



Independent Auditors' Report
On the Special Purpose Ind AS Financial Statements

To the Members of Rain Commodities (USA) Inc.

Opinion

We have audited the accompanying Standalone special purpose IND AS financial statements of **Rain Commodities (USA) Inc** (the Company), which comprise the balance sheet as at December 31, 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements"). The Special Purpose Ind AS Financial Statements of the Company is prepared by the Board of Directors in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") to enable holding company **Rain Industries Limited** to prepare its Ind AS consolidated financial statements for the year ended December 31, 2024.

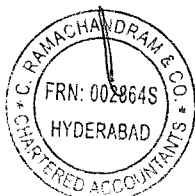
In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended December 31, 2024 gives information required in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ('the Act') and in conformity with the basis of preparation referred to in Note No. 2 of the Special Purpose Ind AS Financial Statements, as amended and are prepared in compliance with the instructions received from **Rain Industries Limited** and based on significant accounting policies adopted by **Rain Industries Limited**

Basis for Opinion

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

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

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



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

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

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

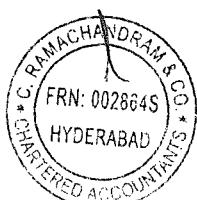
In preparing the Special Purpose Ind AS Financial Statements, the Board of Directors and the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless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

Auditors' Responsibility for the Special Purpose Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Special Purpose Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Basis of Accounting

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

Restriction on use and distribution

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

For C. RAMACHANDRAM & Co

Chartered Accountants

FRN: 002864S

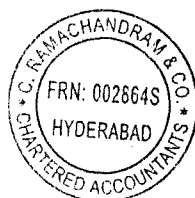


C. RAMACHANDRAM

Partner

Membership No.: 025834

UDIN: 25025834BMJQPH3015



Place: Hyderabad

Date: February 20, 2025

Rain Commodities (USA) Inc.
Balance Sheet as at December 31, 2024

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

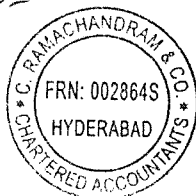
	Note	As at December 31, 2024	As at December 31, 2023
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	-	-
(b) Financial Assets			
(i) Investments	4	23,420.65	23,269.74
(c) Deferred tax asset, net		109.80	109.56
(d) Non-current tax assets (net)		420.67	398.12
		23,951.12	23,777.42
2. Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	5	79.49	288.48
(ii) Other financials assets	6	3.85	66.84
		83.34	355.32
TOTAL		24,034.46	24,132.74
EQUITY AND LIABILITIES			
1. Equity			
(a) Share Capital	7	7,732.13	7,732.13
(b) Other Equity	8	15,399.28	15,114.54
		23,131.41	22,846.67
2. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	-	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	570.99	886.79
(ii) Other financial liabilities	11	332.06	399.28
TOTAL		24,034.46	24,132.74
Corporate information	1		
Material accounting policies	2		

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

In terms of our report attached

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

C. Ramachandram
Partner
M.No 025834



Place: Hyderabad
Date : February 20, 2025

For and on behalf of the Board of Directors

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

UDIN: 250256348MSPRH3015.

Rain Commodities (USA) Inc.
Statement of Profit and Loss for the year ended December 31, 2024

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

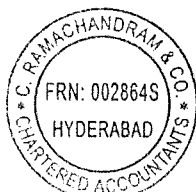
	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
1 Total income			
Other income	12	691.06	1,087.63
Total income		691.06	1,087.63
2 Expenses			
Finance costs	13	41.60	93.90
Depreciation expense	3	-	-
Other expenses	14	32.71	7.29
Total expenses		74.31	101.19
3 Profit/(Loss) before tax (1-2)		616.75	986.44
4 Tax expense (benefit)	15		
1. Current tax		(13.78)	(22.08)
2. Deferred tax		3.01	(165.74)
5 Profit/(Loss) for the year (3-4)		627.52	1,174.26
6 Other Comprehensive profit/(Loss)			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss			
- Exchange Differences in translating the financial statements of foreign operation		(7.18)	(6.49)
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Other Comprehensive profit/(Loss) for the year		(7.18)	(6.49)
7 Total Comprehensive profit/(Loss) for the year (5+6)		620.34	1,167.77
8 Earnings per share			
Basic and Diluted (Rs.)	18	0.31	0.59
Corporate information	1		
Material accounting policies	2		

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

In terms of our report attached

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

C. Ramachandram
Partner
M.No 025834



Place: Hyderabad
Date : February 20, 2025

For and on behalf of the Board of Directors

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

UDIN: 25025834BMSPPH3015.

Rain Commodities (USA) Inc.

Statement of Changes in Equity for the year ended December 31, 2024

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

Particulars	Attributable to owners of the Company					Total
	Equity Share Capital	Preferential Share Capital	Reserves and Surplus		Other comprehensive income	
			Capital Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance as at January 1, 2024	906.67	6,825.46	339.96	13,393.13	1,381.45	22,846.67
Total Comprehensive profit/(loss) for the year	-	-	-	627.52	(7.18)	620.34
Dividends	-	-	-	(335.60)	-	(335.60)
Balance as at December 31, 2024	906.67	6,825.46	339.96	13,685.05	1,374.27	23,131.41

Particulars	Attributable to owners of the Company					Total
	Equity Share Capital	Preferential Share Capital	Reserves and Surplus		Other comprehensive income	
			Capital Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance as at January 1, 2023	906.67	6,825.46	339.96	12,548.23	1,387.94	22,008.26
Total Comprehensive profit/(loss) for the year	-	-	-	1,174.26	(6.49)	1,167.78
Dividends	-	-	-	(329.36)	-	(329.36)
Balance as at December 31, 2023	906.67	6,825.46	339.96	13,393.13	1,381.45	22,846.67

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

Reserves and Surplus:

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

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

Items of Other Comprehensive Income:

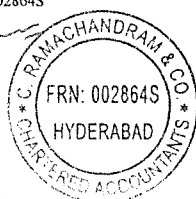
(a) **Foreign currency translation reserve (FCTR):** Represents the FCTR of the foreign subsidiary. For the purpose of Group consolidation, the financial statements are translated at average rate of items in statement of profit and loss and at closing rate of the items in Balance sheet.

In terms of our report attached

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

C. Ramachandram
Partner
M.No 025834

Place: Hyderabad
Date : February 20, 2025



For and on behalf of the Board of Directors

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

UDIN: 250258348M50RH3015.

Rain Commodities (USA) Inc.
Cash Flow Statement for the year ended December 31, 2024

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
A. Cash flow from operating activities		
Profit/(Loss) before taxation	616.75	986.44
Adjustments for :		
Interest and other borrowing costs	41.60	93.90
Interest income	(10.07)	(0.17)
Dividend from subsidiary companies	(671.20)	(1,078.10)
	(639.67)	(984.37)
Operating profit/(loss) before working capital changes	(22.92)	2.07
Adjustments for :		
Adjustments for (increase) / decrease in operating assets:		
Other financial assets	-	(13.12)
Other current liabilities	-	(0.02)
Other financial liabilities	(111.67)	(85.91)
	(111.67)	(99.05)
Cash used in operations	(134.59)	(96.98)
Income taxes paid, net	3.20	60.65
Net cash from/(used in) operating activities	(131.39)	(36.33)
B. Cash flow from investing activities		
Purchase of non-current investments	(80.01)	-
Share application money paid	-	(16.40)
Interest received	6.65	0.17
Dividend received from Subsidiaries	335.60	995.76
Net cash from investing activities	262.24	979.53
C. Cash flow from financing activities		
Repayment of non-current borrowings	(166.94)	(666.40)
Net increase / (decrease) in working capital borrowings	166.94	380.53
Interest and other borrowing costs paid	(7.04)	(63.75)
Dividend paid (including tax on dividend)	(335.60)	(329.36)
Net cash used in financing activities	(342.64)	(678.98)
Net increase in cash and cash equivalents (A+B+C)	(211.79)	264.22
Cash and cash equivalents - opening balance	288.48	22.55
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	2.80	1.71
Cash and cash equivalents - closing balance	79.49	288.48

Notes:

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

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

Balances with banks:

- in current accounts

79.49

288.48

Cash and bank balances - closing balance

79.49

288.48

(iii) Comparative figures of the previous year, where necessary, have been regrouped to conform to those of the current year.

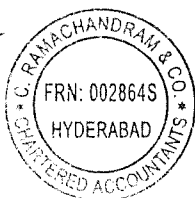
In terms of our report attached

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

C. Ramachandram
Partner
M.No 025834

Place: Hyderabad

Date : February 20, 2025



For and on behalf of the Board of Directors

[Signature]

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

UPIN: 250256348M3QPH3015.

Rain Commodities (USA) Inc.**Notes forming part of the Financial Statements for the year ended December 31, 2024****Note 1: Corporate Information**

Rain Commodities (USA) Inc. ("RCUSA") ("the Company") has been incorporated to carry on the businesses of producing calcined petroleum coke (CPC), trading metallic and/or non-metallic substances, investing in entities engaged in such businesses and to provide freight forwarding services.

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

Note 2: Material Accounting Policies**a) Basis of preparation of Financial Statements****(i) Statement of Compliance**

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

The standalone financial statements have been prepared on a going concern basis. Relevant Ind AS effective as on the Company's annual reporting date (December 31, 2024) have been applied. The accounting policies are applied consistently to all the periods presented in the financial statements.

The standalone financial statements were authorised for issue by the Company's Board of Directors on February 20, 2025.

(ii) Functional and presentation currency

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

(iii) Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities (refer accounting policy regarding financial instruments)	Fair value
Non-cash distribution liability	Fair value
Borrowings	Amortised cost using effective interest rate method

Rain Commodities (USA) Inc.
Notes forming part of the Financial Statements (continued)

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

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

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

(iv) Current and Non-current classification

The Company has identified 12 months as its operating cycle for the classification of assets and liabilities into current and non-current. Current assets and liabilities include the current portion of non-current financial assets and liabilities.

b) Financial instruments

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 Company becomes a party to the contractual provisions of the instrument.

Recognition and initial measurement

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

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

Rain Commodities (USA) Inc.
Notes forming part of the Financial Statements (continued)

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.

Financial Liabilities

Recognition and initial measurement

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

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.

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

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.

c) Revenue from contracts with customers

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

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

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

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

Rain Commodities (USA) Inc.
Notes forming part of the Financial Statements (continued)

d) Property, plant and equipment

Property, plant and equipment are stated at cost/professional valuation less accumulated depreciation and impairment loss, if any.

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

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

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

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

Items	Years
Buildings	15
Furniture and Fixtures	10

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

e) Impairment of non-financial assets

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

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

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

f) Foreign Currency Transactions and Balances

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

Rain Commodities (USA) Inc.
Notes forming part of the Financial Statements (continued)

g) Investments

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

h) 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 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 Company 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.

i) Tax expense

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

j) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

k) Dividend declared

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company.

l) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Rain Commodities (USA) Inc.
Notes forming part of the Financial Statements (continued)

m) Statement of Cash Flows and Cash and cash equivalents

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

For the purpose of the 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 Company'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.

Rain Commodities (USA) Inc.
Notes forming part of the Financial Statements (continued)

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

Note 3: Property, plant and equipment

Description	Gross Block				Depreciation			Net Block	
	As at January 1, 2024	Additions	Deletions/ Adjustments	Foreign Exchange Adjustments	As at December 31, 2024	For the year	Deletions/ Adjustments	Foreign Exchange Adjustments	As at December 31, 2024
Tangible assets									
Buildings	252.39	-	-	7.59	259.98	-	-	7.59	259.98
Furniture and Fixtures	5.82	-	-	0.17	5.99	-	-	0.17	5.99
Total	258.21	-	-	7.76	265.98	-	-	7.76	265.98
Description	Gross Block				Depreciation			Net Block	
	As at January 1, 2023	Additions	Deletions/ Adjustments	Foreign Exchange Adjustments	As at December 31, 2023	For the year	Deletions/ Adjustments	Foreign Exchange Adjustments	As at December 31, 2023
Tangible assets									
Buildings	251.39	-	-	1.00	252.39	-	-	1.00	252.39
Furniture and Fixtures	5.80	-	-	0.02	5.82	-	-	0.02	5.82
Total	257.19	-	-	1.02	258.21	-	-	1.02	258.21

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

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

	As at December 31, 2024	As at December 31, 2023
Note 4: Non-current investments		
A. Investment in equity instruments (unquoted)		
Equity shares carried at cost		
(i) of subsidiaries		
Rain Carbon Inc	22,920.58	22,920.58
Rain Global Services LLC	349.16	349.16
(ii) in other entities		
At FVTPL (Fair value through Profit and loss)		
Investment in SaiSruthi Capital PTE Ltd	68.50	-
B. Investment in other instruments (unquoted)		
At FVTOCI (Fair value through Other comprehensive income)		
INVESTMENT IN SSN	82.41	-
Total	<u><u>23,420.65</u></u>	<u><u>23,269.74</u></u>
(a) aggregate value of unquoted investments	23,420.65	23,269.74
Note 5: Cash and cash equivalents		
Balances with banks:		
- in current accounts	79.49	288.48
Total	<u><u>79.49</u></u>	<u><u>288.48</u></u>
Note 6: Other current financial assets		
Security deposits	0.35	0.34
Interest accrued on loans	3.50	-
Share application money paid	-	66.50
Total	<u><u>3.85</u></u>	<u><u>66.84</u></u>

Rain Commodities (USA) Inc.
Notes forming part of the Financial Statements (continued)

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

	As at December 31, 2024	As at December 31, 2023
Note 7: Share capital		
Issued, subscribed and paid up		
Equity Shares	906.67	906.67
Preference Shares	6,825.46	6,825.46
Total	7,732.13	7,732.13

Notes:

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

Particulars	As at December 31, 2024		As at December 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
As at beginning of the period	200,020	906.67	200,020	906.67
Add/(Less): Changes in equity shares during the year	-	-	-	-
As at end of the period	200,020	906.67	200,020	906.67

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

Name of the Shareholder	As at December 31, 2024		As at December 31, 2023	
	Number of shares	%	Number of shares	%
Rain Industries Limited	200,020.00	100%	200,020.00	100%

(iii) Shares held by Promoters

Name of the Shareholder	As at December 31, 2024		As at December 31, 2023	
	% of total shares	% of change during the year	% of total shares	% of change during the year
Rain Industries Limited	100%	-	100%	-

Note 8: Other equity

(i) Reserves and Surplus

(a) Capital Reserve	339.96	339.96
(b) Retained Earnings		
Opening balance	13,393.13	12,548.23
Add: Profit/(Loss) for the year	627.52	1,174.26
Less: Dividend paid	(335.60)	(329.36)
Closing balance	13,685.05	13,393.13

(ii) Items of Other Comprehensive income:

(a) Foreign currency translation reserve		
Opening balance	1,381.45	1,387.94
Add: Effect of foreign exchange rate variations	(7.18)	(6.49)
Closing balance	1,374.27	1,381.45
Total	15,399.28	15,114.54

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

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

	As at December 31, 2024	As at December 31, 2023
Note 9: Non-current borrowings		
Loans and advances from related parties (Unsecured)	-	166.24
Less: Current maturities of non-current borrowings disclosed under Note 10	-	166.24
Total	<u>-</u>	<u>-</u>
Note 10: Current borrowings		
Loans repayable on demand		
Loans and advances from related parties		
- Unsecured	570.99	720.55
Current maturities of non-current borrowings	-	166.24
Total	<u>570.99</u>	<u>886.79</u>
Note 11: Other current financial liabilities		
Interest accrued but not due on borrowings	78.37	41.74
Others		
- Contractually reimbursable expenses	253.69	357.54
Total	<u>332.06</u>	<u>399.28</u>

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

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Note 12: Other income		
Interest income	10.07	-
Other interest	-	0.17
Dividend income from long term investments	671.20	1,078.10
Rental income from operating leases	9.77	9.08
Miscellaneous income	0.02	0.28
Total	691.06	1,087.63
Note 13: Finance costs		
Interest expense	40.58	92.94
Other borrowing costs	1.02	0.96
Total	41.60	93.90
Note 14: Other expenses		
Repairs and maintenance		
- Others	4.68	3.68
Rates and taxes	2.62	2.67
Consultancy charges	25.41	0.94
Payment to auditors [Refer Note below]	0.00	0.00
Total	32.71	7.29
Note:		
Payment to auditors comprises (excluding GST):		
Other Auditor fees	0.00	0.00
Total	0.00	0.00
Note 15: Tax expense		
Current tax		
(i) Tax for current year	(13.78)	(22.08)
Net current tax	(13.78)	(22.08)
Deferred tax		
(i) Attributable to the origination and reversal of temporary differences	1.45	(166.95)
(ii) Deferred tax due to rate change	1.56	1.21
Net deferred tax	3.01	(165.74)
Total	(10.77)	(187.82)

Rain Commodities (USA) Inc.

Notes forming part of the financial statements (continued)

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

Note 16: Financial instruments disclosure:

Note 16.1: Fair Valuation measurement hierarchy

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

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

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

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

Particulars	As at December 31, 2024				As at December 31, 2023			
	Carrying Amount	Level of inputs used in			Carrying Amount	Level of inputs used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised cost								
Non-current investments	23,420.65		150.91		23,269.74			
Cash and cash equivalents	79.49				288.48			
Other current financial assets	3.85				66.84			
Financial Liabilities								
At Amortised cost								
Non-current borrowings (including current maturities included in other current financial liabilities)	570.99				886.79			
Other current financial liabilities	332.06				399.28			

Valuation Techniques:

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

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

Note 16.2: Financial risk management

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

Note 16.3: Credit Risk

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

The carrying value of financial assets represents the maximum credit risk.

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

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

Note 16.4: Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of December 31, 2024, cash and cash equivalents are held with major banks.

Maturity of financial liabilities:

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

As at December 31, 2024							
Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities:							
Borrowings	570.99	570.99	-	-	-	-	570.99
Other current financial liabilities	332.06	332.06	-	-	-	-	332.06

As at December 31, 2023							
Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities:							
Borrowings	886.79	886.79	-	-	-	-	886.79
Other current financial liabilities	399.28	399.28	-	-	-	-	399.28

Note 16.5: Market risk:

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

Note 16.6: Interest rate risk:

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

Exposure to interest rate risk

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

Particulars	Interest rate exposure as at	
	Dec-24	Dec-23
Variable rate instruments		
Financial assets	413.27	567.44
Financial liabilities	-	-

Interest rate Sensitivity:

Impact on net interest expense for the year on 1% change in interest rate: A reasonably possible change of 1% in interest rates at the reporting date would have increased / (decreased) profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Dec-24		Dec-23	
	Increase	Decrease	Increase	Decrease
Impact on profit and loss				
Variable-rate instruments	4.13	(4.13)	5.67	(5.67)
Total Impact	4.13	(4.13)	5.67	(5.67)

Rain Commodities (USA) Inc.

Notes forming part of the Financial Statements (continued)

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

Note 17: Related Party Disclosures

a) Names of related parties and description of relationship

Sl. No	Relationship	Name
(a)	List of related parties where control exists	
(i)	Holding company	1 Rain Industries Limited [RIL]
(b)	Other related parties where transactions have taken place during the year/balances exists at year end	
	Entites under common control	2 Rain Carbon Inc. [RCI] 3 Rain CII Carbon LLC [RCC]

b) Transactions with related parties:

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Rent Income		
a) RCC	(9.77)	9.08
Interest Income		
a) RCI	(10.07)	-
Interest Expenditure		
a) RIL	6.01	62.70
b) RCI	34.56	30.24
Dividend Declared		
a) RIL	335.60	329.36
Repayment of borrowings		
a) RIL	-	666.40
Dividend Received		
a) RCI	671.20	1,078.10

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

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Loans from		
a) RIL	-	166.24
b) RCI	570.99	720.55
Investments		
a) RCI	82.41	-
Accrued interest payable		
a) RIL	-	-
b) RCI	78.37	41.74
Accrued interest receivable		
a) RCI	3.50	-
Amounts payable to		
a) RCC	253.69	357.54

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

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

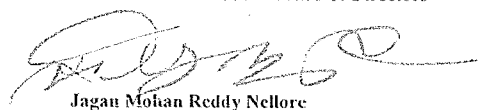
Note 18 : Earnings per Share (EPS)

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
a. Profit for the year	627.52	1,174.26
b. Weighted average number of equity shares outstanding during the year	2,000,000,020	2,000,000,020
Earnings per Share		
c. Basic and Diluted - [a]/[b] (Rs.)	0.31	0.59

Note 19: Additional Regulatory Information

- (i) The title deeds of immovable properties are held in the name of the Company
- (ii) The Company has not revalued its Property, plant and equipment and intangible assets during the year.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) During the year there are no loans or advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are repayable on demand.
- (v) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (vii) The Company has not advanced or loaned or invested funds, to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Company have not received any fund, from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company does not have any undisclosed income in terms of any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessment.
- (x) During the year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (xi) The Company does not trade in crypto currency or virtual currency.

For and on behalf of the Board of Directors



Jagan Mohan Reddy Nellore
Director

DIN: 00017633

Place: Hyderabad

Date: February 20, 2025



C. RAMACHANDRAM & CO.
CHARTERED ACCOUNTANTS

Plot No. 539, Souhiti Samriddhi,
2nd Floor, Kakatiya Hills,
Madhapur, Hyderabad - 500 081.
Phone : 040-42212099
E-mail : audit@crcoca.in
Web : www.crcoca.in

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

To the Members of Rain Carbon GmbH.

Opinion

We have audited the accompanying Standalone special purpose IND AS financial statements of **Rain Carbon GmbH** (the Company), which comprise the balance sheet as at December 31, 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements"). The Special Purpose Ind AS Financial Statements of the Company is prepared by the Board of Directors in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") to enable Holding company Rain Industries Limited to prepare its Ind AS consolidated financial statements for the year ended December 31, 2024.

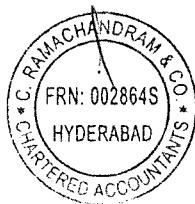
In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended December 31, 2024 gives information required in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") and in conformity with the basis of preparation referred to in Note No.2 of the Special Purpose Ind AS Financial Statements, as amended and are prepared in compliance with the instructions received from **Rain Industries Limited** and based on significant accounting policies adopted by **Rain Industries Limited**

Basis for Opinion

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

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

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



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

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

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

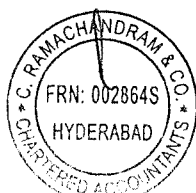
In preparing the Special Purpose Ind AS Financial Statements, the Board of Directors and the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless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

Auditors' Responsibility for the Special Purpose Ind AS Financial Statements

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Basis of Accounting

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

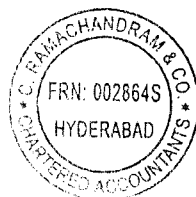
Restriction on use and distribution

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

For C. RAMACHANDRAM & Co
Chartered Accountants
FRN: 002864S



C. RAMACHANDRAM
Partner
Membership No.: 025834
UDIN: 25025834BMJQPJ3177



Place: Hyderabad
Date: February 20, 2025

Rain Carbon GmbH
Balance Sheet as at December 31, 2024

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

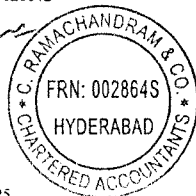
	Note	As at December 31, 2024	As at December 31, 2023
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	1.25	1.67
(b) Right of use asset	4	3.71	6.89
(c) Other intangible assets	3	3.35	8.10
		8.31	16.66
(d) Financial Assets			
(i) Investments	5	24,795.45	25,605.36
(ii) Loans	6	21,848.24	23,015.64
		46,643.69	48,621.00
2. Current assets			
(a) Financial Assets			
(i) Trade receivables	7	15.05	3,076.17
(ii) Cash and cash equivalents	8	60.88	35.09
(iii) Loans	9	133.96	152.42
(iv) Other financial assets	10	1,804.65	2,705.31
		2,014.54	5,968.99
(b) Current tax assets, net		67.60	160.66
(c) Other current assets	11	124.21	116.60
TOTAL		48,858.35	54,883.91
EQUITY AND LIABILITIES			
1. Equity			
(a) Share Capital	12	3.62	3.62
(b) Other Equity	13	9,013.27	9,408.08
		9,016.89	9,411.70
2. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	26,896.71	30,519.40
(ii) Other financial liabilities	15	0.44	0.41
(b) Provisions	16	561.48	583.80
(c) Deferred tax liability, net		1,871.28	2,311.97
(d) Other non-current liabilities	17	31.77	32.81
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	9,629.16	10,885.29
(ii) Trade payables	19	-	4.66
(A) total outstanding dues of micro enterprises and small enterprises and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		-	4.66
(iii) Other financial liabilities	20	803.29	1,018.04
(b) Other Current liabilities	21	7.18	55.22
(c) Provisions	22	40.15	43.47
(d) Current tax liabilities (net)		-	17.13
TOTAL		48,858.35	54,883.91
Corporate information	1		
Material accounting policies	2		

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

In terms of our report attached

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

C. Ramachandram
Partner
M No 025834
UDIN:
Place: Hyderabad
Date : February 20, 2025



For and on behalf of the Board of Directors

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

UDIN: 25025834BMJQPS3177.

Rain Carbon GmbH**Statement of Profit and Loss for the year ended December 31, 2024**

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

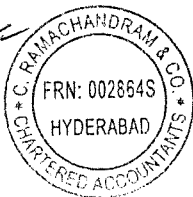
	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
1 Total income			
Revenue from operations	23	97.54	116.30
Other income	24	3,976.28	13,711.89
Total income		4,073.82	13,828.19
2 Expenses			
Employee benefits expense	25	140.15	179.14
Finance costs	26	3,589.40	3,170.96
Depreciation expense	3	7.93	13.53
Impairment loss		-	13,404.86
Loss/ (gain) on foreign currency transactions and translations (net)		47.58	72.05
Other expenses	27	798.08	(253.88)
Total expenses		4,583.14	16,586.66
3 Profit before tax (1-2)		(509.32)	(2,758.47)
4 Tax expense	28		
1. Current tax		(18.03)	59.87
2. Deferred tax		(205.56)	(312.16)
5 Loss for the year (3-4)		(285.73)	(2,506.18)
6 Other Comprehensive Loss			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		23.58	(46.83)
(ii) Income tax relating to items that will not be reclassified to profit or loss		161.23	(270.82)
B (i) Items that will be reclassified to profit or loss			
- Exchange Differences in translating the financial statements of foreign operation		(293.92)	(314.02)
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Other Comprehensive Loss for the year		(109.11)	(631.67)
7 Total Comprehensive Loss for the year (5+6)		(394.84)	(3,137.85)
8 Earnings per share			
Basic and Diluted (Million Rs.)		(142.87)	(1,253.09)
Corporate information	1		
Material accounting policies	2		

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


In terms of our report attached

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

C. Ramachandram
Partner
M.No 025834
UDIN:
Place: Hyderabad
Date : February 20, 2025



For and on behalf of the Board of Directors


Jagan Mohan Reddy Nellore
Director
DIN: 00017633

UDIN: 250258348MIQPT3177.

Rain Carbon GmbH
Statement of Changes in Equity for the year ended December 31, 2024
All amounts are in Indian Rupees Millions, except where otherwise stated

Particulars	Attributable to owners of the Company				Total
	Equity Share Capital	Capital Reserve	Retained Earnings	Actuarial gain/(losses) on defined benefit plans	Other comprehensive income
Balance as at January 1, 2024	3.62	11,840.94	(5,416.87)	764.50	2,219.53
Total Comprehensive income for the year	-	-	(285.73)	184.82	(293.92)
Balance as at December 31, 2024	3.62	11,840.94	(5,702.60)	949.32	1,925.61

Particulars	Attributable to owners of the Company				Total
	Equity Share Capital	Capital Reserve	Retained Earnings	Actuarial gain/(losses) on defined benefit plans	Other comprehensive income
Balance as at January 1, 2023	3.62	11,840.94	(3,638.18)	1,082.15	2,533.55
Total Comprehensive income for the year	-	-	(2,506.18)	(317.65)	413.47
Other adjustment	-	-	727.49	-	(727.49)
Balance as at December 31, 2023	3.62	11,840.94	(5,416.87)	764.50	2,219.53

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

Reserves and Surplus:

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

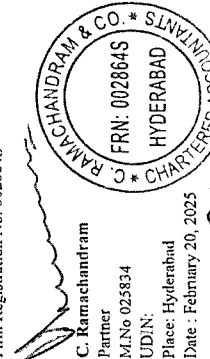
(b) Retained earnings: Retained earnings represents the net profits after all distributions and transfers to other reserves.

Items of Other Comprehensive Income:

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

In terms of our report attached

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



For and on behalf of the Board of Directors

[Signature]
Jagan Mohan Reddy Nellore
Director
DIN: 00017633

UDIN: 250258348MJD03177

Rain Carbon GmbH
Cash Flow Statement for the year ended December 31, 2024

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

	As at December 31, 2024	As at December 31, 2023
A. Cash flow from operating activities		
Profit/(loss) before taxation	(509.32)	(2,758.47)
Adjustments for:		
Depreciation expense	7.93	13.53
Gain on sale of Subsidiaries	-	(11,483.27)
Interest and other borrowing costs	3,589.39	3,170.96
Interest income	(1,680.42)	(1,029.98)
Dividend from subsidiary companies	(2,263.19)	(0.00)
Impairment loss	-	13,404.86
Liabilities / provisions no longer required written back	(0.97)	(17.10)
Foreign exchange (gain) / loss, net	18.88	74.73
	(328.37)	4,133.74
Operating profit before working capital changes	(837.69)	1,375.25
Adjustments for:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	2.43	(1,143.24)
Other non-current assets	(0.00)	4,853.41
Current loans	0.00	38.66
Other financial assets	629.88	(610.88)
Other current assets	(6.23)	239.17
Trade payables	(11.84)	(0.89)
Other current liabilities	(46.25)	5.13
Other financial liabilities	516.12	(1,254.93)
Short-term provisions	(1.15)	13.69
Long-term provisions	20.94	23.79
	1,103.91	2,163.90
Cash generated from operations	266.22	3,539.15
Income taxes paid, net	90.01	(122.36)
Net cash from operating activities	356.23	3,416.79
B. Cash flow from investing activities		
Purchase of fixed assets, including capital advances	-	(0.83)
Proceeds from sale of investments	1,824.58	474.18
Loans repaid	447.2	-
Interest received	1,556.29	26.02
Dividend received from Subsidiaries	2,241.63	0.00
Net cash from investing activities	6,069.69	499.37
C. Cash flow from financing activities		
Proceeds from issue of equity shares	-	31,688.03
Proceeds from issue of equity in Subsidiaries	-	0.00
Redemption of Preference Shares	-	0.00
Proceeds from non-current borrowings	-	0.00
Repayment of non-current borrowings	(2,942.58)	0.00
Repayment of current borrowings	(5,304.24)	(202.02)
Proceeds from other current borrowings	5,484.22	4,605.61
Lease Rent paid	(3.09)	(3.92)
Interest on Lease rent paid	(0.16)	(0.11)
Interest and other borrowing costs paid	(3,631.95)	(3,785.19)
Net cash used in financing activities	(6,397.79)	(3,850.73)
Net decrease in cash and cash equivalents (A+B+C)	28.13	65.43
Cash and cash equivalents - opening balance	35.09	30.35
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(2.34)	(60.69)
Cash and cash equivalents - closing balance	60.88	35.09

Notes:

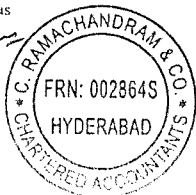
(i) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on "Statement on Cash Flows".

(ii) Components of Cash and cash equivalents

Balances with banks:		
- in current accounts	60.88	35.09
Cash and bank balances - closing balance	60.88	35.09

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

C. Ramachandram
Partner
M No 025834
UDIN:
Place: Hyderabad
Date: February 20, 2025



For and on behalf of the Board of Directors

[Signature]
Jagan Mohan Reddy Nellore
Director
DIN: 00017633

UDIN: 250258348MJDPS3177.

