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## Company Information

### BOARD OF DIRECTORS

Mr. N. Radhakrishna Reddy	Chairman
Mr. N. Sujith Kumar Reddy	Managing Director
Mr. Jagan Mohan Reddy Nellore	Non-Executive Director
Ms. B. Shanti Sree	Independent Director
Mr. Brian Jude McNamara	Independent Director
Mr. Suri Babu Samudrala	Independent Director
Mr. N. Venkata Pranav Reddy	Executive Director
Mr. N. Shiv Keshav Reddy	Non-Executive Director

### CHIEF FINANCIAL OFFICER

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

### COMPANY SECRETARY

Mr. P. Ganesh Pathrudu

### STATUTORY AUDITORS

S. R. Batliboi & Associates LLP  
Chartered Accountants,  
The Skyview 10, 18th Floor, "Zone A",  
Survey No. 83/1, Raidurgam,  
Hyderabad- 500032, Telangana, India.

### INTERNAL AUDITOR

Mr. Ramaswamy Balasubramanian  
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, 2<sup>nd</sup> 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,  
Nandyal District,  
Andhra Pradesh,  
India.

### REGISTERED OFFICE

"Rain Center,"  
34, Srinagar Colony,  
Hyderabad – 500073,  
Telangana State, India.  
Phone: +91-040-4040 1234

Email: [secretarial@rain-industries.com](mailto:secretarial@rain-industries.com)  
Website: [www.priyacement.com](http://www.priyacement.com)

CIN: U23209TG1999PLC031631

### BANKS

ICICI Bank Limited  
Yes Bank Limited  
HDFC Bank Limited

## NOTICE

**NOTICE** is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of **Rain Cements Limited** (the Company) will be held on Tuesday, the April 16, 2024 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, 2023 and Reports of Board and Auditors thereon.
2. To appoint a Director in place of Mr. N. Radhakrishna Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3. To approve and ratify interim dividend of ₹ 2.60 per equity share for the financial year ended 31<sup>st</sup> December, 2023.

### 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 Sagar & Associates, Cost Accountants, (Regn. No. 000118), 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, 2024, amounting to ₹ 95,000 (Rupees Ninety Five Thousand only) excluding taxes as may be applicable, plus 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."

5. **To grant authorization to the Board of Directors to borrow up to ₹ 2,500 Crores.**

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

**"RESOLVED THAT** pursuant to Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and in modification of all earlier Resolutions passed in this regard, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for borrowing Rupee Loans, Foreign Currency Loans, Working Capital Facility and such other Financial Assistance from time to time, which together with the monies already borrowed by the Company (apart from temporary Loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed

by the Board of Directors shall not at any time exceed the limit of ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only).

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary for giving effect to this resolution."

**6. To grant authorization to the Board of Directors to create Mortgage / Charge / Pledge / Hypothecation / Lien on the assets of the Company:**

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

**"RESOLVED THAT** pursuant to Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and in modification of all earlier Resolutions passed in this regard, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages, pledge, hypothecations and lien in addition to the existing charges, mortgages, pledge, hypothecations and lien created by the Company, on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of the Banks, Financial Institutions and other Parties to secure Rupee Loans, Foreign Currency Loans and Working Capital Facilities availed and also proposed to be availed and also to secure other Obligations of the Company, provided that the total amount of loans and other obligations of the Company together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans and other obligations, shall not, at any time exceed the limit of ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only).

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to finalise the terms and conditions for creating the aforesaid Mortgage, Charge, Pledge, Hypothecation and Lien and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution."

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

**P. Ganesh Pathrudu**  
Company Secretary  
M. No. A70037

Place: Hyderabad  
Date: February 19, 2024

**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 25<sup>th</sup> 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 at Rain Center, 34, Srinagar Colony, Hyderabad, Telangana State, India.

