



RAIN CEMENTS LIMITED
22nd Annual Report 2020



BOARD OF DIRECTORS

Mr. N. Radhakrishna Reddy
Mr. N. Sujith Kumar Reddy
Mr. Jagan Mohan Reddy Nellore
Mr. N. Shiv Keshav Reddy
Ms. Nirmala Reddy
Mr. G. Krishna Prasad
Mr. Brian Jude McNamara

Chairman
Managing Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER

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

COMPANY SECRETARY

Mr. D. Rajasekhara Reddy

STATUTORY AUDITORS

B S R & Associates LLP
Chartered Accountants
Salarpuria Knowledge City, Orwell, B. Wing
6th Floor, Unit-3, Sy No. 83/1, Plot No. 2,
Raidurg, Hyderabad - 500081,
Telangana State, India.

INTERNAL AUDITORS

Mr. Ramaswamy Balasubramaniam
Chief Internal Auditor.
"Rain Center," 34,
Srinagar Colony,
Hyderabad - 500073,
Telangana State, India.

SECRETARIAL AUDITOR

P.S.Rao & Associates,
Practicing Company Secretaries,
Iswarya Nilayam,
Dwarakapuri Colony
Punjagutta, Hyderabad – 500 082
Telangana State, India.

COST AUDITORS

Sagar & Associates,
Cost Accountants,
205, 2nd Floor, Raghava Ratna Towers,
Chirag Ali Lane, Hyderabad - 500 001,
Telangana State, India.

Plants**Unit-I**

Ramapuram Village,
Mellacheruvu Mandal,
Suryapet District, Telangana State, India.

Unit – II

Boincheruvupalli Village,
Kurnool District,
Andhra Pradesh, India.

Registered Office

"Rain Center," 34,
Srinagar Colony,
Hyderabad - 500073,
Telangana State, India.
Phone: +91-040-4040 1234
Fax: +91-040-4040 1214
Email: secretarial@rain-industries.com
Website: www.priyacement.com
CIN: U23209TG1999PLC031631

Banks

ICICI Bank Limited
Yes Bank Limited
Axis Bank Limited
HDFC Bank Limited

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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of **Rain Cements Limited** (the Company) will be held on Friday, May 7, 2021 at 11.00 a.m. at the Registered Office of the Company situated at "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073, Telangana State, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended December 31, 2020 and Reports of Board and Auditors thereon.
2. To confirm and ratify Interim Dividend of Rs. 9.40 per equity share for the financial year ended 31st December, 2020.
3. To appoint a Director in place of Mr. N. Radhakrishna Reddy, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:**4. To ratify the remuneration payable to Cost Auditors.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Sagar & Associates, Cost Accountants, (Registration No. 000118), Hyderabad, appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 31st December, 2021, amounting to Rs. 95,000/- (Rupees Ninety Five Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution."

By order of the Board
for **Rain Cements Limited**

D. Rajasekhara Reddy
Company Secretary
M.No. A61938

Place: Hyderabad
Date: February 19, 2021

NOTES:

1. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.**
3. **The instrument of Proxy duly completed and signed shall be deposited at the Registered Office of the Company not less than 48 Hours before commencement of the Meeting.**
4. Register of Directors and Key Managerial Persons and their shareholding Under Section 170 of the Companies Act, 2013 and the rules made thereunder and Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the rules made thereunder are available for inspection at the registered office of the Company.
5. Corporate members intending to send their authorised representatives to attend the Annual General Meeting pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board resolution to the Company.
6. As per Secretarial Standard-2 on General Meetings, details in respect of directors seeking re-appointment at the Annual General Meeting, is separately annexed hereto. Directors seeking re-appointment have furnished requisite declarations under Section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.
7. Route Map showing directions to reach to the venue of the 22nd Annual General Meeting is attached to this Annual Report as per the requirement of the Secretarial Standards-2 on "General Meetings issued by the Institute of Company Secretaries of India" and the venue of the Annual General Meeting is situated opposite to Indian Bank, Srinagar Colony Main Road, Hyderabad.

By order of the Board
for **Rain Cements Limited**

D. Rajasekhara Reddy
Company Secretary
M.No. A61938

Place: Hyderabad
Date: February 19, 2021

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013
FORMING PART OF THE NOTICE**

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution No. 4.

Item No. 4

The Board of Directors of your Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of Sagar & Associates, Cost Accountants, Firm Registration No. 000118 to conduct the audit of the cost records of the Company for the financial Year ending December 31, 2021.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the rules made thereunder, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing the resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending December 31, 2021.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

Your Directors recommend the resolution for your approval.

By order of the Board
for **Rain Cements Limited**

D. Rajasekhara Reddy
Company Secretary
M.No. A61938

Place: Hyderabad
Date: February 19, 2021

**Annexure to the Notice dated February 19, 2021
Details of Directors seeking appointment/re-appointment at the
ensuing Annual General Meeting on May 7, 2021**

[Pursuant to Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]

S. No.	Particulars	Name of the Director
		Mr. N. Radhakrishna Reddy
1	DIN	00021052
2	Date of birth and Age	July 1, 1942 78 Years
3	Qualification	Under Graduate
4	Experience and expertise in specific functional areas	More than 52 years of experience in Construction and Cement Industry
5	Brief resume	Mr. N. Radhakrishna Reddy (78 years) is Chairman of Rain Cements Limited. He has more than 52 years of experience in Construction and Cement Industry. He has been a Director of the Company since 1999. Currently, he is also on the Board of Rain Industries Limited, Renuka Cement Limited, PCL Financial Services Private Limited, Arunachala Holdings Private Limited, PR Cement Holdings Limited, Apeetha Enterprises Private Limited, Lakshmi Sea Foods Limited and Pragnya Priya Foundation.
6	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Father of Mr. Jagan Mohan Reddy Nellore, Director and Mr. N. Sujith Kumar Reddy, Managing Director and grandfather of Mr. N. Shiv Keshav Reddy, Director. Other than the said Directors, he is not related to any other Directors or Key Managerial Personnel.
7	Nature of appointment (appointment / re-appointment)	Retires by rotation and offers himself for re-appointment.
8	Terms and Conditions of appointment / re-appointment	Appointment as a Non- Executive Director subject to retirement by rotation
9	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Nil
10	Date of first appointment on the Board	May 4, 1999

S. No.	Particulars	Name of the Director
		Mr. N. Radhakrishna Reddy
11	Shareholding in the company	Holds 100 equity shares on behalf of Rain Industries Limited (Holding Company).
12	The number of Meetings of the Board attended during the year	5 out of 5
13	Directorship Details of the Board	<ol style="list-style-type: none"> 1. Rain Industries Limited 2. Arunachala Holdings Private Limited 3. Renuka Cement Limited 4. Pragnya Priya Foundation 5. PCL Financial Services Private Limited 6. Lakshmi Sea Foods Limited 7. Apeetha Enterprises Private Limited 8. P R Cement Holdings Limited 9. Rain Cements Limited
14	Membership / Chairmanship of Committees of other Boards	<ol style="list-style-type: none"> i) Member of Stakeholders Relationship Committee of Rain Industries Limited. ii) Chairman of Corporate Social Responsibility Committee of Rain Cements Limited. iii) Chairman of Risk Management Committee of Rain Industries Limited.

By order of the Board
for **Rain Cements Limited**

Place: Hyderabad
Date: February 19, 2021

D. Rajasekhara Reddy
Company Secretary
M. No. A61938

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report and the Audited Financial Statements for the Financial Year ended December 31, 2020.

FINANCIAL SUMMARY:

The performance during the Financial Year ended December 31, 2020 has been as under:

(Rs. in Millions)

Particulars	December 31, 2020	December 31, 2019
Revenue from operations	10,300.16	10,384.39
Profit before finance cost, depreciation and amortization and tax expense	2295.05	1,653.72
Finance Cost	21.57	11.92
Profit before depreciation and amortization and tax expense	2273.48	1,641.80
Depreciation and amortization expense	546.26	479.20
Profit before Tax Expense	1727.22	1,162.6
Tax Expense	433.78	177.82
Profit After Tax Expense	1,293.44	984.78
Add: Surplus at the beginning of the year	3513.63	2,884.18
Profit available for appropriation	4807.07	3868.96
Appropriations:		
Transfer to General Reserve	-	85.84
Dividend including taxes	280.17	269.49
Surplus carried to Balance Sheet	4526.9	3513.63

Review of Operations and State of Company's affairs.

During the period under review, the Company achieved Revenue from operations of Rs. 10,300.16 Million and recorded a Net Profit of Rs. 1,293.44 Million.

Outlook for Cement Industry

The Company has two integrated cement plants, one each in the States of Telangana and Andhra Pradesh with an aggregate installed capacity of 4 million metric tons per annum. The Company's Cement plants manufacture two grades of cement (i.e., OPC and PPC). The plants are strategically located near the primary raw material source of limestone. Out of the total cement produced, PPC grade accounts for about 75% and OPC grade about 25%.

The Company constantly has been reducing the output cost by introducing efficient energy measures, such as waste-heat recovery-based power plants, captive solar power plants and the use of pet coke ("GPC") to heat its furnaces. Stringent BIS standards are applied in cement production to attain consistency in quality.

The Company has built a vast dealer network in the southern states of India. It has made additional in-roads into other neighboring States of Maharashtra, Goa and Odisha.

The major costs in the production of cement are (a) freight and transportation and (b) power and fuel, constituting 30% each to the total cost of manufacturing. The Company entered into long-term agreements with transport contractors for transportation of cement to all dealers spread across various states. The Company constantly works to improve efficiencies in logistics. The downside risk is that any increase in fuel prices could adversely affect freight costs.

The Company has long-term arrangements with The Singareni Collieries Company Limited for supply of coal, which meets about 51% of its total requirement. In addition, about 37% of high-quality coal is imported and blended with pet coke of about 12%.

The Company consumes power up to 29 MW (Mega Watts). The Company supplements its requirements for power from power generated by Rain CII Carbon (Vizag) Limited, Fellow Subsidiary Company in Visakhapatnam and two waste-heat recovery power plants, one each in both the cement plants, with an aggregate capacity of 11 MW. During CY 2020, the Company has set-up two Mini Solar Power Plants of 1 MW each in both the cement plants. With these measures, the Company generates significant savings in its energy costs.

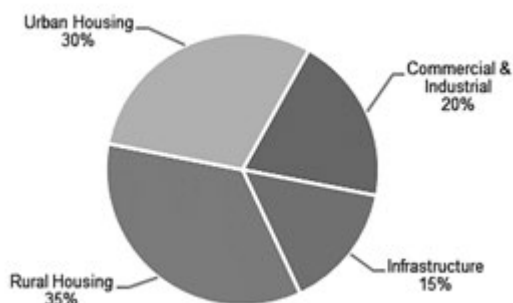
To avoid environmental hazards, power companies are required to isolate the fly ash in containment ponds that require vast land parcels and huge quantities of water to convert the ash into a manageable slurry. Our ability to use fly ash in PPC reduces the risk of an environmental catastrophe that could occur in the event of a containment-pond failure. Upcycling fly ash also enables us to produce 50% more PPC using the same amount of limestone, thus extending our reserves of this valuable raw material for use by future generations, while also reducing our carbon emissions compared with producing the same volume of cement without incorporating fly ash. We also use a smaller amount of fly ash – about 5% – in the production of OPC.

Cement Industry Growth in India

The Indian cement industry is estimated to have a total production capacity of 545 million tonnes during CY2020, with an additional capacity of 23 million tonnes under construction.

Total capacity is expected to increase to approximately 650 million tonnes by CY 2024. Cement is a cyclical commodity with a high correlation to GDP. The Indian housing sector is the most critical demand driver of cement, accounting for about 65% of total consumption. The other major consumers of cement include infrastructure (15%) and commercial and industrial construction (20%).

Cement Consumption by Sector in 2020



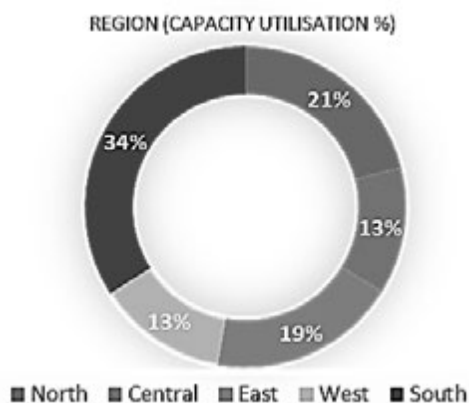
Source: Management Estimate and Industry

During the last few years, low capacity utilisation, coupled with weak prices and increasing input costs, have impacted the performance of the cement industry in India. Subdued operating profits and high debt-service obligations have led some Indian cement producers to defer expansion plans.

With increased demand by the infrastructure and housing sectors, coupled with limited capacity additions, cement capacity utilisation on a pan-India basis is expected to improve steadily over next few years. In particular, demand is expected to be boosted by infrastructure development in tier-2 and tier-3 cities, growth in the real estate sector and initiatives to build 100 Smart Cities by the Government of India.

Cement, being a bulk commodity, is freight-intensive, and transporting it over long distances can be uneconomical. This has resulted in cement being largely a regional play, with the industry divided into five main regions in India: North, South, West, East and Central. The southern region of India has the highest installed capacity, accounting for about 34% of the country's total installed capacity.

Cement Capacity in India (By Region)



Current Position

With increase in infrastructure spending and improved construction of housing projects, Indian cement industry has witnessed a moderate growth during CY2020, in spite of Pandemic. Disruptions in availability of sand and uncertainty regarding the capital for the state of Andhra Pradesh has resulted in weaker demand for Cement in Andhra Pradesh. However, there is an increase in demand for cement in other southern states.

We commissioned a WHR power plant in Suryapet, Telangana, in January 2020. It provides gross power generation per hour of 4.1 MW when the kiln is operational. This facility will help us substantially save on electricity, augmenting the 6.4 MW produced by the WHR system at the Kurnool cement plant.

Near Future

Cement demand is closely linked to the overall economic growth, particularly in the housing and infrastructure sectors. With the Government of India introducing new plans for housing and infrastructure development, cement demand is expected to increase.

Historically, positive incremental demand over supply, as well as high levels of capacity utilisation, have led to increases in cement prices. A rebound in demand growth from CY 2020 is expected to support prices in the southern region. Cement demand across India is expected to increase at a CAGR of 8%, over next few years.

Due to limited capacity additions and a revival in demand, the cement sector is expected to enter a multi-year earnings growth cycle where it gains pricing and operating leverage. The real estate sector is a crucial contributor to demand growth in the southern region.

Major cities like Bengaluru, Chennai and Hyderabad have emerged as promising commercial destinations, which boosts demand for commercial and office space within these cities. In addition, these cities are some of the biggest hospitality markets in southern India, with Hyderabad reporting year-over-year growth of 7.6%, followed by 4.3% in Bengaluru and 1.4% in Chennai.

Similarly, the Union Budget of India 2021 is expected to place greater emphasis on the development of infrastructure, specifically roads, railways, housing and rural/urban infrastructure. The availability of infrastructure will play a vital role in helping India become a US\$ 5 trillion economy. While it has been an anxious and uncertain ride for the industry since India's temporary COVID lockdown, the future looks promising given the anticipated government investments in infrastructure and housing.

Threats & Challenges – Cement

The Indian cement industry has witnessed a massive capacity addition of more than 250 million tonnes during the last decade.

This capacity addition is disproportionately high when compared to the growth in demand and concentrated in southern India, with more than 80 million tonnes of new capacity during this period. This has resulted in significant pressure on capacity utilisation and price realisation among the region's producers.

The Indian cement industry's average utilisation has increased to approximately 70% in CY 2020, led by improvement in demand and lower capacity additions during CY 2019. Pan-India utilisation is expected to reach 75% in CY 2021 while the utilisation levels in the southern region are expected to remain stable at 65% in CY 2021. Cement demand and capacity utilisation are expected to improve, as a result of a slower pace in capacity additions and better demand prospects.

The Company is poised for a strong post-COVID rebound. India is one of the fastest-growing economies in the world, and significant government and private investments are being made to develop the housing, infrastructure (such as roads, bridges and dams) and commercial real estate to support the rapid urbanisation of the South India market that we serve. Priya Cement has been a dealer-first, premium cement brand since 1987, and the scale of our operations and dealer network in South India should put us in a favourable position to supply the high-performance cements required to support the region's growth initiatives in the coming years.

As the impact of the COVID-19 pandemic on construction and other economic activity subsides across India, demand for cement – particularly in rural areas – is expected to increase by 18-20% by CY 2022, according to ICRA, which would result in volumes returning to the pre-pandemic levels of CY 2019. At the same time, the cost of the power, fuel and freight required to meet this increased demand are expected to rise, which would impact cement plant operating margins.

Dividend

The Board of Directors of the Company at their meeting held on October 23, 2020 have declared Interim dividend @ 94% on the paid-up Equity Share Capital i.e., Rs. 9.40 per equity share and no further dividend has been recommended for the Financial year ended December 31, 2020.

Share Capital

The Paid-up Share Capital of the Company as on December 31, 2020 is Rs. 298,050,000 divided into 29,805,000 Equity Shares of Rs.10 each fully paid up.

Transfer of amount to Reserves

The Board of Directors does not propose to transfer any amount to the General Reserve for the Financial Year ended December 31, 2020.

Variations in Net Worth

The Net Worth of the Company for the Financial Year ended December 31, 2020 is Rs. 5843.72 Million as compared to Rs. 4,827.29 Million for the previous Financial year ended December 31, 2019.