Rain Carbon GmbH
Notes forming part of the Financial Statements

Note 1: Corporate Information

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

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

Note 2: Material Accounting Policies

a) Basis of preparation of Financial Statements

(i) Statement of Compliance

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

The standalone financial statements have been prepared on a going concern basis. Relevant Ind AS effective as on the Company’s annual reporting date (December 31, 2024) have been applied. The accounting policies are applied consistently to all the periods presented in the financial statements.

The standalone financial statements were authorised for issue by the Company’s Board of Directors on February 20, 2025.

(ii) Functional and presentation currency

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

(iii) Basis of measurement

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

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

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

(iv) Use of judgements, estimates and assumptions.

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

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

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

Current and Non-current classification

The Group has identified 12 months as its operating cycle for the classification of assets and liabilities into current and non-current.

Current assets and liabilities include the current portion of non-current financial assets and liabilities.

b) Financial instruments

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.

Recognition and initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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 FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Financial liabilities:

Initial recognition and measurement

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

Classification and Subsequent measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. Financial liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognised in the consolidated statement of profit and loss.

All other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. 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.

c) 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 Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

d) Property, plant and equipment

Property, plant and equipment are stated at cost/deemed cost less accumulated depreciation and impairment loss, if any. Depreciation on all the tangible fixed assets is provided using the straight-line method based on the useful life of the assets as prescribed by Schedule II to the Companies Act, 2013.

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

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

Items	Years
Buildings	2-77

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

Plant and machinery	1-50
Furniture and Fixtures	1-20

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.

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

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 statement of profit and loss when the asset is derecognised.

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

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

f) Impairment of non-financial assets

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

g) Impairment of financial assets

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

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 Company is exposed to credit risk.

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

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

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

h) Leases

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

Company as a lessee

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any

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

initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated 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. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

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

i) Foreign Currency Transactions and Balances

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign 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 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. These exchange differences are reclassified from equity to consolidated statement of profit and loss on disposal of the net investment or disposal of operations.

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

- 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 (see (iii)); and
- qualifying cash flow hedges to the extent that the hedges are effective.

j) Investments

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

k) Tax expense

Income tax expenses comprises of current tax and deferred tax. It is recognised in 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.

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries 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 recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

1) 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 Company 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.

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

m) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

o) Statement of Cash Flows and Cash and cash equivalents

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

For the purpose of the 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 Company'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.

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

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

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

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		
	As at January 1, 2024	Additions during the period	Deletions during the period	Currency reallignment	As at December 31, 2024	As at January 1, 2024	For the Period	On Deletions	Currency reallignment	As at December 31, 2024	As at December 31, 2023
Tangible assets (Own)											
(a) Furniture and Fixtures	3.17	-	0.85	(0.82)	1.50	1.50	0.20	-	(0.80)	0.90	1.67
(b) Office Equipment	5.95	0.85	0.11	0.53	7.22	5.95	0.17	0.11	0.56	6.57	-
Intangibles	50.17	-	-	(1.55)	48.62	42.06	5.31	-	(2.10)	45.27	8.10
ROU Asset	23.96	-	-	(0.76)	23.20	17.08	2.26	-	0.15	19.49	6.89
CWIP	-	-	-	-	-	-	-	-	-	-	-
Total	83.24	0.85	0.96	(2.59)	80.54	66.59	7.93	0.11	(2.18)	72.23	16.66

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		
	As at January 1, 2023	Additions during the period	Deletions during the period	Currency restringment	As at December 31, 2023	As at January 1, 2023	For the Period	On Deletions	Currency restringment	As at December 31, 2023	As at December 31, 2022
Tangible assets (Own)											
(a) Furniture and Fixtures	8.17	0.86	6.03	0.17	3.17	7.10	0.30	6.03	0.13	1.50	1.07
(b) Office Equipment	5.70	-	-	0.25	5.95	5.55	0.15	-	0.25	5.95	0.15
Intangibles	38.15	10.39	-	1.63	50.17	31.19	9.26	-	1.62	42.06	6.96
ROU Asset	16.72	6.31	-	0.93	23.96	12.59	3.82	-	0.68	17.08	4.13
CWIP	9.95	-	(10.39)	0.44	-	-	-	-	-	-	9.95
Total	78.69	17.56	(4.30)	3.41	83.25	56.43	13.53	6.03	2.67	66.59	22.26

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

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

	As at December 31, 2024	As at December 31, 2023					
Note 5: Non-current investments							
A. Investment in equity instruments (unquoted)							
Equity shares carried at cost	14,104.65	14,565.36					
B. Investment in Preference shares (unquoted)							
Preference shares carried at cost	10,690.80	11,040.00					
Total	24,795.45	25,605.36					
(a) aggregate value of unquoted investments	24,795.45	25,605.36					
Note 6: Long-term loans and advances (Unsecured, considered good)							
Loans and advances							
- to employees	2.71	2.80					
- to related parties	21,845.53	23,012.84					
Total	21,848.24	23,015.64					
Note 7: Trade receivables							
Trade receivables considered good - secured							
Trade receivables considered good - unsecured	15.05	3,076.17					
Total	15.05	3,076.17					
Trade receivables ageing schedule as at December 31, 2024:							
Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
i. Undisputed trade receivables - considered	-	-	15.05	-	-	-	-
ii. Undisputed trade receivables -	-	-	-	-	-	-	-
iii. Disputed trade receivables - considered	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered	-	-	-	-	-	-	-
Trade receivables ageing schedule as at December 31, 2023:							
Particulars	Unbilled	Not due	Outstandi Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
i. Undisputed trade receivables - considered	-	-	3,076.17	-	-	-	-
ii. Undisputed trade receivables -	-	-	-	-	-	-	-
iii. Disputed trade receivables - considered	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered	-	-	-	-	-	-	-
Note 8: Cash and cash equivalents							
Balances with banks:							
- in current accounts					60.88		35.09
Total					60.88		35.09
Note 9: Current Loans (Unsecured, considered good)							
Advances to related parties							
- Other intercompany advances					133.96		152.42
Total					133.96		152.42
Note 10: Other current financial assets							
Interest accrued on loans					953.41		1,193.06
Others					851.24		1,512.25
Total					1,804.65		2,705.31
Note 11: Other current assets							
Prepaid expenses					-		-
Others					124.21		116.60
Total					124.21		116.60

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

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

	As at December 31, 2024	As at December 31, 2023
Note 12: Share capital		
Issued, subscribed and paid up		
Equity Shares	3.62	3.62
Total	3.62	3.62

Notes:

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

Particulars	As at December 31, 2024		As at December 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
As at beginning of the period	2.00	3.62	2.00	3.62
Add/(Less): Changes in equity shares during the year	-	-	-	-
As at end of the period	2.00	3.62	2.00	3.62

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

Name of the Shareholder	As at December 31, 2024		As at December 31, 2023	
	Number of shares	%	Number of shares	%
Rain CH Carbon LLC	2.00	100%	2.00	100%

- (iii) Shares held by Promoters

Name of the Shareholder	As at December 31, 2024		As at December 31, 2023	
	% of total shares	% of change	% of total shares	% of change
Rain CH Carbon LLC	100%	-	100%	-

Note 13: Other equity

- (i) Reserves and Surplus

(a) Capital Reserve	11,840.94	11,840.94
Opening balance	11,840.94	11,840.94
Less: Payment on Capital Reduction	-	-
Closing balance	11,840.94	11,840.94
(b) Retained Earnings		
Opening balance	(5,416.87)	(3,638.18)
Add: Profit for the period	(285.73)	(2,506.18)
Less: Dividend paid		
Add: Other adjustments	-	727.49
Closing balance	(5,702.60)	(5,416.87)

- (ii) Items of Other Comprehensive income:

(a) Foreign currency translation reserve		
Opening balance	2,219.53	2,533.55
Add: Effect of foreign exchange rate variations	(293.92)	413.47
Add: Other adjustments	-	(727.49)
Closing balance	1,925.61	2,219.53

- (b) Remeasurements of defined benefit liability/(asset)**

Opening balance	764.50	1,082.15
Add: Actuarial gain/(loss) on remeasurements of defined benefit plans	184.82	(317.65)
Closing balance	949.32	764.50

Total	9,013.27	9,408.08
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Rain Carbon GmbH
Notes forming part of the Financial Statements (continued)

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

	As at December 31, 2024	As at December 31, 2023
Note 14: Non-current borrowings		
A. Loans and advances from related parties		
Unsecured	-	63.86
B. Term loans		
From banks		
Secured	26,895.20	30,451.75
C. Long term maturities of Lease obligations		
- Secured	3.78	7.05
Less: Current portion of non-current borrowings disclosed under Note 18 - Current borrowings	(2.27)	(3.26)
Total	26,896.71	30,519.40
Note 15: Other financial liabilities		
Payables to employees	0.44	0.41
Total	0.44	0.41
Note 16: Provisions		
Provision for employee benefits:		
- Compensated absences		
- Gratuity		
- Provision for post-employment medical benefits		
- Other defined benefit plans (net)	561.48	583.80
- Other employee benefits		
Provision - Others		
- Provision for environment liabilities		
- Provision - others		
	561.48	583.80
Note 17: Other non-current liabilities		
Others	31.77	32.81
Total	31.77	32.81
Note 18: Current borrowings		
Loans repayable on demand		
Loans and advances from related parties		
-Unsecured	9,626.89	10,882.03
Current maturities of long-term borrowings	2.27	3.26
Total	9,629.16	10,885.29
Note 19: Trade payables		
Trade payables - other than micro and small enterprises	-	4.66
Total	-	4.66

Trade payables ageing schedule as at December 31, 2024:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME *	-	-	-	-	-	-
ii. Others	1.34	3.32	-	-	-	4.66
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-

Trade payables ageing schedule as at December 31, 2023:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME *	-	-	-	-	-	-
ii. Others	2.65	1.41	-	-	-	4.06
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-

*Micro, Small and Medium Enterprises

Note 20: Other current financial liabilities		
Interest accrued but not due on borrowings	72.43	362.81
Interest accrued and due on borrowings	49.96	186.28
Employee payables	4.23	17.70
Others	676.67	451.25
- Contractually reimbursable expenses	-	-
- Payables on purchase of fixed assets	-	-
- Payables to auditors	-	-
- Others	676.67	451.25
Total	803.29	1,018.04

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

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

	<u>As at December 31, 2024</u>	<u>As at December 31, 2023</u>
Note 21: Other Current liabilities		
Income received in advance (Unearned revenue)	-	
Others	7.18	55.22
Total	<u>7.18</u>	<u>55.22</u>
Note 22: Provisions		
Provision for employee benefits:		
- Provision for other employee benefits	21.54	22.24
- Other provisions	18.61	21.23
Total	<u>40.15</u>	<u>43.47</u>

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

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Note 23: Revenue from operations		
Other operating revenues	97.54	116.30
Total	97.54	116.30
Note 24: Other income		
Interest income		
Interest from banks on deposits	0.77	0.93
other Interest	0.39	-
Interest income from short-term investments		
Interest on loans and advances	1,678.72	1,025.46
Interest on income tax refund	0.54	3.60
Rental income from operating leases	0.05	-
Liabilities / provisions no longer required written back	0.97	17.10
Dividend Income	2,263.19	1,122.12
Gain on sale of Subsidiaries	-	11,483.27
Miscellaneous Income	31.65	59.41
Total	3,976.28	13,711.89
Note 25: Employee benefits expense		
Salaries, wages and bonus	104.95	142.52
Contributions to provident and other funds	34.93	36.06
Staff welfare expenses	0.27	0.56
Total	140.15	179.14
Note 26: Finance costs		
Interest expense	3588.84	3170.46
Interest expense on leases	0.16	0.11
Other borrowing costs	0.40	0.39
Loss on foreign currency transactions and translation (net)		
Total	3589.40	3170.96

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

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

Note 27: Other expenses

Repairs and maintenance	0.01	2.06
Insurance	1.81	1.85
Rates and taxes	0.85	1.33
Travelling and conveyance	0.73	1.45
Printing and stationery	0.22	0.15
Selling and distribution expenses	-	0.00
Advertisement	0.00	0.29
Corporate Social Responsibility and other donations	0.05	0.00
Consultancy charges	51.03	56.19
Payment to auditors	0.00	0.00
Miscellaneous expenses*	743.38	-317.20
	<u>798.08</u>	<u>-253.88</u>
Less: Expenses capitalised	-	-
Total	<u>798.08</u>	<u>-253.88</u>

*This includes (Income)/Loss transfer from its German Subsidiaries during the year amounting to 210.52 Mn's for 2024 and (746.26) Mn's for 2023

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

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

Note 28: Tax expense

Current tax		
(i) Tax for current year	(18.03)	59.87
(ii) Tax relating to earlier years		
(iii) Minimum alternate tax credit entitlement		
Net current tax	<u>(18.03)</u>	<u>59.87</u>
Deferred tax	(205.56)	(312.16)
Total	<u>(223.59)</u>	<u>-252.29</u>

Rain Carbon GmbH

Notes forming part of the financial statements (continued)

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

Note 29: Financial instruments disclosure:

Note 29.1: Fair Valuation measurement hierarchy

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

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

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

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

Particulars	As at December 31, 2024				As at December 31, 2023			
	Carrying Amount	Level of inputs used in			Carrying Amount	Level of inputs used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised cost								
Non-current investments	24,795.45				25,605.36			
Trade receivables	15.05				3,076.17			
Cash and cash equivalents	60.88				35.09			
Non-current loans	21,848.24				23,015.64			
Current loans	133.96				152.42			
Other current financial assets	1,804.65				2,705.31			
Financial Liabilities								
At Amortised cost								
Non-current borrowings (including current maturities included in other current financial liabilities)	26,896.71				30,519.40			
Other non-current financial liabilities	0.44				0.41			
Current borrowings	9,629.16				10,885.29			
Trade payables	0				4.66			
Other current financial liabilities	803.29				1,018.04			

Valuation Techniques:

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

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

Note 29.2: Financial risk management

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

Note 29.3: Credit Risk

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

The carrying value of financial assets represents the maximum credit risk.

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

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

Note 29.4: Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of December 31, 2024, cash and cash equivalents are held with major banks.

Maturity of financial liabilities:

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

As at December 31, 2024

Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities:							
Borrowings	36,525.87	10,137.75	1,574.76	25,582.69	-	-	37,295.20
Other current financial liabilities	803.29	803.29	-	-	-	-	803.29

As at December 31, 2023

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

Note 29.5: Market risk:

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

Note 29.6: Interest rate risk:

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

Exposure to interest rate risk

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

Particulars	Interest rate exposure as at	
	Dec-24	Dec-23
Variable rate instruments		
Financial assets	-	453.01
Financial liabilities	(36,524.36)	(33,037.53)
	(36,524.36)	(32,584.52)

Interest rate Sensitivity:

Impact on net interest expense for the year on 1% change in interest rate: A reasonably possible change of 1% in interest rates at the reporting date would have increased / (decreased) profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Dec-24		Dec-23	
	Increase	Decrease	Increase	Decrease
Impact on profit and loss				
Variable-rate instruments	(365.24)	365.24	(325.85)	325.85
Interest rate swaps	-	-	-	-
Total Impact	(365.24)	365.24	(325.85)	325.85

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

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

Note 29.7 Currency risk:

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of individual entities in the Company.

The following table analyzes foreign currency risk from non derivative financial instruments as at December 31, 2024:

	USD	EUR	CAD	RUB	Others*	Total
Assets:						
Cash and bank balances						-
EEFC balance						-
Trade receivables	0.11					0.11
Loans						-
Loans and advances to subsidiary						-
Other Financial Assets	-			214.34		214.34
	<u>0.11</u>	<u>-</u>	<u>-</u>	<u>214.34</u>	<u>-</u>	<u>214.45</u>
Liabilities:						
Trade payables	-					-
Borrowings	-					-
Other financial liabilities	-					-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Others include GBP, CHF and others

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

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

*Others include GBP, CHF and others

Sensitivity Analysis:

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

Impact on Foreign currency loss/(gain) for the year on 1% change in rates are:

Particulars	December 31, 2024		December 31, 2023	
	Strengthening	Weakening	Strengthening	Weakening
Impact on profit and loss				
INR		-		-
Euro	-	-	-	-
USD	(0.00)	0.00	9.30	(9.30)
CAD	-	-	-	-
RUB	(2.14)	2.14	(2.30)	2.30
Others*	-	-	-	-

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

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

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

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

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

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

b) Transactions with related parties for the year ended December 31, 2024

Nature of Transaction	Related Parties	
	2024	2023
Revenue from Services		
- Rain Carbon Germany GmbH	87.33	104.45
- Rumba Invest SPRL& Co.KG	0.14	0.62
- Rain Carbon Canada Inc.	0.94	1.55
- Rain Carbon Inc	0.34	0.47
- Rain Carbon Wohnimmobilien GmbH & Co. KG	2.85	1.63
- Rain Carbon Gewerbeimmobilien GmbH & Co. KG	1.52	1.90
- Rain Carbon BV	3.47	4.88
- Rain Carbon Poland Sp.zo.o.	-	0.17
Intercompany Administration and IT costs recharges Income		
- Rain Carbon Germany GmbH	0.45	4.03
- Rain Carbon Inc	30.96	55.35
- Rain Carbon Canada Inc.	-	-
Loss/(Profit) on Profit/Loss Transfer agreements		
- Rain Carbon Germany GmbH	219.10	(756.10)
- Rumba Invest SPRL& Co.KG	(8.58)	9.83
Interest Income		
- Rain Holding Limited	29.38	29.25
- Rain Carbon Inc	1,636.28	968.17
- OOO RÜTGERS Severtar	-	20.07
- OOO Rain Carbon LLC	-	7.96
- Rain Carbon Germany GmbH	13.06	-
Interest Expenses		
- Severtar Holding Ltd (Severtar Holding ILLC(Redomiciled))	1.40	2.69
-Rain CII Carbon LLC	5.19	16.09
- Rain Carbon Inc	16.87	2.98
- Rain Carbon Germany GmbH	550.43	574.03
- Rain Carbon BV	57.60	10.23
- Rain Holding Limited	34.19	-
Consultancy charges		
- Rain Carbon Inc	6.84	
- Rain Carbon Germany GmbH	10.11	15.07
Dividend Received		
- Rain Holding Limited	2,263.19	1,122.12
Gain on sale of investments		
- Rain Holding Limited	-	11,483.27
Intercompany Administration and IT costs recharges expenses		
- Rain Carbon Inc	387.44	80.45
- Rain Carbon Germany GmbH	0.35	1.89
- Rain Carbon Poland Sp.zo.o.	-	-

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

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

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

Loans Receivable (including Interest):		
- Rain Carbon Inc	22,718.56	23,551.43
- Rain Holding Limited	214.34	806.89
Loans Payable(including Interest)		
- Severter Holding Ltd (Severtar Holding ILLC(Redomiciled))	-	66.62
- Rain Carbon Inc	-	1,377.04
- Rain Carbon Germany GmbH	8,774.80	9,136.41
- Rain Carbon BV	890.90	552.36
- Rain Holding Limited	11.15	-
Other Payables(Net)		
- Rain Carbon Germany GmbH	247.13	213.95
- Rumba Invest SPRL& Co.KG	94.47	102.06
- Rain Industries Limited	-	-
- Rain Carbon Inc	-	3.40
Other Payables Net (Profit Loss Transfer Agreements)		
- Rain Carbon Germany GmbH	219.25	-
Other Receivables Net (Profit Loss Transfer Agreements)		
- Rumba Invest SPRL& Co.KG	735.43	766.79
- Rain Carbon Germany GmbH	-	625.86
Other Receivables(Net)		
- RHL	-	3,026.80
Trade Payables		
- Rain Carbon Germany GmbH	3.49	1.37
Trade Receivables		
- Rumba Invest SPRL& Co.KG	(0.29)	0.24
- Rain Carbon BV	-	-
- Rain Carbon Gewerbeimmobilien GmbH & Co. KG	0.43	0.48
- Rain Carbon Wohnimmobilien GmbH & Co. KG	1.13	-
- Rain Carbon Germany GmbH	13.78	29.50
- Rain Carbon Canada Inc.	-	0.11

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

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

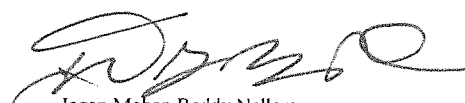
Note 31 : Earnings per Share (EPS)

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
a. Profit for the year	(285.73)	(2,506.18)
b. Weighted average number of equity shares outstanding during the year (Nos.)	2.00	2.00
Earnings per Share		
c. Basic and Diluted - [a]/[b] (Million Rs.)	(142.87)	(1,253.09)

Note 32: Additional Regulatory Information

- (i) The title deeds of immovable properties are held in the name of the Company
- (ii) The Company has not revalued its Property, plant and equipment and intangible assets during the year.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) During the year there are no loans or advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are repayable on demand.
- (v) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (vii) The Company has not advanced or loaned or invested funds, to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Company have not received any fund, from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company does not have any undisclosed income in terms of any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessment.
- (x) During the year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (xi) The Company does not trade in crypto currency or virtual currency.

For and on behalf of the Board of Directors


Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Place: Hyderabad
Date : February 20, 2025



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

To the Members of OOO Rain Carbon

Opinion

We have audited the accompanying Standalone special purpose IND AS financial statements of **OOO Rain Carbon** (the Company), which comprise the balance sheet as at December 31, 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements"). The Special Purpose Ind AS Financial Statements of the Company is prepared by the Board of Directors in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") to enable holding company **Rain Industries Limited** to prepare its Ind AS consolidated financial statements for the year ended December 31, 2024.

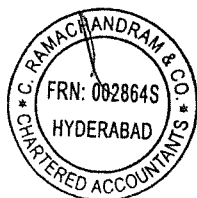
In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended December 31, 2024 gives information required in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ('the Act') and in conformity with the basis of preparation referred to in Note No. 2 of the Special Purpose Ind AS Financial Statements, as amended and are prepared in compliance with the instructions received from **Rain Industries Limited** and based on significant accounting policies adopted by **Rain Industries Limited**

Basis for Opinion

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

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

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



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

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

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

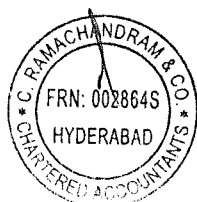
In preparing the Special Purpose Ind AS Financial Statements, the Board of Directors and the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless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

Auditors' Responsibility for the Special Purpose Ind AS Financial Statements

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Basis of Accounting

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

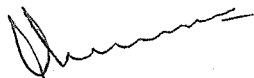
Restriction on use and distribution

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

For C. RAMACHANDRAM & Co

Chartered Accountants

FRN: 002864S

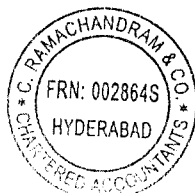


C. RAMACHANDRAM

Partner

Membership No.: 025834

UDIN: 25025834BMJQPF8701



Place: Hyderabad

Date: February 20, 2025

OOO Rain Carbon**Balance Sheet as at December 31, 2024**

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

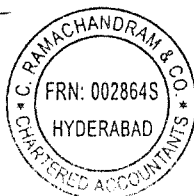
	Note	As at December 31, 2024	As at December 31, 2023
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	346.37	430.46
2. Current assets			
(a) Financial Assets			
(i) Trade receivables	4	7.58	9.18
(ii) Cash and cash equivalents	5	98.36	77.83
		105.94	87.01
(b) Other current assets	6	1.88	4.35
TOTAL		454.19	521.82
EQUITY AND LIABILITIES			
1. Equity			
(a) Share Capital	7	0.01	0.01
(b) Other Equity	8	187.15	209.84
		187.16	209.85
2. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	51.00	72.73
(b) Deferred tax liability, net		-	0.01
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	130.53	153.78
(ii) Trade payables	11	0.48	0.45
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		0.48	0.45
(iii) Other financial liabilities	12	81.34	81.43
(b) Other Current liabilities	13	3.68	3.57
TOTAL		454.19	521.82
Corporate information	1		
Material accounting policies	2		

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

In terms of our report attached

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

C. Ramachandram
Partner
M.No 025834
UDIN:
Place: Hyderabad
Date : February 20, 2025



For and on behalf of the Board of Directors

T.Srinivasa Rao
Director

UDIN- 250258348MSQPfB701.

OOO Rain Carbon

Statement of Profit and Loss for the year ended December 31, 2024

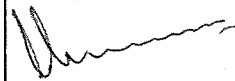
All amounts are in Indian Rupees Millions, except where otherwise stated

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
1 Total income			
Other income	14	84.46	93.51
Total income		84.46	93.51
2 Expenses			
Employee benefits expense	15	4.69	7.02
Finance costs	16	26.52	25.46
Depreciation expense	3	21.70	23.49
Loss/ (gain) on foreign currency transactions and translations (net)		(0.43)	0.15
Other expenses	17	16.34	5.57
Total expenses		68.82	61.69
3 Profit before tax (1-2)		15.64	31.82
4 Tax expense (benefit)	18		
1. Current tax		5.42	6.37
2. Deferred tax		-	-
5 Profit for the year (3-4)		10.22	25.45
6 Other Comprehensive Loss			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss			
- Exchange Differences in translating the financial statements of foreign operation		(32.91)	(42.93)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Loss for the year		(32.91)	(42.93)
7 Total Comprehensive Income for the year (5+6)		(22.69)	(17.48)
8 Earnings per share			
Basic and Diluted (Million Rs)		10.22	25.45
Corporate information	1		
Material accounting policies	2		

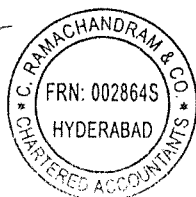
The notes referred to above form an integral part of the financial statements

In terms of our report attached

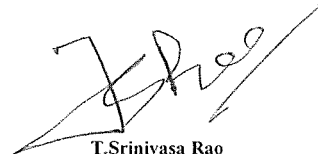
For C. Ramachandram & Co
Chartered Accountants
Firm Registration No: 002864S



C. Ramachandram
Partner
M.No 025834
UDIN:
Place: Hyderabad
Date : February 20, 2025



For and on behalf of the Board of Directors



T. Srinivasa Rao
Director

UDIN:-25025834 BMSQPF8401.

OOO Rain Carbon

Statement of Changes in Equity for the year ended December 31, 2024

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

Particulars	Attributable to owners of the Company				Total
	Equity Share Capital	Reserves and Surplus		Other comprehensive income	
		Capital Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance as at January 1, 2024	0.01	202.73	39.27	(32.16)	209.85
Total Comprehensive Income for the year	-	-	10.22	(32.91)	(22.69)
Dividends	-	-	-	-	-
Balance as at December 31, 2024	0.01	202.73	49.49	(65.07)	187.16

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

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

Reserves and Surplus:

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

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

Items of Other Comprehensive Income:

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

In terms of our report attached

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

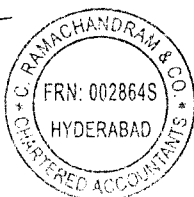
C. Ramachandram
Partner

M.No 025834

UDIN:

Place: Hyderabad

Date : February 20, 2025



For and on behalf of the Board of Directors

T.Srinivasa Rao
Director

UDIN: 250258348MISQPF8701.

OOO Rain Carbon
Cash Flow Statement for the year ended December 31, 2024

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
A. Cash flow from operating activities		
Profit before taxation	15.64	31.82
Adjustments for :		
Depreciation expense	21.70	23.49
Interest and other borrowing costs	26.52	25.46
Interest income	-	(0.16)
	48.22	48.79
Operating profit before working capital changes	63.86	80.61
Adjustments for :		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	0.26	(0.86)
Other Current assets	2.03	8.88
Trade payables	(0.01)	-
Other current liabilities	0.77	4.38
Other financial liabilities	-	(0.03)
	3.05	12.37
Cash generated from operations	66.91	92.98
Income taxes paid, net	(5.42)	(6.37)
Net cash from/(used in) operating activities	61.49	86.61
B. Cash flow from investing activities		
Interest received	-	0.16
Net cash from/(used in) investing activities	-	0.16
C. Cash flow from financing activities		
Repayment of non-current borrowings	(12.40)	(13.37)
Repayment of other current borrowings	-	(20.48)
Interest and other borrowing costs paid	(12.72)	(12.64)
Dividend paid (including tax on dividend)	-	(16.13)
Net cash used in financing activities	(25.12)	(62.02)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	36.37	24.75
Cash and cash equivalents - opening balance	77.83	65.66
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(15.84)	(12.58)
Cash and cash equivalents - closing balance	98.36	77.83

Notes:

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

(ii) Components of Cash and cash equivalents

Balances with banks:

- in current accounts

98.36

77.83

Cash and bank balances - closing balance
98.36
77.83

In terms of our report attached

For C. Ramachandram & Co

Chartered Accountants

Firm Registration No: 002864S

C. Ramachandram

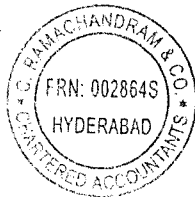
Partner

M.No 025834

UDIN:

Place: Hyderabad

Date: February 20, 2025


For and on behalf of the Board of Directors
Srinivasa Rao
Director

UDIN:-2502563418M3pf8401.

OOO Rain Carbon
Notes forming part of the Financial Statements

Note 1: Corporate Information

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

During 2024 the company ownership is transferred from Rain Industries Limited to Rain Holding Limited w.e.f. 13th November, 2024. The Company is a wholly owned subsidiary of Rain Holding Limited ("the Holding Company") from 13th November, 2024 which is ultimately held by Rain Industries Limited ("RIL" or "the Ultimate Holding Company"), a company incorporated in India and listed on the National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited. The Company was incorporated in the State of Moscow, Russia on November 2, 2005.

Note 2: Material Accounting Policies

a) Basis of preparation of Financial Statements

(i) Statement of Compliance

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

The standalone financial statements have been prepared on a going concern basis. Relevant Ind AS effective as on the Company's annual reporting date (December 31, 2024) have been applied. The accounting policies are applied consistently to all the periods presented in the financial statements.

The standalone financial statements were authorised for issue by the Company's Board of Directors on February 20, 2025.

(ii) Functional and presentation currency

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

(iii) Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities (refer accounting policy regarding financial instruments)	Fair value
Non-cash distribution liability	Fair value
Borrowings	Amortised cost using effective interest rate method

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

(iv) Use of judgements, estimates and assumptions.

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

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

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

Current and Non-current classification

The Group has identified 12 months as its operating cycle for the classification of assets and liabilities into current and non-current.

Current assets and liabilities include the current portion of non-current financial assets and liabilities.

b) Financial instruments

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.

Recognition and initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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 FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Financial liabilities:

Initial recognition and measurement

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

Classification and Subsequent measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. Financial liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognised in the consolidated statement of profit and loss.

All other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. 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.

c) 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 Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

d) Property, plant and equipment

Property, plant and equipment are stated at cost/deemed cost less accumulated depreciation and impairment loss, if any. Depreciation on all the tangible fixed assets is provided using the straight-line method based on the useful life of the assets as prescribed by Schedule II to the Companies Act, 2013.

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

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

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

Items	Years
Buildings	2-77
Plant and machinery	1-50
Furniture and Fixtures	1-20

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.

e) Impairment of non-financial assets

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

f) Impairment of financial assets

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

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 Company is exposed to credit risk.

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

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

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

g) Leases

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

Company as a lessor

OOO Rain Carbon

Notes forming part of the Financial Statements (continued)

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease..

h) Foreign Currency Transactions and Balances

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign 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 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. 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 (see (iii)); and
- qualifying cash flow hedges to the extent that the hedges are effective.

i) Tax expense

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

Income tax expenses comprises of current tax and deferred tax. It is recognised in 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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries 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 recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

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

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

OOO Rain Carbon

Notes forming part of the Financial Statements (continued)

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.

j) 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.

k) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

l) Dividend declared

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company.

m) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

n) Statement of Cash Flows and Cash and cash equivalents

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

OOO Rain Carbon

Notes forming part of the Financial Statements (continued)

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 Company'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.

