Limited - Staff welfare expenses	1.50	1.28
- Protector Facilities Management Private Limited - Man Power Services	106.40	90.99
Managerial remuneration (Short term employee benefits) to KMP (See Note (iii) below)		
a) T. Srinivasa Rao	25.62	23.71
b) S. Venkat Ramana Reddy	7.87	7.62
Remuneration, commission and sitting fees to relatives of KMP		
a) N. Sujith Kumar Reddy (managing director of a wholly owned subsidiary)	22.44	22.54
b) N. Venkata Pranav Reddy (son of managing director of a wholly owned subsidiary)	8.48	8.75
c) N. Shiv Keshav Reddy (son of managing director of a wholly owned subsidiary)	0.15	0.18
d) N. Sridutt Reddy (son of managing director)	9.80	9.80
Sitting fees to Non-Executive Directors of the Company (Refer note (iv) below)	4.04	4.18
Commission to Non-Executive Directors of the Company (Refer note (iv) below)	0.92	2.80
Dividend paid		
a) Enterprise where key managerial personnel along with their relatives exercise significant influence		
- Sujala Investments Private Limited	37.92	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 and their relatives		
- N. Sujith Kumar Reddy	10.03	10.03
- N Akhila Reddy	1.87	1.87
Corporate social responsibility expense		
a) Enterprise where key managerial personnel along with their relatives exercise significant influence		
- Pragnya Priya Foundation	71.77	102.00

\*Rounding off norm adopted by the company. The actual amount is ₹ 100 in absolute terms

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

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

Particulars	As at	
	December 31, 2025	December 31, 2024
Advances paid to		
a) Enterprise where key managerial personnel along with their relatives exercise significant influence		
- Arunachala Logistics Private Limited	-	9.61
Amounts receivable from		
a) Enterprise where key managerial personnel along with their relatives exercise significant influence		
- Pragnya Priya Foundation	0.10	0.06
b) Equity accounted investees		
- InfraTec Duisburg GmbH	113.47	130.78
Amounts payable to		
a) Enterprise where key managerial personnel along with their relatives exercise significant influence		
- Arunachala Logistics Private Limited	30.51	-
- Protector Facilities Management Private Limited	8.65	1.51
b) Equity accounted investees		
- InfraTec Duisburg GmbH	1.75	1.45
c) Commission payable to Non-Executive Directors	0.92	2.80

- (i) No trade or other receivables are due from directors or other officers of the Group or any of them either severally or jointly with any other persons or amounts due from firms or private limited companies respectively in which any director is a partner or a director or a member other than disclosed above.
- (ii) Transactions of purchase and sale of goods including services are carried out at arm's length basis and in the normal course of business and determined based on comparable prices with unrelated parties. Loans and guarantees provided to related parties are also on terms comparable with market rates. Outstanding receivable and payable 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.

### (iv) Sitting fees and commission to Non-Executive Directors of the Company:

Name of the Director	Sitting fees		Commission	
	For the year ended		For the year ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Mr. Varun Batra	0.80	0.80	0.23	0.70
Mr. Robert Thomas Tonti	0.98	0.95	0.23	0.70
Mr. Brian Jude McNamara	1.16	1.30	0.23	0.70
Ms. B. Shanti Sree	1.10	1.13	0.23	0.70
<b>Total</b>	<b>4.04</b>	<b>4.18</b>	<b>0.92</b>	<b>2.80</b>

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 44: Additional information to Consolidated Financial Statements