Consolidation of Financial Statements

Pursuant to Rule 6 of the Companies (Accounts) Rules, 2014, preparation of Consolidated Financial Statements by an Intermediate Holding Company is not required. The Company is a Wholly Owned Subsidiary of Rain Industries Limited and further the Company is in turn a Holding Company of Renuka Cement Limited.

Rain Industries Limited consolidates the financial statements of subsidiary Companies accounts with its Financial Statements.

In view of the said Rule, the Company being an Intermediate Holding Company is not required to prepare the Consolidated Financial Statements.

Subsidiary Companies

As per the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the Subsidiary Companies / Associate Companies / Joint Ventures in Form AOC-1 is enclosed as **Annexure- 1** to this Report.

Performance and contribution of each of the Subsidiaries, Associates and Joint Ventures

As per Rule 8 of Companies (Accounts) Rules, 2014, a Report on the financial performance of the Subsidiaries, Associates and Joint Venture Companies of the Company along with their contribution to overall performance of the Company during the Financial Year ended December 31, 2020 is enclosed as **Annexure - 2** to this Report.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure – 3** to this Report.

The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is enclosed as **Annexure – 4** to this Report.

Insurance

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

Deposits

The Company has not invited/accepted any deposits from the public in terms of Chapter V of the Companies Act, 2013 during the Financial Year ended December 31, 2020.

Particulars of Loans, Guarantees, Investments and Security under Section 186

The Company has not granted any Loans, Guarantees or Investments or Security under Section 186 of the Companies Act, 2013 during the year under review.

Particulars of Contracts or Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All the related party transactions were approved by the Audit Committee and Board of Directors.

The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in Form No. AOC-2 is enclosed as **Annexure - 5** to this Report.

Directors

Mr. N. Radhakrishna Reddy, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.

Mr. Brian Jude McNamara was appointed as an Independent Director of the Company with effect from February 12, 2021.

Key Managerial Personnel

The Key Managerial Personnel of the Company as on December 31, 2020 are:

Mr. N. Sujith Kumar Reddy	-	Managing Director
Mr. G.N.V.S.R.R. Kumar	-	Chief Financial Officer
Mr. D. Rajasekhara Reddy *	-	Company Secretary

* Mr. P. Srinivas, Company Secretary has resigned from the position of Company Secretary of the Company with effect from August 13, 2020 and the Company has appointed Mr. D. Rajasekhara Reddy as Company Secretary of the Company with effect from August 13, 2020.

Number of Meetings of the Board held during the Financial Year ended December 31, 2020

During the period from January 1, 2020 to December 31, 2020, Five (5) Meetings were held, the details of Board meetings are as follows:

January 31, 2020, February 24, 2020, May 23, 2020, July 25, 2020 and October 23, 2020.

The details of Attendance at the Board Meetings are given below:

Name of the Director	Designation	Number of Board Meetings	
		Held	Attended
Mr. N. Radhakrishna Reddy	Chairman	5	3
Mr. N. Sujith Kumar Reddy	Managing Director	5	5
Mr. Jagan Mohan Reddy Nellore	Non-Executive Director	5	5
Mr. N. Shiv Keshav Reddy	Non-Executive Director	5	5
Mr. G. Krishna Prasad	Independent Director	5	5
Ms. Nirmala Reddy	Independent Director	5	5

Audit Committee

The Company's Audit Committee comprises of the following:

Mr. G. Krishna Prasad	-	Chairman
Mr. Jagan Mohan Reddy Nellore	-	Member
Mr. Brian Jude McNamara #	-	Member

Except Mr. Jagan Mohan Reddy Nellore, all the members of the Audit Committee are Independent Directors.

* Ms. Nirmala Reddy has resigned from the membership of Audit Committee of the Company with effect from January 01, 2021 due to increase in personal commitments leaving less time.

Mr. Brian Jude McNamara was appointed as a member of the Audit Committee of the Company with effect from February 12, 2021.

Number of Meetings of the Audit Committee held during the Financial Year ended December 31, 2020

During the period from January 1, 2020 to December 31, 2020, Five (5) Audit Committee Meetings were held, the details of Meetings of Audit Committee are as follows:

January 31, 2020, February 24, 2020, May 23, 2020, July 25, 2020 and October 23, 2020.

Attendance at the Audit Committee Meetings are as follows:

Name of the Director	Number of Meetings	
	Held	Attended
Mr. G. Krishna Prasad	5	5
Mr. Jagan Mohan Reddy Nellore	5	5
Ms. Nirmala Reddy	5	5

There is no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

Directors Responsibility Statement under Section 134 of the Companies Act, 2013

Pursuant to Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility

Statement, the Board of Directors of the Company hereby confirms that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31, 2020 and of Profit and Loss Account of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts for the Financial Year ended December 31, 2020 on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors

The Company's Statutory Auditors, B S R and Associates LLP, Chartered Accountants (ICAI Regn. No.116231W/W-100024), were appointed as the Statutory Auditors of the Company for a period of 5 years at the 19th Annual General Meeting of the Company, i.e., up to the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2023.

Accordingly, B S R and Associates LLP, Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of Annual General Meeting to be held in 2023. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Internal Auditors

The Board of Directors of the Company have appointed Mr. Ramaswamy Balasubramaniam as Internal Auditor to conduct Internal Audit of the Company for the Financial Year ended December 31, 2020.

Secretarial Auditor

The Board of Directors of the Company have appointed P. S. Rao & Associates, Practicing Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year ended December 31, 2020.

Secretarial Audit Report issued by P. S. Rao & Associates, Practicing Company Secretaries in Form MR-3 is enclosed as **Annexure - 6** to this Annual Report.

Cost Auditors and Maintenance of Cost Records specified by the Central Government under Section 148 of the Companies Act, 2013

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Audit Committee has recommended and the Board of Directors had appointed M/s. Sagar & Associates, Cost Accountants, Hyderabad, as Cost Auditors of the Company, to carry out the audit of the cost records of the products manufactured

by the Company during the financial year ending December 31, 2021 at a remuneration of Rs. 95,000/-.

The remuneration payable to the cost auditor is required to be placed before the Members in the general meeting for their ratification. Accordingly, a Resolution seeking Members ratification for the remuneration payable to M/s. Sagar & Associates, Cost Accountants, is included in the Notice convening the Annual General Meeting. The Company is maintaining cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

A Certificate from M/s. Sagar & Associates, Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

The Company has filed the Cost Audit Report for the Financial Year ended December 31, 2019 with the Central Government.

Board's response on Auditor's qualification, reservation or adverse remark or disclaimer made

There are no qualifications, reservations or adverse remarks or disclaimers made by the statutory auditors in their report or by the Practicing Company Secretary in the secretarial audit report or by the Cost Auditors in the Cost Audit Report.

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

Declaration by Independent Directors

The Independent Directors have submitted the declaration of independence, as required pursuant to sub-rule (1) and (2) of rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of the said Section.

Meeting of Independent Directors

Meeting of Independent Directors was held on October 23, 2020 without the presence of Executive Director and management personnel. All the Independent Directors were present at the Meeting.

Registration of Independent Directors in Independent Directors Databank

All the Independent Directors of your Company have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

Online Proficiency Self-Assessment Test

Ms. Nirmala Reddy, Independent Director and Mr. Brian Jude McNamara, Independent Director have passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affairs (IICA). Mr. G. Krishna Prasad, Independent Director was exempted by Indian Institute of Corporate Affairs (IICA) from appearing Online Proficiency Self-Assessment Test, as he has fulfilled the conditions for seeking exemption from appearing for the Online Proficiency Self-Assessment Test.

Confirmation from the Board

All the Independent Directors of the Company have given their respective declaration / disclosures under Section 149(7) of the Act and also confirmed that they fulfill the independence criteria as

specified under Section 149(6) of the Act and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

Opinion of the Board

The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possesses requisite expertise, experience and qualifications to discharge the assigned duties and responsibilities as mandated by Companies Act, 2013.

Vigil Mechanism (Whistle Blower Policy)

The Board of Directors of the Company have adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All Directors and all Employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of this mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

Risk Management Policy

The Board of Directors of the Company have adopted Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedures are being reviewed by the Audit Committee and Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.

Nomination and Remuneration Committee

As per the provisions of Section 178 of the Companies Act, 2013, the Company had constituted Nomination and Remuneration Committee.

The Company's Nomination and Remuneration Committee comprises of the following:

Mr. G. Krishna Prasad	-	Chairman
Ms. Nirmala Reddy	-	Member
Mr. Jagan Mohan Reddy Nellore	-	Member
Mr. Brian Jude McNamara *	-	Member

* Mr. Brian Jude McNamara was appointed as a member of the Nomination and Remuneration Committee of the Company with effect from February 12, 2021.

During the period from January 1, 2020 to December 31, 2020, three (3) Nomination and Remuneration Committee Meetings were held on February 24, 2020, July 25, 2020 and October 23, 2020.

Attendance at the Nomination and Remuneration Committee Meetings are given below:

Name of the Director	Number of Meetings	
	Held	Attended
Mr. G. Krishna Prasad	3	3
Ms. Nirmala Reddy	3	3
Mr. Jagan Mohan Reddy Nellore	3	3

➤ **Brief description of terms of reference**

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Carry on the evaluation of every director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Employees;
- Formulation of criteria for evaluation of Independent Directors and the Board; and
- Devising a policy on Board diversity.

➤ **Nomination and Remuneration policy**

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive, Non-Executive and Independent Directors) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer Companies.
3. To carry out evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The detailed Nomination and Remuneration Policy has been attached to this report as **Annexure -9**

Mechanism for Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013, the Board, Nomination and Remuneration Committee and Independent Directors have carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017, the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given 6 Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

- 1. Could do more to meet expectations;
- 2. Meets expectations; and
- 3. Exceeds expectations.

The Board of Directors have appointed Mr. DVM Gopal, Practicing Company Secretary as scrutinizer for Board evaluation process.

The Directors have sent the duly filled forms to Mr. DVM Gopal after Evaluation.

Mr. DVM Gopal based on the Evaluation done by the Directors, has prepared a report and submitted the evaluation report.

The Chairman based on the report of the scrutinizer has informed the rankings to each Director and also informed that based on the Evaluation done by the Directors and also report issued by Mr. DVM Gopal, the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

Directors and Officers Insurance ('D&O')

The Company has taken Directors and Officers Insurance ('D&O') for all its Directors and members of the Senior Management.

Code of Conduct

Board of Directors have adopted and oversee the administration of the Rain Cements Limited Code of Business Conduct and Ethics (the 'Code of Conduct'), which applies to all Directors, Officers and Employees of Rain Cements Limited and its subsidiaries. The Code of Conduct reflects the commitment to doing business with integrity and in full compliance with the law, and provides a general roadmap for all the Directors, Officers and Employees to follow as they perform their day-to-day responsibilities with the highest ethical standards. The Code of Conduct also ensures that all members of Rain Cements Limited perform their duties in compliance with applicable laws and in a manner that is respectful of each other and the relationships with its customers, suppliers and shareholders, as well as the communities and regulatory bodies where the Rain Cements Limited does business.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

The Board of Directors of the Company has constituted Corporate Social Responsibility Committee consisting of following persons:

Mr. N. Radhakrishna Reddy	-	Chairman
Mr. Jagan Mohan Reddy Nellore	-	Member
Mr. N. Sujith Kumar Reddy	-	Member
Mr. G. Krishna Prasad	-	Member (Independent Director)

During the period from January 1, 2020 to December 31, 2020, two (2) Corporate Social Responsibility Committee meetings were held, the details of meetings are as follows:

February 22, 2020 and July 25, 2020.

Details of Attendance at the Corporate Social Responsibility (CSR) Committee Meetings are given below:

Name of the Director	Number of Meetings	
	Held	Attended
Mr. N. Radhakrishna Reddy	2	2
Mr. Jagan Mohan Reddy Nellore	2	2
Mr. N. Sujith Kumar Reddy	2	2
Mr. G. Krishna Prasad	2	2

Upon recommendation of Corporate Social Responsibility Committee, the Board of Directors of the Company have adopted policy on Corporate Social Responsibility.

The details of CSR activities undertaken by the Company are given in **Annexure-7** to this Report.

The detailed CSR Policy has been attached to this report as **Annexure -10** to this Report.

Statement of particulars of appointment and remuneration of managerial personnel

The Statement of particulars of Appointment and Remuneration of Managerial personnel as per Section 197 of the Act read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and list showing top 10 employees of the Company in terms of remuneration drawn as per rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure-8** to this Annual Report.

Response to Covid – 19

The outbreak of the COVID-19 pandemic around the world has had a destabilising impact on businesses. As a responsible and resilient Company, we have worked to mitigate the effects of the crisis with agile responses.

As reports of the spread of Corona Virus started coming in, the Company stepped up efforts to protect the health of its employees.

The following measures were put in place to protect our employees' health:

- We provided our employees easy access to our range of immunity-building medicines through special counters set up in offices.
- Suspended the biometric attendance system across all locations.
- Cancelled all travel – both Domestic and International.
- Reinforced safe behaviour across our locations by limiting the size of gatherings/meetings and avoiding external visitors to the premises, besides asking employees to avoid in-person meetings and encouraging video conference.
- Security personnel at all our offices were provided infrared non-contact temperature sensors to screen all employees and visitors entering the premises.
- High contact areas like elevator buttons, door handles, handrails, bathroom taps etc. were sanitised at regular intervals.
- Employees were offered assistance with hospitalisation treatment and mediclaim in case of any COVID-related emergency.

The COVID has impacted lives and livelihood all around us. As a good Corporate Citizen, the Company pledged its support towards India's fight against COVID-19 by lending a hand to the Government's efforts to endure the social and economic impacts of the Coronavirus pandemic as well as protecting vulnerable populations by enabling access to food and essential supplies.

Credit Rating

During the Financial Year ended December 31, 2020, India Ratings & Research, credit rating agency has given "IND A/Negative" for Fund Based Working Capital Limit and "IND A/Negative/IND A1" for Non-Fund Based Working Capital Limit of the Company

Details in respect of adequacy of internal financial controls with reference to the Financial Statements

1. The Company maintains all its records in ERP (SAP) System and the work flow and approvals are routed through ERP(SAP);
2. The Company has appointed Internal Auditors to check the Internal Controls, whether the work flow of organization is being done as per the approved policies of the Company. In every Quarter while approval of Quarterly Financial Statements by the Audit Committee, Internal Auditors will present to the Audit Committee, the Internal Audit Report and Management Comments on the Internal Audit observations; and
3. The Board of Directors of the Company have adopted various policies namely Related Party Transactions Policy, Fixed Assets Policy, Whistle Blower Policy and such other procedures for ensuring the orderly and efficient conduct of its business for 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.

The names of Companies which have become or ceased to be Company's Subsidiaries, Joint Venture or Associate Companies during the year

During the Financial Year, no Company has become or ceased to be the Subsidiary / Joint Venture / Associate of the Company during the period under review.

Annual Return

Annual Return in Form MGT-7 is available on the Company's website, the web link for the same is <https://www.priyacement.com/>

Change in the nature of business

There is no change in the nature of business of the Company.

The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Material Changes and Commitments

There are no material changes and commitments, affecting the financial position of the Company which occurred between the Financial Year ended December 31, 2020 to which the Financial Statements relates and the date of signing of this report.

Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not received any complaints during the year.

The Company regularly conducts awareness programs for its employees.

The following is a summary of sexual harassment complaints received and disposed off during the year:

S. No.	Particulars	Status
1	Number of complaints on Sexual harassment received	Nil
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programme against sexual harassment carried out	The Company regularly conducts necessary awareness programmes for its employees
5	Nature of action taken by the employer or district officer	Not Applicable

Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaints during the year.

Financial Year of the Company

The Company Law Board vide its order dated October 16, 2015 permitted the Company to follow the Financial year from January 1 to December 31.

Accordingly, the Financial Year of the Company is from January 1 to December 31.

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

Human Resources

The Company believes that the quality of its employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through effective communication, meetings and negotiation.

Acknowledgement

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the Stakeholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation for the sincere and dedicated services of the employees and workmen at all levels.

For and on behalf of the Board of Directors
for **Rain Cements Limited**

N. Sujith Kumar Reddy

Managing Director

DIN: 00022383

Jagan Mohan Reddy Nellore

Director

DIN: 00017633

Place: Hyderabad

Date: February 19, 2021

Annexure-1

Form No. AOC-I

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part-A - Subsidiaries

(INR in Millions)

Sl. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's financial reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turn-over	Profit/(Loss) before Taxation	Tax Expense/(Benefit)	Profit/(Loss) after Taxation	Other Comprehensive Income	Total Comprehensive Income	Proposed Dividend	% of shareholding	Contribution to the overall performance of the Company
1	Renuka Cement Limited	14.01.2011	31.12.2020	INR	74.98	226.478	302.73	302.73	0	0	10.61	2.39	8.22	0	8.22	0	100	0

1. Names of Subsidiaries which are yet to commence operations

Sl. No.	Name of the Company and Address
1	Renuka Cement Limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India.

2. Names of subsidiaries which have been liquidated or sold during the year

Sl. No.	Name of the Company and Address
	NA

Annexure-1 (Contd.)