OOO Ruin Carbon
Notes forming part of the Financial Statements (continued)

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

Note 3: Property, plant and equipment

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK			
	As at January 1, 2024	Additions during the period	Deletions during the period	Currency realigning	As at December 31, 2024	As at January 1, 2024	For the Period	On Deletions	Currency realigning	As at December 31, 2024	As at December 31, 2023	As at December 31, 2022
Tangible assets (Own)												
(a) Vehicles	516.85	-	-	(78.14)	438.71	86.39	21.70	-	(15.76)	92.34	346.37	430.46
Total	516.85	-	-	(78.14)	438.71	86.39	21.70	-	(15.76)	92.34	346.37	430.46

Description	Gross Block				Depreciation				Net Block			
	As at January 1, 2023	Additions during the period	Deletions during the period	Currency realigning	As at December 31, 2023	As at January 1, 2023	For the Period	On Deletions	Currency realigning	As at December 31, 2023	As at December 31, 2022	
Tangible assets												
(a) Vehicles	626.57	-	-	(109.71)	516.85	77.59	23.49	-	(14.68)	86.39	430.46	548.98
Total	626.57	-	-	(109.71)	516.85	77.59	23.49	-	(14.68)	86.39	430.46	548.98

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

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

Note 3: Property Plant & Equipment

Property plant and equipment
Capital work in progress

As at December 31, 2024	As at December 31, 2023
346.37	430.46
-	-
<u>346.37</u>	<u>430.46</u>

Note 4: Trade receivables

Trade receivables considered good - unsecured
Total

7.58	9.18
<u>7.58</u>	<u>9.18</u>

Trade receivables ageing schedule as at December 31, 2024:

Particulars	Unbilled	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivables considered good	-	-	7.58	-	-	-	-	7.58
ii. Undisputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii. Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
v. Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi. Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-	-
SUB-TOTAL	-	-	7.58	-	-	-	-	7.58
Less: Allowance for Credit Impairment	-	-	-	-	-	-	-	-
Total	-	-	7.58	-	-	-	-	7.58

Trade receivables ageing schedule as at December 31, 2023:

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

Note 5: Cash and bank balances

Cash and cash equivalents
Balances with banks:
- in current accounts
Total

98.36	77.83
<u>98.36</u>	<u>77.83</u>

Note 6: Other current assets

Prepaid expenses
Balances with Government authorities
Total

0.37	4.07
1.51	0.28
<u>1.88</u>	<u>4.35</u>

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

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

As at December 31, 2024	As at December 31, 2023
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Note 7: Share capital

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

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

Particulars	As at December 31, 2024		As at December 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
As at beginning of the period	1	0.01	1	0.01
Add/(Less): Changes in equity shares during the year	-	-	-	-
As at end of the period	<u>1</u>	<u>0.01</u>	<u>1</u>	<u>0.01</u>

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

Name of the Shareholder	As at December 31, 2024		As at December 31, 2023	
	Number of shares	%	Number of shares	%
Rain Industries Limited	-	0%	1.00	100%
Rain Holding Limited	<u>1.00</u>	<u>100%</u>	<u>-</u>	<u>0%</u>

(iii) Shares held by Promoters

Name of the Shareholder	As at December 31, 2024		As at December 31, 2023	
	% of total shares	% of change during the year	% of total shares	% of change during the year
Rain Industries Limited	0%	-100%	100%	-
Rain Holding Limited	<u>100%</u>	<u>100%</u>	<u>0%</u>	<u>-</u>

Note 8: Other equity

(i) Reserves and Surplus

(a) Capital Reserve	202.73	202.73
Opening balance	202.73	202.73
Add: During the year	-	-
Closing balance	<u>202.73</u>	<u>202.73</u>

(b) Retained Earnings

Opening balance	39.27	29.95
Add: Profit for the period	10.22	25.45
Add: Others	-	-
Less: Dividend paid	-	(16.13)
Closing balance	<u>49.49</u>	<u>39.27</u>

(ii) Items of Other Comprehensive income:

(a) Foreign currency translation reserve		
Opening balance	(32.16)	10.77
Add: Effect of foreign exchange rate variations	(32.91)	(42.93)
Closing balance	<u>(65.07)</u>	<u>(32.16)</u>

Total	<u>187.15</u>	<u>209.84</u>
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OOO Rain Carbon
Notes forming part of the Financial Statements (continued)

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

	As at December 31, 2024	As at December 31, 2023
Note 9: Non-current borrowings		
Loans and advances from related parties (Unsecured)	51.00	72.73
Total	51.00	72.73

Note 10: Current borrowings

Loans and advances from related parties - Unsecured	130.53	153.78
Total	130.53	153.78

Note 11: Trade payables

Trade payables - other than micro and small enterprises	0.48	0.45
Total	0.48	0.45

Trade payables ageing schedule as at December 31, 2024:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-	-
ii. Others	-	0.48	-	-	-	-	0.48
iii. Disputed dues-MSME	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-

Trade payables ageing schedule as at December 31, 2023:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-	-
ii. Others	-	0.45	-	-	-	-	0.45
iii. Disputed dues-MSME	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-

Note 12: Other current financial liabilities

Interest accrued and due on borrowings	81.34	81.43
Total	81.34	81.43

Note 13: Other Current liabilities

Statutory remittances	3.68	3.57
Total	3.68	3.57

OOO Rain Carbon

Notes forming part of the Financial Statements (continued)

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Note 14: Other income		
Other interest	-	0.16
Rental income from operating leases	84.46	93.35
Total	84.46	93.51
Note 15: Employee benefits expense		
Salaries, wages and bonus	3.79	6.25
Contributions to provident and other funds	0.90	0.77
Total	4.69	7.02
Note 16: Finance costs		
Interest expense	26.51	25.41
Other borrowing costs	0.01	0.05
Total	26.52	25.46
Note 17: Other expenses		
Insurance	0.03	0.03
Consultancy charges	16.29	5.37
Payment to auditors [Refer Note below]	-	-
Miscellaneous expenses	0.02	0.17
Total	16.34	5.57
Payment to auditors comprises (excluding GST):		
Other Auditor fees	0.00	0.00
Total	0.00	0.00
Note 18: Tax expense		
Current tax		
(;) Tax for current year	5.42	6.37
Net current tax	5.42	6.37
Deferred tax	-	-
Total	5.42	6.37

OOO Rain Carbon

Notes forming part of the financial statements (continued)

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

Note 19: Financial instruments disclosure:

Note 19.1: Fair Valuation measurement hierarchy

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

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

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

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

Notes:

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

Particulars	As at December 31, 2024				As at December 31, 2023			
	Carrying Amount	Level of inputs used in			Carrying Amount	Level of inputs used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised cost								
Trade receivables	7.58				9.18			
Cash and cash equivalents	98.36				77.83			
Financial Liabilities								
At Amortised cost								
Non-current borrowings excluding finance lease obligations	51.00				72.73			
Current borrowings	130.53				153.78			
Trade payables	0.48				0.45			
Other current financial liabilities	81.34				81.43			

Valuation Techniques:

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

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

Note 19.2: Financial risk management

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

Note 19.3: Credit Risk

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

The carrying value of financial assets represents the maximum credit risk.

OOO Rain Carbon

Notes forming part of the financial statements (continued)

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

Note 19.4: Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of December 31, 2023, cash and cash equivalents are held with major banks and financial institutions.

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

As at 31 December 2024						
Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later
Non-derivative financial liabilities						
Borrowings	181.53	181.53				
Trade payables	0.48	0.48				
Other current financial liabilities	81.34	81.34				
						Total

As at 31 December 2023						
Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later
Non-derivative financial liabilities						
Borrowings	226.51	226.51				
Trade payables	0.45	0.45				
Other current financial liabilities	81.43	81.43				
						Total

Note 19.5: Market risk:

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

Note 19.6: Interest rate risk:

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

Exposure to interest rate risk

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

Particulars	Interest rate exposure as at	
	31-Dec-24	31-Dec-23
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	(130.53)	(153.78)
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(51.00)	(72.73)

Interest rate Sensitivity:

Impact on net interest expense for the year on 1% change in interest rate: A reasonably possible change of 1% in interest rates at the reporting date would have increased / (decreased) profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates,

Particulars	Dec-24		Dec-23	
	Increase	Decrease	Increase	Decrease
Impact on profit and loss				
Variable-rate instruments	(0.51)	0.51	(0.73)	0.73
Interest rate swaps	-	-	-	-
Total Impact	(0.51)	0.51	(0.73)	0.73

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

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

Note 20: Related Party Disclosures**a) . Names of related parties and description of relationship**

Sl. No	Relationship	Name
(a)	List of related parties where control exists	
(i)	Holding Company	1 Rain Holding Limited[RHL] (w.e.f 13th November 2024) 2 Rain Industries Limited[RIL] (until 13th November 2024)
(ii)	Entities Under Common Control	1 OOO Ruetgers Severtar (OOO Severtar) 2 Rain Carbon Gmbh (RCG)

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

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

b) Transactions with related parties for the year ended December 31, 2024

Nature of Transaction	Related Parties	
	2024	2023
Rental Income from Lease		
- OOO RÜTGERS Severtar	84.46	93.35
Interest Expenses		
-Rain Holding Limited	13.64	6.73
- Rain Carbon GmbH	-	7.98
- OOO RÜTGERS Severtar	12.87	10.70
Dividend Paid		
Rain Industries Limited	-	16.13
Loans Repaid		
- OOO RÜTGERS Severtar	12.40	29.73
- Rain Carbon GmbH	-	155.67
Loans taken		
- Rain Holding Limited	-	155.67
- OOO RÜTGERS Severtar	-	-

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

Loans Payable		
Rain Holding Limited	130.53	72.73
- Rain Carbon GmbH	-	-
- OOO RÜTGERS Severtar	51.00	9.18
Interest Payable		
Rain Holding Limited	78.33	3.22
- Rain Carbon GmbH	-	-
- OOO RÜTGERS Severtar	3.02	153.78
Trade Receivables		
- OOO RÜTGERS Severtar	7.58	-

Note 21 : Earnings per Share (EPS)

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
a. Profit for the year	10.22	25.45
b. Weighted average number of equity shares outstanding during the year (Nos.)	1	1
Earnings per Share		
c. Basic and Diluted - [a]/[b] (Millions Rs.)	10.22	25.45

Note 22: Additional Regulatory Information

(i) The title deeds of immovable properties are held in the name of the Company

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

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

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

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

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

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

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

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

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

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

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

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

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

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

We have audited the accompanying financial statements of Rain Cements Limited ("the Company"), which comprise the Balance Sheet as at December 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2024, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

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



Responsibilities of Management and Those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended,;
 - (e) On the basis of the written representations received from the directors as on December 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2024, 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.
 - (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) In our opinion, the managerial remuneration for the year ended December 31, 2024, has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (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:



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- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 34 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
- vi. Based on our examination which included test checks, the Company has used 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 is not enabled for direct changes to data when using certain access rights, as described in note 45 to the 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 other accounting software.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Harish Khemnani

Partner

Membership Number: 218576

UDIN: 25218576BMEMR9751

Place of Signature: Hyderabad

Date: February 18, 2025

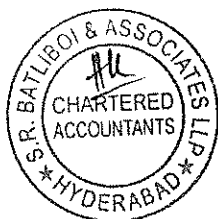


Annexure '1'- Referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.**Re: Rain Cements Limited ("the Company")**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) All Property, Plant and Equipments were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipments (including Right of use assets) or intangible assets during the year ended December 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.
- (b) As disclosed in note 20(a) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the audited/unaudited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.
- (iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies or firms as follows:

Particulars	Loans
Aggregate amount granted during the year.	
- Subsidiary Company	INR 100 million
Balance outstanding as at balance sheet date in respect of above cases.	
- Subsidiary Company	Nil



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

During the year, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies are not prejudicial to the Company's interest.

- (c) The Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.

The Company has granted loans and / or advance in the nature of loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

- (d) The Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.

- (e) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

- (f) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships, or any other parties which had fallen due during the year.

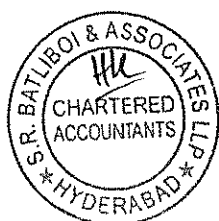
The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Cement, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues applicable to it. The provisions for sales-tax, service tax, duty of excise, value added tax and cess are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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

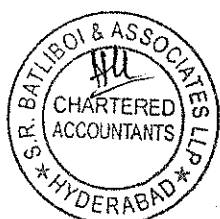
Name of Statute	Nature of Dues	Amount (In INR millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	3.10	AY 2007-08	Income Tax
		2.18	AY 2008-09	Appellate Tribunal
		113.99 (67.01)*	AY 2009-10	Commissioner of Income Tax (Appeals)
		18.26	AY 2011-12	Honorable High Court of
		148.93	AY 2012-13	Telangana
		31.72	AY 2017-18	Commissioner of Income Tax (Appeals)
		373.29*	AY 2018-19	Honorable High Court of Telangana
	Penalty	1.60	AY 2020-21	Commissioner of Income Tax (Appeals)
	Income tax and interest	1.89	AY 2023-24	Pending before CPC(rectification)
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	8.15	1991-92 1992-93	Honorable High Court of Andhra Pradesh
Central Sales Tax Act, 1956	Penalty	7.84 (1.96)	2018-19	
Central Excise Act	Excise duty and Penalty	4.65	Oct-Nov'2012	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise duty and Penalty	75.42 (75.32)#	Aug'14 – Nov'16	Customs, Excise and Service Tax Appellate Tribunal
Telangana Tax on Entry of Goods into local areas act, 2001	Entry Tax	14.45 (3.61)	2012-13 2015-16 2016-17 2017-18	Honorable High Court of Telangana
Telangana Tax on Entry of Goods into local areas act, 2001	Entry Tax	2.54 (1.27)	2013-14 2014-15	Sales Tax Tribunal
Telangana Tax on Entry of Motor Vehicle into Local Areas Act, 1996	Entry Tax	6.84	2008-09	Honorable High Court of Telangana
Goods and Services Tax, 2017	Goods and Services Tax	41.99 (2.35)	2018-19	Tribunal
Goods and Services Tax, 2017	Goods and Services Tax	7.45 (0.64)	2017-18 2018-19 2019-20	Commissioner (Appeals)

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

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The company does not have any joint venture or associate.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 43 (xiii) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



S.R. BATLIBOI & ASSOCIATES LLP

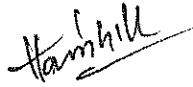
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- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37 to the financial statements.
- (b) There are no unspent amounts is respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section (6) of section 135 of the companies Act. This matter has been disclosed in note 37 to the financial statements.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Harish Khemnani

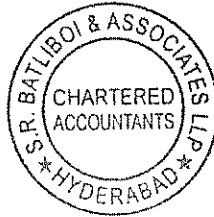
Partner

Membership Number: 218576

UDIN: 25218576BMIEMR9751

Place of Signature: Hyderabad

Date: February 18, 2025



Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Rain Cements Limited

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

We have audited the internal financial controls with reference to financial statements of Rain Cements Limited ("the Company") as of December 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to these Financial Statements

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



Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Harish Khemnani

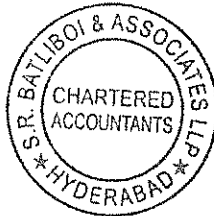
Partner

Membership Number: 218576

UDIN: 25218576BMIEMR9751

Place of Signature: Hyderabad

Date: February 18, 2025



Rain Cements Limited

Balance Sheet as at December 31, 2024

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

Particulars	Note	As at December 31, 2024	As at December 31, 2023
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	3,836.22	4,157.15
(b) Capital work-in-progress	3	183.97	189.01
(c) Right-of-use assets	4	41.13	52.96
(d) Intangible assets	5	0.15	0.41
(e) Financial assets			
(i) Investments	6	822.76	422.47
(ii) Loans	7	-	500.00
(iii) Other non-current financial assets	7(a)	241.43	242.98
(f) Non-current tax assets (net)	8	313.39	276.68
(g) Other non-current assets	9	62.53	343.15
Total Non-current assets		5,501.58	6,184.81
2. Current assets			
(a) Inventories	10	1,218.27	1,372.65
(b) Financial assets			
(i) Trade receivables	11	496.66	233.34
(ii) Cash and cash equivalents	12	386.85	422.09
(iii) Bank balances other than cash and cash equivalents	12	3,697.27	3,354.91
(iv) Loans	13	0.39	0.29
(v) Other current financial assets	14	132.23	161.10
(c) Other current assets	15	76.82	281.17
Total Current assets		6,008.49	5,825.55
TOTAL ASSETS		11,510.07	12,010.36
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	16	298.05	298.05
(b) Other equity	17	7,907.72	8,353.89
Total Equity		8,205.77	8,651.94
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18(a)	-	80.98
(ii) Lease liability	18(b)	14.77	26.84
(b) Provisions	19	230.30	216.48
(c) Deferred tax liabilities (net)	25	135.31	283.65
Total Non-current liabilities		380.38	607.95
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20(a)	79.75	101.53
(ii) Lease liability	18(b)	14.15	13.04
(iii) Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises		21.95	29.48
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		646.86	597.72
(iv) Other financial liabilities	22	1,400.00	1,099.33
(b) Provisions	23	66.36	54.65
(c) Other current liabilities	24	303.12	453.78
(d) Current tax liabilities (net)	20	391.73	400.94
Total Current liabilities		2,923.92	2,750.47
TOTAL LIABILITIES		3,304.30	3,358.42
TOTAL EQUITY AND LIABILITIES		11,510.07	12,010.36
Corporate information	1		
Material accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Harish

per Harish Khemmani
Partner

Membership number: 218576

Place : Hyderabad

Date : February 18, 2025



For and on behalf of the Board of Directors of

Rain Cements Limited

CIN:U23209TG1999PLC031631

N. Sujith Kumar Reddy

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

Place: Hyderabad

Date : February 18, 2025

Venkata Pranav Reddy

Venkata Pranav Reddy Nellore
Executive Director
DIN: 10040953

Place: Hyderabad

Date : February 18, 2025

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

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

Place: Hyderabad

Date : February 18, 2025

S. Nagaraju Reddy

S. Nagaraju Reddy
Company Secretary
M.No.A65168

Place: Hyderabad

Date : February 18, 2025

Rain Cements Limited
Statement of Profit and Loss for the year ended December 31, 2024

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

Particulars	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Income			
Revenue from operations	26	12,312.42	15,234.34
Other income	27	412.46	277.31
Total income		12,724.88	15,511.65
Expenses			
Cost of materials consumed	28	1,858.32	1,953.80
Changes in inventories of finished goods and work-in-progress	29	60.65	136.91
Employee benefits expense	30	554.04	526.90
Finance costs	31	20.56	23.35
Depreciation and amortisation expense	3(a)	569.57	576.13
Other expenses	32	10,189.29	11,595.22
Total expenses		13,252.43	14,812.31
(Loss)/ Profit before tax		(527.55)	699.34
Tax expense	33		
Current tax		20.29	163.65
Tax relating to earlier years		(12.47)	-
Deferred Tax charge/ (credit)		(146.20)	51.55
		(138.38)	215.20
(Loss)/ Profit for the year		(389.17)	484.14
Other Comprehensive loss			
(i) Item that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		(8.47)	(8.88)
(b) Income tax relating to remeasurement of defined benefit plans		2.13	2.24
Total other comprehensive loss for the year (a+b)		(6.34)	(6.64)
Total comprehensive income/ (loss) for the year		(395.51)	477.50
Earnings per share (Face value of INR 10/- each)			
Basic and Diluted	36	(13.06)	16.24
Corporate information	1		
Material accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

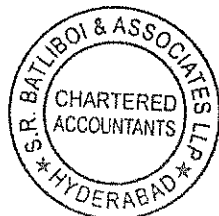
ICAI Firm registration number: 101049W/E300004

Harish
per Harish Khemnani
Partner

Membership number: 218576

Place : Hyderabad

Date : February 18, 2025



For and on behalf of the Board of Directors of

Rain Cements Limited

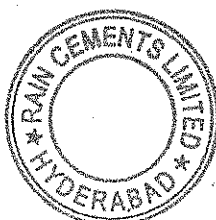
CIN:U23209TG1999PLC031631

N. Sujith Kumar Reddy
N. Sujith Kumar Reddy
Managing Director
DIN: 00022383
Place: Hyderabad
Date : February 18, 2025

G.N.V.S.R.R. Kumar
G.N.V.S.R.R. Kumar
Chief Financial Officer
M.No.204139
Place: Hyderabad
Date : February 18, 2025

Venkata Pranav Reddy Nellore
Venkata Pranav Reddy Nellore
Executive Director
DIN: 10040953
Place: Hyderabad
Date : February 18, 2025

S. Nagaraju Reddy
S. Nagaraju Reddy
Company Secretary
M.No.A65168
Place: Hyderabad
Date : February 18, 2025



Rain Cements Limited

Statement of changes in equity for the year ended December 31, 2024

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

A. Equity Share Capital

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
Balance as at December 31, 2024	298.05	-	298.05
Balance as at December 31, 2023	298.05	-	298.05

B. Other Equity

Particulars	Other equity			Total
	Reserves and surplus			
	Securities premium	General reserve	Retained earnings	
Balance as at January 01, 2023	424.33	612.48	6,917.08	7,953.89
Profit for the year	-	-	484.14	484.14
Other comprehensive (loss)/income (net of tax)	-	-	(6.64)	(6.64)
Total comprehensive income for the year	-	-	477.50	477.50
Dividends distributed	-	-	(77.49)	(77.49)
Balance as at December 31, 2023	424.33	612.48	7,317.09	8,353.90
(Loss)/Profit for the year	-	-	(389.17)	(389.17)
Other comprehensive (loss)/income (net of tax)	-	-	(6.34)	(6.34)
Total comprehensive (loss)/income for the year	-	-	(395.51)	(395.51)
Dividends distributed	-	-	(50.67)	(50.67)
Balance as at December 31, 2024	424.33	612.48	6,870.91	7,907.72

Refer note no. 17 for nature and purpose of reserves

Corporate information 1

Material accounting policies 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Associates LLP

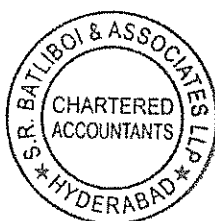
Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Harish Khemnani

per Harish Khemnani
Partner

Membership number: 218576



Place : Hyderabad

Date : February 18, 2025

For and on behalf of the Board of Directors of

Rain Cements Limited

CIN: U23209TG1999PLC031631

N. Sujith Kumar Reddy

N. Sujith Kumar Reddy
Managing Director

DIN: 00022383

Place: Hyderabad

Date : February 18, 2025

Venkata Pranav Reddy Nellore

Venkata Pranav Reddy Nellore
Executive Director

DIN: 10040953

Place: Hyderabad

Date : February 18, 2025

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

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

Place: Hyderabad

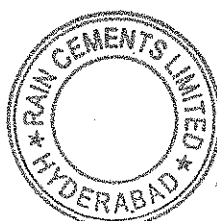
Date : February 18, 2025

S. Nagaraju Reddy

S. Nagaraju Reddy
Company Secretary
M.No.A65168

Place: Hyderabad

Date : February 18, 2025



Rain Cements Limited
Statement of Cash Flows for the year ended December 31, 2024

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

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
A. Cash flow from operating activities		
(Loss)/profit before tax	(527.55)	699.34
Adjustments for:		
Depreciation and amortisation expense	569.57	576.13
Loss on sale of property, plant and equipment	0.16	-
Investment written off	-	0.01
Provision for impairment on investment	-	16.00
Interest and other borrowing costs	9.64	13.09
Unwinding of mines restoration cost	10.92	10.26
Interest income	(384.53)	(234.79)
Liabilities / provisions no longer required written back	-	(5.06)
Provision for impairment of receivables/bad debts written off	5.47	0.02
	211.23	375.66
Operating (loss)/profit before working capital changes	(316.32)	1,075.00
Adjustments for changes in working capital:		
(Increase)/decrease in inventories	154.38	477.56
(Increase)/decrease in trade receivables	(268.79)	54.95
(Increase)/decrease in current Loans	(0.10)	(0.10)
(Increase)/decrease in other assets	203.96	221.93
Increase/(decrease) in trade payables	40.51	21.58
Increase/(decrease) in other current liabilities	(150.66)	101.00
Increase/(decrease) in other current financial liabilities	331.42	(73.88)
(Increase)/decrease in Provisions	25.53	3.86
	336.25	806.90
Cash generated from operations	19.93	1,881.90
Income taxes paid, net	(62.21)	(260.21)
Net cash generated from operating activities (A)	(42.28)	1,621.69
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including movement in Capital work in progress, capital advances and capital creditors)	(305.56)	(437.54)
Refund of capital advances	300.00	-
Proceeds from sale of property, plant and equipment	25.70	0.71
Placement of fixed bank deposits (having original maturity of more than three months)	(4,915.74)	(3,465.15)
Redemption of fixed bank deposits (having original maturity of more than three months)	4,573.37	2,017.71
Investment in Subsidiary	(400.29)	-
Conversion/ Redemption of inter corporate deposits	-	1,169.28
Loan borrowed by holding company	-	(500.00)
Loan repaid by holding company	500.00	-
Loan to subsidiary company	(100.00)	-
Loan repaid by subsidiary company	100.00	-
Interest received	413.40	174.85
	190.88	(1,040.15)
Net cash generated/ (used in) investing activities (B)	190.88	(1,040.15)
C. Cash flow from financing activities		
Repayment of non-current borrowings	1.11	0.78
Sales tax deferment paid	(102.76)	(100.84)
Lease rentals paid	(10.96)	(9.39)
Interest on lease rentals paid	(2.61)	(3.35)
Interest and other borrowing costs paid	(17.95)	(20.00)
Dividend paid	(50.67)	(77.49)
	(183.84)	(210.29)
Net cash used in financing activities (C)	(183.84)	(210.29)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(35.24)	371.25
Cash and cash equivalents at the beginning of the year	422.09	50.84
Cash and cash equivalents at the end of the year (refer note 12)	386.85	422.09

Notes:

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

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

	As at December 31, 2024	As at December 31, 2023
Cash on hand	0.08	0.12
Balances with banks:		
- in current accounts	72.32	58.37
- in deposit accounts (with original maturity of 3 month or less)	314.45	363.60
	386.85	422.09

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

The accompanying notes form an integral part of the financial statements

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

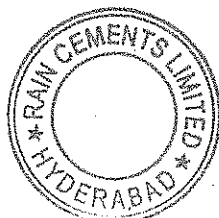
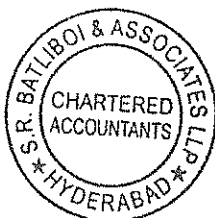
per Harish Khemnani

Partner

Membership number: 218576

Place: Hyderabad

Date: February 18, 2025


 For and on behalf of the Board of Directors of
Rain Cements Limited
 CIN: U25109TG1999PLC031631

N. Sujith Kumar Reddy

Managing Director

DIN: 00022383

Place: Hyderabad

Date: February 18, 2025

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

Chief Financial Officer

M.No 204139

Place: Hyderabad

Date: February 18, 2025

Venkata Pranav Reddy Nellore

Executive Director

DIN: 10040953

Place: Hyderabad

Date: February 18, 2025

S. Nagaraju Reddy

Company Secretary

M.No. A65168

Place: Hyderabad

Date: February 18, 2025

Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024

Note 1: Corporate Information

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

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

Note 2: Material Accounting Policies

a) Basis of preparation of financial statements

(i) Statement of compliance

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

The financial statements have been prepared on a going concern basis. Relevant Ind AS effective as on the Company's annual reporting date December 31, 2024 have been applied. The accounting policies are applied consistently to all the periods presented in the financial statements. The financial statements were authorised for issue by the Company's Board of Directors on February 18, 2025.

(ii) Functional and presentation currency

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

(iii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

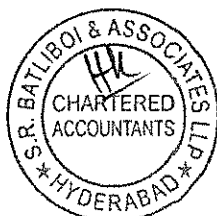
(iv) Use of estimates and judgements

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

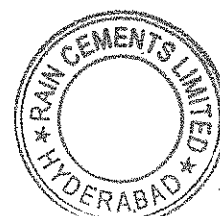
Assumptions and estimation uncertainties

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

- measurement of defined benefit obligations: key actuarial assumptions (Refer note 38)
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Refer note 34)
- useful life of property, plant and equipment and intangible assets (Refer note 2 (e) and (f))
- impairment of financial assets and non-financial assets (Refer note 42)
- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- site restoration provision (Refer note 19)
- provision for inventories (refer note 10)



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Note 2: Material accounting policies (continued)**a) Basis of preparation of financial statements (continued)****(v) Current and non current classification**

The Company has identified 12 months as its operating cycle for the classification of assets and liabilities into current and non-current. Current assets and liabilities include the current portion of non-current financial assets and liabilities.

(vi) Measurement of Fair values:

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in Note 41.

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

(b) Financial instruments**Financial Assets:****Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Trade receivables that do not contain a significant financing component or for which the Company 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 and Loss (FVTPL). This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Subsequent measurement and gains and losses

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

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

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

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

Derecognition

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

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

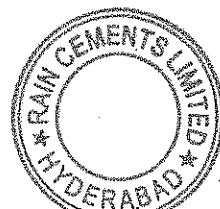
Financial liabilities:**Initial recognition and measurement**

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

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



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Note 2: Material accounting policies (continued)

(b) Financial instruments (continued)

Subsequent measurement

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

Derecognition

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

Offsetting:

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

(c) Revenue Recognition

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

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

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

(d) Other Income

Interest income or expense is recognised on time proportion method.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost/deemed cost less accumulated depreciation and impairment loss, if any.

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

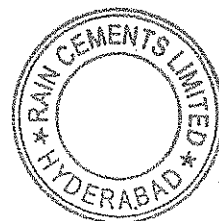
Depreciation for property, plant and equipment are provided at the rates specified in the Schedule II to the Companies Act, 2013. Wherever the useful life of property, plant and equipment is not in line with Schedule II to the Act, depreciation is provided over the useful life which is based on the technical evaluation and assessment. The Company believes that the useful lives adopted by it, best represents the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule. The Company uses lease period for calculating depreciation for buildings taken on lease.

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

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



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Note 2: Material accounting policies (continued)**(c) Property, plant and equipment (continued)**

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress.

Freehold land is not depreciated.

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

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

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major 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 Company'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.

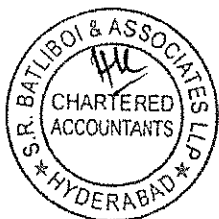
(f) Intangible Assets

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

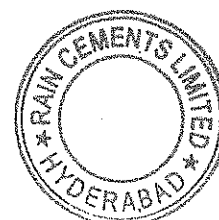
The useful lives of intangible assets are assessed as finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for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

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

Asset Description	Useful Life
Software	3 years



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Note 2: Material accounting policies (continued)

(g) Inventories

Inventories are valued at lower of cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition) and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis, after providing for obsolescence, if any. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

Finished goods and work in progress are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises material, labour, and applicable overhead expenses. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Stores and spares are valued at cost determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Traded goods are valued at lower of cost and net realisable value. Goods in transit are valued at cost.

(h) Impairment of non-financial assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

An impairment loss is recognised in the Statement of Profit and Loss in the respective financial years, if the carrying amount of the assets or CGU exceeds its recoverable amount.

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

(i) Impairment of financial assets

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

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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

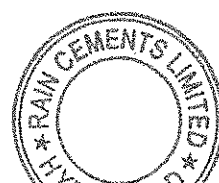
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); and
- the financial asset is 180 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Presentation of allowance for expected credit losses in the balance sheet. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.