S. No	Name of the Company	As at December 31, 2025		For the year ended December 31, 2025					
		Net assets i.e., Total assets minus Total liabilities		Share in profit / (loss)		Other comprehensive income / (loss) (OCI)		Total comprehensive income / (loss) (TCI)	
		As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
<b>Parent</b>									
	Rain Industries Limited	4.77	9,038.05	1.34	94.46	0.01	1.56	0.51	96.02
<b>Subsidiaries</b>									
<b>Indian</b>									
1	Rain Cements Limited	4.38	8,302.39	2.70	190.71	0.06	7.30	1.05	198.01
2	Renuka Cement Limited	0.35	657.65	(0.08)	(5.76)	-	-	(0.03)	(5.76)
3	Rain CII Carbon (Vizag) Limited	11.62	22,022.80	33.90	2,390.25	(0.01)	(1.58)	12.72	2,388.67
4	Rain Verticals Limited	-	0.29	-	(0.09)	-	-	-	(0.09)
<b>Foreign</b>									
5	Rain Commodities (USA) Inc.	12.30	23,308.19	1.44	101.22	0.64	75.60	0.94	176.82
6	Rain Carbon Inc.	13.55	25,680.80	(59.31)	(4,181.79)	(9.73)	(1,141.07)	(28.35)	(5,322.86)
7	Rain Holding Limited	7.07	13,393.58	29.07	2,049.79	(0.34)	(39.89)	10.70	2,009.90
8	Rain Commodities FZCO	-	0.36	(0.01)	(0.45)	-	0.03	-	(0.42)
9	Rain Global Services LLC <sup>1</sup>	-	-	-	-	-	-	-	-
10	Rain CII Carbon LLC	12.97	24,578.71	(4.05)	(285.23)	4.62	541.99	1.37	256.76
11	Rain Carbon Canada Inc.	4.52	8,572.08	2.47	173.93	7.45	873.54	5.57	1,047.47
12	Rain Carbon BV	6.88	13,029.90	1.49	104.94	16.86	1,976.85	11.09	2,081.79
13	VFT France S.A	0.92	1,748.72	0.63	44.24	2.29	268.82	1.67	313.06
14	Rumba Invest BVBA & Co. KG	-	(2.47)	1.81	127.45	-	(0.55)	0.68	126.90
15	Rain Carbon Germany GmbH	8.02	15,193.60	(15.57)	(1,098.26)	30.74	3,604.08	13.35	2,505.82
16	Severtar Holding Ltd. (Refer note 53)	-	-	-	-	-	-	-	-
17	Severtar Holding ILLC (Refer note 53)	1.59	3,010.18	49.37	3,481.52	7.84	919.16	23.44	4,400.68
18	OOO RÜTGERS Severtar	3.43	6,504.84	38.36	2,705.14	19.11	2,241.11	26.34	4,946.25
19	OOO Rain Carbon	0.15	279.01	0.36	25.42	0.72	83.98	0.58	109.40
20	Rain Carbon Poland Sp. z. o. o	0.36	675.05	1.02	71.92	0.96	112.66	0.98	184.58
21	Rain Carbon (Shanghai) Trading Co. Ltd.	0.08	152.90	0.40	27.96	0.08	9.47	0.20	37.43
22	Rain Carbon Wohnimmobilien GmbH & Co. KG	0.09	166.17	(0.15)	(10.57)	0.23	27.05	0.09	16.48

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

S. No	Name of the Company	As at December 31, 2025		For the year ended December 31, 2025					
		Net assets i.e., Total assets minus Total liabilities		Share in profit / (loss)		Other comprehensive income / (loss) (OCI)		Total comprehensive income / (loss) (TCI)	
		As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
23	Rain Carbon Gewerbeimmobilien GmbH & Co. KG	0.65	1,242.92	1.41	99.70	1.56	182.90	1.51	282.60
24	Rain Carbon GmbH	6.30	11,944.23	13.40	944.82	16.91	1,982.53	15.59	2,927.35
	<b>Sub total</b>	<b>100.00</b>	<b>1,89,499.95</b>	<b>100.00</b>	<b>7,051.32</b>	<b>100.00</b>	<b>11,725.54</b>	<b>100.00</b>	<b>18,776.86</b>
	Less: Inter company adjustments/eliminations		(1,12,592.45)		(5,716.37)		(2,877.85)		(8,594.22)
	Less: Non-controlling interests		(2,416.32)		(933.70)		(822.02)		(1,755.72)
	<b>Add: Share of profit of associate (net of income tax):</b>								
	InfraTec Duisburg GmbH		-		23.99		-		23.99
	<b>TOTAL</b>		<b>74,491.18</b>		<b>425.24</b>		<b>8,025.67</b>		<b>8,450.91</b>

Net assets, share in profit / (loss), other comprehensive income / (loss) and total comprehensive income / (loss) for parent company, subsidiaries and associate are as per the standalone financial statements of the respective entities.