Part- B - Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sl. No.	Name of Associates/ Joint Ventures	Date on which the Associate or Joint venture was associated or acquired	Latest audited Balance Sheet Date	Shares of Associate /Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				Sl. No.	Amount of Investment in Associates/ Joint Venture					
									i. Considered in Consolidation	ii. Not Considered in Consolidation
NIL										

1. Names of associates or joint ventures which are yet to commence operations

Sl. No.	Name of the Company and Address
	-NIL-

2. Names of associates or joint ventures which have been liquidated or sold during the year

Sl. No.	Name of the Company and Address
	-NIL-

For and on behalf of the Board of Directors
For Rain Cements Limited

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

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

D. Rajasekhara Reddy
Company Secretary
M No. A61938

Place: Hyderabad
Date: February 19, 2021

Annexure-2

Report on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies of the Company

(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

Part-A - Subsidiaries

(INR in Millions)

Sl. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the Financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Taxation	Tax Expense/(Benefit)	Profit/(Loss) after Taxation	Other Comprehensive Income	Total Comprehensive Income	Proposed Dividend	% of shareholding	Contribution to the overall performance of the Company
1	Renuka Cement Limited	14.01.2011	31.12.2020	INR	74.98	226.478	302.73	302.73	0	0	10.61	2.39	8.22	0	8.22	0	100	0

1. Names of Subsidiaries which are yet to commence operations

Sl. No.	Name of the Company and Address
1	Renuka Cement Limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India.

2. Names of subsidiaries which have been liquidated or sold during the year

Sl. No.	Name of the Company and Address
	NA

Annexure-2 (Contd.)

Part- B - Associates and Joint Ventures
Statement pursuant to Rule 8 of Companies (Accounts) Rules, 2014

Sl. No.	Name of Associates/ Joint Ventures	Date on which the Associate or Joint venture was associated or acquired	Latest audited Balance Sheet Date	Shares of Associate /Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				Sl. No.	Amount of Investment in Associates/ Joint Venture					
						Extend of Holding %			i. Considered in Consolidation	ii. Not Considered in Consolidation
NIL										

1. Names of associates or joint ventures which are yet to commence operations

Sl. No.	Name of the Company and Address
	-NIL-

2. Names of associates or joint ventures which have been liquidated or sold during the year

Sl. No.	Name of the Company and Address
	-NIL-

For and on behalf of the Board of Directors
For Rain Cements Limited

N. Sujith Kumar Reddy
 Managing Director
 DIN: 00022383

Jagan Mohan Reddy Nellore
 Director
 DIN: 00017633

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

D. Rajasekhara Reddy
 Company Secretary
 M No. A61938

Place: Hyderabad
 Date: February 19, 2021

Annexure - 3

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31.12.2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	:	U23209TG1999PLC031631
ii.	Registration Date	:	May 4, 1999
iii.	Name of the Company	:	Rain Cements Limited
iv.	Category / Sub-Category of the Company	:	Company Limited by Shares/Public Company
v.	Address of the Registered office and contact details	:	Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana State, India. Phone No. 040-40401234, Fax No.: 040-40401214; email: secretarial@rain-industries.com; Website: www.priyacement.com
vi.	Whether listed company	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Aarathi Consultants Private Limited 1-2-285, Domalguda, Hyderabad - 500 029, Telangana State, India. Phone No. : +91 040-27638111, Fax: +91 040-27632184, Email: info@aarathiconsultants.com CIN: U74140TG1992PTC014044

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main Products/Services	NIC Code of the Product/Service*	% to total turnover of the Company
1	Manufacture and Sale of Cement	23941	100

* As per National Industrial Classification- 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Rain Industries Limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana, India.	L26942TG1974PLC001693	Holding Company	100	Section 2(46)
2	Renuka Cement Limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana, India.	U26942TG1996PLC025831	Subsidiary Company	100	Section 2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF*	600	-	600	0.0020	600	-	600	0.0020	0.000
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	29,804,400	-	29,804,400	99.998	29,804,400	-	29,804,400	99.998	0.000
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	29,805,000	-	29,805,000	100	29,805,000	-	29,805,000	100	0.00
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	29,805,000	-	29,805,000	100	29,805,000	-	29,805,000	100	-

Note: *600 equity Shares are held on behalf of Rain Industries Limited (Holding Company)

Category-wise Shareholding (Contd...)									
Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change During the year		
	Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corporate									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-

Category-wise Shareholding (Contd.....)								
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares
b) Individuals								
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+ (B)(2)	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	29,805,000	-	29,805,000	100	29,805,000	-	29,805,000	100
								-

ii. Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change in share-holding During the year
		No. of Shares	% to Total Shares of the Company	% to Pledged/encumbered to total shares		No. of Shares	% to total Shares of the Company	% to Pledged/encumbered to total shares		
1	Rain Industries Limited	29,804,400	99.998	0.00		29,804,400	99.998	0.00		0.00
2	Mr. N. Radhakrishna Reddy*	100	0.0003	0.00		100	0.0003	0.00		0.00
3	Mrs. N. Indira Reddy*	100	0.0003	0.00		100	0.0003	0.00		0.00
4	Mr. Jagan Mohan Reddy Nellore*	100	0.0003	0.00		100	0.0003	0.00		0.00
5	Mrs. N. Anupama Reddy*	100	0.0003	0.00		100	0.0003	0.00		0.00
6	Mr. N. Sujith Kumar Reddy*	100	0.0003	0.00		100	0.0003	0.00		0.00
7	Mrs. N. Akhila Reddy*	100	0.0003	0.00		100	0.0003	0.00		0.00
	Total	29,805,000	100.00	0.00		29,805,000	100.00	0.00		0.00

Note: * The equity Shares are held on behalf of Rain Industries Limited (Holding Company)

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% to total shares of the Company	No. of shares	% to total shares of the Company
1	Rain Industries Limited				
	At the beginning of the year	29,804,400	99.998	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			29,804,400	99.998
2	Mr. N. Radhakrishna Reddy				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
3	Mrs. N. Indira Reddy				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
4	Mr. Jagan Mohan Reddy Nellore				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
5	Mrs. N. Anupama Reddy				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% to total shares of the company	No. of shares	% to total shares of the company
6	Mr. N. Sujith Kumar Reddy				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
7	Mrs. N. Akhila Reddy				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003

Note: There is no change in the shareholding of Promoters of the Company during the period from January 1, 2020 to December 31, 2020.

iv. **Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% to total shares of the company	No. of shares	% to total shares of the company
1.	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
2.	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase / decrease	N.A.	N.A.	N.A.	N.A.
3.	At the End of the year	N.A.	N.A.	N.A.	N.A.

Note: The entire equity Shares are held by the Promoters.

v. Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% to total shares of the company	No. of shares	% to total shares of the company
1.	Mr. N. Radhakrishna Reddy (Chairman)*				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
2.	Mr. N. Sujith Kumar Reddy (Managing Director)*				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
3.	Mr. Jagan Mohan Reddy Nellore (Director)*				
	At the beginning of the year	100	0.0003		
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
4.	Mr. N. Shiv Keshav Reddy (Director)				
	At the beginning of the year	Nil	Nil	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil
5.	Ms. Nirmala Reddy (Independent Director)				
	At the beginning of the year	Nil	Nil	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil

Sl. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% to total shares of the company	No. of shares	% to total shares of the company
6.	Mr. G. Krishna Prasad (Independent Director)				
	At the beginning of the year	Nil	Nil	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil
	Key managerial personnel				
1	Mr. N. Sujith Kumar Reddy (Managing Director)*				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
2.	Mr. G.N.V.S.R.R. Kumar (Chief Financial Officer)				
	At the beginning of the year	Nil	Nil	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil
3.	Mr. D. Rajasekhara Reddy (Company Secretary)				
	At the beginning of the year	Nil	Nil	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil
Note: *Mr. N. Radhakrishna Reddy, Chairman, Mr. N. Sujith Kumar Reddy, Managing Director and Mr. Jagan Mohan Reddy Nellore, Director of the Company are holding equity shares on behalf of Rain Industries Limited (Holding Company).					

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. Millions)

Particulars	Secured Loans excluding deposits	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	(Term Loans / Buyers Credit)	(Working Capital Loans)	other than Banks		
Indebtedness at the Beginning of the Financial Year - 01st January, 2020					
i) Principal Amount-FB	-	-	-	-	-
i-a) Principal Amount-NFB	-	148.84	-	-	148.84
i-b) Buyers Credit	266.27	-	-	-	266.27
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
iv) Sales Tax Defferment	-	-	609.94	-	609.94
Total (i+ii+iii+iv)	266.27	148.84	609.94	-	1,025.05
Change in Indebtedness during the financial year					
Addition	199.15	505.68	-	-	704.83
Reduction	323.60	57.41	99.58	-	480.59
Net Change	(124.45)	448.27	(99.58)	-	224.23
Indebtedness at the end of the Financial year - 31st December, 2020					
i) Principal Amount-FB	141.82	-	-	-	141.82
i-a) Principal Amount-NFB	-	597.10	-	-	597.10
i-b) Buyers Credit	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	--
iii) Interest accrued but not due	-	-	-	-	-
iv) Sales Tax Defferment	-	-	510.36	-	510.36
Total (i+ii+iii+iv)	141.82	597.10	540.36	-	1,249.28

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/or Manager (Rs. Millions)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. N. Sujith Kumar Reddy (Managing Director)	
1	Gross salary		
	(a) Salary as per the provisions contained in Section 17(1) of the Income Tax Act, 1961	15.00	15.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	5.45	5.45
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	10.00	10.00
	as % of profit	-	-
	others	-	-
5	Others, please specify (Company's Contribution to Provident Fund)	1.73	1.73
	Total (A)	32.18	32.18
	Ceiling as per the Act		88.51

B. Remuneration to other Directors: (Rs. Millions)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Ms. Nirmala Reddy	Mr. G. Krishna Prasad		
1.	Independent Directors*				
	• Fee for attending Board/ Committee meetings	0.31	0.31		0.62
	• Commission	-	-		-
	• Others, please specify	-	-		-
	Total (1)	0.31	0.31		0.62
Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
2.	Other Non-Executive Directors	Mr. N. Radhakrishna Reddy	Mr. Jagan Mohan Reddy Nellore	Mr. N. Shiv Keshav Reddy	
	• Fee for attending Board/ Committee meetings	Nil	Nil	0.15	0.15
	• Commission	-	-		-
	• Others, please specify	-	-		-
	Total (2)	Nil	Nil	0.15	0.15
	Total (B)=(1+2)	-	-		0.77
	Total Managerial Remuneration to Non-Executive Directors*				NIL
	Overall Ceiling as per the Companies Act, 2013 for Directors who are neither Managing Director / Whole time Director (1% of Net Profits Calculated in accordance with the Provisions of Section 198 of the Companies Act, 2013)				17.70

Note: *The Company has paid only sitting fees to the Non-Executive Directors and Independent Directors. The Company has not paid any commission for the Financial Year ended December 31, 2020, hence same was not considered in total Managerial Remuneration.

C. Remuneration to Key Managerial Personnel other than MD /Manager /WTD (Rs.Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. G.N.V.S.R.R. Kumar	Mr. P. Srinivas*	Mr. D. Rajasekhara Reddy*	
		CFO	Company Secretary	Company Secretary	
1.	Gross salary				
(a)	Salary as per the provisions contained in Section 17(1) of the Income Tax Act, 1961	2.97	0.13	0.08	3.18
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3.73	0.30	0.12	4.15
(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission:				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify				
	Company's contribution to Provident Fund	0.34	0.01	0.01	0.36
	National Pension Scheme	0.30	-	-	0.30
	Total	7.34	0.44	0.21	7.99

Note: * Mr. P. Srinivas, Company Secretary of the Company has resigned with effect from August 13, 2020 and Mr. D. Rajasekhara Reddy was appointed as Company Secretary of the Company with effect from August 13, 2020.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/ Court]	Appeal made, if any (give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers In Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors
for **Rain Cements Limited**

Place: Hyderabad
Date: February 19, 2021

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Annexure- 4

Information under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

The Company, through its dedicated team of engineers, have been monitoring performance of various plants and equipment's to reduce energy consumption. The significant energy conservation measures initiated during the year are given below:

1) The steps taken or impact on conservation of energy**➤ Unit-I (Ramapuram)****a) Energy conservation measures taken:**

1. Installed 1.0 MW Solar Power Plant.
2. Installed two High Efficiency Water Pumps at Mines 4th bench for the purpose of dewatering.
3. Installed two High efficiency Nose Ring Blowers at Kiln outlet and one High efficiency PGC Blower at Raw Mill Section.
4. Installed High efficiency Water Pumps at RABH AC Cooling Tower and also at Cooler HRB AC Cooling Tower.
5. Installed High Efficiency Water Pump for Cement Mill Water spray
6. Installed Belt Bucket Elevator for Kiln Feed.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of Energy:

Proposal to:

- 1) Install Belt Bucket elevator for Cement Silos no 3 and 4.
- 2) Install 31.9 KW Roof Top Solar Power Plant at Mines Office.
- 3) Install High efficiency Compressor in KILN section.
- 4) Install VFD drives for Packing Plant Bag Filters.
- 5) Install Pulse Jet Bag Filter for Cement Mill -2.

Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

- 1) Solar Power Generation - 165328 Units.
- 2) Power consumption has been reduced by 0.402 KWH/Ton of Cement.

➤ Unit – II (Sreepuram)

1. Replacement of DC Motors with AC motors for Line-1 Kiln, Cooler LS apron feeders.
2. Installation of air flow meters' phase-II for monitoring compressed air consumption.
3. Installation of Energy Efficient water pump.

4. Installation of VFD for WHR Aux-cooling tower water pump.
5. Procurement of SCANIA Tippers in place of Dumpers for Lime stone transportation

2) The steps taken by the Company for utilizing alternate sources of energy

➤ **Unit-I (Ramapuram)**

- (i) Installed 1.0 MW Solar Power Plant
- (ii) Proposed to install 31.9 KW roof top solar Power Plant at Mines Office

➤ **Unit – II (Sreepuram)**

Installation & commissioning of 1MW ground mounted Solar Power Plant.

3) The Capital investment on energy conservation equipments

The Company has incurred Rs. 2113.98 lakhs capital expenditure towards energy conservation equipments.

B. TECHNOLOGY ABSORPTION:

i. The Efforts made towards technology absorption

➤ **Unit – II (Sreepuram)**

- 1) Replacement of existing water pumps with energy efficient water pump.
- 2) Installation of air flow meters for monitoring compressed air consumption.
- 3) Line-1 Cement mill up-gradation by installation of pre-grinding system.
- 4) Installation & Commissioning of 1MW ground mounted solar power plant.
- 5) Installation of VFD for WHR Aux-cooling tower water pump.
- 6) Procurement of SCANIA Tippers in place of Dumpers for Lime stone transportation.

ii. The Benefits derived like product improvement, cost reduction, product development or import substitution

➤ **Unit-I (Ramapuram)**

The Benefits derived like product improvement, cost reduction, product development or import substitution.

➤ **Unit – II (Sreepuram)**

- 1) Annual Electrical Energy saving of 7.49 Lakhs Kwh;
- 2) Annual Fuel(HSD) saving of 112311 ltrs.

iii. Details of technology imported during the last three years reckoned from the beginning of the financial year

➤ **Unit-I (Ramapuram)**

No technology has been imported during last 3 years.

- a. The details of technology import: Not applicable
- b. The year of import: Not applicable

- c. Whether the technology has been fully absorbed: Not applicable
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not applicable

➤ **Unit – II (Sreepuram)**

Sl. No	The details of technology imported	the year of import	whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons there of
1	Line-1 Cement mill up-gradation by installation of pre-grinding system	2019	No	Project work is under progress.
2	Installation & commissioning of 1MW ground mounted solar power plant	2020	Yes	N.A
3	Procurement of SCANIA Tippers in place of Dumper for Lime stone transportation	2020	Yes	N.A

iv. The expenditure incurred on Research and Development

-Nil-

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(Rs. Million)

Particulars	December 31, 2020	December 31, 2019
Used	593.91	665.01
Earned	NIL	NIL

For and on behalf of the Board of Directors
for **Rain Cements Limited**

Place: Hyderabad
Date: February 19, 2021

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Annexure - 5

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. There were no contracts/arrangements entered into by the company with related parties which are not at arm's length basis.
2. Details of contracts or arrangements or transactions entered into by the company with related parties which are at arm's length basis:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Justification for entering into contracts
1	Rain Industries Limited (Holding Company)	Availed Shared Services	From January 01, 2020 to December 31, 2020	Rs.54.44 Million	January 31, 2019 and January 31, 2020	NIL	Rain Industries Limited, (Holding Company) has setup Shared Services Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to its Subsidiary Companies in India and outside India. Accordingly, the Company has entered into contract for availing services from Holding Company.
		Taken Premises on Lease	From January 01, 2020 to December 31, 2020	Rs.7.54 Million	January 31, 2019 and January 31, 2020	NIL	Rain Industries Limited (Holding Company) has own building at which its Registered Office is situated. For operational convenience and better co-ordination, the Company's registered Office is also located in the same building at which Holding Company Registered Office is situated. Hence, the Company has entered into a lease agreement with Rain Industries Limited. The rent paid to Rain Industries Limited is similar to the Rent prevailing in surrounding buildings.

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Justification for entering into contracts
2	Rain CII Carbon (Vizag) Limited (Fellow Subsidiary Company)	Purchase of Power	From January 01, 2020 to December 31, 2020	Rs.153.88 Million	January 31, 2019 and January 31, 2020	NIL	Rain CII Carbon (Vizag) Limited, a fellow subsidiary Company is engaged in the business of manufacture and sale of Calcined Petroleum Coke and generation and sale of electricity. Hence, it is thought appropriate to buy the electricity from Rain CII Carbon (Vizag) Limited, a fellow Subsidiary Company for operating the plants. The electricity is purchased from Rain CII Carbon (Vizag) Limited at the same price at which Rain CII Carbon (Vizag) Limited sells to HT Customers.
		Handling of Green Petroleum Coke	October 16, 2020	Rs.70.30 Million	October 23, 2020	NIL	Rain CII Carbon (Vizag) Limited (RCCVL), a fellow subsidiary Company is engaged in the business of Manufacturing and sale of Calcined Petroleum Coke. Green Petroleum Coke is a raw material for manufacturing of Calcined Petroleum Coke. The Company uses Green Petroleum Coke as fuel for manufacture of Cement. The Company purchased Green Petroleum Coke from Rain CII Carbon (Vizag) Limited as it is economical.
		Sale of Cement	From January 01, 2020 to December 31, 2020	Rs.30.71 Million	January 31, 2019 and January 31, 2020	NIL	The Company is engaged in the business of manufacture and sale of Cement. Rain CII Carbon (Vizag) Limited, a fellow Subsidiary Company requires Cement for undertaking civil works at plant location. The Company sells Cement to Rain CII Carbon (Vizag) Limited at the same price at which Cement is sold to third parties. As the transaction is done at Arm's length basis and at prevailing market price, it is thought appropriate to sell Cement to Rain CII Carbon (Vizag) Limited, a fellow subsidiary.