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

**P. Ganesh Pathrudu**  
Company Secretary  
M. No. A70037

Place: Hyderabad  
Date: February 19, 2024

**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 to 6.

**Item No. 4****To ratify the remuneration payable to Cost Auditors**

The Board of Directors of your Company at their meeting held on February 19, 2024 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, 2024.

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 Member 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, 2024.

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

Your Board recommend the resolution for your approval as an Ordinary Resolution.

**Item No. 5****To grant authorization to the Board of Directors to borrow up to ₹ 2,500 Crores.**

At the General Meeting of the Company held on May 6, 2019, the members in terms of the provisions of Section 180 (1) (c) of the Companies Act, 2013, had granted their approval by a Special Resolution to the Board of Directors, to borrow from time to time, such amounts as they may deem necessary for the purpose of business of the Company for an amount not exceeding ₹ 2,000 Crores (Rupees Two Thousand Crores Only).

In terms of provisions of Section 180 (1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the members of the Company in a general meeting, by means of a Special Resolution, borrow money(ies) where the money to be borrowed, together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of the aggregate of the paid-up capital, free reserves and securities premium.

The Company for its day to day operations and also for long term projects, proposes to avail loan from Banks, Financial institutions and other entities from time to time, the amount of which is expected to exceed the approved existing borrowing limit of ₹ 2,000 Crores (Rupees Two Thousand Crores Only).

Taking into account the increased fund requirements, as well as the enabling provisions of Section 180 (1) (c) of the Companies Act, 2013, the approval of the Members for the Item No.5 of the notice is being sought by means of a Special Resolution, for borrowing up to ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only)

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

**Item No. 6****To grant authorization to the Board of Directors to create Mortgage / Charge / Pledge / Hypothecation/ Lien on the assets of the Company.**

At the General Meeting of the Company held on May 6, 2019, the members in terms of the provisions of Section 180 (1) (a) of the Companies Act, 2013, had granted their approval by a Special Resolution to the Board of Directors, to create mortgage or charge or pledge or hypothecation / lien on the assets of the Company for an amount not exceeding ₹ 2,000 Crores (Rupees Two Thousand Crores Only).

The Company has availed and proposes to avail Term Loans and Working Capital facilities from Financial Institutions and Banks and the Company has also given and proposes to give Corporate Guarantees and take up other obligations on behalf of other companies and the financial assistance and Corporate Guarantees are to be secured by way of mortgage / charge / pledge / hypothecation / lien of the Movable and Immovable Assets of the Company.

As the mortgage / charge / pledge / hypothecation / lien by the Company of its Assets as aforesaid in favour of the Banks and Financial institutions may be regarded as disposal of the Company's properties/undertaking in certain events of default, it is necessary for the members to pass a Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of said mortgage / charge / pledge / hypothecation / lien.

The borrowing by the Company up to ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only) may be required to be secured by way of charge mortgage / charge / pledge / hypothecation / lien over all or any part of the movable and /or immovable assets of the Company and as per the provisions of Section 180 (1) (a) of the Companies Act, 2013, the mortgage or charge or lien on all or any part of the movable and/or immovable assets of the Company, may be deemed as disposal of the whole or substantially the whole of the undertaking of the Company and hence the approval of the Members of the Company is required by way of a Special Resolution as set out in Item No. 6 of this notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are in any way, concerned or interested, financially or otherwise, in the resolutions set out in Item No.6 of this notice.

The Board recommends passing the Special Resolution set out in Item No. 6 of this notice.