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Note 2: Material accounting policies (continued)

(j) Foreign currency transactions and balances

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

(k) Retirement and other employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

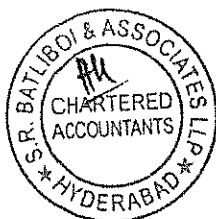
When the benefits of a plan are changed or curtailed, the resulting change in the benefit that relates to the past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of profit or loss. The Company recognises the gains and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

Compensated absence policy :

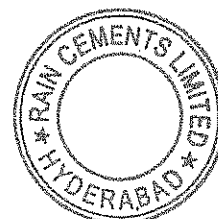
The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilise it in future periods or encash the leaves during the period of employment or retirement or at termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method carried out in accordance with Ind AS-19 "Employee Benefits" at the end of the year. Non-accumulating compensated absences are recognised in the period in which the absences occur.

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.



G. S.



Note 2: Material accounting policies (continued)

(l) Leases

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

Company as a lessee

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated 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.

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

The Company 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.

(m) Tax expense

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

Current income tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

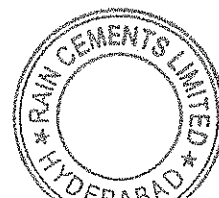
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
 - In respect of taxable temporary differences associated with investments in subsidiary, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.



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Note 2: Material accounting policies (continued)

(m) Tax expense (continued)

The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Due to changes in any tax estimates for previous year, the same is presented in financials as prior period taxes.

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 reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(n) Statement of cash flows and cash and cash equivalents

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

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

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

(o) Investments in subsidiary

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

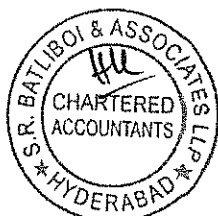
(p) Provisions and contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

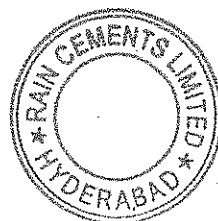
Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required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

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

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



Signature



Note 2: Material accounting policies (continued)

(p) Provisions and contingencies (continued)

Contingent liabilities are disclosed in the notes to the financial statements, when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Provision for site restoration

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

Site restoration expenses is incurred on an ongoing basis as and when required and until the closure of the quarries and mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

(q) Dividend declared

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

(r) Accounting Standards adopted in Current year:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. Accordingly, the Company has adopted these first-time amendments, with effect from the financial year beginning January 01, 2024.

1. Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12, Income Taxes:

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

2. Amendments to Ind AS 1, Presentation of Financial Statements:

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

3. Amendment to Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no material impact on the Company's financial statements.

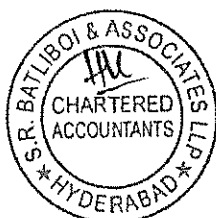
Recent Accounting pronouncements not yet adopted:

During the year 2024, MCA has amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2024, Companies (Indian Accounting Standards) Second Amendment Rules, 2024, Companies (Indian Accounting Standards) Third Amendment Rules, 2024 applicable for annual periods beginning on or after April 1, 2024, as below:

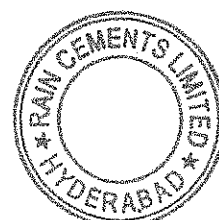
a. Paragraph 29 of INDAS 107 – Financial Instruments – Disclosures has been amended to include that fair values are not required to be disclosed for Lease Liabilities.

b. Amendment to INDAS 116 relating to Accounting for Sale and Lease Back Transaction by inserting a new para 102A, amendment in Appendix C notifying effective date for the amendment and Appendix D has been inserted for illustrative examples on implementing the amendment.

Based on preliminary assessment, the amendments are not expected to have a material impact on the Company's financial statements.



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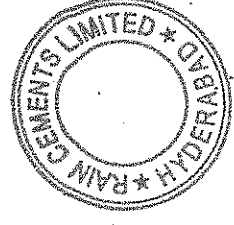
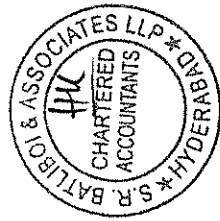
Note 3: Property, plant and equipment and Capital work-in-progress:

Particulars	Freehold Land	Freehold Mining Land	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Capital work-in-progress
Cost									
As at January 1, 2023	88.81	44.30	1,196.80	5,240.68	118.69	81.07	46.31	6,816.66	554.52
Add: Additions	-	-	81.53	709.42	8.74	3.31	9.90	812.90	447.39
Less: Deletions/ Adjustments	-	-	-	8.01	0.56	4.87	11.53	24.97	812.90
As at December 31, 2023	88.81	44.30	1,278.33	5,942.09	126.87	79.51	44.68	7,604.59	189.01
Add: Additions	-	-	54.05	181.40	12.16	11.30	3.50	262.41	257.37
Less: Deletions/ Adjustments	-	-	-	79.93	-	2.03	1.27	83.23	262.41
As at December 31, 2024	88.81	44.30	1,332.38	6,043.56	139.03	88.78	46.91	7,783.77	183.97
Accumulated depreciation									
As at January 1, 2023	-	2.51	278.69	2,537.50	39.85	14.50	34.59	2,907.64	-
Add: Charge for the year	-	0.37	51.62	484.66	6.43	11.28	9.71	564.06	-
Less: Deletions	-	-	-	7.70	0.55	4.49	11.53	24.27	-
As at December 31, 2023	-	2.88	330.31	3,014.46	45.73	21.29	32.77	3,447.44	-
Add: Charge for the year	-	0.37	53.95	474.02	9.02	11.97	8.15	557.48	-
Less: Disposals	-	-	-	54.35	-	1.85	1.17	57.37	-
As at December 31, 2024	-	3.25	384.26	3,434.13	54.75	31.41	39.75	3,947.55	-
Net carrying amount									
As at December 31, 2023	88.81	41.42	948.02	2,927.63	81.14	58.22	11.91	4,157.15	189.01
As at December 31, 2024	88.81	41.05	948.12	2,609.43	84.28	57.37	7.16	3,836.22	183.97

(i) Contractual obligations:

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

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



Rain Cements Limited

Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 3: Property, plant and equipment and Capital work-in-progress:

Capital-Work-in Progress (CWIP):

(a) Capital work in progress ageing schedule:

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	173.04	4.37	6.50	0.06	183.97

As at December 31, 2023

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

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

As at December 31, 2024

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	>3 years
Colony concrete cement roads work	13.96	-	-	-
RCC structures retrofitting strengthening	3.76	-	-	-
Total	17.72	-	-	-

As at December 31, 2023

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

Note 3(a): Depreciation and amortisation expense

Particulars

Depreciation of property, plant and equipment (refer note 3)

Depreciation of Right-of-use assets (refer note 4)

Amortization of intangible assets (refer note 5)

Depreciation and amortisation expense

For the year ended
December 31, 2024

For the year ended
December 31, 2023

557.48

564.06

11.83

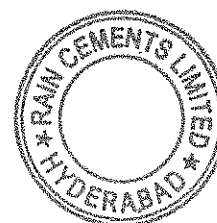
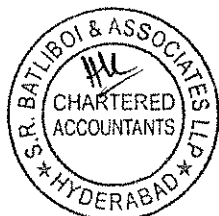
11.81

0.26

0.26

569.57

576.13



Rain Cements Limited

Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 4: Right of use assets

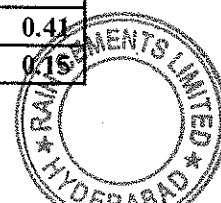
Particulars	Buildings
Cost	
As at January 01, 2023	95.10
Add: Additions	-
Less: Deletions	-
As at December 31, 2023	95.10
Add: Additions	-
Less: Deletions	-
As at December 31, 2024	95.10
Accumulated Amortisation	
As at January 01, 2023	30.34
Add: Charged during the year	11.80
Less: Deletions	-
As at December 31, 2023	42.14
Add: Charged during the year	11.83
Less: Deletions	-
As at December 31, 2024	53.97
Net carrying amount	
As at December 31, 2023	52.96
As at December 31, 2024	41.13

Note 5: Intangible assets:

Particulars	Software
Cost	
As at January 01, 2023	0.79
Add: Additions	-
Less: Deletions	-
As at December 31, 2023	0.79
Add: Additions	-
Less: Deletions	-
As at December 31, 2024	0.79
Accumulated Amortisation	
As at January 01, 2023	0.12
Add: Charged during the year	0.26
Less: Deletions	-
As at December 31, 2023	0.38
Add: Charged during the year	0.26
Less: Deletions	-
As at December 31, 2024	0.64
Net carrying amount	
As at December 31, 2023	0.41
As at December 31, 2024	0.15



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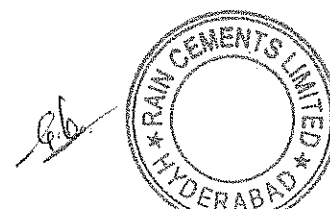
Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

	As at December 31, 2024	As at December 31, 2023
Note 6: Non-current investments		
A. Investments in subsidiary		
(Unquoted instruments valued at cost unless stated otherwise)		
<i>Subsidiary</i>		
Renuka Cement Limited	822.67	422.38
14,170,000 (December 31, 2023: 7,498,483) equity shares of INR 10 each fully paid up		
B. Investments in others:		
(Unquoted instruments valued as fair value through profit and loss)		
<i>Equity instruments</i>		
Andhra Pradesh Gas Power Corporation Limited	16.00	16.00
134,000 (December 31, 2023: 134,000) equity shares of INR 10 each fully paid up		
Less: Provision for impairment in value of Investments in Andhra Pradesh Gas Power Corporation Limited	(16.00)	(16.00)
<i>Government securities</i>		
National Savings Certificates	0.09	0.09
10,000 (December 31, 2023: 10,000) units		
Total	822.76	422.47
Note:		
Aggregate amount of unquoted investments	838.76	438.47
Aggregate amount of provision for impairment in value of investments	(16.00)	(16.00)
Information about the Company's exposure to credit and market risks, and fair value measurement is included in note 42.		
Note 7: Loans		
(Unsecured, considered good unless otherwise stated, valued at cost)		
Non-Current - Loans and advances		
- to related parties	-	500.00
Total	-	500.00
Note 7(a): Other non-current financial assets		
(Unsecured, considered good, unless otherwise stated)		
Electricity deposits	216.62	216.62
Other security deposits	24.25	26.36
Balances held as margin money deposits	0.56	-
Total	241.43	242.98
The Company's exposure to credit risks related to other financial assets are disclosed in note 42.		
Note 8: Non current tax assets (net)		
Advance tax	313.39	276.68
(Net of provision for tax)		
Total	313.39	276.68
Note 9: Other non-current assets		
(Unsecured, considered good unless otherwise stated)		
Capital advances	22.02	304.58
Balances with government authorities	26.24	38.57
Non-current portion of prepaid balances	14.27	-
Total	62.53	343.15
Note 10: Inventories		
(At lower of cost and net realisable value)		
a) Raw materials	94.32	89.84
Goods-in-transit	1.02	0.71
	95.34	90.55
b) Work-in-progress	466.47	503.42
	466.47	503.42
c) Finished goods	77.44	101.14
	77.44	101.14
d) Stores and spares	222.43	167.59
Goods-in-transit	0.45	1.82
	222.88	169.41
e) Packing materials	10.62	33.03
	10.62	33.03
f) Fuel	264.16	396.99
Goods-in-transit	81.36	78.11
	345.52	475.10
Total	1,218.27	1,372.65

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

During the year ended December 31, 2024, ₹ 24.94 (December 31, 2024: Nil) was recognised as an expense for inventories carried at net realisable value. The write-down and reversal are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.



Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 11: Trade receivables

- Secured, considered good
- Unsecured, considered good
- Credit impaired

 Less: Allowance for expected credit loss
Total

As at December 31, 2024	As at December 31, 2023
417.81	83.10
78.85	150.24
34.71	29.24
531.37	262.58
(34.71)	(29.24)
496.66	233.34

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

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

Trade receivables ageing schedule:
As at December 31, 2024

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables - considered good	123.67	237.93	73.17	60.36	1.17	0.36	496.66
ii. Undisputed trade receivables - considered doubtful	-	-	1.28	9.59	3.37	20.47	34.71
iii. Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered good	-	-	-	-	-	-	-
v. Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
vi. Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Sub-Total	123.67	237.93	74.45	69.95	4.54	20.83	531.37
Less: Allowance for credit impairment	-	-	-	-	-	-	34.71
Total							496.66

As at December 31, 2023

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

Note 12: Cash and bank balances
A. Cash and cash equivalents

- Cash on hand
- Balances with banks:
 - in current accounts
 - in deposit accounts (with original maturity of 3 months or less)

B. Other bank balances

- Balances held as margin money against guarantees and other commitments
- Balances in term deposit accounts with maturity period of more than three months and not more than twelve months

Total [A+B]

Deposit accounts (with original maturity of 3 months or less) includes balances held as margin money against guarantees and other commitments to the extent of INR 24.45 Mn

0.08	0.12
72.32	58.37
314.45	363.60
386.85	422.09
59.02	57.30
3,638.25	3,297.61
3,697.27	3,354.91
4,084.12	3,777.00

Note 13: Loans

(Unsecured, considered good unless otherwise stated)

Advance to employees

Total

- Loans Receivables considered good - Secured
- Loans Receivables considered good - Unsecured
- Loans Receivables which have significant increase in credit risk
- Loans Receivables - credit impaired

0.39	0.29
0.39	0.29
-	-
0.39	0.29
-	-
-	-

Note 14: Other current financial assets

(Unsecured, considered good unless otherwise stated)

Interest accrued on deposits

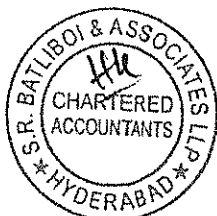
The Company's exposure to credit risks related to other financial assets are disclosed in note 42.

132.23	161.10
132.23	161.10

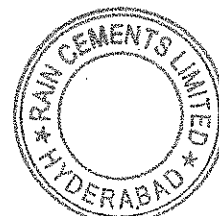
Note 15: Other current assets

- Prepaid expenses
- Balances with Government authorities
- Advance to supplier and service providers
- Royalty deposits with mines department
- Total**

9.90	22.89
5.66	7.53
53.56	242.45
7.70	8.30
76.82	281.17



G.B.



Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 16: Equity share capital

	As at December 31, 2024		As at December 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital:				
Equity shares of INR 10 each	50,000,000	500.00	50,000,000	500.00
Total	50,000,000	500.00	50,000,000	500.00
Issued, subscribed and fully-paid up capital				
Equity shares of INR 10 each	29,805,000	298.05	29,805,000	298.05
Total	29,805,000	298.05	29,805,000	298.05

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

	As at December 31, 2024		As at December 31, 2023	
	Number of shares	Amount	Number of shares	Amount
As at beginning of the year	29,805,000	298.05	29,805,000	298.05
Equity shares issued /(bought back) during the year	-	-	-	-
As at end of the year	29,805,000	298.05	29,805,000	298.05

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

The Company has only one class of equity shares having a par value of INR 10 each per share. Each holder of equity shares is entitled to one vote per share. In case of interim dividend the profits are distributed based on approval of Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by the Holding Company

	As at December 31, 2024		As at December 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares of INR 10 each fully paid up held by				
Holding company - Rain Industries Limited., along with its nominees	29,805,000	298.05	29,805,000	298.05
	29,805,000	298.05	29,805,000	298.05

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

	As at December 31, 2024		As at December 31, 2023	
	Number of shares	%	Number of shares	%
Rain Industries Limited along with its nominees	29,805,000	100%	29,805,000	100%

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

(v) Shares held by Promoters

	As at December 31, 2024			As at December 31, 2023		
	Number of shares	%	% change during the year	Number of shares	%	% change during the year
Rain Industries Limited along with its nominees	29,805,000	100%	-	29,805,000	100%	-

(vi) Shares held by Holding/ Ultimate Holding Company

	As at December 31, 2024			As at December 31, 2023		
	Number of shares	%	% change during the year	Number of shares	%	% change during the year
Rain Industries Limited along with its nominees	29,805,000	100%	-	29,805,000	100%	-

(vii) Dividend paid

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

Particulars	As at December 31, 2024		As at December 31, 2023	
	Dividend per equity share	Amount	Dividend per equity share	Amount
Interim & final dividend	1.70	50.67	2.60	77.49
		50.67		77.49

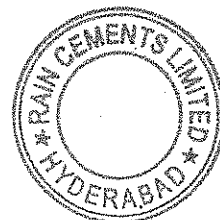
(viii) There are no shares issued pursuant to contract without payment being received in cash during the period of five years immediately preceding the reporting date.

(ix) No equity shares were bought back during the last five years immediately preceding the reporting date.

(x) No shares have been allotted by way of full paid up bonus shares within a period of five years immediately preceding the reporting date.



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Rain Cements Limited**Notes to the Financial Statements for the year ended December 31, 2024 (continued)**

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

	As at December 31, 2024	As at December 31, 2023
Note 17: Other equity		
(i) Reserves and surplus		
(a) Securities premium account		
Opening balance	424.33	424.33
Closing balance	<u>424.33</u>	<u>424.33</u>
(b) General reserve		
Opening balance	612.48	612.48
Closing balance	<u>612.48</u>	<u>612.48</u>
(c) Retained earnings		
Opening balance	7,317.09	6,917.08
Add: (Loss)/profit for the year	(389.17)	484.14
Add: Remeasurements of defined benefit (liability)/asset, net of tax	(6.34)	(6.64)
	<u>6,921.58</u>	<u>7,394.58</u>
Less : Interim dividend	50.67	77.49
Closing balance	<u>6,870.91</u>	<u>7,317.09</u>
Total	<u>7,907.72</u>	<u>8,353.89</u>

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

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

(b) General reserve :

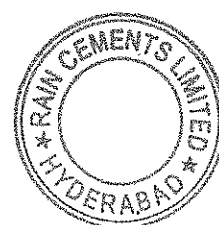
The Company transferred a portion of the net profit of the Company before declaring dividend to general reserve. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included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

(c) Retained earnings :

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



R. G.



Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

	As at December 31, 2024	As at December 31, 2023
Note 18(a): Non-current Borrowings		
Deferred payment liabilities		
Unsecured	79.75	182.51
Less: Current maturities of non-current borrowings disclosed under note 20(a) - Current borrowings	(79.75)	(101.53)
Total	<u> - </u>	<u> 80.98 </u>

Deferred payment liabilities

Sales tax deferment represents interest free liability. Balance outstanding is repayable in 6 structured monthly installments as per deferment schedule (December 31, 2023: 18 installments).

Reconciliation of liabilities arising from financing activities

Opening balance at the beginning of the year	182.51	288.34
Interest accrued during the year	17.95	20.00
Provision reversed	-	(4.99)
Borrowings interest payments during the year	(17.95)	(20.00)
Repayment of borrowings during the year	(102.76)	(100.84)
Closing balance at the end of the year	<u> 79.75 </u>	<u> 182.51 </u>

Note 18(b): Lease liabilities

Unsecured	28.92	39.88
Less: Current maturities of non current lease liabilities (Disclosed under Note 35)	(14.15)	(13.04)
	<u> 14.77 </u>	<u> 26.84 </u>
Total	<u> 14.77 </u>	<u> 107.82 </u>

Reconciliation of liabilities arising from financing activities

Opening balance at the beginning of the year	39.88	49.27
Interest accrued during the year	2.61	3.35
Lease principal payments during the year	(10.96)	(9.39)
Lease interest payments during the year	(2.61)	(3.35)
Closing balance at the end of the year	<u> 28.92 </u>	<u> 39.88 </u>

The Company's exposure to liquidity risk and interest rate is included in note 424.

Note 19: Non-current Provisions
Provision for employee benefits:

- Gratuity (refer note 38)	85.90	82.99
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Provision - others

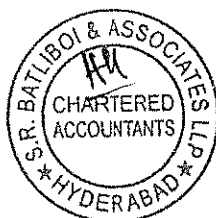
- Mine restoration (refer below note)	144.40	133.48
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Total	<u> 230.30 </u>	<u> 216.48 </u>
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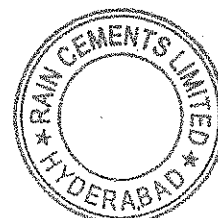
The movement in the mine restoration provision during the year was as follows:

	As at December 31, 2024	As at December 31, 2023
Balance as at the beginning of the year	133.48	123.22
Unwinding of discount on mine restoration provision	10.92	10.26
Balance as at the end of the year	<u> 144.40 </u>	<u> 133.48 </u>

Provision has been recognised for cost associated with restoration of mines



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Note 20: Current tax liabilities (Net)

Provision for tax (net of advance tax)

As at December 31, 2024	As at December 31, 2023
391.73	400.94
391.73	400.94

Note 20(a): Current borrowings

Current maturities of non-current borrowings

79.75	101.53
79.75	101.53

i) ICICI Bank: The Company has taken working capital demand loan facilities from ICICI Bank, secured by way of first pari-passu charge hypothecation of the Company's current assets. Working capital demand loan carries an interest rate of 8.35% to 9.50% per annum, outstanding as at December 31, 2024 is Nil (December 31, 2023: Nil)

ii) HDFC Bank: The Company has taken working capital demand loan facilities from HDFC Bank, secured by way of first pari-passu charge hypothecation of the Company's current assets both present and future. Working capital demand loan carries an interest rate of 9% to 9.5% per annum, outstanding as at December 31, 2024 is Nil (December 31, 2023: Nil)

iii) Yes Bank: The Company has taken cash credit and working capital demand loan facilities from Yes Bank, secured by way of first pari-passu charge hypothecation of the Company's current assets both present and future along with other working capital bankers. Working capital demand loan carries an interest rate of 10% to 10.5% per annum, outstanding as at December 31, 2024 is Nil (December 31, 2023: Nil)

Note 21: Trade payables

Total outstanding dues of micro enterprises and small enterprises (Refer note below)

Total outstanding dues of creditors other than micro enterprises and small enterprises

Total

21.95	29.48
646.86	597.72
668.81	627.20

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

Trade payables ageing schedule:

As at December 31, 2024

Particulars	Unbilled dues	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	19.66	2.29	-	-	-	21.95
ii. Others	67.79	199.93	163.48	10.77	0.16	204.73	646.86
Grand Total	67.79	219.59	165.77	10.77	0.16	204.73	668.81

As at December 31, 2023

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

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

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

Particulars	For the period ended December 31, 2024	For the period ended December 31, 2023
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	21.95	29.48
(b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the management.

Note 22: Other current financial liabilities

Trade and security deposits

Payables to employees

Deposits from contractors and customers

Provision for discounts

Others:

- Payables on purchase of property, plant and equipment

- Retention money

Total

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

102.13	109.29
101.98	98.83
938.96	684.32
194.03	112.73
62.06	92.81
0.84	1.35
1,400.00	1,099.33

Note 23: Current Provisions

Provision for employee benefits:

- Compensated absences (Refer Note 38)

- Gratuity (Refer note 38)

Total

33.35	30.19
33.01	24.46
66.36	54.65

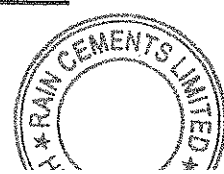
Note 24: Other current liabilities

Statutory remittances

Advance from customers

Total

250.14	369.69
52.98	84.09
303.12	453.78



Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

	As at December 31, 2024	As at December 31, 2023
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Note 25: Deferred tax liability (net)
Deferred tax liability

Property, plant and equipment	339.50	355.95
Right of use asset	10.35	13.33

Deferred tax assets

Provision for Employee benefit expenses	(38.32)	(34.64)
Provision for Site restoration liability	(36.34)	(33.59)
Lease liabilities	(7.28)	(10.04)
Provision for Trade receivables	(8.74)	(7.36)
Unabsorbed losses	(123.86)	-

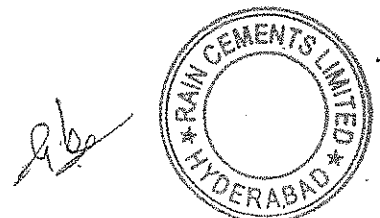
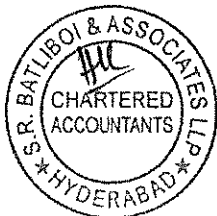
Net deferred tax liability	135.31	283.65
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Also refer note 33 for tax expense

Movement in deferred tax assets / liabilities:

Particulars	Balance as at January 1, 2024	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at December 31, 2024
Property, plant and equipment	355.95	(16.45)	-	339.50
Provision for Employee benefit expenses	(34.64)	(1.55)	(2.13)	(38.32)
Provision for site restoration liability	(33.59)	(2.75)	-	(36.34)
Provision for Trade receivables	(7.36)	(1.38)	-	(8.74)
Right of use asset and lease liability	3.29	(0.22)	-	3.07
Unabsorbed losses	-	(123.86)	-	(123.86)
	283.65	(146.20)	(2.13)	135.31

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



Rain Cements Limited

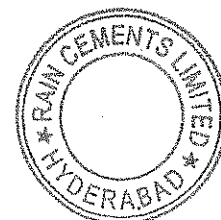
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Note 26: Revenue from operations		
Sale of products (Refer Note (i) below)	12,312.42	15,234.21
Other operating revenue (Refer Note (ii) below)	-	0.13
Revenue from operations	12,312.42	15,234.34
Notes:		
(i) Sale of products comprises:		
Sale of cement	12,312.42	15,234.21
Total	12,312.42	15,234.21
(ii) Other operating revenues comprises:		
Sale of Spares	-	0.13
Total	-	0.13
Contract balances		
Trade receivables recorded in balance sheet	496.66	233.34
Advance from customers recorded in balance sheet	52.98	84.09
Reconciliation of revenue from sale of products with the contract price		
Contract price (A)	14,432.53	17,577.96
Less - Reductions towards variable consideration components	-	-
Discounts (B)	(2,120.11)	(2,343.75)
Revenue recognised (A-B)	12,312.42	15,234.21
Note 27: Other income		
Interest from banks on deposits	263.71	199.33
Interest- others	120.82	35.46
Reversal of provision for doubtful debts and advances	-	8.55
Other non-operating income:		
Liabilities / provisions no longer required written back	-	5.06
Miscellaneous income	27.93	28.91
Total	412.46	277.31
Note 28 : Cost of materials consumed		
Raw material consumed :		
Lime stone	396.11	431.56
Laterite	465.95	481.13
Gypsum	233.67	285.15
Fly ash	716.92	746.68
Others	45.67	9.28
Total	1,858.32	1,953.80
Note 29: Changes in inventories of finished goods and work-in-progress		
Inventories at the beginning of the year		
Finished goods	101.14	121.20
Work-in-progress	503.42	620.27
	604.56	741.47
Inventories at the end of the year		
Finished goods	77.44	101.14
Work-in-progress	466.47	503.42
	543.91	604.56
(Increase)/decrease in inventories of finished goods and work-in-progress	60.65	136.91



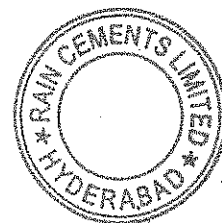
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Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Note 30: Employee benefits expense		
Salaries, wages and bonus	500.81	475.75
Contribution to provident and other funds (Refer note 38)	28.71	27.30
Gratuity (Refer note 38)	14.17	14.50
Staff welfare expenses	10.35	9.35
Total	554.04	526.90
Note 31: Finance costs		
Interest expense on borrowings	4.67	8.05
Interest expense on lease liability (Refer note 35)	2.61	3.35
Unwinding of mines restoration costs	10.92	10.26
Other borrowing costs	2.36	1.69
Total	20.56	23.35
Note 32: Other expenses		
Consumption of stores and spares	389.41	441.56
Consumption of packing materials	586.51	646.35
Power and fuel	4,451.75	5,154.29
Freight outward	3,544.63	4,169.74
Repairs and maintenance		
- Building	85.78	71.72
- Plant and machinery	157.81	135.81
- Others	104.75	104.37
Insurance	20.34	24.64
Rent	69.02	65.01
Rates and taxes	24.29	27.87
Communication expenses	10.01	9.52
Travelling and conveyance	36.54	34.94
Other selling and distribution expenses	352.51	364.93
Corporate social responsibility and other donations (Refer note 37)	27.11	34.00
Consultancy charges	204.33	160.66
Payment to auditors (refer note below)	3.39	3.34
Directors' sitting fees (Refer note 39)	0.62	0.76
Commission to directors (Refer note 39)	-	10.00
Provision for doubtful debts and advances	5.47	-
Provision for impairment on investment	-	16.00
Loss on sale of property, plant and equipment (net)	0.16	-
Miscellaneous expenses	114.86	119.71
Total	10,189.29	11,595.22
Note:		
Payments to the auditors comprise (excluding GST):		
Statutory Audit fees	1.80	3.27
Limited review fees	1.47	-
Reimbursement of expenses	0.12	0.07
Total	3.39	3.34

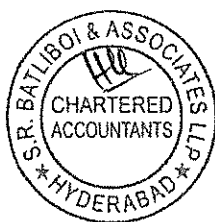



Rain Cements Limited**Notes to the Financial Statements for the year ended December 31, 2024 (continued)**

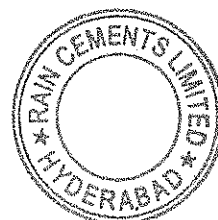
All amounts are in Indian Rupees Millions, except share data and where otherwise stated

	For the year ended December 31, 2024	For the year ended December 31, 2023
Note 33: Income tax		
(i) Amount recognised in statement of profit and loss		
Current tax		
(i) Tax for current year	20.29	163.65
(ii) Tax relating to earlier years	(12.47)	-
Net current tax	<u>7.82</u>	<u>163.65</u>
Deferred tax		
(i) Deferred tax for current year	(146.20)	51.55
Total	<u>(138.38)</u>	<u>215.20</u>
(ii) Reconciliation of effective tax rate		
Profit before tax	(527.55)	699.34
Enacted tax rate	25.17%	25.17%
Tax expense as per enacted tax rate	<u>(132.79)</u>	<u>176.02</u>
Effect of:		
Tax impact on non-deductible expenses/ income	6.88	(12.38)
Others	(12.47)	51.55
	<u>(138.38)</u>	<u>215.20</u>
(iii) Income tax recognised directly in other comprehensive income:		
a. Remeasurement of defined benefit plan		
Remeasurements of defined benefit plans before tax	(8.47)	(8.88)
Tax impact on remeasurements of defined benefit plans	2.13	2.24
Remeasurements of defined benefit plans net of tax	<u>(6.34)</u>	<u>(6.64)</u>

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



R.B.



Rain Cements Limited**Notes to the Financial Statements for the year ended December 31, 2024 (continued)**

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

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

Particulars	As at December 31, 2024	As at December 31, 2023
(I) Contingent liabilities		
(a) Claims against the company not acknowledged as debt:		
- Income tax	223.15	223.15
- Sales tax, service tax and excise duty related matters under dispute	19.54	19.30
- Fuel surcharge adjustment levied by electricity distributing companies	232.14	192.58
- Others	466.69	466.69
	941.52	901.72
(II) Commitments		
Estimated amounts of contracts remaining to be executed on capital account (net of capital advance INR 22.02 (December 31, 2023: INR 304.58))	148.62	299.13

Explanatory Notes-

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

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

c) On December 24, 2024, Company received a demand notice from the Deputy Commissioner (CT) Nalgonda (Government of Telangana), demanding a sum towards repayment of Sales Tax Deferment scheme. Aggrieved by the same, the management filed a writ petition on the grounds that the demanded amount has already been remitted to the Government of Andhra Pradesh, demand of the same amount again would lead to double taxation, which is in violation of Article 265 of the Constitution of India. Based on the above, the Management believes that there would be no cash outflow in this regard.

d) On October 25, 2024, Company received an order from Andhra Pradesh Electricity Regulation Commission (APERC) levying Fuel Power Purchase Cost Adjustment (FPPCA) Charges for FY 2024-2025 through regular monthly electricity bills. The company, for earlier years has received an order for true-up adjustments to these charges which are provided for in the books of accounts and sub-judice. However, pending receipt of final order for FY 2024-25, the management believes that a reliable estimate for true-up/true-down cannot be made as the company does not possess necessary information to calculate such charges.