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or the arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Justification for entering into contracts
3	Arunachala Logistics Private Limited (Relative of the Director of the Company is a Director in Arunachala Logistics Private Limited)	Transportation – Inward and Outward	From January 01, 2020 to December 31, 2020	Rs.3269.29 Million	January 31, 2019 and January 31, 2020	NIL	Arunachala Logistics Private Limited is engaged in the business of providing Transportation and Carry and Forward and Manpower. The Company requires transportation facility for delivering of Cement bags to the dealers. Arunachala Logistics Private Limited is selected through a tender process wherein different transporters have bid for the logistics contract. The services offered by Arunachala Logistics Private Limited are competitive when compared to other service providers. The Company has appointed Grant Thornton India LLP for carrying out Tender process. Arunachala Logistics Private Limited is selected based on the Report submitted by Grant Thornton India LLP.
		Carry and Forward and Manpower	From January 01, 2020 to December 31, 2020	Rs.261.20 Million	January 31, 2020 and October 23, 2020 and February 12, 2021	NIL	Arunachala Logistics Private Limited is engaged in the business of providing Transportation and Carry and Forward and Manpower. The Company is required to avail Carry and Forward and Manpower from Arunachala Logistics Private Limited for delivery of Cement Bags to customers and also for Mining activities at Plant. Carry and Forward and Manpower charges paid by the Company to Arunachala Logistics Private Limited is in line with the charges prevailing in the Industry
		Rental Charges received	From January 01, 2020 to December 31, 2020	Rs.0.42 Million	January 31, 2019 and January 31, 2020	NIL	The rent paid by Arunachala Logistics Private Limited is as per the lease rentals prevailing in surrounding buildings.

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Justification for entering into contracts
		Rental Charges Paid	From January 01, 2020 to December 31, 2020	Rs.0.84 Million	January 31, 2020, July 25, 2020, October 23, 2020 and February 12, 2021	NIL	The rent paid to Arunachala Logistics Private Limited is as per the lease rentals prevailing in surrounding buildings.
		Sale of Cement	From January 01, 2020 to December 31, 2020	Rs.8.06 Million	January 31, 2019 and January 31, 2020	NIL	The Company is engaged in the business of manufacturing and sale of Cement. Arunachala Logistics Private Limited requires Cement for undertaking civil works at its locations. The Company sells Cement to Arunachala Logistics Private Limited at the same price at which the Cement is sold to third parties.
		Purchase of Tipper	November 5, 2020	Rs.4.94 Million	February 12, 2021	NIL	The Company has obtained quotation from various vendors for purchase of Eicher Vehicle. Arunachala Logistics Private Limited has quoted low compared to other Vendors. Hence, the Vehicle is purchased from Arunachala Logistics Private Limited.
		Purchase of Spares	November 20, 2020	Rs.7.35 Million	February 12, 2021	NIL	The amount incurred by Arunachala Logistics Private Limited for purchase of spares for machinery used for mining activities was reimbursed by the Company.

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Justification for entering into contracts
4	Nivee Property Developers Private Limited (Managing Director of the Company is a Director in Nivee Property Developers Private Limited)	Sale of Cement	From January 01, 2020 to December 31, 2020	Rs.3.57 Million	January 31, 2019 and January 31, 2020	NIL	The Company is engaged in the business of manufacturing and sale of Cement. Nivee Property Developers Private Limited requires Cement for undertaking civil works at its locations. The Company sells Cement to Nivee Property Developers Private Limited at the same price at which the Cement is sold to third parties
5	Rain Entertainments Private Limited (Directors of the Company has Substantial interest in Rain Entertainments Private Limited)	Sale of Cement	December 15, 2020	Rs.0.15 Million	February 12, 2021	NIL	The Company is engaged in the business of manufacturing and sale of Cement. Rain Entertainments Private Limited requires Cement for undertaking civil works at its locations. The Company sells Cement to Rain Entertainments Private Limited at the same price at which the Cement is sold to third parties.
6	Protector Facilities Management Private Limited (Managing Director of the Company has Substantial interest in Protector Facilities Management Private Limited)	Supply of Man Power	October 1, 2020	Rs.1.76 Million	October 23, 2020 and February 12, 2021	NIL	Protector Facilities Management Private Limited is engaged in the business of Supply of Man Power for Security Services and other Services. The Company has availed Manpower Services from Protector Facilities Management Private Limited for Security Services and other Services. Manpower charges paid by the Company to Protector Facilities Management Private Limited is lower than the Charges paid to third party for availing similar Services.

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Justification for entering into contracts
7	Rain CII Carbon LLC (Fellow Subsidiary Company)	Purchase of Green Petroleum Coke	November 11, 2020	Rs.58.98 Million	February 12, 2021	NIL	Rain CII Carbon LLC, a fellow subsidiary Company is engaged in the business of Manufacturing and sale of Calcined Petroleum Coke. Green Petroleum Coke is raw material for manufacturing of Calcined Petroleum Coke. The Company uses Green Petroleum Coke as fuel for manufacture of Cement. Rain CII Carbon LLC, (a Fellow Subsidiary) has long term contracts with Refineries for purchase of Green Petroleum Coke. Rain CII Carbon LLC purchases Green Petroleum Coke from Refineries at competitive price as it purchases Green Petroleum Coke in large quantities and it is economical for the Company to purchase Green Petroleum Coke from Rain CII Carbon LLC (Fellow Subsidiary Company).
8	Renuka Cement Limited (Wholly Owned Subsidiary)	Sale of Scrap Container	December 31, 2020	Rs.0.08 Million	February 12, 2021	NIL	The Scrap Container is sold to Renuka Cement Limited at which the same is saleable in the market to third party.

For and on behalf of the Board of Directors
for **Rain Cements Limited**

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Place : Hyderabad
Date : February 19, 2021

Form No.MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended December 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

Rain Cements Limited

"Rain Center", 34, Srinagar Colony,
Hyderabad-500073,
Telangana State, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rain Cements Limited.**, (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st December, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st December, 2020 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder.
- II. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- III. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);
 2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period);
 4. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
 6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018 (Not applicable to the Company during the audit period);
 8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period); and
 9. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- V. Other Laws as specifically applicable to the Company
1. Mines Act, 1952 read with Mines Rules, 1955
 2. Mines and Mineral (Regulation and Development) Act, 1957 read with Mineral Conservation and Development Rules, 1988
 3. Cement (Quality Control) Order, 2003.
 4. The Atomic Energy Act, 1962 read with Atomic Energy (Radiation Protection) Rules, 2004;
 5. The Petroleum Act, 1934 read with Petroleum Rules, 2002;
 6. The Explosive Act 1884 read with Explosive Rules, 2008;
 7. The Static & Mobile Pressure Vessels (Unfired) Rules, 1981;
 8. Cylinder Rules, 2004;
 9. Ammonium Nitrate Rules, 2012;
 10. Limestone and Dolomite Mines Metallic ferrous Mine Regulations, 2012;
 11. The Explosives Act, 2008 read with rules made thereunder
 12. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
 13. The Hazardous Wastes (Managements Handling and Trans Boundary Movement) Rules, 2008;
 14. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
 15. Water (Prevention & Control of Pollution) Cess Act, 1977;
 16. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
 17. The Noise Pollution (Regulation and Control) Rules, 2000;
 18. Indian Boilers Act, 1923
 19. Factories Act, 1948

20. Industrial Disputes Act, 1947

21. Electricity Act, 2003

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For P S Rao & Associates
Company Secretaries

M B Suneel
Partner

Place: Hyderabad
Date: February 19, 2021

C.P. No: 14449
UDIN- A031197B002953369

Note: This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

Annexure-A

To
The Members
Rain Cements Limited
"Rain Center", 34, Srinagar Colony,
Hyderabad-500073,
Telangana State, India.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P S Rao & Associates
Company Secretaries

Place: Hyderabad
Date: February 19, 2021

M B Suneel
Partner
C.P. No: 14449
UDIN- A031197B002953369

Annexure - 7

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

- i. Providing health care, maintaining hospitals, ambulances and conducting medical camps;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water; and
- iv. Rural development projects;

Web link of the CSR Projects or Programmes: www.pragnyapriya.org

2. The Composition of CSR Committee is as follows:

S. No.	Name	Designation
1	Mr. N. Radhakrishna Reddy	Chairman
2	Mr. Jagan Mohan Reddy Nellore	Member
3	Mr. N. Sujith Kumar Reddy	Member
4	Mr. G. Krishna Prasad	Member (Independent Director)

3. Average Net profit for last three Financial Years:

Particulars	For the Financial Year ended December 31 (Rs. Million)		
	2019	2018	2017
Net Profit	1,184.74	346.93	524.98
Average Net Profit for the preceding three Financial Years	685.55		

4. Prescribed CSR expenditure (2% of Rs. 685.55 Million): Rs. 13.71 Million**5. Details of CSR spend for the financial year:**

- a) Total amount to be spent for the financial year: Rs. 13.71 Million
- b) Amount unspent, if any: Nil
- c) Manner in which the amount spent during the financial year is detailed below:

(Rs. Millions)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
1	Maintenance of Schools and Hospitals	Promotion of Education and Health	Ramapuram Village, Suryapet District, Telangana State; and Boincheruvupalli Village, Kurnool District, Andhra Pradesh.	Rs.12.50 Million	Rs.12.50 Million	Rs.12.50 Million	The amount was spent through Pragnya Priya Foundation, a Section 8 Company under the Companies Act, 2013.
2	Spent Directly for Maintenance of Hospitals	Promotion of Health	Ramapuram Village, Suryapet District, Telangana State and Boincheruvupalli Village, Kurnool District, Andhra Pradesh.	Rs.1.18 Million	Rs.1.18 Million	Rs.1.18 Million	Direct
3	Spent Directly for Maintenance of Schools	Promotion of Education	Ramapuram Village, Suryapet District, Telangana State and Boincheruvupalli Village, Kurnool District, Andhra Pradesh.	Rs.0.34 Million	Rs.0.34 Million	Rs.0.34 Million	Direct
4	Spent Directly for Village Road Maintenance	Rural Developmental Activities	Construction of CC Road at Revoor Village, Mellacheruvu Mandal, Suryapeta District, Telangana State	Rs.0.07 Million	Rs.0.07 Million	Rs.0.07 Million	Direct
Total				Rs.14.09 Millions	Rs.14.09 Millions	Rs.14.09 Millions	

6. The Company has spent more than two percent of average net profits of the last three financial years.
7. We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of the Corporate Social Responsibility Committee
for Rain Cements Limited**

Place: Hyderabad
Date: February 19, 2021

N. Radhakrishna Reddy
Chairman of the Committee
DIN: 00021052

N. Sujith Kumar Reddy
Member and Managing Director
DIN: 00022383

Annexure - 8**Statement of Particulars of Employees Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name & Designation	Remuneration Received	Nature of Employment	Qualifications and Experience of the Employee	Date of Commencement of Employment*	Age	The Last Employment held before joining the Company	The percentage of Equity Shares held by the Employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5	whether is a relative of any Director or Manager of the Company
1	Mr. N. Sujith Kumar Reddy, Managing Director	Rs. 32.18 Millions	Regular	B. Com, 29 years	February 10, 2011	49 years	Executive Director of Rain Industries Limited	N.A.	Son of Mr. N. Radhakrishna Reddy, Chairman Brother of Mr. Jagan Mohan Reddy Nellore, Director Father of Mr. N. Shiv Keshav Reddy, Director

Note: There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5 (2) (i), (ii) & (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

For and on behalf of the Board of Directors
for **Rain Cements Limited**

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

Place : Hyderabad
Date : February 19, 2021

List of Top 10 salaried employees for the Financial Year ended December 31, 2020 pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name & Designation	Remuneration received during the period from January 1, 2020 to December 31, 2020	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held before joining the company	Whether is a relative of any director or manager of the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2) of Rule 5
1	Mr. N. Sujith Kumar Reddy, Managing Director	Rs. 32.18 Million	Regular	B. Com 29 Years	February 10, 2011	49 years	Executive Director of Rain Industries Limited	Son of Mr. N. Radhakrishna Reddy, Chairman Brother of Mr. Jagann Mohan Reddy Nellore, Director Father of Mr. N. Shiv Keshav Reddy, Director	Nil
2	Mr. G.N.V.S.R.R. Kumar, Chief Financial Officer	Rs.7.34 Million	Regular	B Com., CA, LLM 24 Years	July 11, 2005	56 years	SPECK Systems Limited	No	Nil
3	Mr. V. Manthira Moorthy, Vice President - Technical	Rs.4.88 Million	Regular	B.Sc., DCIC, DCT 37 Years	August 24, 2009	59 years	LANCO Industries	No	Nil
4	Mr. M. Achi Reddy, Chief General Manager	Rs.4.57 Million	Regular	B. Sc, PGDCA 37 Years	October 30, 2008	63 years	Sri Chakra Cements Limited	No	Nil
5	Mr. M. Sreenivas, General Manager- Mechanical	Rs.4.03 Million	Regular	B.E.-Mech. 28 Years	March 6, 2009	55 years	My Home Industries Ltd	No	Nil
6	Mr. C. Balanagaiah, Senior General Manager	Rs.4.04 Million	Regular	B. Tech- Chemical Engg. 36 Years	October 19, 1987	61 years	A.P. Carbide Limited	No	Nil

S. No.	Name & Designation	Remuneration received during the period from January 1, 2020 to December 31, 2020	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held before joining the company	Whether is a relative of any director or manager of the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2) of Rule 5
7	Mr. P. Gurappa General Manager	Rs.3.56 Million	Regular	BE - Mechanical 30 Yrs.	June 05, 2004	55 years	Vasavadatta Cement	No	Nil
8	Mr. Y. B. Venkanna Goud, Senior General Manager	Rs.3.19 Million	Regular	P U C 41 Years	May 6, 1989	61 years	Economic Transport Organisation	No	Nil
9	K Samba Siva Rao, General Manager-MM	Rs.2.86 Million	Regular	B.A 38 Years	June 13, 1985	60 years	Eureka Heat Exchanges Limited	No	Nil
10	K.Badri Prasad Varna, Deputy General Manager	Rs.2.79 Million	Regular	B.E.-E&C Engg. 32 years	February 05, 2011	58 years	Meghalaya Cements Limited	No	Nil
11	Mr. M. Srinivas Reddy, Deputy General Manager	Rs.2.57 Million	Regular	Dip.in Mining Engg, 1st Class Mines Manager competency certificate, MBA, RQP: 28 Yrs	December 21, 2009	53 years	India Cements Limited	No	Nil

For and on behalf of the Board of Directors
for **Rain Cements Limited**

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

Jagan Mohan Reddy Nellore
Director
DIN:00017633

Place : Hyderabad
Date : February 19, 2021

Nomination and Remuneration Policy

Introduction: In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated.

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Definitions

- Board means Board of Directors of the Company.
- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means Rain Cements Limited.
- Independent Director means a Director referred to in Section 149 of the Companies Act, 2013.

Key Managerial Personnel (KMP) means-

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Company Secretary; and
- iii. Chief Financial Officer.

Senior Management Personnel means-

- i. President; and
- ii. Vice- President.

Applicability

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

A. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

B. Eligibility criteria for Appointment of Directors, Key Managerial Personnel and Senior Management

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

C. Term and Remuneration**1. Managing Director/Whole-time Director**

- i. The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- ii. The remuneration / compensation / commission etc. to the Whole-time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. for Whole Time Directors shall be subject to the approval of the shareholders of the Company.
- iii. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any

other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- iv. The Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders.
- v. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013.

2. Chief Financial Officer (C.F.O), Company Secretary (C.S) and Senior Management Personnel

- i. The remuneration / compensation etc. to the Chief Financial Officer, Company Secretary and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.
- ii. The Chief Financial Officer, Company Secretary and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee.

3. Independent Director

- i. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company, he / she shall be eligible for appointment for one more term of 5 years only.

D. Remuneration to Non- Executive / Independent Director

i. Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees

shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

ii. Commission

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

E. Evaluation

The Committee shall carry out evaluation of performance of every Director Annually.

F. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

G. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

For and on behalf of the Board of Directors
for **Rain Cements Limited**

Place: Hyderabad
Date: February 19, 2021

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**1. SHORT TITLE & APPLICABILITY**

- i. This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the Community at large, is titled as the '**RAIN CEMENTS LIMITED CSR POLICY**'.
- ii. This policy shall apply to all CSR initiatives and activities taken up at the various work center and locations of Rain Cements Limited (RCL), for the benefit of different segments of the society.

2. CSR VISION STATEMENT & OBJECTIVE**VISION**

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

OBJECTIVE

- i. Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- ii. To directly or indirectly take up programmes that benefit the communities in & around its Work Centre and results, over a period of time, in enhancing the quality of life & economic wellbeing of the local people.
- iii. To generate, through its CSR initiatives, a goodwill for RCL and help reinforce a positive & socially responsible image of RCL as a corporate entity.