## Notes:

- Liquidated on January 28, 2025

S. No	Name of the Company	As at December 31, 2024		For the year ended December 31, 2024					
		Net assets i.e., Total assets minus Total liabilities		Share in profit / (loss)		Other comprehensive income / (loss) (OCI)		Total comprehensive income / (loss) (TCI)	
		As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
	<b>Parent</b>								
	Rain Industries Limited	5.12	9,278.38	1.95	389.45	0.01	(0.42)	2.29	389.03
	<b>Subsidiaries</b>								
	<b>Indian</b>								
1	Rain Cements Limited	4.53	8,205.72	(1.95)	(389.17)	0.21	(6.34)	(2.33)	(395.51)
2	Renuka Cement Limited	0.36	663.41	0.01	1.29	-	-	0.01	1.29
3	Rain CII Carbon (Vizag) Limited	10.83	19,634.13	1.87	373.44	0.10	(3.00)	2.18	370.44
4	Rain Verticals Limited	-	0.38	-	(0.07)	-	-	-	(0.07)
	<b>Foreign</b>								
5	Rain Commodities (USA) Inc.	12.76	23,131.37	3.14	627.52	0.24	(7.18)	3.66	620.34
6	Rain Carbon Inc.	17.40	31,544.20	20.46	4,093.85	19.16	(583.03)	20.69	3,510.82
7	Rain Holding Limited	7.79	14,121.27	26.29	5,260.18	(2.18)	66.16	31.39	5,326.34
8	Rain Commodities FZCO <sup>1</sup>	-	0.78	-	0.53	-	0.02	-	0.55

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

S. No	Name of the Company	As at December 31, 2024		For the year ended December 31, 2024					
		Net assets i.e., Total assets minus Total liabilities		Share in profit / (loss)		Other comprehensive income / (loss) (OCI)		Total comprehensive income / (loss) (TCI)	
		As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
9	Rain Global Services LLC	-	-	-	-	-	-	-	-
10	Rain CII Carbon LLC	13.41	24,321.94	(17.57)	(3,516.31)	(12.03)	366.07	(18.57)	(3,150.24)
11	Rain Carbon Canada Inc.	4.15	7,524.61	2.28	456.46	12.47	(379.45)	0.45	77.01
12	Rain Carbon BV	6.04	10,948.11	5.66	1,133.07	45.44	(1,382.42)	(1.47)	(249.35)
13	VFT France S.A	0.79	1,435.66	0.25	50.80	2.75	(83.56)	(0.19)	(32.76)
14	Rumba Invest BVBA & Co. KG	-	(2.08)	0.54	107.18	-	(0.03)	0.63	107.15
15	Rain Carbon Germany GmbH	6.81	12,339.74	(4.88)	(975.50)	(6.09)	185.12	(4.66)	(790.38)
16	Severtar Holding Ltd. (Refer note 53)	-	-	-	-	-	-	-	-
17	Severtar Holding ILLC (Refer note 53)	1.16	2,104.73	45.47	9,099.66	12.31	(374.39)	51.42	8,725.27
18	OOO RÜTGERS Severtar	2.79	5,054.46	16.43	3,287.81	33.79	(1,027.92)	13.32	2,259.89
19	OOO Rain Carbon <sup>2</sup>	0.10	187.17	0.05	10.22	1.08	(32.93)	(0.13)	(22.71)
20	Rain Carbon Poland Sp. z. o. o	0.31	562.86	0.33	66.46	(0.19)	5.83	0.43	72.29
21	Rain Carbon (Shanghai) Trading Co. Ltd.	0.07	135.81	0.06	11.23	(0.08)	2.34	0.08	13.57
22	Rain Carbon Wohnimmobilien GmbH & Co. KG	0.08	149.70	(0.01)	(1.41)	0.14	(4.28)	(0.03)	(5.69)
23	Rain Carbon Gewerbeimmobilien GmbH & Co. KG	0.53	960.32	0.41	81.34	0.73	(22.13)	0.35	59.21
24	Rain Carbon GmbH	4.97	9,016.90	(0.79)	(157.37)	(7.86)	239.24	0.48	81.87
	<b>Sub total</b>	<b>100.00</b>	<b>1,81,319.57</b>	<b>100.00</b>	<b>20,010.66</b>	<b>100.00</b>	<b>(3,042.30)</b>	<b>100.00</b>	<b>16,968.36</b>
	Less: Inter company adjustments/eliminations		(1,13,069.51)		(24,533.97)		1,608.09		(22,925.88)
	Less: Non-controlling interests		(1,873.44)		(1,143.31)		364.50		(778.81)
	<b>Add: Share of profit of associate (net of income tax):</b>								
	InfraTec Duisburg GmbH		-		23.93		-		23.93
	<b>TOTAL</b>		<b>66,376.62</b>		<b>(5,642.69)</b>		<b>(1,069.71)</b>		<b>(6,712.40)</b>

Net assets, share in profit / (loss), other comprehensive income / (loss) and total comprehensive income / (loss) for parent company, subsidiaries and associate are as per the standalone financial statements of the respective entities.