Note 35: Leases

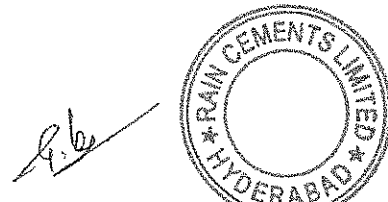
The Company has entered into various operating lease agreements for assets comprising of storage and other facilities.

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

Particulars	As at December 31, 2024	As at December 31, 2023
Short term lease expense	69.02	65.01
Total lease expense	69.02	65.01

Following are the changes in the lease liability

Particulars	As at December 31, 2024	As at December 31, 2023
As at the beginning of the year	39.88	49.27
Finance cost accrued during the year	2.61	3.35
Payment of lease liabilities	(13.57)	(12.74)
Balance as at the end of the year	28.92	39.88
Non-current	14.77	26.84
Current	14.15	13.04



Rain Cements Limited**Notes to the Financial Statements for the year ended December 31, 2024 (continued)**

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

The following is the cash outflow on leases

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
Payment of lease liabilities (excluding interest)	10.96	9.39
Interest on lease liabilities	2.61	3.35
Short term lease expense	69.02	65.01
Total cash outflow on leases	82.59	77.75

Maturity analysis - contractual undiscounted cash flows:

Particulars	As at December 31, 2024	As at December 31, 2023
- Not later than 1 year	14.72	13.57
- Later than 1 year and not later than 5 years	16.62	31.33
- Beyond 5 years	0.25	0.26

Note 36: Earnings per Share (EPS)

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
a. Profit for the year	(389.17)	484.14
b. Weighted average number of equity shares of INR 10/- each outstanding during the year	29,805,000	29,805,000
Earnings per Share		
c. Basic and Diluted - [a]/[b] - (INR)	(13.06)	16.24

Note 37: Corporate social responsibility

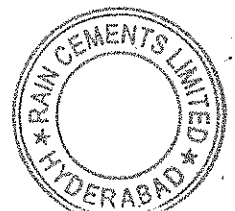
As per Section 135 of the Companies Act, 2013, a Corporate Social responsibility (CSR) Committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education, rural development activities, medical facilities, employment and ensuring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

Gross amount required to be spent by the Company during the year ended December 31, 2024 is INR 27.00 (December 31, 2023: INR 33.87)

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
a. Gross amount required to be spent by the Company during the year	27.00	33.87
b. Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than construction / acquisition of any asset	27.11	34.00
(iii) Nature of CSR activities		
Promoting education	27.11	34.00
c. Amount unspent during the year	-	-
d. Shortfall at the end of the year	-	-
e. Related party transactions (Donation given to Pragnya Priya Foundation)	20.62	31.90
f. Movements in provision of liability created	-	-



G. K.



Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 38: Employee benefits
a) Defined contribution plans:

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

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

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
Provident fund paid to the authorities	27.67	26.37
Employee state insurance paid to the authorities	0.43	0.48
Others (Employee welfare etc.)	0.61	0.45
Total	28.71	27.30

b) Defined benefit plans - Gratuity

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

Inherent risk:

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

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

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

Particulars	As at December 31, 2024	As at December 31, 2023
Present value of funded obligation	132.55	118.62
Less: Fair value of plan assets	(13.64)	(11.17)
Net liability	118.91	107.45
- Non Current	85.90	82.99
- Current	33.01	24.46

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

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
Current service cost	7.71	7.51
Interest cost	6.46	7.11
Total	14.17	14.62

(iii) Amount recognised in other comprehensive income:

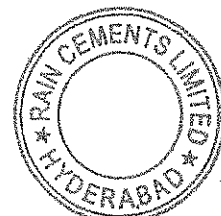
Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
Actuarial (gain)/loss on remeasurement of defined benefit obligation:		
Actuarial (gain)/ loss arising from change in financial assumptions	(0.53)	2.91
Actuarial (gain)/ loss arising from change in demographic assumption	-	0.10
Actuarial (gain)/ loss arising on account of experience changes	9.14	6.36
Actuarial (gain)/loss on remeasurement of planned asset:		
Actual return on plan assets less interest on plan assets	(0.14)	(0.49)
Total (gain)/loss	8.47	8.88

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

Particulars	As at December 31, 2024	As at December 31, 2023
Opening defined benefit obligation	118.62	109.39
Current service cost	7.71	7.51
Interest cost	7.31	7.37
Actuarial loss/(gain)	8.61	9.37
Amount paid to employees	(9.70)	(15.02)
Closing defined benefit obligation	132.55	118.62



96



Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 38: Employee benefits (continued)
(v) Reconciliation of opening and closing balances of the fair value of plan assets:

Particulars	As at December 31, 2024	As at December 31, 2023
Opening fair value of plan assets	11.17	9.96
Expected return on plan assets	0.85	0.26
Contribution by employer	11.18	15.49
Actual return on plan assets	0.14	0.49
Amount paid to employees	(9.70)	(15.02)
Closing fair value of plan assets	13.64	11.17

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

Particulars	As at December 31, 2024	As at December 31, 2023
Life Insurance Corporation of India	100%	100%

(vii) Principal Actuarial assumptions used:

Particulars	As at December 31, 2024	As at December 31, 2023
Discount rates on benefit obligations	6.90%	7.25%
Expected salary increase rates	7.50%	8.00%
Demographic assumptions		
Retirement age	58 Years	58 Years

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

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

(viii) Sensitivity analysis:

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

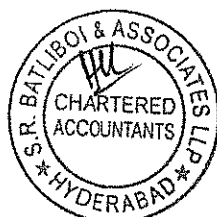
Particulars	Increase (%)	Decrease (%)
Discount rate (0.5% Movement)	(1.74)	1.81
Future salary growth (0.5% Movement)	1.67	(1.63)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2023 shown below:

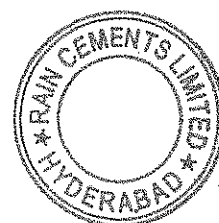
Particulars	Increase (%)	Decrease (%)
Discount rate (0.5% Movement)	(1.83)	1.90
Future salary growth (0.5% Movement)	1.78	(1.74)

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

The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations. The principal actuarial assumptions used for the computation of defined plan are also used for the computation of compensated absences of long term benefit.

(ix) The Company expects to contribute a sum of INR 46.62 to the plan for the next annual reporting period (31 December 2023: INR 35.63)


g.b.



Rain Cements Limited**Notes to the Financial Statements for the year ended December 31, 2024 (continued)**

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

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

Particulars	As at December 31, 2024	As at December 31, 2023
1st Following year	46.62	35.63
2nd Following year	26.70	23.97
3rd Following year	15.79	21.26
4th Following year	12.19	12.61
5th Following year	14.72	9.61
Thereafter	61.13	60.16

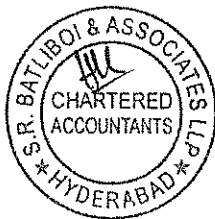
(xi) As at December 31, 2023, the weighted average duration of the defined benefit obligation is 3.62 years (December 31, 2023: 3.73 years)

c) Compensated absences

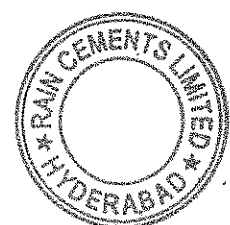
The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods or receive cash in lieu thereof as per company policy. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

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

Particulars	As at December 31, 2024	As at December 31, 2023
Net Liability :		
- Current	33.35	30.19



G. B.



Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

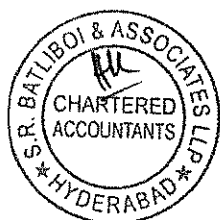
All amounts are in Indian Rupees Millions, except share data and where otherwise stated

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

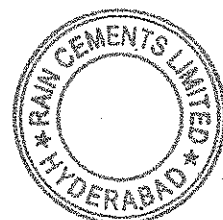
(i)	Holding Company	Rain Industries Limited (RIL)
(ii)	Subsidiary	Renuka Cement Limited (RenCL)
(iii)	Entities under common control	Rain CII Carbon (Vizag) Limited (RCCVL) Rain Commodities USA Inc. (RCUSA) Rain Verticals Limited (RVL) Rain Holdings Limited (RHL) OOO Rain Carbon LLC
(iv)	Enterprise where key managerial personnel along with their relatives exercise significant influence	Rain Entertainments Pvt Ltd Nivee Property Developers Pvt Ltd (NPDPL) Arunachala Logistics Pvt Limited (ALPL) Pragnya Priya Foundations (PPF) Protector Facilities Management (Pvt) Ltd
(v)	Key Managerial Personnel	Mr. N. Radhakrishna Reddy - Chairman Mr. N. Sujith Kumar Reddy - Managing Director Mr. N. Jagan Mohan Reddy - Director Mr. N. Venkata Pranav Reddy - Whole-time Director Mr. Pilla Ganesh Pathrudu - Company Secretary (From October 20, 2022 to September 11, 2024) Mr. S. Venkata Ramana Reddy - Company Secretary (From Sept 11, 2024 to October 28, 2024) Mr. Nagaraju Reddy Sanditi - Company Secretary, (since October 28, 2024) Mr. G.N.V.S.R.R.Kumar - Chief Financial Officer
(vi)	Non-executive directors	Ms. Nirmala Reddy - Independent Director (Till February 2023) Ms. Shanti Sree Bolleni - Independent Director Mr. Brian Jude McNamara - Independent Director Mr. Suribabu Sanudrala - Independent Director Mr. N. Shiv Keshav Reddy - Director

b) Transactions with related parties:

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
Purchases and services (net of reimbursements) from:		
1. Rain CII Carbon (Vizag) Limited- Purchase of power	221.82	146.24
2. Rain CII Carbon (Vizag) Limited-Handling of Pet coke	7.40	-
3. Rain CII Carbon (Vizag) Limited -Purchase of Pet coke	-	19.80
4. Rain CII Carbon LLC - Freight	66.50	-
5. Rain Industries Limited - Shared Services Expenses	145.67	122.31
6. Rain Industries Limited- Lease Rent	11.04	10.04
7. Rain Industries Limited- Purchase of coal	-	288.86
7. Protector Facilities Management (Pvt) Ltd - Purchase of Spares	0.06	1.22
8. Arunachala Logistics Pvt Limited - Freight and Services	5,091.86	5,568.04
9. Arunachala Logistics Pvt Limited - Purchase of Spares	35.86	34.06
Sale of cement & traded goods:		
1. Rain CII Carbon (Vizag) Ltd	0.11	1.15
2. Rain Entertainments Pvt Ltd	0.01	0.04
3. Pragnya Priya Foundations	5.53	0.16
4. Nivee Property Developers Pvt Ltd	1.28	0.95
5. Arunachala Logistics Pvt Limited	63.67	57.39
Other operating income:		
1. Arunachala Logistics Pvt Limited - Rental Income	0.64	0.64
2. Arunachala Logistics Pvt Limited - Sale of Gypsum & Conveyor Belt	0.10	0.10
3. Arunachala Logistics Pvt Limited - Equipment Rental income	2.09	-
4. Pragnya Priya Foundations - Rental Income	0.06	0.06
5. Pragnya Priya Foundations - Equipment Rental Income	3.19	-
4. Rain Industries Limited - Interest on Unsecured loan	29.86	23.00
Other operating expenses		
1. Arunachala Logistics Pvt Limited - Rental Expenses	4.35	4.12
2. Rain Entertainments Private Limited - Staff welfare expenses	1.28	-
3. Protector Facilities Management (Pvt) Ltd - Man power services	90.99	88.06
Managerial remuneration:		
(i) Short-term employee benefits		
a) Mr. N. Sujith Kumar Reddy	22.54	22.36
b) Mr. G.N.V.S.R.R.Kumar	8.82	8.68
c) Mr. Pilla Ganesh Pathrudu	0.78	0.74
d) Mr. Nagaraju Reddy Sanditi	0.20	-
(ii) Post-employment benefits		
*Refer note(iii) below		
Commission to Directors		
Mr. N. Sujith Kumar Reddy	-	10.00



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Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 39: Related Party Disclosures (continued)

Particulars	For the year ended December 31, 2024	For the year ended December 31, 2023
Salaries paid:		
(i) Short-term employee benefits		
Mr. N. Venkata Pranav Reddy	8.75	6.68
(ii) Post-employment benefits		
Refer note (iii) below		
Dividend paid:		
Rain Industries Limited	50.67	77.49
Donations given:		
Pragnya Priya Foundation	20.62	31.90
Unsecured loan given (including interest) :		
Rain Industries Limited	-	523.00
Remuneration to Independent Directors (Sitting fees):		
1. Ms. Nirmala Reddy	-	0.08
2. Ms. Shanti Sree Bolleni	0.18	0.09
3. Mr. Brian Jude Mc Namara	0.06	0.21
4. Mr. Suribabu Samudrala	0.20	0.23
Remuneration to Non-Executive Director (Sitting fees):		
1. Mr. N. Shiv Keshav Reddy	0.18	0.15
Closure of corporate guarantee		
1. Rain Industries Limited	-	-

Note:

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

(ii) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

(iii) Long term employee benefits for Key Managerial Personnel

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

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

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

Particulars	As at December 31, 2024	As at December 31, 2023
Amounts receivable from:		
a) Pragnya Priya Foundations	0.06	0.06
b) Arunachala Logistics Pvt Limited	9.61	73.90
c) Rain Industries Limited	-	523.00
Amounts payable to:		
a) Rain CH Carbon (Vizag) Limited	14.75	28.25
b) Rain Industries Limited	6.47	-
b) Protector Facilities Management (Pvt) Ltd	1.51	2.43
Commission payable to Director:		
N. Sujith Kumar Reddy	-	10.00

Note 40: Capital Management

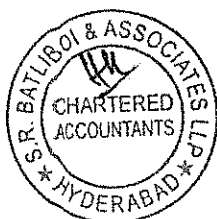
For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

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

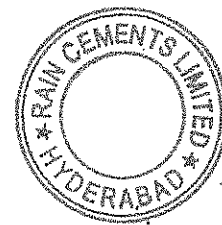
Particulars	As at	
	December 31, 2024	December 31, 2023
Total borrowings, net of cash and cash equivalents*	(307.10)	(239.58)
Total equity attributable to the equity shareholders of the company	8,205.77	8,651.94
Net debt to equity ratio	(0.04)	(0.03)

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

* Borrowings are less than cash and cash equivalents as at December 31, 2024 and December 31, 2023 due to repayment



96



Rain Cements Limited

Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 41: Fair value measurements

As at December 31, 2024:

Particulars	Fair value instruments by category			
	Amortised cost	FVTPL	FVTOCI	Total
Financial assets:				
Investments	822.67	0.09	-	822.76
Loans	0.39	-	-	0.39
Trade receivables	496.66	-	-	496.66
Cash and cash equivalents	386.85	-	-	386.85
Bank balances other than cash and cash equivalent	3,697.27	-	-	3,697.27
Other financial assets	373.66	-	-	373.66
	5,777.50	0.09	-	5,777.59
Financial liabilities				
Borrowings	79.75	-	-	79.75
Trade payables	668.81	-	-	668.81
Lease liabilities	28.92	-	-	28.92
Other financial liabilities	1,400.00	-	-	1,400.00
	2,177.48	-	-	2,177.48

As at December 31, 2023:

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

Note:

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

b) Investments of INR 0.09 Mn (December 31, 2023 : INR 0.09 Mn) are Level-3 fair value investments.

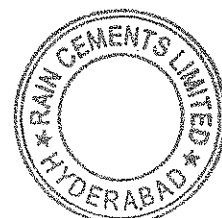
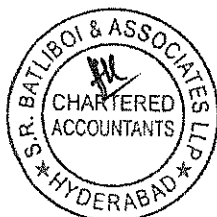
Measurement of fair values:

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

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

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

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



Rain Cements Limited**Notes to the Financial Statements for the year ended December 31, 2024 (continued)**

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

Note 42: Financial Risk Management

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

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

- Credit risk
- Liquidity risk
- Market risk

Credit risk:

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks and arises primarily from trade receivables, investments, cash and cash equivalents and balances with banks. The maximum exposure to credit risk is equal to the carrying value of these financial assets.

The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

Trade receivables

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

To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive 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 behavior of the borrower, including changes in the payment status of borrowers in the Company and changes in the operating results of the borrower
- Based on the above analysis, the Company does not expect any credit risk from its trade receivables for any of the years reported in this financial statements.

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

Particulars	As at December 31, 2024	As at December 31, 2023
Receivables that are neither past due nor impaired	123.67	55.31
Receivables that are past due but not impaired:		
Past due 0-30 days	88.05	44.47
Past due 31-60 days	41.46	38.93
Past due 61-90 days	18.97	14.09
Past due over 90 days	259.22	109.78
Gross receivables	531.37	262.58
Credit impaired/Loss allowance	(34.71)	(29.24)
Net receivables	496.66	233.34

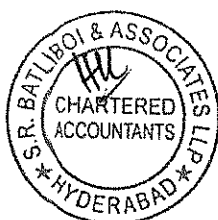
No single customer accounted for more than 10% of the trade receivable as of December 31, 2024 and December 31, 2023. There is no significant concentration of credit risk.

Investments

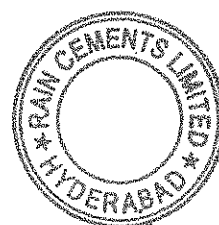
The Company limits its exposure to credit risk by generally investing in subsidiaries and liquid securities. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):

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



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Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 42: Financial Risk Management (continued)
Liquidity risk:

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

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

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

As at December 31, 2024

Particulars	Carrying value	Contractual cash flows				
		Less than 1 year	1-2 years	2-5 years	Above 5 years	Total
Financial liabilities						
Borrowings	79.75	79.75	-	-	-	79.75
Trade payables	668.81	668.81	-	-	-	668.81
Lease liabilities	28.92	14.15	13.23	3.39	0.81	31.58
Other financial liabilities	1,400.00	1,400.00	-	-	-	1,400.00
Total	2,177.48	2,162.71	13.23	3.39	0.81	2,180.14

As at December 31, 2023

Particulars	Carrying value	Contractual cash flows				
		Less than 1 year	1-2 years	2-5 years	Above 5 years	Total
Financial liabilities						
Borrowings	182.51	101.53	80.98	-	-	182.51
Trade payables	627.20	627.20	-	-	-	627.20
Lease liabilities	39.88	13.04	14.72	16.61	0.79	45.16
Other financial liabilities	1,099.33	1,099.33	-	-	-	1,099.33
Total	1,948.92	1,841.10	95.70	16.61	0.79	1,954.20

Market risk:

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

Currency risk

The Company does not have any foreign currency risk exposure

Sensitivity Analysis:

The Company does not have any foreign currency risk exposure

Interest rate risk

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

Exposure to interest rate risk

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

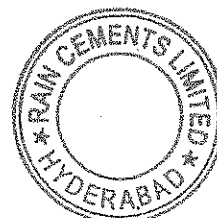
Particulars	Interest rate exposure as at	
	December 31, 2024	December 31, 2023
Fixed rate instruments		
Financial assets	4,228.34	4,435.13
Financial liabilities	28.92	39.88
	4,257.26	4,475.01
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

Interest rate Sensitivity:

The Company does not have any interest rate risk exposure



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Rain Cements Limited
Notes to the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 43: Additional Regulatory Information

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

Details of Loans given covered under section 186(4) of the companies Act, 2013

Name of the loanee	Rate of Interest	Secured/ unsecured	December 31, 2023	Loan given during the year	Loan repaid during the year	December 31, 2024
Rain Industries Limited	8.25%	Unsecured	500.00	-	500.00	-
Renuka Cement Limited	8.25%	Unsecured	-	100.00	100.00	-

- (iv) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (v) All quarterly returns or statements of current assets are filed by the Company with banks or financial institutions and are in agreement with the books of account.
- (vi) Balances outstanding and nature of transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of the struck off company	Nature of transactions with Balance struck off company outstanding	Transaction during the year	Balance Outstanding	Relationship with the struck off company
Pig Power And Infra Private Limited	Deposit Payable to Customer	-	0.03	NA
Centradomarketing Syndicate Private	Deposit Payable to Customer	-	0.15	NA
Shruthi Homes And Paving Blocks	Deposit Payable to Customer	-	0.02	NA
N.R. Patel Agencies Private Limited	Deposit Payable to Customer	-	0.00	NA

* Balance outstanding amount is nil due to rounding off

- (vii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (viii) During the year there are no pending charges or satisfaction to be registered with RoC.
- (ix) No funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediates") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) **Undisclosed income:** The Company does not have any undisclosed income in terms of any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax
- (xi) **Virtual currency:** The Company does not trade in crypto currency or virtual currency.
- (xii) The Company has not declared as wilful defaulter by any bank or financial institution or other lender.

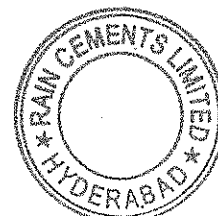
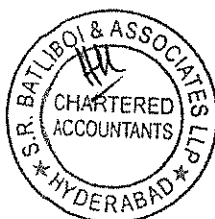
(xiii) Details of Key Financial Ratios:

Key Financial Ratios	Formulae	Numerator	Denominator	December 31, 2024	December 31, 2023	Variance	Unit
(a) Current Ratio	Current assets/ Current liabilities	Current assets	Current liabilities	2.05	2.12	-3%	Times
(b) Debt-Equity Ratio *	Total debt/ Shareholders' equity	Non-current borrowings + current borrowings	Total equity	0.01	0.02	-50%	Times
(c) Debt Service Coverage Ratio *	Earnings available for debt service/ Debt service	Profit for the year + Depreciation and amortisation expense + Finance costs + Loss on sale of property, plant and equipment	Finance costs + Current borrowings + Current lease liabilities	0.48	10.47	-95%	Times
(d) Return on Equity Ratio #	Net Profits after taxes/ Average shareholders' equity	Profit for the year	Average shareholders' equity	-5.00%	6.00%	-183%	%
(e) Inventory turnover ratio	Sales/ Average Inventory	Revenue from operations	Average inventory	9.50	9.45	0%	Times
(f) Trade Receivables turnover ratio \$	Sales/ Average accounts receivables	Revenue from operations	Average accounts receivables	33.73	58.41	-42%	Times
(g) Trade payables turnover ratio	Purchases/ Average accounts payables	Purchases	Average accounts payables	2.87	3.17	-10%	Times
(h) Net capital turnover ratio	Sales/ Working capital	Revenue from operations	Current assets - Current liabilities	3.99	4.95	-19%	Times
(i) Net profit ratio #	Net profits after taxes/ Net sales	Profit for the year	Revenue from operations	-3.16%	3.18%	-199%	%
(j) Return on Capital employed #	Earning before interest and taxes/Capital employed	Earning before interest and taxes	Total equity - Intangible assets + Non-current borrowings + Current borrowings + Deferred tax liabilities	5.5%	7.8%	-29.0%	%
(k) Return on investment (fixed deposits and inter-corporate deposits)	Income generated from fixed deposits and inter-corporate deposits/ Average fixed deposits and inter-corporate deposits held	Income generated from fixed deposits and inter-corporate deposits	Average fixed deposits and inter-corporate deposits held	7.0%	6.0%	16.7%	%

* Decrease is on account of repayment of borrowings.

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

\$ During the year, decrease in sales and increase in receivables



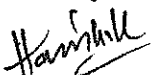
Note 44: Segment Reporting

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

Note 45: Audit Trail

The Company has used 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 is not enabled at the database level insofar as it relates to the 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

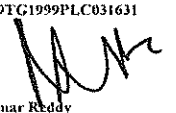
As per our Report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004


per Harish Khemnani
Partner

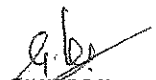
Place : Hyderabad
Date : February 18, 2025




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


N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

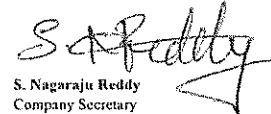
Place : Hyderabad
Date : February 18, 2025


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

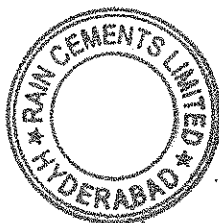
Place: Hyderabad
Date : February 18, 2025


Venkata Pranav Reddy Nellore
Executive Director
DIN: 10040953

Place: Hyderabad
Date : February 18, 2025


S. Nagaraju Reddy
Company Secretary
M.No. A65168

Place: Hyderabad
Date : February 18, 2025



RAIN Carbon Inc. And Subsidiaries

Consolidated Financial Statements

December 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

RAIN Carbon Inc. And Subsidiaries

Index

December 31, 2024 and 2023

	Page(s)
Independent Auditors' Report	1-2
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Comprehensive Income (loss)	5-6
Consolidated Statements of Changes in Stockholders' Equity	7
Consolidated Statements of Cash Flows	8-9
Notes to Consolidated Financial Statements	10-46

Report of Independent Auditors

To the Stockholders
Rain Carbon, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Rain Carbon Inc. and Subsidiaries, (“the Company”) which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders equity and cash flows for the year then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst & Young LLP

March 13, 2025

RAIN Carbon Inc. And Subsidiaries
Consolidated Balance Sheets
At December 31, 2024 and 2023

(in millions of dollars)

Assets	Note	December 31, 2024	December 31, 2023
Current assets			
Cash and cash equivalents	2d	\$ 137.4	\$ 91.9
Restricted cash	2d	2.1	4.1
Trade accounts receivable (less allowance for doubtful accounts of \$ 2.6 in 2024 and \$ 1.8 in 2023)		186.0	247.9
Due from affiliated companies	7&15	11.7	51.5
Inventories	9c	334.6	358.4
Prepaid expenses and other current assets		29.1	22.5
Current tax receivables		8.4	16.2
Total current assets		709.3	792.5
Investments	7	136.2	144.8
Property, plant and equipment, net	3	507.5	548.5
Operating lease right-of-use assets, net	8	61.4	49.7
Goodwill, net	6	484.9	495.1
Intangible assets, net	5	8.6	17.3
Loan to related parties	15	-	5.5
Deferred income tax assets	10	-	1.5
Other non-current assets		10.1	9.0
Total assets		\$ 1,918.0	\$ 2,063.9
Liabilities and Equity			
Current liabilities			
Trade and other payables		\$ 174.7	\$ 161.5
Due to affiliated companies	7&15	4.1	5.0
Accrued liabilities	9a	86.6	80.7
Current tax liabilities		1.0	0.3
Short-term and current portion of long-term debt	11	139.9	105.3
Total current liabilities		406.3	352.8
Long-term debt, less current portion and debt issuance cost	11	757.8	856.1
Accrued post-retirement benefit obligation	13	92.2	104.5
Other non-current liabilities	9b	70.5	66.0
Deferred income tax liabilities	10	34.4	34.3
Stockholders' equity			
Additional paid-in capital		345.1	345.1
Accumulated other comprehensive loss		(205.8)	(180.9)
Retained earnings		384.6	450.7
RCI stockholders' equity		523.9	614.9
Non-controlling interests		32.9	35.3
Total stockholders' equity		556.8	650.2
Commitments and contingencies	16		
Total liabilities and stockholders' equity		\$ 1,918.0	\$ 2,063.9

See accompanying notes to consolidated financial statements.

RAIN Carbon Inc. And Subsidiaries
Consolidated Statements of Operations
For the Years Ended December 31, 2024 and 2023

(in millions of dollars)

	Note	2024	2023
Revenue, net	14	\$ 1,544.6	\$ 1,935.2
Cost of goods sold		1,367.8	1,700.1
Selling, general, and administrative expenses		79.9	77.8
Depreciation and amortisation	2(l),3&5	74.2	78.8
Long-lived asset impairment loss	4	8.6	3.1
Goodwill impairment loss	6	-	97.4
Other operating income		0.7	3.1
Operating income / (loss)		14.8	(18.9)
Interest expense / (income), net		102.9	88.4
(Gain)/loss on foreign currency transactions, net		(9.8)	1.2
Other income, net		(35.0)	(20.3)
Income / (loss) before income taxes		(43.3)	(88.2)
Income tax expense, net	10	14.2	28.4
Net income / (loss)		(57.5)	(116.6)
Less: Net income attributable to non-controlling interests		0.6	9.0
Net income / (loss) attributable to RCI stockholders		\$ (58.1)	\$ (125.6)

See accompanying notes to consolidated financial statements.

RAIN Carbon Inc. And Subsidiaries
Consolidated Statements of Comprehensive income (loss)
For the Years Ended December 31, 2024 and 2023

(in millions of dollars)

	2024	2023
Net income	\$ (57.5)	\$ (116.6)
Changes in other comprehensive income / (loss), net of tax:		
Foreign currency translation adjustments	(29.1)	(23.4)
Pension and other post-retirement benefit plans		
Net actuarial gain / (loss) (net of tax)	3.2	(6.9)
Total comprehensive income / (loss)	(83.4)	(146.9)
Less: Comprehensive income attributable to non-controlling interests	(0.4)	0.4
Comprehensive income / (loss) attributable to RCI stockholders'	\$ (83.0)	\$ (147.3)

Accumulated other Comprehensive loss

Accumulated other comprehensive loss is disclosed as a separate component of Stockholder's equity in the accompanying consolidated balance sheets. Accumulated other comprehensive loss at December 31, 2024 and December 31, 2023 consist of the following:

<i>(in millions of dollars)</i>	Foreign Currency Translation Adjustments	Defined Benefit Pension Items	Other	Total
Beginning balance at January 1, 2023	\$ (201.2)	\$ 27.5	\$ (0.5)	\$ (174.2)
Net current period change	0.2	(6.9)	-	(6.7)
Ending balance at December 31, 2023	\$ (201.0)	\$ 20.6	\$ (0.5)	\$ (180.9)
Beginning balance at January 1, 2024	\$ (201.0)	\$ 20.6	\$ (0.5)	\$ (180.9)
Net current period change	(28.1)	3.2	-	(24.9)
Ending balance at December 31, 2024	\$ (229.1)	\$ 23.8	\$ (0.5)	\$ (205.8)

See accompanying notes to consolidated financial statements.

RAIN Carbon Inc. And Subsidiaries
Consolidated Statements of Comprehensive income (loss)
For the Years Ended December 31, 2024 and 2023

The related tax effects allocated to each component of accumulated other comprehensive income / (loss) for the period ended December 31, 2024 and December 31, 2023:

(in millions of dollars)

	2024		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Foreign currency translation adjustments	\$ (29.1)	\$ -	\$ (29.1)
Pension and post-retirement benefits:			
Net actuarial gain / (loss)	5.8	(2.6)	3.2
Pension and other post-retirement benefit plans	5.8	(2.6)	3.2
Other comprehensive income / (loss)	\$ (23.3)	\$ (2.6)	\$ (25.9)

	2023		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Foreign currency translation adjustments	\$ (23.4)	\$ -	\$ (23.4)
Pension and post-retirement benefits:			
Net actuarial gain / (loss)	(11.1)	4.2	(6.9)
Pension and other post-retirement benefit plans	(11.1)	4.2	(6.9)
Other comprehensive income / (loss)	\$ (34.5)	\$ 4.2	\$ (30.3)

See accompanying notes to consolidated financial statements.

RAIN Carbon Inc. And Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

For the Years Ended December 31, 2024 and 2023

	Additional Paid-in capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Equity attributable to RCI Stockholder's *	Non-controlling Interests	Total Stockholders' equity
<i>(in millions of dollars)</i>						
Balances at January 1, 2023	\$ 345.1	\$ (174.2)	\$ 533.0	\$ 703.9	\$ 81.1	\$ 785.0
Dividends declared	-	-	(13.0)	(13.0)	(3.3)	(16.3)
Net income / (loss)	-	-	(125.6)	(125.6)	9.0	(116.6)
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments**	-	(14.8)	-	(14.8)	(8.6)	(23.4)
Net change in pension and other post-retirement benefits	-	(6.9)	-	(6.9)	-	(6.9)
Gain/Adjustments on disposal of subsidiary in a common control transaction***	-	15.0	56.3	71.3	(42.9)	28.4
Balances at December 31, 2023	\$ 345.1	\$ (180.9)	\$ 450.7	\$ 614.9	\$ 35.3	\$ 650.2
Balances at January 1, 2024	\$ 345.1	\$ (180.9)	\$ 450.7	\$ 614.9	\$ 35.3	\$ 650.2
Dividends declared	-	-	(8.0)	(8.0)	(2.0)	(10.0)
Net income / (loss)	-	-	(58.1)	(58.1)	0.6	(57.5)
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments**	-	(28.1)	-	(28.1)	(1.0)	(29.1)
Net change in pension and other post-retirement benefits	-	3.2	-	3.2	-	3.2
Balances at December 31, 2024	\$ 345.1	\$ (205.8)	\$ 384.6	\$ 523.9	\$ 32.9	\$ 556.8

* Refer note 12 for details of common stock

** Includes net Gain /(loss) on net investment in foreign operation amounting to \$ 10.2 million (December 31, 2023 - \$ (7.2) mn)(Refer note 19)

*** Refer note 18 for details on disposal of subsidiaries

See accompanying notes to consolidated financial statements.