3. RESOURCES

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, RCL will allocate 2% of the average Net Profit during the immediately preceding 3 years, as its Annual CSR Budget.

Any unspent amount will be carried to next year and will be added to the allocated funds for that year.

4. KEY FOCUS AREAS

- i) Eradicating hunger, poverty and malnutrition, promoting sanitation and making available safe drinking water;
- ii) Providing health care, maintaining of hospitals, Ambulances and conducting medical camps;
- iii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iv) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for

- senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- v) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
 - vi) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
 - vii) Measures for the benefit of armed forces veterans, war widows and their dependents;
 - viii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
 - ix) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
 - x) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Movement; and
 - xi) Rural development projects.

RCL may identify activities apart from the aforementioned activities for carrying out the CSR activities and those identified activities need to be approved by the CSR Committee or Board of Directors.

5. IMPLEMENTATION

- i. CSR programmes will be undertaken to the best possible extent within the defined ambit of the identified areas.
- ii. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- iii. Project activities identified under CSR are to be implemented by the CSR Committee and employees of RCL nominated for the purpose and if found necessary by the specialized agencies.
- iv. RCL will incur the amount towards the Key Focus Areas
- v. RCL will also contribute to
 - a. Companies Established under Section 25 of the Companies Act, 1956 or under Section 8 of the Companies Act, 2013;
 - b. Charitable Institutions; and
 - c. Agencies involved in community development programme.

6. CONSTITUTION OF CSR COMMITTEE

The Company shall constitute a Committee of Directors named as CSR Committee with at least three Directors out of which at least one Director shall be an Independent Director.

The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.

The functions of the CSR Committee shall be as follows:

- i. Identification of Key Focus Areas for undertaking CSR activities;

- ii. Goal setting;
- iii. Allocations of funds;
- iv. Approving Expenditure;
- v. Taking expert advice from outside consultants; and
- vi. Monitoring the implementation of CSR Programmes;

7. POWERS FOR APPROVAL

- i. CSR programmes as may be identified by each internal team, Functional People, work center / corporate office will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.
- ii. For meeting the requirements arising out of immediate & urgent situations, Mr. N. Sujith Kumar Reddy, Managing Director and Mr. N. Jagan Mohan Reddy, Director of Rain Cements Limited, are severally authorised to approve proposals in terms of the empowerment accorded to them by the CSR Committee and the Board of Directors.
- iii. Any allocation of expenditure on CSR activities needs to be approved by the Board of Directors followed by the CSR Committee.

8. MONITORING AND FEEDBACK

- i. To ensure effective implementation of the CSR programmes undertaken, a monitoring mechanism will be put in place by the CSR Committee. The progress of CSR programmes under implementation will be reported to CSR Committee on a monthly basis.
- ii. Designated employees will also try to obtain feedback from beneficiaries about the programmes.
- iii. Appropriate documentation of the RCL CSR Policy, annual CSR activities, executing partners and expenditure entailed will be undertaken on a regular basis.
- iv. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

9. GENERAL

- i. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the CSR Committee shall be final.
- ii. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject by the Regulatory.
- iii. Surplus arising out of the CSR Projects or Programs or activities shall not form of the business profit of the Company.
- iv. The Company reserves the right to modify, cancel, add, or amend any of these Rules.

For and on behalf of the Board of Directors
for **Rain Cements Limited**

Place: Hyderabad
Date: February 19, 2021

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

Jagan Mohan Reddy Nellore
Director
DIN: 00017633

INDEPENDENT AUDITORS' REPORT**To the Members of Rain Cements Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Rain Cements Limited ("the Company"), which comprise the balance sheet as at December 31, 2020, 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 notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' 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 the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The annual report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Management's and the Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally

accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on January 04, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at December 31, 2020 on its financial position in its financial statements - Refer Note 36 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. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 08, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended December 31, 2020.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm's Registration Number: 116231W/ W-100024

Sriram Mahalingam

Partner

Membership Number: 049642

UDIN: 21049642AAAAAJ7462

Place: Hyderabad

Date: February 19, 2021

Annexure A to the Independent Auditor's Report on the Financial Statements

With reference to the Annexure A referred to in our report of even date to the Members of Rain Cements Limited ("the Company") on the financial statements as at and for the year ended December 31, 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noted on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations give to us and records examined by us and based on the confirmation obtained regarding property mortgaged as security we report that, the title deeds of immovable properties as disclosed in the Note 3 to the financial statements, are held in the name of the Company.
- (ii) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material. For stocks lying with third parties at the year-end, written confirmations have been obtained.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the guarantees given. Further, there are no loans or investments made and security given in respect of which provisions of section 185 and 186 of the Act are applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. Accordingly, paragraph 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 prescribed by the Central Government of India for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income- tax, Duty of Customs, Goods and Service Tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income- tax, Duty of Customs, Goods and Service Tax, Cess and any other material statutory dues that were in arrears as at December 31, 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Provident fund, Employees' state insurance, Duty of Customs, Goods and Service Tax, Cess which have not been deposited with appropriate authorities on account of any disputes. However, the Company has the following disputed dues with respect to Income tax, Sales tax, Service tax, Duty of Excise, Value added tax and Entry tax:

Name of the Statute	Nature of the Dues	Amount (Rs. millions)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1957	Sales tax	8.15	1991-92 1992-93	Honorable High Court of Andhra Pradesh
	Penalty	18.77	2002-03	Honorable High Court of Andhra Pradesh
	Sales tax	4.25 (1.41)	1995-96	Honorable High Court of Andhra Pradesh
Central Sales Tax Act, 1956	Penalty	14.60 (5.23)	1996-97 1997-98 1998-99 1999-2000	Honorable High Court of Andhra Pradesh
	Penalty	7.84 (1.96)	2018-19	Appellate Deputy Commissioner, Commercial Taxes
Finance Act, 1994	Service tax*	24.72	Jul 2008	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise duty and Penalty	6.66 (2.27)	Oct 2012	Customs, Excise and Service Tax Appellate Tribunal
	Excise Duty and penalty*	5.45 (5.19)	Nov 2012	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise duty and penalty	75.41 (75.31)	Aug 2014 to Feb 2015 and Apr 2015 to March 2016	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	2.8 (1.36)	2011-12 2013-14 2014-15	Appellate Deputy Commissioner, Commercial Taxes

Name of the Statute	Nature of the Dues	Amount (Rs. millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and interest	2.56	AY 2008-09	High Court
Income Tax Act, 1961	Income Tax and interest	46.90	AY 2009-10	Deputy commissioner of Income tax
Income Tax Act, 1961	Income Tax and interest	18.30	AY 2011-12	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax and interest	148.90	AY 2012-13	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax and interest	31.70	AY 2017-18	Commissioner of Income Tax (Appeals)

*Interest will be levied separately, as applicable. Amount in parenthesis represents payment under protest.

- (viii) According to the information and explanation given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to any bank and Government. The Company did not have any outstanding loans or borrowings from financial institutions nor has it issued any debentures as at the balance sheet date.
- (ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Note 42 to the financial statements as required under Indian Accounting Standard 24, Related party disclosures specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of Clause 3(xiv) of the Order are not applicable to the Company.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or persons connected with him as contemplated under the provisions of Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No: 116231W/ W-100024

Sriram Mahalingam

Partner

Membership No: 049642

UDIN: 21049642AAAAAJ7462

Place: Hyderabad

Date: February 19, 2021

Annexure B to the Independent Auditors' report on the financial statements of Rain Cements Limited for the year ended 31 December 2020**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

Opinion

We have audited the internal financial controls with reference to financial statements of Rain Cements Limited ("the Company") as of December 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at December 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 116231W/ W-100024

Sriram Mahalingam

Partner

Membership No: 049642

UDIN: 21049642AAAAAJ7462

Place: Hyderabad

Date: February 19, 2021

BALANCE SHEET AS AT DECEMBER 31, 2020

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

Particulars	Note	As at December 31, 2020	As at December 31, 2019
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	3,672.00	3,713.81
(b) Capital work-in-progress	3	768.20	653.78
(c) Right of use assets	4	20.65	-
(d) Other intangible assets	5	0.25	0.89
(e) Financial assets			
(i) Investments	6	318.55	318.54
(ii) Loans	7	216.97	222.33
(f) Non current tax assets (net)	8	210.47	207.67
(g) Other non-current assets	9	45.08	51.32
		<u>5,252.17</u>	<u>5,168.34</u>
2. Current assets			
(a) Inventories	10	1,251.85	1,879.07
(b) Financial assets			
(i) Investments	11	-	260.00
(ii) Trade receivables	12	254.98	243.53
(iii) Cash and cash equivalents	13	126.32	325.56
(iv) Bank balances other than cash and cash equivalents	13	1,764.59	138.97
(v) Loans	14	0.24	0.43
(vi) Other financial assets	15	626.58	426.40
(c) Other current assets	16	287.14	203.40
		<u>4,311.70</u>	<u>3,477.36</u>
TOTAL		<u>9,563.87</u>	<u>8,645.70</u>
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	17	298.05	298.05
(b) Other equity	18	5,545.67	4,529.24
		<u>5,843.72</u>	<u>4,827.29</u>
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	513.85	511.58
(b) Provisions	20	227.30	224.38
(c) Deferred tax liability (net)	26	321.39	387.83
		<u>1,062.54</u>	<u>1,123.79</u>
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	-	266.27
(ii) Trade payables	22		
(A) total outstanding dues of micro enterprises and small enterprises		12.29	9.48
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		553.48	628.44
(iii) Other financial liabilities	23	1,125.01	791.39
(b) Provisions	24	28.48	23.74
(c) Other current liabilities	25	405.13	558.23
(d) Other tax liability	21	533.22	417.07
		<u>2,657.61</u>	<u>2,694.62</u>
TOTAL		<u>9,563.87</u>	<u>8,645.70</u>
Corporate information	1		
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/W-100024

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

Sriram Mahalingam
Partner
Membership number: 049642

N. Sujith Kumar Reddy
Managing Director
DIN:00022383

Jagan Mohan Reddy Nellore
Director
DIN:00017633

Place : Hyderabad
Date : February 19, 2021

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

D.Rajasekhara Reddy
Company Secretary
M.No.A61938

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2020

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

Particulars	Note	For the year ended December 31, 2020	For the year ended December 31, 2019
1 Income			
Revenue from operations	28	10,300.16	10,384.39
Other income	29	147.99	119.05
Total income		10,448.15	10,503.44
2 Expenses			
Cost of materials consumed	30	1,106.57	1,198.46
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	111.89	247.86
Employee benefits expense	32	492.43	506.43
Finance costs	33	21.57	11.92
Depreciation and amortisation expense	3,4&5	546.26	479.20
Other expenses	34	6,442.21	6,896.97
Total expenses		8,720.93	9,340.84
3 Profit before tax (1-2)		1,727.22	1,162.60
4 Tax expense / (benefit)			
Current tax	35	501.55	353.84
Deferred tax			
(a) Deferred tax excluding (b) below		(67.77)	(22.64)
(b) Impact on account of change in rate of tax		-	(153.38)
		433.78	177.82
5 Profit for the year (3-4)		1,293.44	984.78
6 Other Comprehensive Income/(loss)			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		5.26	(19.98)
(b) Income tax relating to Remeasurement as defined benefit plans		(1.32)	4.12
(c) Derivative Financial Liabilities		-	-
		3.94	(15.86)
(ii) Items that will be reclassified to profit or loss			
(a) Effective portion of gains/(losses) on hedging instrument in cash flow hedge		(0.78)	0.78
(b) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income/(loss) for the year (a+b)		3.16	(15.08)
7 Total Comprehensive Income for the year (5+6)		1,296.60	969.70
8 Earnings per share (Face value of INR 10/- each)			
Basic and Diluted	38	43.40	33.04
Corporate information	1		
Significant accounting policies	2		

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

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/W-100024

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

Sriram Mahalingam
Partner
Membership number: 049642

N. Sujith Kumar Reddy
Managing Director
DIN:00022383

Jagan Mohan Reddy Nellore
Director
DIN:00017633

Place : Hyderabad
Date : February 19, 2021

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

D.Rajasekhara Reddy
Company Secretary
M.No.A61938

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

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

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
A. Cash flow from operating activities		
Profit before tax	1,727.22	1,162.60
Adjustments for :		
Depreciation and amortisation expense	546.26	479.20
Loss on sale of property, plant and equipment	2.21	22.14
Interest and other borrowing costs	21.57	11.92
Interest income	(121.84)	(55.43)
Rental income	(1.33)	(1.40)
Dividend income from current investments	(6.01)	(7.43)
Liabilities / provisions no longer required written back	(14.43)	(17.83)
Provision for doubtful debts and advances	0.70	0.17
Operating profit before working capital changes	2,154.35	1,593.95
Adjustments for changes in working capital:		
Inventories	627.22	(402.87)
Trade receivables	(12.15)	(22.40)
Loans, Security deposits and other financial assets	3.01	14.49
Other Non-current assets	(83.74)	15.18
Trade payables	(40.42)	(135.51)
Other current liabilities	(153.10)	186.04
Other financial liabilities	302.61	27.57
Provisions	12.92	17.68
Cash generated from operations	2,810.70	1,294.13
Income taxes paid, net	(388.20)	(386.55)
Net cash from operating activities	2,422.50	907.58
B. Cash flow from investing activities		
Purchase of property, plant and equipment (Net of capital advances and capital creditors)	(689.10)	(680.01)
Proceeds from sale of property, plant and equipment	38.06	3.76
Net proceeds from current investments	260.00	(260.00)
Investment in National saving certificate	(0.01)	-
Placement of bank deposits	(1,625.62)	325.80
Redemption / maturity of bank deposits	-	-
Inter corporate deposits placed	(150.92)	(3.70)
Interest received	72.38	62.97
Rental Income received	1.33	1.40
Dividends received on current investments	6.01	7.43
Net cash used in investing activities	(2,087.87)	(542.36)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020 (Contd...)

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

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
C. Cash flow from financing activities		
Proceeds from non-current borrowings	199.15	-
Repayment of Long term borrowings	(156.91)	(53.06)
Lease rentals paid	(8.10)	(11.92)
Interest on lease rentals paid	(1.71)	-
Interest and other borrowing costs paid	(19.86)	-
Dividend paid including tax on dividend	(280.17)	(269.49)
Repayment of buyer's credit	(266.27)	266.27
	<u>(533.87)</u>	<u>(68.20)</u>
Net cash used in financing activities		(68.20)
 Net (decrease)/increase in cash and cash equivalents (A+B+C)	 (199.24)	 297.02
Cash and cash equivalents at the beginning of the year	325.56	28.54
Cash and cash equivalents at the end of the year (refer note 13)	126.32	325.56

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:

Cash and cash equivalents - closing balance	126.32	325.56
Add: Other bank balances	<u>1,764.59</u>	<u>138.97</u>
Cash and bank balances - closing balance	1,890.91	464.53

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

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

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/W-100024

Sriram Mahalingam
Partner
Membership number: 049642

Place : Hyderabad
Date : February 19, 2021

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

N. Sujith Kumar Reddy
Managing Director
DIN:00022383

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

Jagan Mohan Reddy Nellore
Director
DIN:00017633

D.Rajasekhara Reddy
Company Secretary
M.No.A61938

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

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

Particulars	Equity share capital	Other equity					Total equity
		Securities premium	Reserves and Surplus General reserve	Retained earnings	Other Comprehensive Income Cash Flow Hedge Reserve	Actuarial gain/(losses)	
Balance as at December 31, 2018	298.05	424.33	526.64	2,884.18	-	(6.12)	4,127.08
Adjustments:							
Dividends (including dividend distribution tax thereon)	-	-	-	(269.49)	-	-	(269.49)
Profit for the year	-	-	-	984.78	-	-	984.78
Transfer to general reserve	-	-	85.84	(85.84)	-	-	-
Component of Other comprehensive income							
(a) Remeasurement of defined benefit plans	-	-	-	-	-	(19.98)	(19.98)
(b) Income tax relating to Remeasurement as defined benefit plans	-	-	-	-	-	4.12	4.12
(c) Effective portion of changes in fair value of Cash Flow Hedges (net of tax benefits)	-	-	-	-	0.78	-	0.78
Balance as at 31 December, 2019	298.05	424.33	612.48	3,513.63	0.78	(21.98)	4,827.29
Adjustments:							
Dividends	-	-	-	(280.17)	-	-	(280.17)
Profit for the period	-	-	-	1,293.44	-	-	1,293.44
Transfer to general reserve	-	-	-	-	-	-	-
Component of Other comprehensive income							
(a) Remeasurement of defined benefit plans	-	-	-	-	-	5.26	5.26
(b) Income tax relating to Remeasurement as defined benefit plans	-	-	-	-	-	(1.32)	(1.32)
(c) Effective portion of changes in fair value of Cash Flow Hedges (net of tax benefits)	-	-	-	-	(0.78)	-	(0.78)
Balance as at December 31, 2020	298.05	424.33	612.48	4,526.90	-	(18.04)	5,843.72

Corporate Information

1

2

Significant accounting policies

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

For and on behalf of the Board of Directors
Rain Cements Limited

CIN: U23209TG1999PLC031631

for B S R & Associates LLP
Chartered Accountants
ICAI Firm registration number: 116231W/W-100024Sriram Mahalingam
Partner
Membership number: 049642N. Sujith Kumar Reddy
Managing Director
DIN:00022383Jagan Mohan Reddy Nellore
Director
DIN:00017633Place : Hyderabad
Date : February 19, 2021G.N.V.S.R.R. Kumar
Chief Financial Officer
M.No. 204139
D.Rajasekhara Reddy
Company Secretary
M.No.A61938

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**Note 1: Corporate Information**

Rain Cements Limited ('the Company') was originally incorporated on 4 May, 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 Nalgonda district in the State of Telangana, Kurnool district in the State of Andhra Pradesh and Packing facility at Bellary district of Karnataka State.