## Notes:

- 1 Subsidiary in UAE under Rain Holding Limited with effect from May 30, 2024
- 2 Ownership got transferred from Rain Industries Limited to Rain Holding Limited on November 13, 2024

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 45: Contingent liabilities and commitments

Particulars	As at December 31, 2025	As at December 31, 2024
<b>(I) Contingent liabilities</b>		
<b>(a) Claims against the Group not acknowledged as debt*</b>		
- Income tax demand against which, the Group has preferred appeals	239.99	239.84
- Wheeling charges [Refer note A below]	447.76	447.76
- Grid support charges [Refer note B below]	53.85	53.85
- Operating charges of state load dispatch centre and minimum energy/ demand	2.95	2.95
- Indirect taxes related matters towards Service Tax, Customs duty, GST, etc.(include interest and penalties to the extent quantified)	1,910.30	1,905.83
- Fuel Surcharge Adjustment levied by Electricity Distributing Companies	363.03	232.14
- Others	466.69	466.69
<b>Note (A):</b> In 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. On November 29, 2019, the Honorable Supreme court pronounced its judgement ordering that the wheeling charges and transmission charges are to be levied as per the tariff order passed by APERC. Subsequently, the subsidiary company in India received claims from various distribution companies amounting to ₹ 447.76. The subsidiary company in India had issued a bank guarantee amounting to ₹ 146.96 for the aforesaid matter. The subsidiary company in India has disputed the aforesaid claim as the Management believes that the claim is not tenable based on the judgement given by the Supreme Court.		
<b>Note (B):</b> On December 14, 2023, Andhra Pradesh Electricity Regulatory Commission (APERC), pronounced that, the levy of Grid Support Charges (GSC) will only be to the extent of captive consumption basis which, Eastern Power Distribution Company of A.P. Limited (APEPDCL), raised a demand of ₹ 53.85 on a subsidiary company in India. The subsidiary company has paid a deposit under protest of ₹ 12.12 and has written to APEPDCL stating that the demand is not in line with APERC orders and awaiting response.  *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.		
<b>(b) Corporate Guarantees issued</b>		
<b>Disclosure of Corporate guarantees given as per provisions of section 186(4) of the Companies Act 2013</b>		
- As at the beginning of the year	430.00	330.00
- Given during the year	-	430.00
- Settled / expired during the financial year - Guarantee and contingent liability	430.00	330.00
- As at the end of the year	-	430.00

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

Particulars	As at	
	December 31, 2025	December 31, 2024
One of the Group's subsidiaries in India has provided a corporate guarantee to one of its power customers to the extent of Nil (as at December 31, 2024: ₹ 430.00) for securing its obligation towards charges levied by Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL) for the period from January 2020 to July 2024.		
<b>(II) Commitments</b>	825.17	749.96
Estimated amounts of contracts remaining to be executed on capital account and not provided for [net of capital advances of ₹ 266.70 (December 31, 2024: ₹ 652.18)]		

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.

## Note 46: 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 utilised by the Group for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- (iv) During the year there are no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (v) There are no proceedings that have been initiated or pending against the Holding Company or its Indian Subsidiaries for holding any Benami Property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.
- (vi) The Holding Company has a working capital credit facility amounting to ₹ 100.00 secured by current assets from one bank (refer note 20 for details). The facility as per the agreement does not require submission of quarterly return or statement of current assets to the bank. Its Indian Subsidiaries has borrowings from banks on the basis of security of current assets. The quarterly return or statements of current assets filed by its Indian Subsidiaries with such banks are in agreement with the books of accounts.
- (vii) The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (viii) The Group have not advanced or loaned or invested funds, to any other persons or entities, 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.

## Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

- (ix) The Group have not received any fund, from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) **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.
- (xi) 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 during the year ended December 31, 2025.