RAIN Carbon Inc. And Subsidiaries

Consolidated Statements of Cash Flows

Year Ended December 31, 2024 and 2023

	For the year ended December 31, 2024	For the year ended December 31, 2023
<i>(in millions of dollars)</i>		
Cash flows from operating activities		
Net income / (loss)	\$ (57.5)	\$ (116.6)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortisation	74.2	78.8
Long-lived asset impairment loss	8.6	3.1
Goodwill impairment loss	-	97.4
Amortisation of deferred finance costs	7.6	7.5
Deferred income tax (benefit) / expense	(0.8)	10.0
(Gain) / Loss on sale of property, plant and equipment (net)	0.2	(0.8)
Loss on re-purchase/redemption of senior secured notes	-	0.3
Exchange (gain) / loss on monetary items	(8.2)	1.0
Share of income in Equity affiliated company	(0.3)	(0.1)
Other non cash items	0.9	(2.4)
Changes in operating assets and liabilities		
Trade, current tax and other receivables	64.9	40.2
Due from affiliated companies	0.1	(13.9)
Inventories	8.9	163.7
Prepaid expenses and other current assets	(20.9)	(2.5)
Trade and other payables	21.3	(23.1)
Due to affiliated companies	(0.9)	2.3
Current tax and accrued liabilities	1.9	(1.8)
Net cash provided by operating activities	100.0	243.1
Cash flows from investing activities		
Dividend received - Current Investments	-	0.3
Divestiture of investment	21.9	(88.5)
Proceeds from sale of property plant and equipment	-	0.1
Loan repaid by affiliates	7.4	20.0
Capital expenditures	(48.2)	(50.8)
Refund of Capital Advances	3.6	-
Loan to affiliates	(2.0)	(24.6)
Net cash used in investing activities	(17.3)	(143.5)
Cash flows from financing activities		
Proceeds from long-term debt	-	827.5
Proceeds from short-term debt	155.9	118.0
Principal payments on long-term debt	(41.4)	(916.9)
Principal payments on short-term debt	(141.2)	(171.5)
Principal payment on finance leases	(0.5)	(0.7)
Payments of financing cost	(0.5)	(14.0)
Dividends paid to RCI Stockholders	(6.0)	(12.0)
Dividends paid to Non-controlling interests	(2.0)	(3.3)
Net cash used in financing activities	(35.7)	(172.9)

See accompanying notes to consolidated financial statements.

RAIN Carbon Inc. And Subsidiaries
Consolidated Statements of Cash Flows (continued)
Year Ended December 31, 2024 and 2023

	For the year ended December 31, 2024	For the year ended December 31, 2023
<i>(in millions of dollars)</i>		
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(3.5)	(4.0)
Net increase / (decrease) in cash and cash equivalents and restricted cash	43.5	(77.3)
Cash and cash equivalents and restricted cash		
Beginning of the year	96.0	173.3
End of the year	\$ 139.5	\$ 96.0
Supplemental cash flow information		
Cash paid during the year for interest	\$ 104.3	\$ 70.1
Cash paid during the year for income taxes	11.8	30.2
Supplemental non-cash investing activity information		
Accrued capital expenditures	\$ 6.7	\$ 8.6

See accompanying notes to consolidated financial statements.

RAIN Carbon Inc. And Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

1. Description of Business

Rain Carbon Inc. (the “Company” or “RCI”) is a leading vertically integrated global producer and up cycler of a diversified portfolio of carbon based and advanced material products that are essential raw materials for staples of everyday life. The Company along with its subsidiaries (“the Group” or “RCI Group”) operates in two business segments: Carbon and Advanced Materials.

Carbon comprises of Calcined Petroleum Coke (“CPC”), 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 are comprised of Engineered Products, Chemical Intermediaries and Resins.

2. Summary of Significant Accounting Policies

a. Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in United States of America (“U.S. GAAP”) and include the accounts of RCI and its majority-owned subsidiaries that are required to be consolidated. All inter-company transactions and balances have been eliminated in consolidation.

The Group consolidates entities in which it has a controlling financial interest based on either the variable interest entity (VIE) or voting interest model. The Group is required to first apply the VIE model to determine whether it holds a variable interest in an entity, and if so, whether the entity is a VIE. If the Group determines it does not hold a variable interest in a VIE, it then applies the voting interest model. Under the voting interest model, it consolidates an entity when it holds a majority voting interest in an entity. When a disposal takes place, the Group deconsolidates the subsidiary as of the date the reporting entity ceases to have a controlling financial interest. Full gain or loss is recognized in net income in the period of deconsolidation or derecognition. In case the disposal is within common control, any difference in the amount paid (or payable) by the transferee versus the historical cost of the assets transferred to the transferee is recorded as an adjustment to equity (retained earnings). A subsequent adjustment to the amount paid (or payable) to the transferor is also recorded in equity (retained earnings).

In cases where the Group does not fully own a subsidiary, it values any remaining outstanding non-controlling interest at the end of reporting period at its proportionate share of the value of the net identified assets.

The equity method is used to account for investments in affiliates in which the Group can exercise significant influence over the affiliates’ operating and financial policies. When the Group does not have the ability to exercise significant influence, the investment is classified as available-for-sale under fair value method, if fair value is readily determinable or under cost method, if fair value is not readily determinable.

b. Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We review our estimates on an ongoing basis, based on currently available information. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include allowance for doubtful accounts, the useful lives of fixed assets, estimated obsolescence of inventory, valuation of long-lived assets and goodwill, valuation of deferred tax assets and liabilities, lease liabilities and right-of-use assets,

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

environmental liabilities, post-retirement and pension obligations, commitments and contingencies and valuation of derivatives.

c. Foreign Currency Translation and Transactions

The accompanying consolidated financial statements are reported in U.S. dollars. The translation from the respective functional currencies to the U.S. dollar is performed using the exchange rates prevailing at the balance sheet dates for assets and liabilities and average exchange rates prevailing during the reporting periods for revenue, costs, and expenses.

Adjustments resulting from such translation are accumulated and reported as other comprehensive income (loss), a separate component of equity.

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year-end rates. The resulting gain/loss along with the realized gain/loss on account of foreign currency transactions are accounted for in the consolidated statements of operations.

d. Cash and cash equivalents and Restricted cash

All highly liquid, short-term investments with original maturities of less than or equal to three months when purchased are considered to be cash equivalents. Cash and cash equivalents include \$ 18.7 and \$15.8 million of certificates of deposit with an initial term of less than three months at December 31, 2024 and December 31, 2023, respectively.

Restricted cash consists of cash balances which are legally or contractually restricted for usage or withdrawal.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported in the Consolidated Balance Sheet to the total of the amounts in the Consolidated Statement of Cash Flows.

<i>(in millions of dollars)</i>	2024	2023
Cash and cash equivalents	\$ 137.4	\$ 91.9
Restricted cash	2.1	4.1
Total cash, cash equivalents and restricted cash in consolidated statement of cash flows	\$ 139.5	\$ 96.0

e. Revenue Recognition

The Group recognizes revenue when it satisfies performance obligations under the terms of its contracts, and control of its products is transferred to its customers in an amount that reflects the consideration the Group expects to receive from its customers in exchange for those products. This process involves identifying the customer contract, determining the performance obligations in the contract, determining the contract price, allocating the contract price to the distinct performance obligations in the contract, and recognizing revenue when the performance obligations have been satisfied. A performance obligation is considered distinct from other obligations in a contract when it (a) provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and (b) is separately identified in the contract. The Group considers a performance obligation satisfied once it has transferred control of a good or product to a customer, meaning the customer has the ability to use and obtain the benefit of the product.

Shipping and other transportation costs charged to buyers are recorded in both sales and cost of sales.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Taxes assessed by a government authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from sales.

The Group derives its revenue from the sale of carbon and advanced materials products. Sales are made to domestic and international customers whereby the prices are subject to negotiations based on movements in raw material prices, levels of offtake, demand and supply situation in the market. Such prices are agreed through a formal contract. The discounts offered to these customers are mostly contractually agreed. Certain discounts are recognized as and when the negotiations thereon are completed, and the rates are agreed.

Revenue from sale of carbon products also include sale of co-generated energy generated in the production 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.

The Group recognises revenue when control of the product is transferred to the customer in accordance with the underlying terms of arrangements. The terms of sales arrangements, customer acceptance terms including the timing of transfer of control, are varied and could affect the timing of recognition of the sales.

Composition of revenue based on timing of transfer of goods or services:

<i>(in millions of dollars)</i>	2024	2023
Revenue from Operations recognised at a point of time	\$ 1,544.5	\$ 1,934.9
Revenue from Operations recognised over a point of time	0.1	0.3
Total	\$ 1,544.6	\$ 1,935.2

Contract Assets and Liabilities:

Contract assets primarily represent revenue earnings over time that are not yet billable based on the terms of the contracts. The Company does not have impairment losses associated with contracts with customers for the period ended December 31, 2024 and 2023.

Contract liabilities consist of fees invoiced or paid by the Company's customers for which the associated performance obligations have not been satisfied and revenue has not been recognized based on the Company's revenue recognition criteria described above.

Contract assets and contract liabilities are reported in a net position on an individual contract basis at the end of each reporting period. Contract assets are classified as current on the consolidated balance sheet when the Company expects to complete the related performance obligations and invoice the customers within one year of the balance sheet date, and as long-term when the Company expects to complete the related performance obligations and invoice the customers more than one year out from the balance sheet date. Contract liabilities are classified as current on the consolidated balance sheets when the revenue recognition associated with the related customer payments and invoicing is expected to occur within one year of the balance sheet date and as long-term when the revenue recognition associated with the related customer payments and invoicing is expected to occur in more than one year from the balance sheet date.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The following table provides the details of contract assets and liabilities recorded in the consolidated balance sheets:

<i>(in millions of dollars)</i>	<u>2024</u>	<u>2023</u>
Contract assets	\$ 1.4	\$ 2.1
Contract liabilities	0.6	0.7

f. Trade Accounts Receivable

The Group grants credit to its customers based on periodic credit evaluations of customers' financial condition and generally does not require collateral but may require letters of credit for certain international sales. The Group records an allowance for credit losses (ECL) under Subtopic 326-20 Financial Instruments- Credit Losses – Measured at Amortized Cost for estimated losses inherent in its trade accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and the Group's customers' financial condition, the amount receivables in dispute, and the current receivables ageing and current payment patterns.

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows.

g. Inventories

Inventories are stated at the lower of cost or net realizable value and consist principally of raw material, finished goods, work in progress, stores, spares and supplies. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. The Group reviews its inventory balances and writes down its inventories for estimated obsolescence or excess inventories equal to the difference between the cost of inventories and the estimated market value based upon assumptions about future demand and market conditions. The cost of inventories includes production costs and depreciation expense.

h. Property, Plant, and Equipment

Property, plant, and equipment is carried at cost and includes improvements, which significantly increase capacities or extend useful lives of existing plant and equipment and consists primarily of buildings and improvements, machinery and equipment, furnishings and land, which is being depreciated on a straight-line basis over the estimated useful lives of the assets (except for land). When fixed assets are sold or retired, cost and accumulated depreciation are eliminated from the accounts, and gains or losses are recorded in consolidated statements of operations.

Cost of acquired assets includes purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any other directly attributable cost of bringing the item to its working condition for its intended use such as initial delivery, handling costs and installation costs.

Cost of a self-constructed asset comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use such as costs of site preparation and remediation, estimated costs of dismantling and removing/disposal of the item and restoring the site on which it is located.

Subsequent expenditure related to an asset is capitalized only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

RAIN Carbon Inc. And Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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

Cost of assets not ready for intended use, as on the balance sheet date, is shown as construction in progress under property, plant and equipment, net.

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 recognized 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 recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Plant and equipment held under finance leases are stated at the present value of minimum lease payments and are amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset.

Interest expense is capitalized for qualifying assets under construction, if any. Capitalized interest costs are included in property, plant and equipment and are depreciated over the useful life of the related asset.

The estimated useful lives for depreciation purposes are:

Buildings and improvements	1–50 years
Machinery and equipment	1–40 years

The Group evaluates impairment of its property, plant, and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. If circumstances require an asset be tested for possible impairment, the Group first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary (see note 4)

i. Leases

The Group accounts for leases in accordance with Topic 842, Leases (see Note 8). The Group determines if an arrangement contains a lease at the inception of a contract. Right-of-use assets represent the Group's right to use an underlying asset for the lease term are presented on the face of the balance sheet and lease liabilities represent the Group's obligation to make lease payments arising from the lease are grouped under accrued and other non-current liabilities. Right-of-use assets and lease liabilities are recognized at the commencement date of the lease based on the present value of the remaining future minimum lease payments. The lease liability is subsequently measure at amortized cost using the effective-interest method.

Key estimates and judgements include how the Group determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) lease term, and (3) lease payments.

Topic 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, the Group cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The present value of the lease payments is calculated using the incremental borrowing rate for operating and finance leases, which is determined using a portfolio approach based on the rate of interest that we would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The Group uses the unsecured borrowing rate and risk-adjust that rate to approximate a collateralized rate in the currency of the lease.

Certain lease contracts include obligations to pay for other services, such as operations and maintenance. Such operations and maintenance charges are not part of lease expense and are recorded separately.

When the contracts contain the option to extend the lease term, terminate the lease before the contractual expiration date, or purchase the leased asset, and if it is reasonably certain that Group will exercise the option, we consider these options in determining the classification and measurement of the lease.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments, owed over the lease term (includes termination penalties the Group would owe if the lease term reflect its exercise of a termination option);
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease commencement date;
- Amounts expected to be payable under a Group-provided residual value guarantee; and
- The exercise price of a Group option to purchase the underlying asset if the Group is reasonably certain to exercise the option.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to the Group or the Group is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

Variable lease payments associated with the Group's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented as operating expense in the Group's consolidated statements of operations in the same line item as expense arising from fixed lease payments (operating leases) or amortization of the ROU asset (finance leases).

Costs associated with operating lease assets or short-term leases are recognized on a straight-line basis within operating expenses over the term of the lease. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or, in the instance where title does not transfer at the end of the lease term included under depreciation and amortization

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

expense. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term.

The Group uses the long-lived assets impairment guidance in Subtopic 360-10, Property, Plant, and Equipment – Overall, to determine whether a ROU asset is impaired, and if so, the amount of the impairment loss to recognize. See Note 2(h).

The Group monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the ROU asset is reduced to zero and the remainder of the adjustment is recorded in profit or loss.

The Group has elected not to recognize Right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less.

j. Intangible Assets

Identifiable intangible assets, other than goodwill and in process research and development ("IP/R&D"), are recorded at cost. Intangible assets that do not have indefinite lives are amortized on a systematic basis over their estimated useful lives.

The estimated useful lives of intangible assets are:

Customer contracts	7 - 15 years
Trade names	8 - 15 years
IP/R&D	15 years
Others	2 -13 years

The Group evaluates impairment of its intangible assets on an individual basis whenever circumstances indicate that the carrying value may not be recovered. If circumstances require an asset be tested for possible impairment, the Group first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the intangible asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

k. Goodwill

Goodwill represents cost in excess of fair value of net assets acquired in business combinations. Goodwill is reviewed for potential impairment at least annually or more frequently if circumstances indicate that a potential impairment has occurred.

Goodwill is tested for impairment annually, and more frequently when there is a triggering event. The Company first performs a qualitative assessment by evaluating all relevant events and circumstances to determine if it is more likely than not that the Goodwill is impaired; this includes considering any potential effect on significant inputs to determining the fair value of the Goodwill. When it is more likely than not that the Goodwill is impaired, then the Company calculates the fair value of the Goodwill and performs a quantitative impairment test. An impairment loss is recognized as the difference, if any, between the reporting unit's carrying amount and its fair value, to the extent the difference does not exceed the total amount of goodwill allocated to the reporting unit.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

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

Refer note 6 for results of the testing of goodwill for the year 2024.

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

- a. Calcination business forming part of Carbon Segment
- b. Carbon distillation business (other than (c) below) forming part of Carbon Segment
- c. Carbon distillation business - OOO RÜTGERS Severtar forming part of Carbon Segment (until June 30, 2023)
- d. Advanced materials business

I. Plant Turnaround Costs

Certain major maintenance items require plant shutdown for a period of time to perform periodic overhauls and refurbishment activities necessary to sustain long-term production. The Group capitalizes periodic planned major maintenance activities (plant turnaround costs) and amortizes such costs over periods leading up to the next planned turnaround (generally 14 months).

Included in prepaid expenses and other current assets is \$6.7 million and \$4.7 million of deferred plant turnaround costs as of December 31, 2024 and December 31, 2023, respectively. For the years ended December 31, 2024 and 2023, \$9.5 million and \$15.4 million, respectively, of plant turnaround cost were amortized within depreciation and amortization in the accompanying consolidated statements of operations.

m. Deferred Finance Costs

Deferred finance costs consist of debt financing fees, which are being amortized under effective interest rate method over the life of the instrument.

The deferred finance cost of \$14.9 million and \$21.0 million for the period ended December 31, 2024 and December 31, 2023, respectively are reduced from the long-term debt in consolidated balance sheet (refer note 11)

Amortization of deferred finance costs is included in interest expense, net in the accompanying consolidated statements of operations and totaled \$5.6 million and \$7.5 million for the years ended December 31, 2024 and December 31, 2023, respectively.

n. Derivatives and Hedging Activities

The Group records its derivative instruments on the consolidated balance sheets at their respective fair values and any changes in fair value are recognized immediately in consolidated statements of operations, unless the derivatives qualify as hedges of future cash flows or net investments. For derivatives qualifying as hedges of future cash flows, the effective portion of changes in fair value are recorded in accumulated other comprehensive income (loss) until the related hedge items impact earnings. Any ineffective portion of a hedge is reported in earnings immediately. Fair values for derivative financial instruments are based upon quoted market prices, where available, or pricing models.

As of December 31, 2024, and December 31, 2023, there are no derivative instruments.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

o. Fair Value of Financial Instruments

The Group utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Group determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

The Group classifies assets and liabilities into one of three fair value levels depending on the observability of the input employed in the measurement as described below:

- (i) Level 1 inputs: inputs are quoted prices in active markets for identical assets or liabilities.
- (ii) Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- (iii) Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The Group classifies assets and liabilities in their entirety based on the lowest level of input that is significant to the fair value measurement. The Group's methodology for categorizing assets and liabilities that are measured at fair value pursuant to this hierarchy gives the highest priority to unadjusted quoted prices in active markets and the lowest level to unobservable inputs.

The carrying amounts of cash, trade accounts receivable, trade and other payables and short-term debt approximate fair value because of the short maturity of these instruments. Additionally, the carrying amount of long-term debt (net of deferred finance cost) approximates fair value at December 31, 2024, since long-term debt is at a rate consistent with market rates currently available to the Group.

The following summarizes the assets and liabilities measured at fair value on a recurring basis as of December 31, 2024 and December 31, 2023. Assets consist of the Group's retirement plans and post-retirement benefits and derivative instruments, which are valued using quoted prices in active markets for identical assets or liabilities or directly or indirectly through market-corroborated input, and therefore, are classified as Level 1 or Level 2.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Recurring Fair Value Measurements

<i>(in millions of dollars)</i>	Level 1	Level 2	Fair Value as of December 31, 2024
Assets			
Pension Plan Assets:			
Mutual funds	\$ 9.6	\$ -	\$ 9.6
Insurer managed fund and others	-	46.3	46.3
Total	\$ 9.6	\$ 46.3	\$ 55.9

<i>(in millions of dollars)</i>	Level 1	Level 2	Fair Value as of December 31, 2023
Assets			
Pension Plan Assets:			
Mutual funds	\$ 9.1	\$ -	\$ 9.1
Insurer managed fund and others	-	47.3	47.3
Total	\$ 9.1	\$ 47.3	\$ 56.4

Nonrecurring Fair Value Measurements

Long-lived assets within an asset group were measured at fair value on a nonrecurring basis at December 31, 2024 and December 31, 2023 due to an impairment recognized on those assets at that date (see Note 4).

p. Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences reverse. The Group recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Group records interest related to income tax in interest expense and tax related penalties in selling, general, and administrative expenses.

The 2017 U.S. Tax Cuts & Jobs Act subject a U.S. shareholder to tax on Global Intangible Low-Taxed Income (GILTI) earned by certain foreign subsidiaries. The FASB Staff Q&A Topic 740 No. 5, Accounting for GILTI, states that an entity can make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years or to provide for the tax expense related to GILTI in the same year it is incurred as a period expense only. The Company has elected to account for GILTI in the year the tax is incurred.

RAIN Carbon Inc. And Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

CARES Act and CAA

On March 27, 2020 and December 27, 2020, the President of the United States signed and enacted into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Consolidated Appropriations Act, 2021 (CAA). Among other provisions, the CARES Act and the CAA provide relief to U.S. federal corporate taxpayers through temporary adjustments to net operating loss rules, changes to limitations on interest expense deductibility, and the acceleration of available refunds for minimum tax credit carryforwards. The CARES Act and the CAA did not have a material effect on the Company's consolidated financial statements.

q. Selling, General, and Administrative Expenses

Selling, general, and administrative expenses include the compensation costs, legal and professional consultants, travel costs, and other general administrative expenses.

r. Other (Income) / Expense, net

Other (Income) / Expense primarily includes preference dividend and insurance claims. Preference dividend is recognized over the period based on fixed coupon rate of the instrument. Insurance claims are recognized only when a loss event had occurred and recovery is considered probable.

s. Borrowing costs and capitalized interest

Interest expense, net is the combination of interest expense associated with the outstanding debt of the Group and interest income.

Interest on external borrowings is capitalized on major projects with an expected construction period of one year or longer. Capitalized interest is added to the cost of the underlying asset and is amortized over the useful lives of the assets in the same manner as the underlying assets.

There is no interest capitalized during the year ended December 31, 2024 and December 31, 2023.

t. Environmental liabilities

The Group accrues for remediation costs and penalties when the responsibility to remediate is probable and the amount of related cost is reasonably estimable. Remediation liabilities are discounted if the amount and timing of the cash disbursements are readily determinable.

Recoveries of environmental remediation costs from third parties that are probable of realization are separately recorded as assets and are not offset against the related environmental liability.

u. Commitments and Contingencies

Amounts associated with litigation and contingencies are accrued when management, after taking into consideration the facts and circumstances of each matter including any settlement offers, has determined that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

v. Recently Issued Accounting Standards and pronouncements

Accounting Standards Adopted in the Current Year

Accounting for convertible instruments and contracts: In August 2020, the FASB issued ASU 2020-06, Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments

RAIN Carbon Inc. And Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

and Contracts in an Entity's Own Equity. ASU 2020-06 reduces the number of accounting models for convertible instruments and allows more contracts to qualify for equity classification. ASU 2020-06 is effective for the Company's annual reporting periods beginning after December 15, 2023. Adoption is either a modified retrospective method or a fully retrospective method of transition.

The Group adopted this ASU in 2024 and determined that it does not have any impact on the consolidated financial statements.

Business Combination - Accounting for Contract assets and liabilities: In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which provides an exception to fair value measurement for contract assets and contract liabilities related to revenue contracts acquired in a business combination. The ASU requires an entity (acquirer) to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. The ASU is effective for the Company for annual and interim periods in fiscal years beginning after December 15, 2023 and is applied to business combinations occurring on or after the effective date.

The Group adopted this ASU in 2024 and determined that it does not have any impact on the consolidated financial statements.

Leases – Common Control Arrangements: In March 2023, the FASB issued ASU 2023-01, Leases (Topic 842): Common Control Arrangements. The ASU provides a practical expedient for private companies and not-for-profit entities to use the written terms and conditions of a common control arrangement to determine whether a lease exists and, if so, the classification of and accounting for that lease. The ASU also clarifies the accounting for leasehold improvements associated with common control leases, thereby reducing diversity in practice. The amendments in this ASU affect all lessees that are a party to a lease between entities under common control in which there are leasehold improvements. The ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years.

The Group adopted this ASU in 2024 and determined that it does not have any impact on the consolidated financial statements.

Accounting Standards Not Yet Adopted

Improvements to Income Tax Disclosures: In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The ASU requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for the Company's annual reporting periods beginning after December 15, 2025. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted.

The Group is currently evaluating the effect that adoption of ASU 2023-09 will have on its consolidated financial statements.

Stock Compensation: Scope Application of Profits Interest and Similar Awards: In March 2024, the FASB issued ASU 2024-01, Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards. This ASU adds an illustrative example to demonstrate how an entity should apply the scope guidance in paragraph 718-10-15-3 to determine whether profits interest and similar awards should be accounted for in accordance with Topic 718. ASU 2024-01 is effective for the Company's annual reporting periods beginning after December 15, 2025. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted.

The Group does not expect the adoption of ASU 2024-01 to have a material effect on its consolidated financial statements.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Codification Improvements: In March 2024, the FASB issued ASU 2024-02, Codification Improvements—Amendments to Remove References to the Concepts Statements. This ASU removes references to various FASB Concepts Statements to simplify the Codification and draw a distinction between authoritative and nonauthoritative literature. ASU 2024-02 is effective for the Company's annual reporting periods beginning after December 15, 2025. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted.

The Company does not expect the adoption of ASU 2024-02 to have a material effect on its consolidated financial statements.

Accounting for Convertible Debt Instruments: In November 2024, the FASB issued ASU 2024-04, Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments. This ASU clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as induced conversions. ASU 2024-04 is effective for the Company's annual reporting periods beginning after December 15, 2025. Adoption is either with a prospective method of transition or a retrospective method of transition that is retrospective to the later of the beginning of earliest period presented and the date the entity adopted ASU 2020-06. Early adoption is permitted for all entities that have adopted ASU 2020-06.

The Company does not expect the adoption of ASU 2024-04 to have a material effect on its consolidated financial statements.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

3. Property, Plant, and Equipment, net

Property, plant, and equipment at December 31, 2024 and 2023 consisted of the following:

<i>(in millions of dollars)</i>	2024	2023
Land	\$ 43.4	\$ 43.3
Buildings and improvements	90.7	87.1
Machinery and equipment*	879.5	871.8
Construction in progress	54.6	53.9
	1,068.2	1,056.1
Less: Accumulated depreciation	(560.7)	(507.6)
	\$ 507.5	\$ 548.5

*includes assets under finance lease. Refer note 8 for details

Depreciation expense for the years ended December 31, 2024 and 2023 was \$56.5 million and \$54.1 million, respectively.

Impairment for the years ended December 31, 2024 and 2023 was \$8.6 million and \$3.1 million, respectively (refer note 4 for details).

4. Impairment of long-lived assets

The Group has re-evaluated the status of certain projects which are under Construction in progress in the foreign subsidiaries. Based on the current status and the management evaluation, the Group had recognized an impairment charge of \$8.6 million in the consolidated statement of operations for the year ended December 31, 2024 (\$3.1 million for the year ended December 31, 2023).

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

5. Intangible Assets, net

Intangible assets are comprised of the following as of December 31, 2024 and December 31, 2023:

<i>(in millions of dollars)</i>	2024	2023
Intangible assets with definite life		
Customer contracts	\$ 206.2	\$ 214.3
Trade names	83.1	86.7
IPR&D	10.4	11.1
Others	15.8	17.0
Total intangible assets	315.5	329.1
Accumulated amortisation and impairment		
Customer contracts	(206.2)	(208.7)
Trade names	(79.7)	(81.7)
IPR&D	(5.5)	(5.2)
Others	(15.5)	(16.2)
Total accumulated amortisation	(306.9)	(311.8)
Intangible assets, net	\$ 8.6	\$ 17.3

Amortization expense for the years ended December 31, 2024 and 2023 was \$8.2 million and \$9.3 million, respectively.

The estimated intangible asset amortization expenses for each of the next five years and thereafter are as follows:

<i>(in millions of dollars)</i>	2024
2025	\$ 2.3
2026	2.1
2027	1.5
2028	0.7
2029	0.7
Thereafter	1.3
	\$ 8.6

6. Goodwill

(in millions of dollars)

	Carbon Calcination	Carbon Distillation - Other than OOO RÜTGERS Severtar	Carbon Distillation - OOO RÜTGERS Severtar*	Advanced Materials	Total
Beginning balance at January 1, 2023	\$ 344.1	\$ 103.2	\$ 11.0	\$ 135.4	\$ 593.7
Currency translation	(0.1)	7.0	(3.6)	2.9	6.2
Impairment loss	-	-	-	(97.4)	(97.4)
Adjustments due to disposal of subsidiary in a common control transaction (Refer note 18)	-	-	(7.4)	-	(7.4)
Ending balance at December 31, 2023	\$ 344.0	\$ 110.2	\$ -	\$ 40.9	\$ 495.1
Currency translation	(0.8)	(6.9)	-	(2.5)	(10.2)
Ending balance at December 31, 2024	\$ 343.2	\$ 103.3	\$ -	\$ 38.4	\$ 484.9

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

* Subsequent to the conflict in Europe, OOO RUTGERS Severtar is operating largely independent of the Group and hence considered as a separate reporting unit for the purpose of impairment testing of goodwill for the year ended December 31, 2022.

During 2023, the Group has seen confluence of geopolitical situations, macroeconomic factors, including rising interest rates on long term debt and volatility in energy costs impacting the economic environment in which all our Four Reporting Units operate. In light of these uncertainties, the Group has undertaken rigorous assessment of its impact on each Reporting Unit. Due to these macroeconomic factors, the recoverable values in one of its Reporting Units is below its carrying-value due to significant increase in cost of capital during the previous year and increase in operating costs. Considering the recoverable amounts based on fair value less cost of disposal and value-in-use estimates, the Group recognized a non-cash impairment charge towards Goodwill in Consolidated Statement of Operations amounting to \$ 97.4 million in Advanced Materials.

7. Investments

(in millions of dollars)

	<u>2024</u>	<u>2023</u>
Investments		
Equity method investments	\$ 1.5	\$ 1.3
Other investments	134.7	143.5
	<u>\$ 136.2</u>	<u>\$ 144.8</u>

Other investments:

During 2023, the Group completed the sale of its entire holding of 65.3% shares in Cypriot joint venture company which resulted in exchange of investment in preference shares amounting to \$124.7 million (EUR 120.0 million) which are redeemable after completion of 21 years carrying cumulative dividend of EUR 25 million per annum which is accounted using the cost method.

Balance represents the long-term investment in Arsol Aromatics GmbH & Co. KG ("Arsol") located in Germany amounting to \$10.0 million as at December 31, 2024 (\$ 10.7 million as at December 31, 2023), which is accounted for using the cost method. Arsol is engaged in the business of refining crude benzene. The cost method is applied as the Group does not exercise significant influence over Arsol.

The changes in carrying value of these investments is due to foreign currency fluctuations during the year.

Equity method investments:

The Group holds an investment in InfraTec Duisburg GmbH ("InfraTec"), a 30 percent owned infrastructure service company located in Germany, acquired as part of the acquisition of RÜTGERS Group. No dividend was received for the years ended December 31, 2024 and 2023.