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

Note 2: Significant Accounting Policies**a) Basis of preparation of financial statements****(i) Statement of compliance**

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

The financial statements have been prepared on a going concern basis. Relevant Ind AS effective as on the Company's annual reporting date 31 December 2020 have been applied. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements were authorized for issue by the Company's Board of Directors on February 19, 2021.

(ii) Functional and presentation currency

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

(iii) Basis of measurement

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

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- Non-cash distribution liability.

(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

Notes forming part of the Financial Statements (Continued)

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:

- a) measurement of defined benefit obligations: key actuarial assumptions (Refer Note 41)
- b) recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Refer Note 36)
- c) useful life of property, plant and equipment and intangible assets (Refer Note 2(f))
- d) impairment of financial assets and non-financial assets (Refer Note 44 and 45)
- e) decommissioning liability (Refer Note 2(f))
- f) expected credit loss - provision for doubtful debts (Refer Note 45)

(v) Current and non current classification

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

Assets

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

- i. It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is expected to be realised within 12 months after the reporting date; or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

Notes forming part of the Financial Statements (Continued)**Liabilities**

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

- i. It is expected to be settled in the Company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within 12 months after the reporting date; or
- iv. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Operating cycle

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

(vi) Measurement of Fair values:

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The Company engages with external valuers for measurement of fair values in the absence of quoted prices in active markets.

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

Notes forming part of the Financial Statements (Continued)

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

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

(b) Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Assets (or disposal Companies) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

Notes forming part of the Financial Statements (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent to its settlement is accounted for within equity.

(c) Financial instruments

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

Financial Assets:**Initial recognition and measurement**

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;

Notes forming part of the Financial Statements (Continued)

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

Notes forming part of the Financial Statements (Continued)

Financial assets: Subsequent measurement and gains and losses

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

Financial assets at amortised cost : These assets are subsequently measured at 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 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.

Notes forming part of the Financial Statements (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.

(d) 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 etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

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

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

Notes forming part of the Financial Statements (Continued)

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

(e) Other Income

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

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

(f) Property, plant and equipment

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

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

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

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

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

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

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

Notes forming part of the Financial Statements (Continued)

criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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

Provision for site restoration

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year. Site restoration expenses is incurred on an on going basis 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.

(g) 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.

Notes forming part of the Financial Statements (Continued)

Asset Description	Useful Life
Software	3 years

(h) Inventories

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

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

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

(i) 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

Notes forming part of the Financial Statements (Continued)

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".

(j) Impairment of financial assets

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

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

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

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

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

Notes forming part of the Financial Statements (Continued)

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.

(k) 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.

(l) Retirement and other employee benefits**Defined contribution plans**

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

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the

Notes forming part of the Financial Statements (Continued)

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

Other long-term employee benefits

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

Notes forming part of the Financial Statements (Continued)**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.

(m) Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee, the company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Notes forming part of the Financial Statements (Continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, the determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and the corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes forming part of the Financial Statements (Continued)**(n) Earnings Per Share**

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

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

(o) 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.

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised on temporary differences being the difference between the taxable income and accounting income that originate in one period and are capable

Notes forming part of the Financial Statements (Continued)

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.

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

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

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

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

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

(p) Statement of Cash Flows and Cash & cash equivalents

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

Notes forming part of the Financial Statements (Continued)

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.

(q) Provisions and Contingencies

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

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

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

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

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

(r) Dividend declared

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

Notes forming part of the Financial Statements (Continued)

recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Board of directors of the Company.

(s) Derivative Financial Instruments and Hedge Accounting***Initial recognition and subsequent measurement***

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects statement of profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Notes forming part of the Financial Statements (Continued)**Cash flow hedge**

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

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 and Capital work-in-progress:

Description	Gross Block			Accumulated Depreciation			Net Block	
	"As at January 1, 2020"	Additions	Deletions / Adjustments	As at December 31, 2020	As at January 1, 2020	For the year	As at December 31, 2020	As at December 31, 2019
Property, plant and equipment (A)								
Land								
- Freehold	80.69	-	-	80.69	-	-	80.69	80.69
- Freehold Mining land	43.65	0.65	-	44.30	1.40	0.37	42.53	42.25
Buildings (Refer note (i) below)	907.88	20.90	4.66	924.12	160.12	41.78	724.23	747.76
Plant and equipment	4,146.73	478.18	276.73	4,348.18	1,426.85	475.49	2,689.48	2,719.88
Furniture and fixtures	112.14	2.42	0.14	114.42	23.79	5.37	85.33	88.35
Vehicles	49.66	22.68	11.35	60.99	23.33	5.95	39.13	26.33
Office equipment	28.76	9.82	7.12	31.46	20.21	7.23	10.61	8.55
Total (A)	5,369.51	534.65	300.00	5,604.16	1,655.70	536.19	3,672.00	3,713.81
Capital work-in-progress (B)	653.78	648.43	534.01	768.20	-	-	768.20	653.78
Total (A+B)	6,023.29	1,183.08	834.01	6,372.36	1,655.70	536.19	4,440.20	4,367.59

Notes forming part of the Financial Statements (Continued)

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

Description	Gross Block			Accumulated Depreciation			Net Block	
	As at January 1, 2019	Additions	Deletions / Adjustments	As at December 31, 2019	For the year	Deletions / Adjustments	As at December 31, 2019	As at December 31, 2018
Property, plant and equipment (A)								
Land								
- Freehold	80.69	-	-	80.69	-	-	80.69	80.69
- Freehold Mining land	43.65	-	-	43.65	0.37	-	42.25	42.62
Buildings (Refer note (i) below)	828.73	80.63	1.48	907.88	40.95	1.10	747.76	708.46
Plant and equipment	3,639.41	564.65	57.33	4,146.73	417.36	36.20	2,719.88	2,593.72
Furniture and fixtures	106.58	5.58	0.02	112.14	5.29	0.02	88.35	88.06
Vehicles	46.59	13.58	10.51	49.66	5.59	6.19	26.33	22.66
Office equipment	28.13	2.67	2.04	28.76	8.56	1.98	8.55	14.50
Total (A)	4,773.78	667.10	71.38	5,369.51	478.12	45.49	3,713.81	3,550.71
Capital work-in-progress (B)	404.89	915.73	666.84	653.78	-	-	653.78	404.89
Total (A+B)	5,178.67	1,582.83	738.22	6,023.29	478.12	45.49	4,367.59	3,955.60

Notes:

- (i) Refer Note No. 27 for details of Assets under mortgage/charge

Notes forming part of the Financial Statements (Continued)

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

Note 4: Right of use asset

Description	Gross Block					Accumulated Depreciation							Net Block	
	As at January 1, 2020	Effect of transition on adoption of Ind AS 116	Additions	Deletions / Adjustments	Exchange difference	As at December 31, 2020	As at January 1, 2020	Effect of transition on adoption of Ind AS 116	For the year	Deletions / Adjustments	Impairment losses	Exchange difference	As at December 31, 2020	As at December 31, 2019
Buildings	-	30.08	-	-	-	30.08	-	-	9.43	-	-	-	9.43	20.65
Total	-	30.08	-	-	-	30.08	-	-	9.43	-	-	-	9.43	20.65

Note 5: Other intangible assets

Description	Gross Block				Accumulated amortisation				Net Block	
	As at January 1, 2020	Additions	Deletions / Adjustments	As at December 31, 2020	As at January 1, 2020	For the year	Deletions / Adjustments	As at December 31, 2020	As at December 31, 2020	As at December 31, 2019
Software	5.15	-	-	5.15	4.26	0.64	-	4.90	0.25	0.89
Total	5.15	-	-	5.15	4.26	0.64	-	4.90	0.25	0.89

Description	Gross Block				Accumulated amortisation				Net Block	
	As at January 1, 2019	Additions	Deletions / Adjustments	As at December 31, 2019	As at January 1, 2019	For the year	Deletions / Adjustments	As at December 31, 2019	As at December 31, 2018	As at December 31, 2018
Software	5.10	0.05	-	5.15	3.17	1.09	-	4.26	0.89	1.93
Total	5.10	0.05	-	5.15	3.17	1.09	-	4.26	0.89	1.93

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, 2020	As at December 31, 2019
Note 6: Non-current investments		
A. Investments in subsidiary		
(Unquoted instruments valued at cost unless stated otherwise)		
<i>Subsidiaries</i>		
Renuka Cement Limited	422.38	422.38
7,498,483 (December 31, 2019: 7,498,483) equity shares of INR 10 each fully paid up		
Less: Provision for Impairment in value of Investments	(120.00)	(120.00)
B. Investments in others:		
(Unquoted instruments valued as fair value through profit and loss)		
<i>Equity instruments</i>		
Andhra Pradesh Gas Power Corporation Limited		
134,000 (December 31, 2019: 134,000) equity shares of INR 10 each fully paid up	16.00	16.00
<i>Government securities</i>		
National Savings Certificates	0.17	0.16
Total	318.55	318.54
Note:		
(a) aggregate amount of quoted investments and market value thereof		
Aggregate amount of unquoted investments	438.55	438.54
Aggregate amount of impairment in value of investments	120.00	120.00
Note 7: Loans		
Security deposits		
(Unsecured, considered good unless otherwise stated)		
Electricity deposit	195.78	195.78
Other Security deposits	21.19	26.55
Total	216.97	222.33
Note 8: Tax assets		
Advance tax (net of provision for tax of INR 781.02) (December 31, 2019 : INR 964.05)	210.47	207.67
	210.47	207.67

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, 2020	As at December 31, 2019
Note 9: Other non-current assets		
Capital advances	9.81	18.59
Balances with Government authorities	35.27	32.73
Total	45.08	51.32
Note 10: Inventories		
(At lower of cost and net realisable value)		
Raw materials	112.52	75.85
Work-in-progress	509.32	642.62
Finished goods (other than those acquired for trading)	92.89	71.48
Stores and spares	173.15	169.38
Packing materials	54.71	18.54
Fuel	309.26	901.20
Total	1,251.85	1,879.07
Goods-in-transit, included above		
Raw materials	0.50	0.32
Stores and spares	1.30	1.35
Fuel	37.13	2.86
Total	38.93	4.53
Notes: Refer Note no. 36 for details of Inventories under mortgage/charge		
Note 11: Current investments		
(unquoted at Amortised cost)		
Investment in mutual funds of:		
ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	-	40.00
Franklin India Ultra Short Bond Fund - Super Institutional Growth	-	220.00
Total	-	260.00
Aggregate amount of unquoted investments	-	260.00
Information about the Company's exposure to fair value measurements and credit risk is included in Note 44 & 45 respectively		
Note 12: Trade receivables		
Trade Receivables considered good - Secured	162.28	157.77
Trade Receivables considered good - Unsecured	92.70	85.76
Trade Receivables - credit impaired	22.51	21.81

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, 2020	As at December 31, 2019
	277.49	265.34
Less: Provision for loss allowance	(22.51)	(21.81)
Total	254.98	243.53

(i) Trade receivables balances are net of secondary security deposits on dealer accounts amounting to INR 245.47 (December 31, 2019: INR 121.97)

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

The movement in the loss allowance for impairment is respect of trade receivable during the year was as follows

	As at December 31, 2020	As at December 31, 2019
Opening balance	(21.81)	(21.64)
Loss allowance recognised during the year	(0.70)	(0.17)
Closing balance	(22.51)	(21.81)

Note 13: Cash and bank balances**A. Cash and cash equivalents**

Cash on hand	0.13	0.27
Cheques/ drafts on hand	1.32	3.55
Balances with banks:		
- in current accounts	9.77	69.50
- in deposit accounts (with original maturity of 3 month or less)	115.10	252.24
	126.32	325.56

B. Other bank balances

Balances held as margin money against guarantees and other commitments	13.39	28.43
Long term deposits	1,751.20	110.54
	1,764.59	138.97

Total [A+B]	1,890.91	464.53
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Note 14: Current loans**(Unsecured, considered good unless otherwise stated)**

Advance to employees	0.24	0.43
Total	0.24	0.43

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, 2020	As at December 31, 2019
Note 15: Other current financial assets		
Interest accrued on deposits	71.96	22.50
Inter-corporate deposits	554.62	403.70
Derivative Financial Asset	-	0.20
	626.58	426.40

Note:

Inter corporate deposits of INR 554.62 (Previous year: INR 403.70) have been placed with Housing Development Finance Corporation for a period of 12 months with an average interest rate of 7.50% p.a

Note 16: Other current assets

Prepaid expenses	16.71	14.48
Balances with Government authorities	10.08	11.71
Advance to supplier and service providers	257.00	168.21
Others	3.35	9.00
Total	287.14	203.40

Note 17: Equity Share capital

	As at December 31, 2020		As at December 31, 2019	
	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 forming part of the Financial Statements (Continued)

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

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, 2020		As at December 31, 2019	
	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 number of equity shares held by the shareholders.

During the current financial year, dividend @ INR 9.40 per share has been declared and paid. The Board of Directors of the Company at their meeting held on October 23, 2020, have declared an interim dividend of INR 9.40 per equity share i.e. 94% on face value of INR 10 per equity share fully paid up (INR 280.17 million for the financial year ending December 31, 2020).

During the previous financial year, dividend @ INR 7.50 per share has been declared and paid. The Board of Directors of the Company at their meeting held on November 11, 2019, have declared an interim dividend of INR 7.50 per equity share i.e. 75% on face value of INR 10 per Equity Share fully paid up (INR 269.49 million including tax on dividend for the financial year ending December 31, 2019).

(iii) Shares held by holding company

Particulars	As at December 31, 2020		As at December 31, 2019	
	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

Notes forming part of the Financial Statements (Continued)

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

(iv) Details of equity shares held by each shareholder holding more than 5% shares

Name of the shareholder	As at December 31, 2020		As at December 31, 2019	
	Number of Shares	%	Number of Shares	%
Rain Industries Limited along with its nominees	29,805,000	100%	29,805,000	100%

- (v) 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.
- (vi) No equity shares bought back during the last five years immediately preceding the reporting date.
- (vii) No Shares have been allotted as fully paid up by way of bonus shares during the period of 5 years immediately preceding the reporting date.

	As at December 31, 2020	As at December 31, 2019
Note 18: Other equity		
(i) Reserves and surplus		
(a) Securities premium account		
Opening balance	424.33	424.33
Closing balance	424.33	424.33
(b) General reserve		
Opening balance	612.48	526.64
Add: Transferred from retained earnings	-	85.84
Closing balance	612.48	612.48
(c) Retained earnings		
Opening balance	3,513.63	2,884.18
Add: Profit for the year	1,293.44	984.78
	4,807.07	3,868.96
Less : Interim dividend	280.17	223.54
Dividend distribution tax	-	45.95
Transferred to general reserve	-	85.84
Closing balance	4,526.90	3,513.63
(d) Remeasurements of defined benefit plan		
Opening balance	(21.98)	(6.12)
Add: Remeasurements of defined benefit liability	5.26	(19.98)
Tax effect of above	(1.32)	4.12
Closing balance	(18.04)	(21.98)

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, 2020	As at December 31, 2019
(e) Cash Flow Hedge Reserve		
Opening balance	0.78	0.78
Less: Reclassified to profit and loss account	(0.78)	-
Closing balance	-	0.78
Total	5,545.67	4,529.24

Nature of Reserves**a) Security premium :**

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

b) General reserve :

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. 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 mainly represent all current and prior year profits as disclosed in the statement of profit or loss and other comprehensive income less dividend distribution and transfers to general reserve.

(d) Remeasurement of defined benefit liability

Comprises of actuarial gains/losses and return on plan assets excluding net interest income/ (expense).

	As at December 31, 2020	As at December 31, 2019
Note 19: Non-current borrowings		
Deferred payment liabilities		
-Unsecured	510.36	609.94
Less: Current portion of non-current borrowings disclosed under Note 23 - Other current financial liabilities	83.12	98.36
	427.24	511.58
- Secured	141.82	-
Less: Current portion of non-current borrowings disclosed under Note 23 - Other current financial liabilities	67.89	-
	73.93	-

Notes forming part of the Financial Statements (Continued)

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

- Finance lease obligation

-Unsecured	21.98	-
Less: Current portion of non-current borrowings disclosed under Note 23 - Other current financial liabilities	9.30	-
	12.68	-
Total	513.85	511.58

Deferred payment liabilities

Sales tax deferment represents interest free liability. Balance outstanding is repayable in 55 structured monthly instalments as per deferment schedule (December 31, 2019: 67 installments).

Term loan

During the year, the Company availed a loan of INR 19.91 crores from Axis Bank Limited towards purchase of Earth Moving Equipment such as Wheel Loaders, Tippers & Excavators. The loan is repayable in 35 equated monthly installments and is secured by First and exclusive charge on assets financed by Axis Bank Limited. The loan carries an interest rate of 8.50% p.a.