### Note 47: Leases

The Group has entered into various operating lease agreements for assets comprising of storage, vessels, equipments and other facilities.

During the year ended December 31, 2025, the Group recognised the following in the consolidated statement of profit and loss:

- expense in respect of short-term leases ₹ 552.52 (December 31, 2024: 501.31)
- expense in respect of variable lease payments not included in the measurement of lease liabilities ₹ 63.75 (December 31, 2024: 65.57)

#### Cash outflow on leases are as follows:

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Principal payment of lease liabilities	2,470.39	1,306.25
Interest payment of lease liabilities	386.84	286.25
<b>Total cash outflow of leases</b>	<b>2,857.23</b>	<b>1,592.50</b>

#### The future minimum lease payments are as follows:

Particulars	As at December 31, 2025	As at December 31, 2024
- Not later than 1 year	2,172.38	1,721.41
- Later than 1 year and not later than 5 years	4,177.25	3,169.31
- Beyond 5 years	4,205.66	4,246.53

The Group's exposure to leases not yet commenced to which Group is committed is Nil (December 31, 2024: 1,512.10).

### Note 48: Earnings per Equity Share (EPS)

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
a. Net profit/(loss) after tax attributable to the owners of the Holding Company considered for calculation of basic and diluted earnings per share	425.24	(5,642.69)
b. Weighted average number of equity shares of ₹ 2/- each outstanding during the year (Nos.)	336,345,679	336,345,679
<b>Earnings / (loss) per Equity Share</b>		
c. Basic and Diluted - [a]/[b] - (₹ in absolute terms)	1.26	(16.78)

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 49: Net investment in foreign operations

The Group had designated certain portion of inter-company loans between US subsidiary and German subsidiary as net investment in foreign operation with effect from October 01, 2023, considering it's long-term nature. During the year ended December 31, 2025, the Group re-assessed its cash flow position considering the business developments and designated the remaining portion of the inter-company loans between US subsidiary and German subsidiary as net investment in foreign operation with effect from April 01, 2025. Accordingly, the foreign exchange (gain) / loss on such foreign currency loan recognised in the statement of profit and loss in the separate financial statements of the subsidiary is recognised directly through Other Comprehensive Income in Equity amounting to ₹ 2,517.50 (December 31, 2024: ₹ (864.60)) in the consolidated financial statements. The outstanding balance in Foreign Currency Translation Reserve as on December 31, 2025 is ₹ 2,253.52 (December 31, 2024: ₹ (263.98)) which will be reclassified to profit and loss upon repayment/settlement in future.

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 in Foreign Currency Translation Reserve as on December 31, 2025 is ₹ 442.16 (December 31, 2024: ₹ 442.16) which will be reclassified to profit and loss upon sale of investment in subsidiary.

## Note 50: Provision for environment liabilities including site restoration

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Balance at the beginning of the year	1,347.28	1,537.14
Additional provision made	122.10	0.49
Provisions utilised	(65.92)	(117.61)
Accretion expense	(18.12)	15.37
Unused amounts reversed during the year	(194.59)	(44.88)
Foreign currency exchange rate changes	255.32	(43.23)
<b>Balance at the end of the year</b>	<b>1,446.07</b>	<b>1,347.28</b>
Non-current provision	1,309.96	1,194.79
Current provision	136.11	152.49
<b>Total</b>	<b>1,446.07</b>	<b>1,347.28</b>

## Note 51: Other provisions

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Balance at the beginning of the year	1,234.70	643.77
Additional provision made*	978.92	1,180.72
Provisions utilised	(1,541.71)	-
Unused amounts reversed during the year	(38.96)	(583.43)
Foreign currency exchange rate changes	175.04	(6.36)
<b>Balance at the end of the year</b>	<b>808.00</b>	<b>1,234.70</b>
Non-current provision	203.39	178.42
Current provision	604.61	1,056.28
<b>Total</b>	<b>808.00</b>	<b>1,234.70</b>

\*During the year ended December 31, 2024, provision for severance payments was created in one of the group's subsidiaries in Germany amounting to ₹ 716.21 (EUR 7.98 million) as part of Group's cost efficiency plan which is recorded in employee benefits expense (Refer note 32).