The Group recognized profit of \$0.3 million for the year ended December 31, 2024 (profit of \$0.1 million for the year ended December 31, 2023) from the above company in which the equity method of accounting is followed and such income is included in other (income) expense, net in the consolidated statements of operations. The equity method of accounting is applied for these investments as the group has the ability to exercise significant influence, but not control, over the investees.

Transactions with the equity method investees during the years ended December 31, 2024 and December 31, 2023 and the closing balances as of December 31, 2024 and December 31, 2023 are as follows:

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

<i>(in millions of dollars)</i>	2024	2023
Transactions		
Cost of goods sold	\$ 8.7	\$ 9.2
Other operating income	1.6	1.4
Closing balances	2024	2023
Included in Due from affiliates	\$ 1.5	\$ 1.3
Included in Due to affiliates	-	1.3

8. Leases

The Group entered into operating leases for certain facilities and equipment used in operations. As of December 31, 2024, operating leases are having remaining lease term up to 28 years. Some operating leases contain renewal options. If the Group is reasonably certain to exercise these renewal options, the options are considered in determining the lease term.

The Group entered into finance leases covering certain machinery and equipment.

As of December 31, 2024, and December 31, 2023, the gross amount of assets under Finance leases and related accumulated amortization reflected in property, plant and equipment, net recorded were as follows:

<i>(in millions of dollars)</i>	2024	2023
Machinery and equipment	\$ 14.0	\$ 18.7
	14.0	18.7
Less: Accumulated amortisation	(5.6)	(9.0)
	\$ 8.4	\$ 9.7

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The following table summarizes the leases recorded on the Balance Sheet:
(in millions of dollars)

	2024	2023
Right-of-use assets:		
Operating leases	\$ 61.4	\$ 49.7
Finance leases	8.4	9.7
Total right-of-use assets	\$ 69.8	\$ 59.4
Lease liabilities:		
Operating leases	\$ 64.8	\$ 51.8
Finance leases	9.2	10.6
Total lease liabilities	\$ 74.0	\$ 62.4

The following table summarizes the lease costs:

	2024	2023
Variable lease cost	\$ 0.8	\$ 0.6
Operating lease cost	18.5	13.9
Finance lease cost:		
Amortisation	0.9	0.9
Interest	0.4	0.4
Short-term lease cost	5.5	4.5
Total lease costs	\$ 26.1	\$ 20.3

Weighted-average remaining lease term:

	2024	2023
Operating leases	10 years	13 years
Finance leases	10 years	11 years
Weighted-average discount rate:		
Operating leases	5.5%	5.5%
Finance leases	3.8%	3.8%

The following table summarizes the supplemental cash flow information relating to leases:

	2024	2023
a. Cash paid for amounts included in the measurement of lease liabilities		
Cash used in operations for operating leases	\$ 18.0	\$ 12.4
Cash used in operations for finance leases	0.4	0.4
Payments made on finance leases	0.5	0.7
b. Right-of-use assets recognised for operating leases	30.6	13.4

The following table provides the expected future minimum maturities of lease obligations as of
December 31, 2024

	Finance leases	Operating leases
2025	\$ 1.2	\$ 18.9
2026	1.2	11.6
2027	1.2	8.4
2028	1.2	6.9
2029	1.2	5.5
Thereafter	5.2	44.2
Gross lease liabilities	11.2	95.5
Less: Imputed interest	(2.0)	(30.7)
Lease liabilities	\$ 9.2	\$ 64.8

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

9. Composition of certain Balance Sheet items:

a. Accrued liabilities

Accrued liabilities at December 31, 2024 and December 31, 2023 consist of the following:

<i>(in millions of dollars)</i>	2024	2023
Accrued goods and services received	\$ 9.6	\$ 9.0
Accrued interest	20.1	26.0
Liabilities for factoring	12.1	11.5
Provisions for severance plans	5.9	-
Environmental liabilities (Refer note 16)	1.8	2.4
Finance leases - current portion	0.8	0.9
Operating leases - current portion	18.6	12.8
Advance from customers	0.6	0.7
Payable to employees	6.7	8.5
Other accrued liabilities	10.4	8.9
	\$ 86.6	\$ 80.7

b. Other non-current liabilities:

Other non-current liabilities at December 31, 2024 and December 31, 2023 consist of the following:

<i>(in millions of dollars)</i>	2024	2023
Environmental liabilities (Refer note 16)	\$ 12.2	\$ 14.5
Operating leases - non current portion	46.2	39.0
Finance leases - non current portion	8.4	9.7
Other non - current liabilities	3.7	2.8
	\$ 70.5	\$ 66.0

c. Inventories:

Inventories at December 31, 2024 and December 31, 2023 consist of the following:

<i>(in millions of dollars)</i>	2024	2023
Raw materials	\$ 130.4	\$ 157.7
Finished goods	128.6	134.4
Work in progress	18.7	18.6
Materials and supplies	69.6	75.6
	347.3	386.3
Less: Reserve for inventories	(12.7)	(27.9)
	\$ 334.6	\$ 358.4

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

10. Income Taxes

- a) For the years ended December 31, 2024 and 2023, income from operations before taxes consists of the following:

<i>(in millions of dollars)</i>	2024	2023
United States Operations	\$ (60.3)	\$ (18.0)
Foreign Operations	17.0	(70.2)
Total	\$ (43.3)	\$ (88.2)

- b) Income tax expense (benefit) consists of the following:

<i>(in millions of dollars)</i>	2024	2023
Current:		
U.S. Federal	\$ 6.6	\$ 2.6
U.S. State & local	0.5	0.4
Foreign jurisdiction	7.9	15.4
	15.0	18.4
Deferred:		
U.S. Federal	\$ 0.2	\$ 6.6
U.S. State & local	-	0.3
Foreign jurisdiction	(1.0)	3.1
	(0.8)	10.0
Total income tax expense	\$ 14.2	\$ 28.4

- c) The income tax expense differs from the amounts that would be determined through the application of the federal statutory rate to pre-tax income as reflected below:

<i>(in millions of dollars)</i>	2024	2023
Federal income tax expense based on 21% of pre-tax income	\$ (9.1)	\$ (18.5)
State income tax expense, net of federal effect	(0.1)	(1.8)
Global Intangible Low Taxed Income (GILTI)	1.1	0.7
Permanent differences - On Goodwill Impairment	-	20.5
Permanent differences - On others	6.4	5.6
Impact of tax rate changes	(0.4)	(0.3)
Effects of tax-exempt income and other deductions	(10.2)	(3.0)
Change in valuation allowance	22.2	22.0
Effects of additional taxes for prior years	1.3	0.6
Impact of differences in tax rates between jurisdictions	(0.2)	(5.8)
Tax effects of tax base transfers	-	2.6
Taxes on un-distributed foreign earnings	0.7	1.2
Non-deductible expenses	1.4	4.1
Other	1.1	0.5
Total income tax expense	\$ 14.2	\$ 28.4

- d) Deferred tax assets and liabilities are determined based on differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using the tax rates expected to be in effect in future years.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Significant components of the deferred income tax assets and liabilities were the following:

<i>(in millions of dollars)</i>	2024	2023
Deferred tax assets		
Basis difference of property, plant, and equipment	\$ 0.2	\$ 0.5
Intangible assets	4.1	4.1
Pension	13.1	16.9
Foreign Tax Credit	6.9	6.3
Interest carried forward	66.4	50.6
Net operating loss carryforward	31.3	28.3
Lease Liability	18.1	15.3
Other	8.7	8.1
Total	148.8	130.1
Less: Valuation allowance	(102.3)	(85.3)
Total deferred tax assets (A)	46.5	44.8
Deferred tax liabilities		
Basis difference of property, plant, and equipment	44.7	46.4
Intangible assets	6.2	7.4
Taxes on un-distributed foreign earnings	2.6	1.9
Right-of-use asset	17.0	14.4
Other	10.4	7.5
Total deferred tax liabilities (B)	80.9	77.6
Net deferred tax asset / (liability) (A-B)	\$ (34.4)	\$ (32.8)

Based upon the level of historical taxable income, reversal of deferred tax liabilities, projections for future taxable income over the periods in which the deferred tax assets are deductible and tax-planning strategies, management believes it is more likely than not that the Company will realize the benefits of these deductible differences, net of the existing valuation allowances as at December 31, 2024. The amount of the deferred tax asset considered realizable, however, could vary based on actual results.

The valuation allowance for deferred tax assets as of December 31, 2024 and 2023 was \$102.3 million and \$85.3 million, respectively. The net change in the total valuation allowance was an increase of \$17.0 million during year ended December 31, 2024 out of which \$22.2 million was recognized in the consolidated statement of income and \$5.2 million was reversed in the consolidated statement of other comprehensive income. (\$24.4 million during year ended December 31, 2023 out of which \$22.0 million was recognized in the consolidated statement of income and \$2.4 million was recognized in the consolidated statement of other comprehensive income)

The net change in the total valuation allowance was an increase of \$24.4 million during year ended December 31, 2023 which was recognized in the consolidated statement of operations.

As of December 31, 2024, the Group did not have net operating loss carryforwards for US Federal income tax purposes. The Group has \$33.1 million of net operating loss carryforwards for state income tax purposes, of which \$24.2 million, which are available to offset future state taxable income, if any for indefinite period and \$8.9 million are available to offset future state taxable income, if any until 2045. A Deferred tax asset amounting to \$2.0 million was recognized on these state net operating loss carryforwards. On the above Deferred tax asset, Valuation allowance of \$1.5 million was recognized during 2023 and continued in 2024.

In addition, the Group has foreign jurisdiction net operating losses of \$97.3 million, which is available for indefinite period. For such net operating losses, the Group has deferred tax assets being carried

RAIN Carbon Inc. And Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

at Nil (net of valuation allowances of \$28.3 million) as at December 31, 2024, as it is more likely than not that the same will not be realized.

As of December 31, 2023, the Group did not have net operating loss carryforwards for US Federal income tax purposes. The Group has \$32.9 million of net operating loss carryforwards for state income tax purposes, of which \$24.0 million, which are available to offset future state taxable income, if any for indefinite period and \$8.9 million are available to offset future state taxable income, if any until 2045. A Deferred tax asset amounting to \$2.0 million was recognized on this state net operating loss carryforwards. On the above Deferred tax asset, Valuation allowance of \$1.5 million was recognized during 2023. In addition, the Group has foreign jurisdiction net operating losses of \$76.5 million, which is available for indefinite period. For such net operating losses, the Group has deferred tax assets being carried at Nil (net of valuation allowances of \$22.5 million) as at December 31, 2023, as it is more likely than not that the same will not be realized.

For the year 2024, at the time of finalizing financials statements, the company has undistributed earnings generated by their foreign subsidiaries of approximately \$16.4 million which are subject to GILTI required by the 2017 Tax Act. Based on currently available information, the company's GILTI tax for the year 2024 is estimated to be \$1.3 million approximately, net of foreign tax credit.

Further, the Group based on planned dividends from its subsidiaries in India and Canada have recorded deferred tax liabilities net of foreign tax credits amounting to \$2.6 million as at December 31, 2024 (\$1.9 million as at December 31, 2023)

Subject to above, the Company either does not have any tax implication on distribution of dividends from other jurisdictions or intends to indefinitely reinvest other earnings, as well as future earnings from our foreign subsidiaries within the respective subsidiary's operations. In addition, they expect future U.S. cash generation will be sufficient to meet future U.S. cash needs.

The Company and its U.S. subsidiaries (collectively known as U.S. Group) executed tax-sharing agreements with Rain Commodities (USA) Inc. ("RCUSA"), an entity under common control and the ultimate holding company in The United States of America, and files its tax return on a consolidated basis and accounts for income tax expense using the separate return method.

RCUSA has filed its 2023 U.S. tax return on due date i.e. October 15, 2024 where total tax for that year stood to be \$ 1.3 million.

Certain group companies in Germany have entered into a profit and loss transfer agreement and have created a fiscal unity for the purpose of paying corporate income taxes in Germany. The German fiscal unity contains Rain Carbon GmbH ("RCGmbH") as controlling entity and other German group companies as controlled entities within the fiscal unity. The fiscal income as per local GAAP of these controlled entities are fully allocated to RCGmbH and income tax expense or benefit is recognized at that level.

The Group is subject to taxation in the U.S. and various states and foreign jurisdictions. The U.S. federal tax returns have been audited through 2019. Foreign and U.S. state jurisdictions have statutes of limitations generally ranging from 3 to 7 years. Years in major jurisdictions that remain open to examination are the U.S. (2021 onward for Federal and state purposes), Belgium (2022 onward), Germany (2020 onward), Canada (2020 onward) and India (2011 onward). The Group is currently under examination in certain foreign tax jurisdictions. As of December 31, 2024, management does not anticipate the outcome of these examinations to result in a material change to its financial position.

Joint venture operations restructuring

During 2023, Rain Carbon GmbH, Germany had transferred 65.3% shares in Severtar Holding Limited, Cyprus to Rain Holding Limited, UAE. (Refer note 18 for details). Rain Carbon GmbH,

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Germany had also transferred 100% interest in Rain Carbon BV, Belgium subsidiary to Rain Carbon Inc., USA. Due to these internal restructurings, the Rain US Tax Group is estimating tax expense of Nil (previous year: \$ 0.7 million). While filing the 2023 tax return in October 2024, the tax expense because of these internal restructurings stood at \$ 3.4 million.

11. Debt and Credit Facilities

Debt consists of the following borrowings as of December 31, 2024 and December 31, 2023:

<i>(in millions of dollars)</i>	<i>Reference</i>	2024	2023
Senior secured notes, interest payable at 7.25%, principal due April 2025	(i)	\$ 43.7	\$ 49.8
Senior secured notes, interest payable at 12.25%, principal due August 2029	(i)	450.0	450.0
Term loan B, interest payable at EURIBOR plus 5%, principal due by October 2028	(ii)	322.7	380.2
Revolving credit facility, interest payable at SOFR plus 2.5% for USD borrowings and EURIBOR plus 2.5% for EUR borrowings	(iii)	85.2	94.1
Other credit facilities	(iv)	11.0	8.3
		<u>912.6</u>	<u>982.4</u>
Less: Deferred Financing cost, net of amortisation		14.9	21.0
Less: Short-term and current portion of long-term debt		<u>139.9</u>	<u>105.3</u>
		\$ 757.8	\$ 856.1

The scheduled principal payments on the short-term and long-term debt for each of the next five years are as follows:

<i>(in millions of dollars)</i>	2024
2025	139.9
2026	5.9
2027	18.4
2028	298.4
2029	450.0
Thereafter	-
	\$ 912.6

- (i) On March 31, 2017, the Company issued \$550.0 million of 7.25% Senior Secured Notes maturing in April 2025 (the "2025 Notes"). The 2025 Notes contain covenants that limit the Group's ability to, among other things, pay cash dividends, incur additional debt and make investments. The 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 Group and are guaranteed by the subsidiaries incorporated in United States on a joint and several basis.

The Company repurchased 2025 notes amounting to \$6.1 million during the year ended December 31, 2024 and \$20.2 million during the prior years which were redeemed in 2023.

RAIN Carbon Inc. And Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

During August 2023, the Company issued Senior Secured Notes maturing in September 2029 ("2029 Notes") for \$450.0 million. The proceeds from 2029 Notes together with existing cash was used to repay 2025 Notes of \$480.0 million with offered tender price leaving \$49.8 million outstanding.

The 2029 Notes are issued at an interest rate of 12.25% (fixed) and are guaranteed by the Company 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").

2025 Notes balance (gross of transaction costs) as at December 31, 2024 was \$43.7 million and as at December 31, 2023 was \$49.8 million.

2029 Notes balance (gross of transaction costs) as at December 31, 2024 and 2023 was \$450.0 million.

- (ii) On January 16, 2018, Rain Carbon GmbH ("RCG"), a subsidiary of the Group in Europe issued TLB of € 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 includes 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 is guaranteed by RCI and its subsidiaries in Belgium, Canada, Germany and the USA.

During August 2023, RCG amended and extended the maturity of the TLB amounting to € 353.5 million till October 2028 and repaid the balance principal of € 36.5 million. The amended TLB 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 amortization payments of 2.5% - 5% in subsequent years along with additional payments in case of excess cash flows. In 2024, the Group has repaid amount of € 32.9 million.

Balance (gross of transaction costs) as at December 31, 2024 was \$ 322.7 million (€ 310.6 million) and as at December 31, 2023: \$380.2 million (€ 343.5 million).

- (iii) 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 \$ 200.0 million to \$ 260.0 million and added a fourth bank. The commitment has a sub-limit of \$ 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, 2024 interest rate for USD borrowings was SOFR plus 250 basis points (December 31, 2023: SOFR plus 250 basis points) and for EURO borrowings is EURIBOR plus 250 basis points (December 31, 2023: EURIBOR plus 250 basis points).

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

At December 31, 2024 cash drawings outstanding under the RCF aggregated to \$ 85.2 million (€ 82.0 million) which is EUR borrowings.

At December 31, 2023 cash drawings outstanding under the RCF aggregated to \$ 94.1 million (€ 85.0 million).

At December 31, 2024, letters of credit and bank guarantees outstanding aggregated \$ 35.1 million (\$ 24.6 million at December 31, 2023)

Available limit under the facility amounts to \$ 139.7 million and \$ 141.3 million as at December 31, 2024 and 2023 respectively.

RAIN Carbon Inc. And Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

(iv) Other Credit facilities:

During 2013, the Group Company incorporated in India, entered into agreements with four banks for an aggregated facility amount of \$ 88.7 million (December 31, 2023: \$ 91.7 million) which can be utilized 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. Outstanding letters of credit issued under these facilities are subject to a fee of 0.75% per annum. Cash drawings under these facilities are subject to interest rate of SOFR plus 100 basis points and SOFR plus 55-135 basis points per annum (December 31, 2023: SOFR plus 50-135 basis points per annum) and are repayable on demand or for a period of six to twelve months as per the facility utilised.

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, 2024, cash drawings outstanding under packing credit foreign currency loan aggregated to \$ 5.2 million (December 31, 2023: \$ 7.6 million).

At December 31, 2024, cash drawings outstanding under Buyers credit facility aggregated to \$5.8 million (December 31, 2023: Nil)

At December 31, 2024, letters of credit outstanding were \$ 33.8 million (December 31, 2023: \$ 18.1 million) and bank guarantees outstanding were \$ 0.9 million (December 31, 2023: \$ 2.3 million) under the facility.

Available limit under all credit facilities amounts to \$ 43.0 million (December 31, 2023: \$ 62.4 million)

12. Capital Structure

The capital structure of the Company as of December 31, 2024 and December 31, 2023 is as follows:

	Par value	Shares	
		Authorized	Issued and Outstanding
Common stock - Voting	\$ 0.00001	5,000	1

The outstanding common shares of the Company are wholly owned by RCUSA, a direct wholly owned subsidiary of Rain Industries Limited (RIL)

13. Post-retirement Benefits

The Group complies with the U.S. GAAP around Compensation–Retirement Benefits, which requires an employer that sponsors a single-employer defined benefit plan to (a) recognize the overfunded or underfunded status of a benefit plan in its statement of financial position, (b) recognize as a component of other comprehensive income, net of tax, the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit cost pursuant to ASC 715 – *Compensation – Retirement Benefits*, (c) measure defined benefit plan assets and obligations as of the date of the employer's fiscal year-end, and (d) disclose in the notes to financial statements additional information about certain effects on net periodic benefit cost for the next fiscal year that arise from delayed recognition of the gains or losses, prior service costs or credits, and transition assets or obligations.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Pension and other post-retirement benefits are accounted for in accordance with the provisions of ASC 715 and are funded to at least meet the minimum funding requirements as required by law. Prior service costs are amortized to net periodic costs on the straight-line basis over the average remaining service period of employees expected to receive pension benefits. The estimated cost of post-retirement benefits other than pensions is accrued during the employee's active service period.

The Group records annual amounts relating to its pension and post-retirement plans based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates, and healthcare cost trend rates. The Group reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to those assumptions is recorded in accumulated other comprehensive income and amortized to net periodic cost on the straight-line basis over the average remaining service period of employees expected to receive pension benefits. The Group believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

The Group follows the disclosure provisions of ASC 715, which standardizes the disclosures for pensions and other post-retirement benefit plans.

Pension and Gratuity

The Group sponsors the following defined benefit plans:

- a. The Group has a non-contributory defined benefit pension plan covering certain hourly employee in the United States. Benefits under the hourly employees' plan are based on years of service and age. The Group's funding policy is to contribute amounts to meet minimum funding requirements, plus additional amounts as the Group may determine to be appropriate.
- b. In respect of subsidiary companies in Belgium, Canada and Germany, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognized for obligations due to benefit plans for old age, invalidity, and surviving 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. In respect of subsidiary in Canada, the pension plan is closed for any new participant since 2012.
- c. In respect of the subsidiary company in India, the Group has defined benefit gratuity plan covering all its employees. Gratuity provisions are recognized based on the years of service and age. The Group's funding policy is to contribute amounts to meet minimum funding requirements, plus additional amounts as the Group may determine to be appropriate.

The projected benefit obligation is the present value of benefits earned to date by plan participants. Plan assets are measured at fair value. Changes in projected benefit obligations and plan assets, and the funded status of the pension and gratuity plans were as follows for the years ended December 31, 2024 and 2023:

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

<i>(in millions of dollars)</i>	2024	2023
Change in projected benefit obligation		
Benefit obligation at beginning of year	\$ 155.3	\$ 132.1
Service cost	3.7	3.8
Interest cost	5.2	5.4
Amendments	(0.4)	-
Plan participant contributions	1.1	1.2
Actuarial (Gain)/loss	(7.5)	12.9
Administrative expenses and premiums paid	(0.6)	(0.5)
Benefits paid	(5.0)	(4.4)
Foreign currency exchange rate changes	(9.2)	4.8
Benefit obligation at end of year (A)	142.6	155.3
Changes in plan assets		
Fair value of plan assets at beginning of year	\$ 56.4	\$ 50.7
Actual return on plan assets	3.1	4.7
Employer contributions	4.4	3.3
Plan participant contributions	1.2	1.2
Benefits paid	(5.0)	(4.4)
Administrative expenses and premiums paid	(0.6)	(0.5)
Foreign currency exchange rate changes	(3.6)	1.4
Fair value of plan assets at end of year (B)	55.9	56.4
Net obligation at end of year (A-B)	\$ 86.7	\$ 98.9

Amounts recognized in the consolidated balance sheets consist of:

<i>(in millions of dollars)</i>	2024	2023
Accrued post-retirement benefits (non-current liabilities)	86.5	98.8
Accrued post-retirement benefits (accrued liabilities)	0.2	0.1

The net periodic cost for the defined benefit pension and gratuity plans was \$4.8 million and \$4.8 million for the years ended December 31, 2024 and 2023, respectively.

The amount recognized in other comprehensive income / (loss) was loss of \$5.8 million and gain of \$11.3 million for the years ended December 31, 2024 and 2023, respectively.

The following represents projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the years ended December 31, 2024 and 2023:

<i>(in millions of dollars)</i>	2024	2023
Projected benefit obligation	\$ 142.6	\$ 155.3
Accumulated benefit obligation	134.7	148.6
Fair value of plan assets	55.9	56.3

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The weighted average assumptions used to determine benefit obligations and net periodic benefit cost were as follows:

	<u>2024</u>	<u>2023</u>
Benefit obligations		
Discount rate	3.38% - 7.40%	3.17% - 7.85%
Net periodic benefit cost		
Discount rate	3.17% - 7.85%	3.77% - 7.85%
Expected return on assets	1.60% - 7.00%	2.20% - 7.00%
Rate of compensation increase	2.92% - 8.50%	2.50% - 8.50%

The Group's pension and gratuity plans weighted-average asset allocations by asset category were as follows:

	<u>2024</u>	<u>2023</u>
Asset category		
Equity securities	55%	56%
Debt securities	43%	43%
Others	1%	2%
	<u>100%</u>	<u>100%</u>

As of December 31, 2024, the long-term rate of return reflects the defined benefit pension and gratuity plans' current assets mix with assumed average annual returns of approximately 2.70% to 6.00% for debt securities and 4.10% to 12.00% for equity securities and 1.20% to 8.00% for others.

The defined benefit pension and gratuity plans investment portfolio is adjusted periodically to maintain the current ratios of debt securities and equity securities. Additional consideration is given to the plan's historical returns as well as future long-range projections of investment returns for each asset category.

The total net gain and prior service cost that will be reversed from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year is \$1.8 million.

The Group expects to contribute \$4.1 million to the defined benefit pension and gratuity plans during the year ending December 31, 2025.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

<i>(in millions of dollars)</i>	Expected Benefit Payments
Fiscal Years Ending	
2025	\$ 5.1
2026	5.1
2027	5.1
2028	7.1
2029	6.8
2030-2034	39.2

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Other post-retirement benefits

One of the subsidiaries in Canada has non-pension post-employment benefit plans for the purpose of providing medical and dental benefits for retirees and eligible dependents and life insurance for retirees. The subsidiary sponsors the plans by contributing cash as benefits are paid. No assets have been segregated and restricted to provide for the plan.

Changes in projected benefit obligations and plan assets, and the funded status of the Group's post-retirement plan were as follows for the years ended December 31, 2024 and 2023:

<i>(in millions of dollars)</i>	2024	2023
Change in projected benefit obligation		
Benefit obligation at beginning of year	\$ 5.7	\$ 5.3
Service cost	0.3	0.3
Interest cost	0.3	0.3
Actuarial gain	-	(0.2)
Benefits paid	(0.2)	(0.2)
Foreign currency exchange rate changes	(0.4)	0.2
Benefit obligation at end of year (A)	<u>5.7</u>	<u>5.7</u>
Changes in plan assets		
Fair value of plan assets at beginning of year	\$ -	\$ -
Plan participant contributions	0.2	-
Benefits paid	(0.2)	-
Fair value of plan assets at end of year (B)	<u>-</u>	<u>-</u>
Net obligation at end of year (A-B)	<u>\$ 5.7</u>	<u>\$ 5.7</u>

Amounts recognized in the consolidated balance sheet consist of:

<i>(in millions of dollars)</i>	2024	2023
Accrued benefit liability	<u>(5.7)</u>	<u>(5.7)</u>
Net amount recognized	<u>\$ (5.7)</u>	<u>\$ (5.7)</u>

The net periodic benefit cost for the defined benefit post-retirement plan was \$0.5 million and \$0.5 million for the years ended December 31, 2024 and 2023, respectively.

The amount recognized in other comprehensive income / (loss) was gain of \$0.1 million and \$0.2 million for the years ended December 31, 2024 and 2023, respectively.

The following represents projected benefit obligation and accumulated benefit obligation for the years ended December 31, 2024 and 2023:

<i>(in millions of dollars)</i>	2024	2023
Projected benefit obligation	\$ 5.7	\$ 5.7
Accumulated benefit obligation	5.7	5.7

The weighted average assumptions used to determine benefit obligations and net periodic benefit costs were as follows:

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Discount rate – Benefit obligations	4.70%	4.65%
Discount rate – Net periodic benefit cost	4.65%	5.25%

The assumed health care costs trend rates were as follows:

	<u>2024</u>	<u>2023</u>
Initial trend rate	5.54%	5.60%
Ultimate trend rate	4.00%	4.00%
Year ultimate trend rate is reached	2040	2040

The total net loss and prior service cost for the defined benefit pension plans will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

<i>(in millions of dollars)</i>	Expected Benefit Payments
Fiscal Years Ending	
2025	0.2
2026	0.2
2027	0.3
2028	0.3
2029	0.3
2030-2034	1.6

Defined Contribution Plan

The Group has below contribution plans:

- a. One of the subsidiary companies in the United States has established separate group savings plans for certain hourly and all salaried employees in the United States. The Group has plan contribution of dollar-for-dollar match up to 6%. The Group has contributed amount of \$1.1 million and \$1.3 million for the years ended December 31, 2024 and 2023, respectively, under this plan.
- b. In respect of subsidiary companies in Belgium, Canada, and India, the Group has Superannuation and contribution plans covering its employees. The Group makes monthly contributions and has no further obligations under the plan beyond its contributions. The Group contributed amounts of \$0.4 million and \$0.4 million for the years ended December 31, 2024 and 2023, respectively, under these plans.

14. Segment Information

The Carbon and Advanced Materials best define the operating segments of the business that are reported separately. The factors used to identify these reportable segments are based on the nature of the products that are manufactured, sold, and distributed by each segment.

Carbon is comprised of Calcined Petroleum Coke (CPC), Coal Tar Pitch (“CTP”), Energy produced through Waste-heat recovery and other derivatives of Coal Tar distillation including Creosote, Naphthalene Oil, Carbon Black Oil and Other Oils.

RAIN Carbon Inc. And Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Advanced Materials represent the downstream operations of Coal Tar distillation and are comprised of Engineered Products, Chemical Intermediaries and Resins.

These have been defined as the operating segments of the Group because they are the segments (1) that engage in business activities from which revenue is earned and expenses are incurred; (2) whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (3) for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Group evaluates performance and determines resource allocations based on a number of factors, the primary measure being EBITDA. EBITDA does not include depreciation, amortization, impairment, interest, and income taxes. All inter segment transactions are accounted for at agreed upon rates based on transfer pricing agreements.

The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditures in individual segment, and are set out in significant accounting policies.

Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably and accordingly the Group believes that it is not practical to provide segment disclosures relating to such items.

Results of segment operations are as follows:

<i>(in millions of dollars)</i>	2024	2023
Revenue from external customers:		
Carbon	\$ 1,140.1	\$ 1,545.1
Advanced Materials	404.5	390.1
	1,544.6	1,935.2
Intersegment revenue:		
Carbon	71.4	80.5
Advanced Materials	39.4	64.9
	110.8	145.4
Earnings before Interest, tax, impairment, Depreciation and amortisation (EBITDA):		
Carbon	112.6	153.4
Advanced Materials	29.8	26.1
	\$ 142.4	\$ 179.5

The following table reconciles income before income taxes to EBITDA on a consolidated basis as calculated by us for the years indicated below:

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

(in millions of dollars)

	2024	2023
Income / (loss) before income taxes	\$ (43.3)	\$ (88.2)
Interest expense / (income), net	102.9	88.4
Depreciation and amortisation	74.2	78.8
Long-lived asset impairment loss	8.6	3.1
Goodwill impairment loss	-	97.4
EBITDA	\$ 142.4	\$ 179.5

There is no external customer that amounts to 10 percent or more of the Group's revenues.

Assets by segment: As certain assets of the Group are often deployed interchangeably between segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for segment assets and liabilities have not been disclosed.