Reconciliation of liabilities arising from financing activities

Particulars	Non current borrowings	Current borrowings	Total
Opening balance at the beginning of the year	609.94	266.27	876.21
Additional borrowings during the period/year	199.15	-	199.15
Borrowings repaid during the year	(156.91)	(266.27)	(423.18)
Closing balance at the end of the year	652.18	-	652.18

Refer Note 37 for reconciliation of Lease liabilities

Note 20: Non-current provisions**Provision for employee benefits:**

- Compensated absences (Refer Note 41)	30.59	30.92
- Gratuity (Refer Note 41)	92.40	93.87

Provision - others

- Site restoration	104.31	99.59
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Total	227.30	224.38
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The movement in the site restoration provision during the year was as follows:

	As at December 31, 2020	As at December 31, 2019
Balance as at the beginning of the year	99.59	94.19
Charge for the year	4.72	5.40
Utilised during the year	-	-
Balance as at the end of the year	104.31	99.59

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

Notes forming part of the Financial Statements (Continued)

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

Note 21: Other tax liabilities

Provision for tax (net of advance tax INR 1,247.83 (December 31, 2019: INR 1,436.09))	533.22	417.07
	533.22	417.07

Note 22: Trade payables

Total outstanding dues of micro enterprises and small enterprises	12.29	9.48
Total outstanding dues of creditors other than micro enterprise and small enterprises	553.48	628.44
Total	565.77	637.92

The Company's exposure to liquidity risk relating to trade payables is disclosed in Note no. 45

Note : Refer note 42 for payable to related parties

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 December 31, 2020 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

(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.	12.29	9.48
(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.	-	-

Notes forming part of the Financial Statements (Continued)

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

(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 23: Other Current financial liabilities

Current maturities of non-current borrowings (refer note 19)	160.31	98.36
Trade and security deposits	162.74	95.35
Payables to employees	86.17	85.82
Deposits from contractors/customers	626.24	370.21
Others:		
- Payables on purchase of property, plant and equipment	87.54	136.36
- Retention money	2.01	5.29
Total	1,125.01	791.39

Note 24: Current provisions**Provision for employee benefits:**

- Compensated absences (Refer Note 41)	10.90	10.84
- Gratuity (Refer Note 41)	17.58	12.90
Total	28.48	23.74

Note 25: Other current liabilities

Statutory remittances	258.16	206.02
Advance from customers	66.92	59.87
Provision for discounts	80.05	292.34
Total	405.13	558.23

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, 2020	As at December 31, 2019
Note 26: Deferred taxes		
Deferred tax liability		
Property, plant and equipment	418.40	481.85
Right of use asset	5.20	-
Deferred tax assets		
Employee benefits	(39.07)	(36.31)
Land indexation	(27.15)	(27.15)
Site restoration liability	(25.07)	(25.07)
Trade Receivables	(5.40)	(5.49)
Lease liability	(5.53)	-
Net deferred tax liability / (asset)	321.39	387.83

Movement in deferred tax assets / liabilities:					
Particulars	Balance as at January 1, 2019	Recognised in profit or loss during the year	Recognised in OCI during the year	Impact of changes in tax rate	Balance as at December 31, 2019
Property, plant and equipment	706.98	(40.22)	-	(184.91)	481.85
Employee benefits	(40.64)	(3.92)	(4.12)	12.37	(36.31)
Deferred payment liabilities	(31.52)	31.52	-	-	-
Land indexation	(26.36)	(8.15)	-	7.36	(27.15)
Site restoration liability	(32.92)	(1.75)	-	9.60	(25.07)
Trade Receivables	(7.56)	(0.13)	-	2.20	(5.49)
	567.98	(22.65)	(4.12)	(153.38)	387.83
Particulars	Balance as at January 1, 2020	Recognised in profit or loss during the period/ year	Recognised in OCI during the year	Impact of changes in tax rate	Balance as at December 31, 2020
Property, plant and equipment	481.85	(63.45)	-	-	418.40
Employee benefits	(36.31)	(4.08)	1.32	-	(39.07)
Land indexation	(27.15)	-	-	-	(27.15)
Site restoration liability	(25.07)	-	-	-	(25.07)
Trade Receivables	(5.49)	0.09	-	-	(5.40)
Right of use asset	-	5.20	-	-	5.20
Lease liability	-	(5.53)	-	-	(5.53)
	387.83	(67.77)	1.32	-	321.39

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, 2020	As at December 31, 2019
Note 27 : Current Borrowings		
Buyer's Credit	-	266.27
Total	-	266.27
Note : During the previous year, INR 259.60 was availed from State Bank of India, Sydney which was repayable on demand and was secured by First pari-passu charge over Current Assets (present and future) and first pari-passu charge over movable fixed assets (present and future) of the company. It carried an interest rate of 6M LIBOR+150bps. The amount was repaid in current year.		
	For the year ended December 31, 2020	For the year ended December 31, 2019
Note 28: Revenue from operations		
Sale of products [Refer Note (i) below]	10,285.71	10,366.75
Other operating revenues [Refer Note (ii) below]	14.45	17.64
Revenue from operations (gross)	10,300.16	10,384.39
Notes:		
(i) Sale of products comprises:		
Sale of cement	10,285.71	10,366.75
Total	10,285.71	10,366.75
(ii) Other operating revenues comprises:		
Scrap sales	14.45	17.64
Total	14.45	17.64
(iii) Contract assets and contract liabilities:		
Contract assets recorded in balance sheet	-	-
Contract liabilities recorded in balance sheet	66.92	59.87
(iv) Reconciliation of revenue from sale of products with the contract price		
Contract price (A)	11,821.44	12,265.95
Less - Reductions towards variable consideration components: (B)		
Discounts	1,535.73	1,899.20
Revenue recognised (A-B)	10,285.71	10,366.75

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, 2020	For the year ended December 31, 2019
Note 29: Other income		
Interest from banks on deposits	108.98	55.43
Interest- others	12.86	34.12
Dividend income from current investments at FVTPL	6.01	7.43
Rental income	1.33	1.40
Other non-operating income:		
Liabilities / provisions no longer required written back	14.43	17.83
Miscellaneous income	4.38	2.84
Total	147.99	119.05
Note 30 : Cost of material consumed		
Material consumed :		
Lime stone	268.58	268.44
Laterite	316.55	263.03
Gypsum	139.62	156.62
Iron ore	0.78	10.59
Dolomite/Bauxite	2.67	3.98
Fly ash	383.77	502.44
Captive consumption of cement	(5.40)	(6.64)
Total	1,106.57	1,198.46
Note 31: Changes in inventories of finished goods and work-in-progress		
Inventories at the beginning of the year		
Finished goods	71.48	92.66
Work-in-progress	642.62	869.30
	714.10	961.96
Inventories at the end of the year		
Finished goods	92.89	71.48
Work-in-progress	509.32	642.62
	602.21	714.10
Decrease in stock	111.89	247.86

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, 2020	For the year ended December 31, 2019
Note 32: Employee benefits expense		
Salaries, wages and bonus	445.06	459.18
Contribution to provident and other funds (Refer Note 41)	40.54	39.79
Staff welfare expense	6.83	7.46
Total	492.43	506.43
Note 33: Finance costs		
Interest expense	17.64	5.88
Interest expense on Lease liability (Refer Note 37)	1.71	-
Other borrowing costs	-	0.39
Bank and finance charges	2.22	5.65
Total	21.57	11.92
Note 34: Other expenses		
Consumption of stores and spares	235.78	349.17
Consumption of packing materials	386.68	430.28
Power and fuel	2,377.57	2,497.79
Repairs and maintenance	246.43	231.11
Insurance	22.51	13.06
Rent (Refer note 37)	47.02	50.99
Rates and taxes	23.60	25.18
Communication expenses	6.24	5.10
Travelling and conveyance	21.69	33.15
Printing and stationery	2.66	3.03
Freight outward	2,647.07	2,790.16
Other selling and distribution expenses	214.63	245.21
Corporate Social Responsibility and other donations (Refer Note 40)	25.78	27.12
Consultancy charges	73.27	68.32
Payment to auditors [Refer Note below]	2.45	2.54
Directors' sitting fees	0.77	0.83
Commission to directors	20.00	10.00
Loss Allowance for doubtful trade receivables	0.70	0.17
Loss on sale of property, plant and equipment (net)	2.21	22.14

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, 2020	For the year ended December 31, 2019
Loss on foreign currency transactions and translation (net)	1.30	-
Miscellaneous expenses	83.85	91.61
Total	6,442.21	6,896.97

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

Audit fees	1.80	1.80
Limited review fees	0.60	0.60
Other services	0.05	-
Reimbursement of expenses	-	0.14
Total	2.45	2.54

Note 35: Income tax**Amount recognised in Statement of profit or loss**

Current tax

(i) Tax for current period/year	490.99	368.83
(ii) Tax relating to earlier years	10.56	(14.99)
Net current tax	501.55	353.84
Deferred tax	(67.77)	(176.02)
Total	433.78	177.82

Reconciliation of effective tax rate

Profit before tax	1,727.22	1,162.60
Enacted tax rate	25.168%	25.168%
Tax expense as per enacted tax rate	434.71	292.60

Effect of:

Tax impact on non-deductible expenses	6.49	27.83
Changes in Rate of Tax and change due to remeasurement of Deferred tax asset/Deferred tax liability	-	(146.26)
Others	(7.42)	3.65
Total	433.78	177.82

Notes forming part of the Financial Statements (Continued)

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

Note 36.: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at December 31, 2020	As at December 31, 2019
(I) Contingent liabilities		
Matters under dispute		
- Income tax	174.50	174.50
- Sales Tax, Service Tax and Excise Duty related matters under dispute	26.92	26.92
- Fuel Surcharge Adjustment levied by Electricity Distributing Companies	34.57	34.57
Claims against the company not acknowledged as debt	370.88	309.70
	606.87	545.69
Guarantees given by the Company		
- Corporate guarantees issued (refer below for details)	1,314.90	1,967.05
(II) Commitments		
Estimated amounts of contracts remaining to be executed on capital account [net of capital advance INR 9.81 (December 31, 2019: INR.18.59)]	52.02	332.60

Summary of Guarantees given:

Corporate Guarantees issued for loans availed by:	As at December 31, 2020		As at December 31, 2019	
	Guarantee	Contingent Liability	Guarantee	Contingent Liability
Rain Industries Limited - Holding company (Refer note (a) below for security given by the company)	1,314.90	1,314.90	1,967.05	1,967.05
Total	1,314.90	1,314.90	1,967.05	1,967.05

Note: Contingent liability represents loan amount outstanding.

- a) The immovable assets and movable assets of the Company (except for those charged with Axis Bank Limited as disclosed in Note 19), all current assets of the Company are charged against loan availed by Rain Industries Limited for purpose of investment in Rain Commodities USA Inc..

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.

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.

Notes forming part of the Financial Statements (Continued)

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

Note 37: Leases**Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective January 01, 2020, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on January 01, 2020 using the modified retrospective method. Right-of-use of assets at January 01, 2020 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Company recorded the lease liability at the present value of all future lease payments discounted at the incremental borrowing rate. Comparatives as at and for the year ended December 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended December 31, 2019.

On January 01, 2020, the Company recognised lease liability of INR. 30.08 and right-of-use assets of INR. 30.08 as at January 01, 2020 (presented as part of property, plant and equipment). The adoption of the standard did not have any material impact on the financial statements for the current period.

The following are the changes in the carrying value of right-of-use assets for the year ended December 31, 2020:

Particulars	Amount
Cost	
As at 01 January 2020	-
Recognised on adoption of Ind AS 116	30.08
Additions	-
Balance at 31 December 2020	30.08
Accumulated amortisation and impairment	
As at 01 January 2020	-
Amortisation	(9.43)
Balance at 31 December 2020	(9.43)
Carrying amounts	
As at 01 January 2020	-
As at 31 December 2020	20.65

The following is the rental expense recorded for short-term leases, variable leases and low value leases for the year ended December 31, 2020:

Notes forming part of the Financial Statements (Continued)

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

Particulars	Year ended December 31, 2020
Short term lease expense	47.02
Low value lease expense	-
Variable lease expenses (other than short term)	-
Total lease expense	47.02

Following are the changes in the lease liability for the year ended December 31, 2020:

Particulars	As at December 31, 2020
As at January 1, 2020	30.08
Additions	-
Finance cost accrued during the year	1.71
Deletions	-
Payment of lease liabilities	(9.81)
Balance as at December 31, 2020	21.98

The following is the cash outflow on leases during the year ended December 31, 2020:

Particulars	Year ended December 31, 2020
Payment of lease liabilities (excluding interest)	7.86
Interest on lease liabilities	1.95
Short-term lease expense	-
Low value lease expense	-
Variable lease expenses other than short term	47.02
Total cash outflow on leases	56.83

Maturity analysis – contractual undiscounted cash flows	As at December 31, 2020
Less than one year	10.62
One to five years	14.36
More than five years	0.26
Total undiscounted lease liabilities as at December 31, 2020	25.24

Notes forming part of the Financial Statements (Continued)

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

Note 38: Earnings per Share (EPS)

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
a. Profit for the year	1,293.44	984.78
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)	43.40	33.04

Note 39: During the year, the Company has given the following donations to the political parties

Name of party	For the year ended December 31, 2020	For the year ended December 31, 2019
Communist Party of India	-	0.80
Total	-	0.80

Note 40: Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding 3 financial years on Corporate Social Responsibility (CSR) activities. A 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. The Company is required to spend a minimum amount of INR 9.45 (December 31, 2019: INR 10.91).

Particulars	For the year ended December 31, 2020		
	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	-	-	-
On purposes other than construction / acquisition of any asset – Donations for scholarship	14.26	-	14.26
Total	14.26	-	14.26

Particulars	For the year ended December 31, 2019		
	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	-	-	-
On purposes other than construction / acquisition of any asset – Donations for scholarship	25.57	-	25.57
Total	25.57	-	25.57

Notes forming part of the Financial Statements (Continued)

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

Note 41: 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, 2020	For the Year ended December 31, 2019
Provident fund paid to the authorities	24.11	25.05
Employee state insurance paid to the authorities	0.86	1.48
Contribution to other funds (Employee welfare etc.)	0.38	0.36
Total	25.35	26.89

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.

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at balance sheet date. The following table sets forth the status of the various defined benefit plans of the company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss.

Amounts recognized in the Balance Sheet are as follows:

Particulars	As at December 31, 2020	As at December 31, 2019
Present value of funded obligation	122.57	127.16
Less: Fair value of plan assets	(12.59)	(20.40)
Net liability	109.98	106.76

Amount recognised in Statement of Profit and Loss (recognised in employee benefits expense):

Particulars	For the Year ended December 31, 2020	For the Year ended December 31, 2019
Current service cost	8.52	6.67
Interest cost	6.78	5.75
Total	15.30	12.42

Notes forming part of the Financial Statements (Continued)

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

Amount recognised in other comprehensive income:

Particulars	For the Year ended December 31, 2020	For the Year ended December 31, 2019
Actuarial loss/(gain) on remeasurement of defined benefit obligation:		
Actuarial (gain)/ loss arising from change in financial assumptions	3.27	14.03
Actuarial (gain)/ loss arising from change in demographic assumption	-	1.49
Actuarial (gain)/ loss arising on account of experience changes	(7.33)	5.90
Actuarial gain/(loss) on remeasurement of planned asset:		
Actual return on plan assets less interest on plan assets	(1.20)	(0.84)
Total gain/(loss)	(5.26)	20.58

Reconciliation of opening and closing balances of the present value of the obligations:

Particulars	As at December 31, 2020	As at December 31, 2019
Opening defined benefit obligation	127.16	101.84
Current service cost	8.52	6.67
Interest Cost	7.29	6.64
Actuarial loss/(gain)	(4.06)	21.42
Amount paid to employees	(16.34)	(9.41)
Closing defined benefit obligation	122.57	127.16

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

Particulars	As at December 31, 2020	As at December 31, 2019
Opening fair value of plan assets	20.40	21.68
Expected return on plan assets	0.51	0.89
Contribution by employer	6.82	6.40
Actual return on plan assets	1.20	0.84
Amount paid to employees	(16.34)	(9.41)
Closing fair value of plan assets	12.59	20.40

Notes forming part of the Financial Statements (Continued)

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

The details of investments in plan assets are as follows:

Particulars	As at December 31, 2020	As at December 31, 2019
Life Insurance Corporation of India	100%	100%

Principal Actuarial assumptions used:

Particulars	As at December 31, 2020	As at December 31, 2019
Discount rates on benefit obligations	6.10%	6.60%
Expected salary increase rates	7.50%	7.50%

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, 2020 shown below:

Particulars	Increase (%)	Decrease (%)
Discount rate (50 bps on DBO)	(2.67)	2.82
Future salary growth (50 bps on DBO)	2.68	(2.55)

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, 2019 shown below.