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 52: Insurance Claim Recoveries

In 2024, a generator damage at one of our facilities in the United States resulted in an adverse impact on the operations of the Group. An amount of ₹ 168.06 (USD 2.0 million) was received from the insurance company towards repair expenses which was netted off against such expenses incurred in 2024. During fiscal year 2025, an amount of ₹ 1,067.35 (USD 12.2 million) was received from the insurance company comprising of ₹ 533.51 (USD 6.0 million) towards additional cost of material consumed, ₹ 493.88 (USD 5.7 million) towards loss of energy revenue pertaining to fiscal year 2024 and ₹ 39.96 (USD 0.5 million) towards property damage which has been presented under "Cost of goods sold", "Revenue from operations - Other operating revenues" and "Other income" respectively in the consolidated statement of profit and loss.

## Note 53: Russia-Ukraine war

Due to the global implications of the geopolitical conflict between Russia and Ukraine that started in February 2022, there has been an increase in volatility in the commodity prices, stock and foreign exchange markets. Given this geopolitical uncertainty and the likelihood that changes may occur rapidly or unexpectedly, management has evaluated information available in this regard to assess its potential impact on the Group's activities such as supply chain disruption, closure and abandonment of operations, travel restrictions, market volatility, recoverability of inter-company loans and repatriation of dividends between group entities, etc. Based on the internal assessment, the management believes that the operations of its Russian entities and the rest of the entities are largely independent of each other and hence it does not foresee any significant impact of the above events on its accompanying consolidated financial statements.

In light of the global circumstances, the Group is encountering difficulties in fulfilling regulatory requirements. These challenges include filing statutory and tax returns, conducting statutory audits, completing other secretarial compliances, and addressing applicable sanctions, for one of its step-down subsidiaries, i.e., Severtar Holding Limited (SHL), Cyprus, as the Board of the said subsidiary is non-functional. OOO RUTGERS Severtar ("OOORS"), Cherepovets, Russia is a 100% Subsidiary of SHL.

During the year ended December 31, 2024, the shareholders of SHL, had applied for re-domiciliation of SHL to another foreign jurisdiction, Special Administrative Region (SAR) of Kaliningrad, and had obtained the provisional certificate of incorporation for the re-domiciled entity i.e. Severtar Holding ILLC, Kaliningrad (SHILLC) with a timeline to regularise the provisional certificate of incorporation by December 2025. As the time limit is expired, management basis legal opinion, has assessed that there is no material impact under the applicable laws and regulations.

Further, management is in the process of completing pending compliances and also evaluating other available options to regularise in Cyprus and Kaliningrad. In the interim and based on the completion of preliminary steps in Kaliningrad, OOORS has been distributing dividends directly to the respective shareholders of SHILLC (as authorised by SHILLC), in compliance with the applicable regulations in the said Jurisdiction.

Considering the continuing uncertainties resulting from the aforesaid matters, the Group will continue to closely monitor the compliance of applicable regulations including sanctions. Based on the internal assessment and external counsel opinions, management believes that it is in compliance with the applicable laws and regulations and does not foresee any recoverability related issues on such assets.

# Notes

forming part of the consolidated financial statements for the year ended December 31, 2025 (continued)

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

## Note 54: Audit Trail

The Holding Company and its subsidiaries, which are companies incorporated in India and whose financial statements have been audited under the Act has used two accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature at the database level was enabled from September 15, 2025 for one accounting software and December 5, 2025 for the other accounting software. Further no instance of audit trail feature being tampered with was noted in respect of accounting software where the audit trail has been enabled. Additionally, the Company has recorded and preserved audit trail in full compliance with the requirements of section 128(5) of the Companies Act, 2013, in respect of the previous year to the extent it was enabled and recorded.

## Note 55: Subsequent events

The Group has performed an evaluation of subsequent events from the balance sheet date through February 27, 2026, the date at which consolidated financial statements were made available to be issued and determined that there are no items to disclose.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of

**Rain Industries Limited**

CIN: L26942TG1974PLC001693

per **Vikas Pansari**

Partner

Membership number: 093649

**Jagan Mohan Reddy Nellore**

Managing Director

DIN: 00017633

**N. Sujith Kumar Reddy**

Director

DIN: 00022383

**T. Srinivasa Rao**

Chief Financial Officer

M. No.: F29080

**S. Venkat Ramana Reddy**

Company Secretary

M. No.: A14143

Place: Mumbai

Date: February 27, 2026

Place: Hyderabad

Date: February 27, 2026