Revenue by geographic area is as follows:

(in millions of dollars)

	2024	2023
United States	\$ 285.6	\$ 360.6
International	1,259.0	1,574.6
Total	\$ 1,544.6	\$ 1,935.2
International by region		
North America excluding United States	\$ 306.7	\$ 427.1
South America	31.1	28.4
Europe including CIS	574.2	693.8
Middle East	66.7	97.1
Africa	67.0	53.1
Australia and others	5.5	30.6
Asia excluding Middle East	207.8	244.5
	\$ 1,259.0	\$ 1,574.6

Property, plant and equipment, net by geographic area are as follows:

(in millions of dollars)

	2024	2023
United States	\$ 137.2	\$ 147.5
International	370.3	401.0
Total	\$ 507.5	\$ 548.5
International by region		
North America excluding United States	\$ 44.7	\$ 43.5
Europe including CIS	251.2	277.6
Asia excluding Middle East	74.4	79.9
	\$ 370.3	\$ 401.0

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

15. Related Party Transactions

The Group has entered into transactions with the following related enterprises:

- a. Rain Industries Limited ("RIL") – ultimate holding company incorporated in India
- b. Rain Commodities (USA) Inc. ("RCUSA") – holding company incorporated in The United States of America
- c. Rain Cements Limited ("RCL") – wholly owned subsidiary of RIL incorporated in India
- d. OOO Rain Carbon LLC ("RCLLC") – wholly owned subsidiary of RIL incorporated in Russia
- e. Rain Holding Limited ("RHL") - wholly owned subsidiary of RIL incorporated in United Arab Emirates
- f. Severtar Holding ILLC ("SHILLC") - subsidiary of RHL
- g. OOO Rutgers Severtar ("OSEVR") – wholly owned subsidiary of SHILLC incorporated in Russia

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Related party transactions are as follows:

<i>(in millions of dollars)</i>	2024	2023
Revenue		
- RCL	\$ 2.4	\$ 1.7
Cost of goods sold		
- RIL	8.1	4.1
Dividend paid/declared		
- RCUSA	8.0	13.0
- RIL	2.0	3.3
Interest Expense/(Income), net		
- RCLLC	-	(0.2)
- RCUSA	(0.3)	(0.4)
- RHL	0.1	(0.4)
Selling, general & administration expenses		
- RIL	7.3	5.9
- RCUSA	0.1	0.1
Reimbursements from/(to)		
- RCUSA	-	0.4
Loans given to		
- RCUSA	2.0	24.6
Loans repaid by		
- RHL	5.4	-
- RCUSA	2.0	20.0
Preference dividend income		
- RHL	27.1	13.5
Corporate Guarantees given		
- RIL	1.2	20.5
Corporate Guarantees released		
- RIL	-	20.0
Loans taken from		
- RHL	13.7	-
Loans repaid to		
- RHL	13.7	-

Related party balances are as follows:

	2024	2023
Due from affiliates		
- RCUSA	7.5	9.1
- RCL	0.2	0.3
- RHL	2.5	40.8
Corporate Guarantees given		
- RIL	21.0	20.5
Due to affiliates		
- RIL	1.8	1.6
- RHL	0.1	-
- OSEVR	2.2	2.1
Loans given		
- RHL	-	5.5
Loans taken		
- SHILLC	-	0.7

Refer note 7 for transactions of the Group with equity method investee.

Corporate guarantee is given by Subsidiary in India towards credit facility taken by RIL.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

16. Commitments and Contingencies

The Group is involved in litigation and various proceedings that arise from time to time incidental to the normal conduct of business. There have been claims against the Group towards various direct as well indirect taxes amounting to \$22.0 million as at December 31, 2024 (\$23.9 million as at December 31, 2023) which are not considered as probable. We recognize liabilities for contingencies and commitments when a loss is probable and estimable. The ultimate resolution of these contingencies is subject to uncertainty. It is possible that the Group may incur losses in connection with some of these matters in excess of accrued liabilities. Management does not anticipate that in the aggregate such losses would have a material adverse effect on the Group's financial position or liquidity; however, it is possible that the final outcomes could have a significant impact on the Group's reported results of operations in any given period.

Environmental matters

The Group is subject to federal, state, local, and foreign laws and regulations and potential liabilities relating to the protection of the environment and human health and safety including, among other things, the cleanup of contaminated sites, the treatment, storage, and disposal of wastes, the discharge of effluent into waterways, the emission of substances into the air, and various health and safety matters. The Group may also face governmental or third-party claims or otherwise incurs costs, relating to cleanup of or for injuries resulting from, contamination at sites associated with past and present operations. The Group accrues for environmental liabilities when a determination can be made that a liability is probable and reasonably estimable. Such liabilities are measured at the present value of the best estimate of the cost of remediation as per agreed remediation plans.

Changes in environmental liabilities for the years ended December 31, 2024 and 2023 were as follows:

<i>(in millions of dollars)</i>	2024	2023
Balance at beginning of year	\$ 16.9	\$ 17.2
Additional obligations incurred	-	3.7
Obligations settled during the year	(1.3)	(1.2)
Accretion expense	0.1	0.1
Unused amounts reversed during the year	(0.5)	(3.4)
Foreign currency exchange rate changes	(1.2)	0.5
Balance at end of the year	\$ 14.0	\$ 16.9

Of the above, environment liability of \$ 1.8 million and \$ 2.4 million are classified as accrued liabilities as of December 31, 2024 and December 31, 2023, respectively.

The equivalent un-discounted value of environment liability as of December 31, 2024 and 2023 is \$15.0 million and \$17.5 million, respectively, depending on the duration of the environmental liability management uses interest rates of 1.95% to 2.48% at December 31, 2024 and 1.88% to 2.97% at December 31, 2023, to measure the present value of the environment liability.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Legal Proceedings

a. During 2002, Group had disputed the order of Andhra Pradesh Electricity Regulatory Commission ('APERC') in respect of wheeling charges before the Honorable High Court of Andhra Pradesh, India. 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 are to be levied as per the tariff order passed by APERC. Subsequently, Group received a claim from various distribution companies amounting to \$ 5.2 million (including other charges). The Group had issued a bank guarantee amounting to \$ 1.7 million for the aforesaid matter and has disputed the aforesaid claim as the Management believes that the claim is not tenable based on the judgement given by the Honorable Supreme Court.

b. APERC introduced grid support charges in Tariff Order FY 2002-03, where in the charges were payable by Captive Power Plants ('CPP') for using the infrastructure of the Discoms. Based on this, the Company has received a claim from Eastern Power Distribution Company of A.P. Limited ('APEPDCL') toward Grid Support Charges.

On December 14, 2023, Andhra Pradesh Electricity Regulatory Commission (APERC), pronounced that, the levy of Grid support charges will only be to the extent of captive consumption and directed Eastern Power Distribution Company of A.P. Limited (APEPDCL), to revise the demand. The Group is awaiting revised demand order from APEPDCL.

Other matters

Estimated committed amounts of contracts remaining to be executed on capital accounts, net of capital advances is \$5.5 million and \$7.3 million as of December 31, 2024 and 2023, respectively.

17. Concentrations

The Group maintains cash at banks, which at times may exceed federally insured limits. The group has not experienced any losses in such accounts and does not believe it is exposed to any significant risk from such accounts.

As of December 31, 2024, and 2023, two customers aggregated to approximately 22% and 21%, respectively, of the Group's trade accounts receivable. Revenue from two customers aggregated to approximately 15% and 20% of total revenue for the years ended December 31, 2024 and 2023, respectively. The group has not experienced any losses from transactions with such customers and does not believe it is exposed to any significant risk from such customers.

Raw material purchases from three suppliers aggregated approximately 28.2% and 25.0% of total raw materials purchases for each of the years ended December 31, 2024 and 2023, respectively. The group has not experienced any losses from transactions with such suppliers and does not believe it is exposed to any significant risk from such suppliers.

RAIN Carbon Inc. And Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

18. Disposal of subsidiaries

The Company, through its German subsidiary, previously owned 65.3% share of Cypriot joint venture company that wholly-owns a Russian operating company. On June 30, 2023, the Group completed the sale of the said majority shares to another wholly-owned subsidiary of RIL outside of the Group for an aggregate consideration of \$158.2 million (EUR 145.6 million) out of which \$ 27.8 million (EUR 25.6 million) in cash and \$130.4 million (EUR 120.0 million) in exchange of investment in preference shares which are redeemable after completion of 21 years carrying cumulative dividend of EUR 25 million per annum. This resulted in a gain of \$71.6 million during the year. Since the transaction carried is within common control, the gain has been recognized in equity (retained earnings) for the year ended December 31, 2023.

19. Net investment in foreign operations

During the year 2023, the Group has designated certain portion of inter-company loans between US and German subsidiary as net investment in financial operation with effect from October 1, 2023, considering the long-term nature of the same. Accordingly, the foreign exchange gain on such foreign currency loan recognized in the statement of income in the separate financial statements of the subsidiary is recognized directly through Other Comprehensive Income / (Loss) in Equity amounting to \$10.2 million and \$ (7.2) million for the years ended December 31, 2024 and 2023 in the accompanying financial statements. The same would be transferred to the statement of operations in case of de-designation/settlement in future.

20. Subsequent event

The Group has performed an evaluation of subsequent events from the balance sheet date through March 13, 2025, the date at which consolidated financial statements were made available to be issued and determined that there are no items to disclose except as below.

Independent Auditor's Report

To the Members of Rain Verticals Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Rain Verticals Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2024, its loss including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

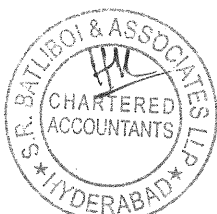
We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section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

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

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

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

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



Rain Verticals Limited

Page 2 of 11

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



Rain Verticals Limited

Page 3 of 11

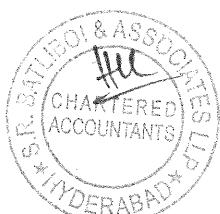
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

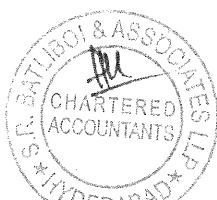
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on December 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;



Rain Verticals Limited

Page 4 of 11

- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above;
- (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) The Company has not paid/ provided for managerial remuneration. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the act which are required to be commented upon by us.
- (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:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company;
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has neither declared nor paid any dividend during the year.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Rain Verticals Limited

Page 5 of 11

- vi. Based on our examination which included test checks, the Company has used 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 is not enabled for direct changes to data when using certain access rights, as described in note 16 to the 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 other accounting software.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Harish Khemnani**

Partner

Membership Number: 218576

UDIN: 25218576BMIEMU6175

Place of Signature: Hyderabad

Date: February 21, 2025



Rain Verticals Limited

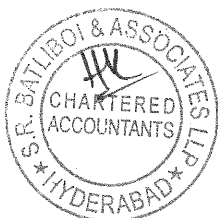
Page 6 of 11

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

Re: Rain Verticals Limited ("the Company")

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

- (i) (a) (A) The Company does not hold any property, plant and equipment. Accordingly, the requirement to report on clause 3(i)(a)(A) of the order is not applicable
- (B) The Company has not capitalized any intangible assets in the books of the Company. Accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The Company does not hold any property, plant and equipment. Accordingly, the requirement to report on clause 3(i)(b) of the order is not applicable.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company. Accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company does not hold any property, plant and equipment. Accordingly, the requirement to report on clause 3(i)(d) of the order is not applicable.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company has not yet commenced its operations. It does not hold any physical inventories. Accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) During the year, the Company has not made investments, provided loans, advances in the nature of loans, stood guarantee, or provided security to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to (iii)(f) of the Order not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable.

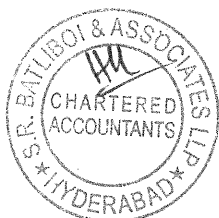


Rain Verticals Limited

Page 7 of 11

Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

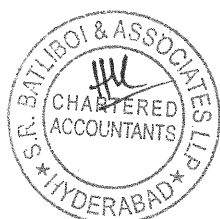
- (vi) Since the Company has not commenced its commercial operations, the requirements relating to report on clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues applicable to it. The provisions for sales-tax, service tax, duty of excise, value added tax and cess are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, income tax, employees' state insurance, duty of customs, and other statutory dues which have not been deposited on account of any dispute
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a),(b) and (c) of the Order is not applicable to the Company.
- (b) The Company did not raise any funds during the year, hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (c) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (d) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.



Rain Verticals Limited

Page 8 of 11

- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has not entered into any transactions with the related parties during the year. The provisions of section 177 are not applicable to the Company. Accordingly, the requirements to report on clause 3(xiii) of the Order is not applicable to the Company.
- (xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)
 - (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
 - (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
 - (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
 - (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses amounting to Rs. 0.07 millions in the current year and amounting to Rs. 0.14 millions in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year . Accordingly, the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 14 (xv) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements,



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Rain Verticals Limited

Page 9 of 11

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

(xx) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx) of the Order is not applicable to the Company

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Harish Khemnani**

Partner

Membership Number: 218576

UDIN: 25218576BMIEMU6175

Place of Signature: Hyderabad

Date: February 21, 2025



Rain Verticals Limited

Page 10 of 11

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Rain Verticals Limited

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

We have audited the internal financial controls with reference to the financial statements of Rain Verticals Limited ("the Company") as of December 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

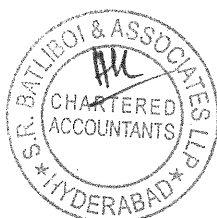
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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



Rain Verticals Limited

Page 11 of 11

Meaning of Internal Financial Controls with reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Harish Khemnani**

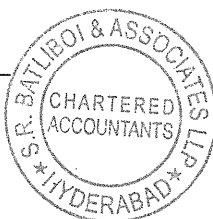
Partner

Membership Number: 218576

UDIN: 25218576BMIEMU6175

Place of Signature: Hyderabad

Date: February 21, 2025



Rain Verticals Limited
Balance Sheet as at December 31, 2024

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


Particulars	Note	As at December 31, 2024	As at December 31, 2023
ASSETS			
1. Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	3	0.40	0.47
TOTAL ASSETS		0.40	0.47
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	4	1.00	1.00
(b) Other equity	5	(0.63)	(0.56)
		0.37	0.44
2. Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	6	-	-
(A) total outstanding dues of micro and small enterprises		0.03	0.03
(B) total outstanding dues of creditors other than micro and small enterprises		0.03	0.03
TOTAL EQUITY AND LIABILITIES		0.40	0.47
Corporate information	1		
Material accounting policies	2		

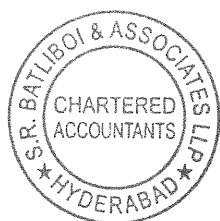
The accompanying notes form an integral part of the financial statements


As per our report of even date attached


for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

for and on behalf of the Board of Directors of
Rain Verticals Limited
CIN: U01100TG2021PLC150325


per Harish Khemnani
Partner
Membership number: 218576

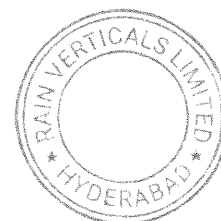



T. Srinivasa Rao
Director
DIN: 06804786


G.N.V.S.R.R. Kumar
Director
DIN: 09135443

Place: Hyderabad
Date: February 21, 2025

Place: Hyderabad
Date: February 21, 2025



Rain Verticals Limited
Statement of Profit and Loss for the year ended December 31, 2024

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

Particulars	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
1 Total income		-	-
2 Expenses			
Other expenses	7	0.07	0.14
Total expenses		<u>0.07</u>	<u>0.14</u>
3 Loss before tax (1-2)		(0.07)	(0.14)
4 Tax expense / (benefit)		-	-
5 Net Loss for the year (3-4)		<u>(0.07)</u>	<u>(0.14)</u>
6 Total other comprehensive income		-	-
7 Total comprehensive loss for the year (5+6)		(0.07)	(0.14)
8 Net Loss per share (face value of INR 10/- each) Basic and diluted (INR)	9	(0.70)	(1.40)
Corporate information	1		
Material accounting policies	2		

The accompanying notes form an integral part of the financial statements

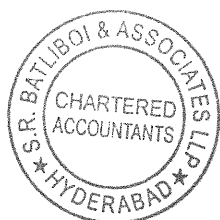
As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Harish Khemnani

per Harish Khemnani
Partner
Membership number: 218576

Place: Hyderabad
Date: February 21, 2025

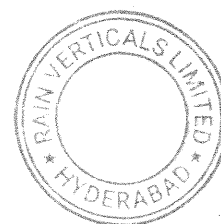


for and on behalf of the Board of Directors of
Rain Verticals Limited
CIN:U01100TG2021PLC150325

T. Srinivasa Rao
T. Srinivasa Rao
Director
DIN: 06804786

G.N.V.S.R.R. Kumar
G.N.V.S.R.R. Kumar
Director
DIN: 09135443

Place: Hyderabad
Date: February 21, 2025



Rain Verticals Limited

Statement of changes in Equity for the year ended December 31, 2024

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

Particulars	Equity share capital	Other Equity	Total equity
		Reserves and Surplus	
		Retained earnings	
Balance as on January 1, 2024	1.00	(0.56)	0.44
Net Loss for the year	-	(0.07)	(0.07)
Total Comprehensive loss for the year	-	(0.07)	(0.07)
Balance as on December 31, 2024	1.00	(0.63)	0.37

Particulars	Equity share capital	Other Equity	Total equity
		Reserves and Surplus	
		Retained earnings	
Balance as on January 1, 2023	1.00	(0.42)	0.58
Net Loss for the year	-	(0.14)	(0.14)
Total Comprehensive loss for the year	-	(0.14)	(0.14)
Balance as on December 31, 2023	1.00	(0.56)	0.44

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

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

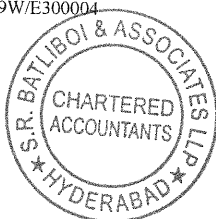
per Harish Khemnani

Partner

Membership number: 218576

Place: Hyderabad

Date: February 21, 2025



for and on behalf of the Board of Directors of

Rain Verticals Limited

CIN: U01100TG2021PLC150325

T. Srinivasa Rao

Director

DIN: 06804786

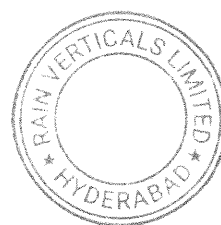
Place: Hyderabad

Date: February 21, 2025

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

Director

DIN: 09135443



Rain Verticals Limited
Statement of Cash Flows for the year ended December 31, 2024

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
A. Cash flow from operating activities		
Loss before tax	(0.07)	(0.14)
Adjustments for changes in working capital:		
Trade payables	-	(0.22)
Other current liabilities	-	(0.03)
Cash used in operations	(0.07)	(0.39)
Income taxes paid, net	-	-
Net cash used in operating activities	(0.07)	(0.39)
B. Cash flow from investing activities	-	-
C. Cash flow from financing activities	-	-
Net decrease in cash and cash equivalents (A+B+C)	(0.07)	(0.39)
Cash and cash equivalents at the beginning of the year	0.47	0.86
Cash and cash equivalents at the end of the year	0.40	0.47

Notes:


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

	As at December 31, 2024	As at December 31, 2023
Cash and cash equivalents		
Balances with banks:		
- in current accounts	0.40	0.47
	0.40	0.47

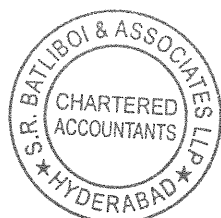
The accompanying notes form an integral part of financial statements

As per our report of even date attached

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004


per Harish Khemnani
Partner
Membership number: 218576


Place: Hyderabad
Date: February 21, 2025

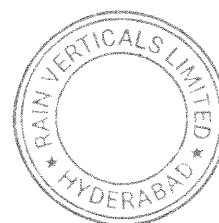


for and on behalf of the Board of Directors of
Rain Verticals Limited
CIN:U01100TG2021PLC150325


T. Srinivasa Rao
Director
DIN: 06804786

Place: Hyderabad
Date: February 21, 2025


G.N.V.S.R.R. Kumar
Director
DIN: 09135443



Rain Verticals Limited**Notes forming part of the Financial Statements for the year ended December 31, 2024****Note 1: Corporate Information**

Rain Verticals Limited ("RVL") ("the Company") has been incorporated on April 6, 2021 to carry on the businesses of Vertical Farming, Research and Development for development of Vertical Farming and Lithium Ion High Energy Density Cells and undertake operations in Logistics. Management is in the process of the finalising the business plan and commencement of operations would be dependent on the same.

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

Note 2: Material Accounting Policies**a) Basis of preparation of Financial Statements****(i) Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 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 standalone financial statements.

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

The financial statements were authorised for issue by the Company's Board of Directors on February 21, 2025.

(ii) Functional and presentation currency

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

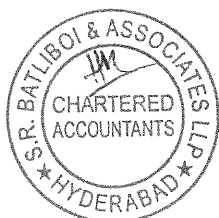
(iii) Basis of measurement

The financial statements have been prepared on a historical cost basis.

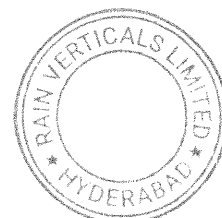
(iv) Use of judgments, estimates and assumptions

In preparing these financial statements, management has made judgments, 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.

There are no significant assumptions and estimation uncertainties involved in preparation of these financial statements.



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Rain Verticals Limited

Notes forming part of the Financial Statements for the year ended December 31, 2024

(continued)

(v) Current and Non-current classification

The Company has identified 12 months as its operating cycle for the classification of assets and liabilities into current and non-current.

Current assets and liabilities include the current portion of non-current financial assets and liabilities.

b) Financial Instruments

Financial Assets:

Initial recognition and measurement

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

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

Subsequent measurement and gains and losses

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

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

Financial Liabilities:

Initial recognition and measurement

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

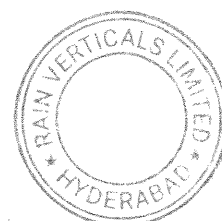
Classification and Subsequent measurement

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 statement of profit and loss.

All other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method.



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Rain Verticals Limited

Notes forming part of the Financial Statements for the year ended December 31, 2024

(continued)

Offsetting:

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

c) Tax expense

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

d) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

e) Earnings Per Share

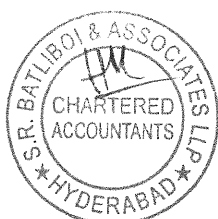
The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise net profit/(loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

f) Statement of Cash Flows and Cash and Cash equivalents

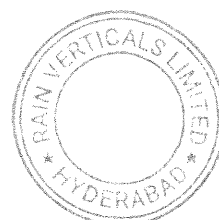
Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the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

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

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits, 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.



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Rain Verticals Limited
Notes forming part of the Financial Statements for the year ended December 31, 2024 (continued)

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

	As at December 31, 2024	As at December 31, 2023
Note 3: Cash and cash equivalents		
Balances with banks:		
- in current accounts	0.40	0.47
Total	0.40	0.47

Note 4: Equity share capital

Authorised share capital:

Equity Shares of INR 10 each

	As at December 31, 2024	As at December 31, 2023
Total	150,000	150,000

Issued, subscribed and fully paid up share capital

Equity Shares of INR 10 each

	As at December 31, 2024	As at December 31, 2023
Total	100,000	100,000

Notes:

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

	As at December 31, 2024	As at December 31, 2023
Particulars	Number of shares	Number of shares
As at beginning of the year	100,000	100,000
Add/(Less): Changes in equity shares during the year	-	-
As at end of the year	100,000	100,000

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

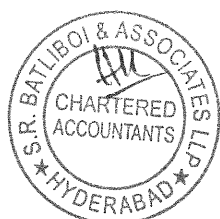
The Company has only one class of equity shares having a par value of INR 10 each per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. However, 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.

(iii) Shares held by holding company

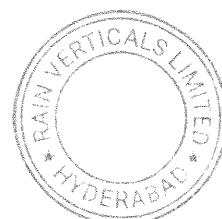
	As at December 31, 2024	As at December 31, 2023
Particulars	Number of shares	Number of shares
Equity shares of INR 10 each fully paid up held by	100,000	100,000
Holding company - Rain Industries Limited along with its nominees	100,000	100,000

(iv) Details of equity shares held by each shareholder holding more than 5% shares

	As at December 31, 2024	As at December 31, 2023
Name of the shareholder	Number of shares	Number of shares
Rain Industries Limited along with its nominees	100,000	100,000



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Rain Verticals Limited
Notes forming part of the Financial Statements for the year ended December 31, 2024 (continued)

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

	As at December 31, 2024	As at December 31, 2023
Note 5: Other equity		
Reserves and Surplus:		
(a) Retained earnings		
Opening balance	(0.56)	(0.42)
Add: Loss for the year	(0.07)	(0.14)
Closing balance	<u>(0.63)</u>	<u>(0.56)</u>

Note 5A: Description of the purposes of each reserve within equity:

Reserves and Surplus:

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

Note 6: Trade Payables

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

Total

-	-
0.03	0.03
<u>0.03</u>	<u>0.03</u>

Trade payables ageing schedule as at December 31, 2024:

Particulars	Unbilled dues	Not Due	Outstanding for following periods from the Due date of Payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-	-	-
ii. Others	0.03	-	-	-	-	-	-	0.03
iii. Disputed dues-MSME	-	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-	-

Trade payables ageing schedule as at December 31, 2023:

Particulars	Unbilled dues	Not Due	Outstanding for following periods from the Due date of Payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-	-	-
ii. Others	0.03	-	-	-	-	-	-	0.03
iii. Disputed dues-MSME	-	-	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-	-	-

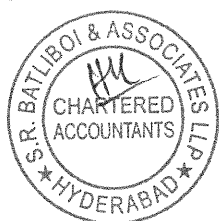
Disclosures of dues to Micro Enterprises and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at December 31, 2024 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

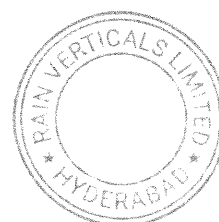
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	-	-
(b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made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

The Company's exposure to liquidity risk related to trade payables is disclosed in note 8.2 (ii).

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



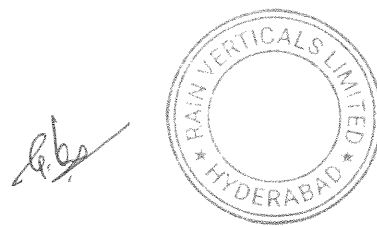
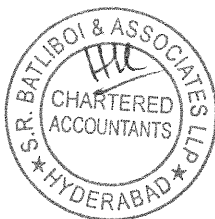
g.b.



Rain Verticals Limited**Notes forming part of the Financial Statements for the year ended December 31, 2024 (continued)**

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Note 7: Other expenses		
Rates and taxes	0.03	0.01
Consultancy charges	0.01	-
Payment to auditors (Refer note below)	0.03	0.08
Miscellaneous expenses	-	0.05
Total	0.07	0.14
Note:		
Payment to auditors comprises (excluding GST):		
Statutory audit	0.03	0.03
Other services	-	0.03
Reimbursement of expenses	-	0.02
Total	0.03	0.08



Rain Verticals Limited

Notes forming part of the Financial Statements for the year ended December 31, 2024 (continued)

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

Note 8: Financial instruments disclosure:
Note 8.1: Fair Valuation Measurement Hierarchy

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

Sl. No.	Particulars	As at December 31, 2024				As at December 31, 2023			
		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
I	Financial Assets at amortised cost								
	Cash and cash equivalents	0.40	-	-	-	0.47	-	-	-
		0.40	-	-	-	0.47	-	-	-
II	Financial Liabilities at amortised cost								
	Trade payables	0.03	-	-	-	0.03	-	-	-
		0.03	-	-	-	0.03	-	-	-

Valuation Techniques:

(a) The fair value of cash and cash equivalents approximate their carrying amount largely due to short-term nature of these instruments.

Note 8.2: Financial risk management

i) The Company is not exposed to any type of Credit risk, Market risk, Interest rate risk and Currency risk as at December 31, 2024 and December 31, 2023.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of December 31, 2024, 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, 2024							
Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities							
Trade payables	0.03	0.03	-	-	-	-	0.03

As at December 31, 2023							
Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities							
Trade payables	0.03	0.03	-	-	-	-	0.03

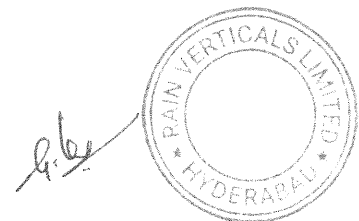
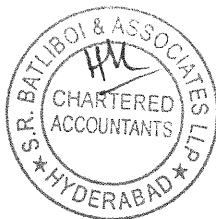
Note 9: Earnings per Share (EPS)

Particulars	As at December 31, 2024	As at December 31, 2023
a. Loss for the year	(0.07)	(0.14)
b. Weighted average number of equity shares of INR 10/- each outstanding during the year (Nos.)	100,000	100,000
Loss per Share		
c. Basic and Diluted - [a]/[b] - (INR)	(0.70)	(1.40)

Note 10: The Company does not have any long-term contracts including derivative for which there are any material foreseeable losses.

Note 11: Contingent liability and Commitments

- The Company does not have any pending litigations which would impact its financial position as at December 31, 2024 and December 31, 2023.
- The Company does not have any capital commitments as at December 31, 2024 and December 31, 2023.



Rain Verticals Limited**Notes forming part of the Financial Statements for the year ended December 31, 2024 (continued)**

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

Note 12: Income Taxes

Deferred tax asset amounting to INR 0.16 (December 31, 2023: INR 0.14) has not been recognised in respect of the tax losses because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. This tax loss will expire by FY 2031-32.

Note 13: Related Party Disclosures**a) Names of related parties and description of relationship**

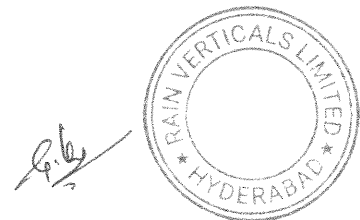
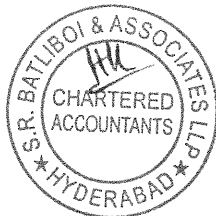
Nature of relationship	Name of the related party
Holding Company	Rain Industries Limited
Key management personnel (KMP)	1. Mr. T. Srinivasa Rao, Director 2. Mr. G.N.V.S.R.R. Kumar, Director 3. Mr. P. Madhava Rao, Director

b) Particulars of related party transaction

There are no transactions with related parties for the year ended December 31, 2024 and December 31, 2023.

Note 14: Additional Regulatory Information

- (i) The Company does not have any Immovable Properties which are not held in name of the Company
- (ii) The Company does not have any Property, plant and equipment (including Right of use assets) during the year.
- (iii) The Company does not have any intangible assets during the year.
- (iv) During the year there are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (v) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (vii) The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets
- (viii) The Company does not have any undisclosed income in terms of any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessment.
- (ix) The Company does not trade in crypto currency or virtual currency.
- (x) No charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.
- (xi) The Company do not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.
- (xii) There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of the Act during the current year ended December 31, 2024.
- (xiii) The Company has not advanced or loaned or invested funds, to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (xiv) The Company has not received any fund, from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Rain Verticals Limited

Notes forming part of the Financial Statements for the year ended December 31, 2024 (continued)

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

(xv) Details of Key Financial Ratios:

Key Financial Ratios	As at December 31, 2024	As at December 31, 2023	Variance	Reason for variance
(a) Current Ratio	13.33	15.67	-15%	Not Applicable
(b) Return on equity	-17.28%	-27.53%	37%	Increase is due to decrease in
(c) Return on capital employed	-18.92%	-31.82%	41%	losses during the year.

Definition of Ratios:(a) **Current Ratio:** The numerator consists of current assets and the denominator consists of current liabilities.(b) **Return on Equity Ratio:** The numerator consists of loss after tax and the denominator consists of average equity.(c) **Return on Capital employed:** The numerator consists of Earnings before interest and taxes and the denominator consists of equity.

(d) The Company is yet to commence operations as at December 31, 2024, accordingly, the ratios such as, inventory turnover ratio, trade receivables turnover ratio, trade payable turnover ratio, net capital turnover ratio, net profit ratio, pertaining to the operations have been considered as not applicable.

(e) The Company does not have any borrowings as at December 31, 2024, accordingly, the ratios such as debt-equity ratio and debt service coverage ratio pertaining to borrowings have been considered as not applicable.

(f) The Company does not have any investments as at December 31, 2024, accordingly, the return on investment ratio has been considered as not applicable.

Note 15: Segment reporting

The Company has not yet started the commercial operations and accordingly there are no reportable segments as per Ind AS 108 - Operating Segment.

Note 16: Audit trail

The Company has used 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 is not enabled at the database level insofar as it relates to the 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.

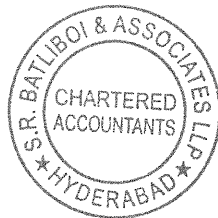
As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants

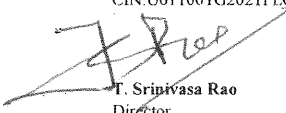

ICAI Firm registration number: 101049W/E300004


per Harish Khemnani
Partner

Membership number: 218576

Place: Hyderabad
Date: February 21, 2025for and on behalf of the Board of Directors of
Rain Verticals Limited

CIN: U01100TG2021PLC150325


T. Srinivasa Rao
Director
DIN: 06804786Place: Hyderabad
Date: February 21, 2025
G.N.V.S.R.R. Kumar
Director
DIN: 09135443