Particulars	Increase (%)	Decrease (%)
Discount rate (50 bps on DBO)	(2.52)	2.67
Future salary growth (50 bps on DBO)	2.54	(2.43)

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

The expected contribution payable to the plan next year is INR 8.00

Maturity profile of defined benefit obligation

Particulars	Amount
1st Following year	30.18
2nd Following year	14.62
3rd Following year	10.27
4th Following year	14.77
5th Following year	14.48
Thereafter	99.82

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, 2020 the weighted average duration of the defined benefit obligation is 5.67 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 unutilized compensated absences and utilize it in future periods or receive cash in lieu thereof as per company policy. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

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

Particulars	As at December 31, 2020	As at December 31, 2019
Net Liability :		
- Current	10.90	10.84
- Non Current	30.59	30.92
	41.49	41.76

Note 42: 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)	Subsidiaries	Renuka Cement Limited (RenCL)
(iii)	Entities Under Common Control	Rain CII Carbon (Vizag) Limited (RCCVL) Rain Commodities USA Inc. (RCUSA) Pragnya Priya Foundations (PPF)
(iv)	Enterprise where key managerial personnel along with their relatives exercise significant influence	Rain Enterprises Private Limited (REPL) Rain Entertainments Pvt Ltd Nivee Property Developers Pvt Ltd (NPDP) Arunachala Logistics Pvt Limited (ALPL) 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. P.Srinivas - Company Secretary (From June 20, 2019 to August 13th, 2020), Mr. D. Rajasekhar Reddy- Company Secretary (From August 13th, 2020 onwards) Mr. G.N.V.S.R.R.Kumar - Chief Financial Officer

Notes forming part of the Financial Statements (Continued)

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

(vi)	Non-executive directors	Ms. Nirmala Reddy- Independent Director Mr. G. Krishna Prasad - Independent Director Mr Brian Jude McNamara - Independent Director (From February 12, 2021) Mr. N. Shiv Keshav Reddy (Son of Managing Director)
(vii)	Relative of Key Managerial Personnel	Mr. N. Venkata Pranav Reddy (Son of Managing Director)

b) Transactions with related parties

Particulars	Year ended December 31, 2020	Year ended December 31, 2019
Purchases and services (net of reimbursements) from:		
1. Rain CII Carbon Vizag Ltd- Purchase of power	153.88	217.60
2. Rain CII Carbon Vizag Ltd-Handling of Pet coke	70.30	-
3. Rain CII Carbon LLC - Purchase of Petcoke	58.98	-
4. Rain Industries Limited - Shared Services Expenses	54.44	54.05
5. Rain Industries Limited- Lease Rent	7.54	6.86
6. Arunachala Logistics Pvt Ltd - Freight and Services	3,530.49	3,657.89
7. Arunachala Logistics Pvt Ltd - Purchase of Tipper	4.94	-
8. Arunachala Logistics Pvt Ltd - Purchase of Spares	7.35	-
Sale of cement:		
1. Rain CII Carbon Vizag Ltd	30.71	66.86
2. Rain Entertainments Pvt Ltd	0.15	-
3. Pragnya Priya Foundation	-	0.14
4. Nivee Property Developers Pvt Ltd	3.57	8.93
5. Arunachala Logistics Pvt Ltd	6.79	1.95
Other operating income:		
1. Arunachala Logistics Pvt Ltd - Rental Income	0.42	0.35
2. Arunachala Logistics Pvt Ltd - Sale of Scrap	1.27	-
3. Renuka Cement Limited - Sale of Container scrap	0.08	-
Other operating expenses		
1. Arunachala Logistics Pvt Ltd - Rental Expenses	0.90	-
2. Protector Facilities Management Pvt Ltd - Man Power Services	1.76	-

Notes forming part of the Financial Statements (Continued)

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

Particulars	Year ended December 31, 2020	Year ended December 31, 2019
Managerial remuneration:		
(i) Short-term employee benefits		
a) Mr. N. Sujith Kumar Reddy	22.18	22.42
b) Mr. G.N.V.S.R.R.Kumar	7.34	6.95
c) Mr. M.Prasanna kumar	-	0.28
d) Mr. P. Srinivas	0.44	0.30
e) Mr D.Rajasekhar Reddy	0.22	-
(ii) Post-employment benefits		
*Refer note below		
Commission to Directors:		
Mr. N. Sujith Kumar Reddy	20.00	10.00
Salaries paid:		
(i) Short-term employee benefits		
Mr. N. Venkata Pranav Reddy	0.87	0.80
(ii) Post-employment benefits		
*Refer note below		
Dividend paid:		
Rain industries Limited	280.17	223.54
Subscription of Investments:		
1. Renuka Cements Limited	-	283.36
Donations given:		
Pragnya Priya Foundation	22.50	20.00
Remuneration to Independent Directors (Sitting fees):		
1. Ms. Nirmala Reddy	0.25	0.27
2. Mr. G. Krishna Prasad	0.25	0.32
Remuneration to Non-Executive Director (Sitting fees):		
1. Mr. N. Shiv Keshav Reddy	0.15	0.18

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

Notes forming part of the Financial Statements (Continued)

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

The Group has the following dues from / to related parties:		
Particulars	As at December 31, 2020	As at December 31, 2019
Amounts receivable from:		
a) Rain Entertainments Pvt Ltd	-	-
b) Pragnya Priya Foundation	0.00	0.00
c) Nivee Property Developers Pvt Ltd	0.03	-
d) Arunachala Logistics Pvt Limited	207.71	-
e) 'Rain CII Carbon Vizag Limited	0.00	-
Amounts payable to:		
a) Arunachala Logistics Pvt. Limited	-	13.29
b) Rain CII Carbon Vizag Limited	11.25	19.71
c) Protector Facilities Management Pvt Ltd	0.26	-
d) 'Rain Industries Ltd.,	-	10.49
Corporate guarantee given on behalf of:		
a) Rain Industries Limited	1,314.90	1,967.05
Commission payable to Director:. N. Sujith Kumar Reddy	20.00	10.00

Terms and conditions of transactions with related parties:

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

Note 43: 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.

Notes forming part of the Financial Statements (Continued)

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

Particulars	As at	
	December 31, 2020	December 31, 2019
Total borrowings, net of cash and cash equivalents	547.84	550.65
Total equity attributable to the equity shareholders of the company	5,843.72	4,827.29
Net debt to equity ratio	0.09	0.11

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.

Note 44: Fair value measurements:

The following table shows the financial instruments by category carrying and fair value hierarchy:

As at December 31, 2020:

Particulars	Fair value instruments by category				Fair value hierarchy		
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Financial assets:							
Investments	302.38	16.17	-	318.55	0.17	-	16.00
Loans	217.21	-	-	217.21	-	-	-
Trade receivables	254.98	-	-	254.98	-	-	-
Cash and cash equivalents	126.32	-	-	126.32	-	-	-
Bank balances other than cash and cash equivalent	1,764.59	-	-	1,764.59	-	-	-
Other financial assets	626.58	-	-	626.58	-	-	-
Derivative financial asset	-	-	-	-	-	-	-
	3,292.06	16.17	-	3,308.23	0.17	-	16.00
Financial liabilities							
Borrowings (including current maturities)	674.16	-	-	674.16	-	-	-
Trade payables	565.77	-	-	565.77	-	-	-
Other financial liabilities (excluding current maturities of long-term borrowings)	964.70	-	-	964.70	-	-	-
	2,204.63	-	-	2,204.63	-	-	-

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, 2019:

Particulars	Fair value instruments by category				Fair value hierarchy		
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Financial assets:							
Investments	562.38	16.16	-	578.54	0.16	-	16.00
Loans	222.76	-	-	222.76	-	-	-
Trade Redeivables	243.53	-	-	243.53	-	-	-
Cash and cash equivalents	325.56	-	-	325.56	-	-	-
Bank balances other than above	138.97	-	-	138.97	-	-	-
Other financial assets	426.40	-	-	426.40	-	-	-
Derivative financial asset	-	-	0.20	0.20	-	0.20	-
	1,919.60	16.16	0.20	1,935.96	0.16	0.20	16.00
Financial liabilities							
Borrowings (including current maturities)	876.21	-	-	876.21	-	-	-
Trade payables	637.92	-	-	637.92	-	-	-
Other financial liabilities (excluding current maturities of long-term borrowings)	693.03	-	-	693.03	-	-	-
	2,207.16	-	-	2,207.16	-	-	-

Note:

The carrying amounts of current investments, 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 face values.

Measurement of fair values:

Fair values are categorized 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. The mutual funds are valued using the closing NAV.

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).

Notes forming part of the Financial Statements (Continued)

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

Note 45: 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. The Company limits its exposure to credit risk arising from trade receivable by establishing a maximum credit period of 21 days. Moreover, the receivables balance is backed by an appropriate amount of deposit collected from each customers and the Company transfers some portion of the discount to the security deposit of the customer which will be paid at the time of termination of the contract or discontinuance of business. The default in collection as a percentage of total receivable is very low.

Notes forming part of the Financial Statements (Continued)

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

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

Particulars	As at December 31, 2020	As at December 31, 2019
Receivables that are neither past due nor impaired	99.06	142.51
Receivables that are past due but not impaired:		
Past due 0-30 days	11.08	7.54
Past due 31-60 days	23.40	11.59
Past due 61-90 days	11.94	7.10
Past due over 90 days	109.50	74.79
	155.92	101.02
Gross receivables	254.98	243.53
Credit impaired	22.51	21.81
Loss allowance	(22.51)	(21.81)
Net receivables before credit notes	254.98	243.53

No single customer accounted for more than 10% of the trade receivable as of December 31, 2020 and December 31, 2019. 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.

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.

Notes forming part of the Financial Statements (Continued)

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

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, 2020

Particulars	Carrying value	Contractual cash flows				
		Less than 1 year	1-2 years	2-5 years	5-10 years	Total
Financial liabilities						
Borrowings (including current maturities)	674.16	161.62	217.79	297.52	0.26	677.19
Trade payables	565.77	565.77	-	-	-	565.77
Other financial liabilities (excluding current maturities of long-term borrowings)	964.70	964.70	-	-	-	964.70
Total	2,204.63	1,692.09	217.79	297.52	0.26	2,207.66

As at December 31, 2019

Particulars	Carrying value	Contractual cash flows				
		Less than 1 year	1-2 years	2-5 years	5-10 years	Total
Financial liabilities						
Borrowings (including current maturities)	876.21	364.63	83.12	341.27	87.19	876.21
Trade payables	637.92	637.92	-	-	-	637.92
Other financial liabilities (excluding current maturities of long-term borrowings)	693.03	693.03	-	-	-	693.03
Total	2,207.16	1,695.58	83.12	341.27	87.19	2,207.16

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 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.

Notes forming part of the Financial Statements (Continued)

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

The following table analyses foreign currency risk from non derivative financial instruments:

Particulars	Amount in USD		Amount in EURO	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Assets:				
Cash and bank balances	-	-	-	-
EEFC balance	-	-	-	-
Trade receivables	-	-	-	-
Loans	-	-	-	-
Loans and advances to subsidiary	-	-	-	-
Other financial assets	-	-	-	-
Capital advances	-	-	-	-
	-	-	-	-
Liabilities:				
Trade payables	-	-	-	-
Borrowings	-	2.74	-	-
Other financial liabilities	-	-	-	-
Contractually reimbursable expenses	-	-	-	-
Payable to Statutory Authorities	-	-	-	-
Payables on purchase of fixed assets	-	-	-	-
	-	2.74	-	-

Sensitivity Analysis:

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

Impact on Profit and loss due to foreign currency loss/(gain) for the year on 1% change in foreign currency rates:

Particulars	December 31, 2020		December 31, 2019	
	Strengthening	Weakening	Strengthening	Weakening
Impact on profit and loss				
INR		-		-
USD	-	-	(0.03)	0.03
EUR	-	-	-	-

Notes forming part of the Financial Statements (Continued)

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

The Company has the following outstanding foreign exchange forward derivative contracts:

As at December 31, 2020

Category	Currency	Cross Currency	Amounts in Millions	Buy/Sell	Purpose
Forward contract	USD	INR	USD -	-	-

As at December 31, 2019

Category	Currency	Cross Currency	Amounts in Millions	Buy/Sell	Purpose
Forward contract	USD	INR	USD 1.00	Buy	Hedging

Cash flow Hedges

The amounts as at December 31, 2020 relating to items designated as hedged items are as follows:

Change in value used for calculating hedge ineffectiveness	December 31, 2020			December 31, 2019		
	Effective portion of cash flow hedges	Costs of hedging	Balances remaining in equity head 'effective portion of cash flow hedges' from hedging relationships for which hedge accounting is no longer applied	Effective portion of cash flow hedges	Costs of hedging	Balances remaining in equity head 'effective portion of cash flow hedges' from hedging relationships for which hedge accounting is no longer applied
Foreign currency risk						
Settlement of foreign currency payables	-	-	-	0.2	-	-
Interest rate risk						
Variable-rate instruments	-	-	-	-	-	-

Notes forming part of the Financial Statements (Continued)

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

Particulars	December 31, 2020		December 31, 2019	
	Equity head 'Effective portion of cash flow' hedges	Equity head 'Cost of hedging'	Equity head 'Effective portion of cash flow' hedges	Equity head 'Cost of hedging'
Balance as at January 1, 2020	0.20	-	2.29	-
Cash flow hedges				
Changes in fair value:				
Foreign currency risk – inventory purchases	-		-	
Foreign currency risk – inter-company debt		-		-
Interest rate risk	-			
Amount reclassified to profit or loss:				
Foreign currency risk – inventory purchases	(0.20)	-	(2.09)	-
Foreign currency risk – other items				
Interest rate risk				
Amount included in the cost of non-financial items:				
Foreign currency risk – inventory purchases				
Foreign currency risk – other items				
Interest rate risk				
Tax on movements in relevant items of Other comprehensive income during the year	-	-	-	-
Balance as at December 31, 2020	-	-	0.20	-

The table below summarises the periods when the cash flows associated with highly probable forecasted transactions that are classified as cash flow hedges are expected to occur:

Particulars	December 31, 2020	December 31, 2019
Cash flows in US Dollars		
< 1 month	-	3.74

Notes forming part of the Financial Statements (Continued)

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

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, 2020	December 31, 2019
Fixed rate instruments		
Financial assets	2,434.31	794.91
Financial liabilities	163.80	-
	2,598.11	794.91
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	266.27
	-	266.27

Interest rate Sensitivity:**Impact on Profit and loss due to 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	December 31, 2020		December 31, 2019	
	Increase in rate	Decrease in rate	Increase in rate	Decrease in rate
Impact on profit and loss				
Variable-rate instruments	-	-	2.66	(2.66)
Total Impact	-	-	2.66	(2.66)

Note 46: 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). The CODM evaluates the company's performance and allocates resources

Notes forming part of the Financial Statements (Continued)

All amounts are in Indian Rupees millions, except share data and where otherwise stated 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 47: Covid 19

In view of the national lockdown announced by the Government of India to control the spread of COVID-19, the Company's business operations were temporarily disrupted during month of April 2020 and May 2020. The Company has resumed its operations from first week of May 2020 in a phased manner as per Government directive and attained normalcy.

The Company, to the extent possible, has considered the risks that may result from the uncertainty relating to the COVID-19 pandemic and its impact on the carrying amounts of trade receivables, investments and financial instruments. The Company has considered internal and certain external sources of information including economic forecasts and industry reports upto the date of approval of the financial statements and based on the company's analysis of the current indicators of the future economic condition on its business and the estimates used in its financial statements, the Company does not foresee any material impact on the recoverability of the carrying value of the assets.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the risk assessment is a continuous process and the Company will continue to monitor the impact of the changes in future economic conditions on its business.

Note 48:

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

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 116231W/W-100024

Sriram Mahalingam

Partner

Membership number: 049642

For and on behalf of the Board of Directors

Rain Cements Limited

CIN: U23209TG1999PLC031631

N. Sujith Kumar Reddy

Managing Director

DIN:00022383

Jagan Mohan Reddy Nellore

Director

DIN:00017633

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

Chief Financial Officer

M No. 204139

D.Rajasekhara Reddy

Company Secretary

M.No.A61938

Place : Hyderabad

Date : February 19, 2021



RAIN CEMENTS LIMITED

Regd. Office: Rain Center, 34, Srinagar Colony, Hyderabad-500 073, Telangana State, India.

Ph.No. 040-40401234, Fax: 040-40401214

Email ID: secretarial@rain-industries.com; website: www.priyacement.com

CIN: U23209TG1999PLC031631

ATTENDANCE SLIP

22nd Annual General Meeting to be held on May 7, 2021 at 11.00 A.M.

Regd. Folio No		* DP ID:	
No. of Equity Shares held		* Client ID:	

Name of the Shareholder	
Name of Proxy	

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company, to be held on Friday, May 7, 2021 at 11.00 a.m. at the Registered Office of the Company situated at "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073, Telangana State, India.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, Please sign here

If Proxy, Please sign here

Note: This form should be signed and handed over at the Meeting Venue.

** Applicable for investors holding shares in electronic form.*

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RAIN CEMENTS LIMITED

Regd.Office: Rain Center, 34, Srinagar Colony, Hyderabad-500 073, Telangana State, India.

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CIN: U23209TG1999PLC031631

Form No. MGT-11

PROXY FORM

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

CIN : U23209TG1999PLC031631

Name of the company : Rain Cements Limited

Registered office : Rain Center, 34, Srinagar Colony, Hyderabad-500 073, Telangana State, India.

Name of the member(s) :

Registered address :

Email Id :

Folio No./Client Id :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name : _____

Address : _____

E-mail ID : _____ Signature: _____

or failing him/her

2. Name : _____

Address : _____

E-mail ID : _____ Signature: _____

or failing him/her

3. Name : _____

Address : _____

E-mail ID : _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Friday, May 7, 2021 at 11.00 a.m. at the Registered Office of the Company situated at "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073, Telangana State, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
Ordinary Business	
1	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended on December 31, 2020 and Reports of Board and Auditors thereon.
2	To confirm and Ratify interim Dividend
3	To appoint a Director in place of Mr. N. Radhakrishna Reddy, who retires by rotation and being eligible offers himself for re-appointment.
Special Business	
4	To ratify remuneration payable to Cost Auditors.

Signed this..... day of..... 2021

Place :

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map for venue of the Meeting



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CSR ACTIVITIES

Education



Health



Rural Development Activities

AWARDS





PRIYA CEMENT™

Lives Forever



RAIN CEMENTS LIMITED

Registered / Corporate Office:
Rain Center, 34, Srinagar Colony,
Hyderabad 500 073, Telangana, India.
Tel: +91 (40) 4040 1234,
Fax: +91 (40) 4040 1214,
Email: secretarial@priyacement.com
www.priyacement.com