**Annexure to the Notice dated February 19, 2024**  
**Details of Directors seeking appointment/re-appointment at the ensuing**  
**Annual General Meeting on April 16, 2024**

[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 82 Years
3	Qualification	Undergraduate
4	Experience and expertise in specific functional areas	More than 55 years of experience in Construction and Cement Industry
5	Brief resume	Mr. N. Radhakrishna Reddy (82 years) is Chairman of Rain Cements Limited. He has more than 55 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 and Apeetha Enterprises Private Limited.
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 and Mr. N. Venkata Pranav Reddy, Executive 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
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"> <li>1. Rain Industries Limited</li> <li>2. Arunachala Holdings Private Limited</li> <li>3. Renuka Cement Limited</li> <li>4. Pragnya Priya Foundation</li> <li>5. PCL Financial Services Private Limited</li> <li>6. Apeetha Enterprises Private Limited</li> <li>7. Rain Cements Limited</li> </ol>
14	Membership / Chairmanship of Committees of other Boards	<ol style="list-style-type: none"> <li>i) Member of Stakeholders Relationship Committee and Share Transfer Committee of Rain Industries Limited.</li> <li>ii) Chairman of Corporate Social Responsibility Committee of Rain Cements Limited.</li> </ol>

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

**P. Ganesh Pathrudu**  
Company Secretary  
M. No. A70037

Place: Hyderabad

Date: February 19, 2024

## BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report and the Audited Financial Statements for the Financial Year ended December 31, 2023.

### Financial Summary:

The performance during the Financial Year ended December 31, 2023 has been as under:

(₹ Million)

Particulars	December 31, 2023	December 31, 2022
Revenue from operations	15,234.34	16,193.73
Profit before finance cost, depreciation and amortization and tax expense	1,298.82	1,596.97
Finance Cost	23.35	28.59
Profit before depreciation and amortization and tax expense	1275.47	1,568.38
Depreciation and amortization expense	576.13	557.33
Profit before Tax Expense	699.34	1,011.05
Tax Expense	215.20	235.41
Profit After Tax Expense	484.14	775.64
Add: Surplus at the beginning of the year	6,917.08	6,206.70
Add / Less : other comprehensive income (net of tax)	(6.64)	12.23
<b>Profit available for appropriation</b>	<b>7,399.86</b>	<b>6,994.57</b>
<b>Appropriations:</b>		
Dividend including taxes	77.49	77.49
<b>Surplus carried to Balance Sheet</b>	<b>7317.09</b>	<b>6,917.08</b>

### Review of Operations and State of Company's affairs.

During the period under review, the Company achieved Revenue from operations of ₹ 15,234.34 Million and recorded a Net Profit of ₹ 484.14 Million.

### Outlook for Cement Industry

The Indian cement industry is undergoing significant expansion driven by several key trends. These trends include rapid urbanization, environmental concerns, technological advancements, the use of alternative materials, market competition, government initiatives, rural and affordable housing schemes, export opportunities, supply chain management and economic fluctuations.

### Government initiatives

Including the Smart Cities Mission, National Infrastructure Pipeline (NIP), and "Housing for All," are driving the demand for cement. These programs focus on urban development, infrastructure projects, and affordable housing, leading to increased construction activities and a surge in the need for cement.

**Future Prospects**

In 2024, our primary focus revolves around three core objectives:

- **Achieve higher capacity utilization:** Dedicated efforts to achieve increased operational capacity.
- **Enhance energy efficiency:** Prioritizing initiatives for improved energy efficiency and implementing measures to streamline consumption and reduce environmental impact.
- **Cost-effectiveness:** Implementing proactive maintenance strategies for optimal plant performance.

Additionally, to address the surging demand for cement, we plan to augment the capacity of our first integrated manufacturing unit (Suryapet) by adding a new production line.

**Dividend**

The Board of Directors of the Company at their Meeting held on April 25, 2023 have declared an Interim Dividend of INR 2.60 per Equity Share i.e., 26% on face value of INR 10/- per Equity Share fully paid up for the financial Year ended December 31, 2023 and same was paid to the shareholders amounting to ₹ 7,74,93,000 (Rupees Seven Crores Seventy Four Lakhs Ninety Three Thousand) and no further dividend has been recommended for the Financial Year ended December 31, 2023.

**Share Capital**

The Paid-up Share Capital of the Company as on December 31, 2023 is ₹ 298,050,000 divided into 29,805,000 Equity Shares of ₹ 10 each fully paid up.

**Transfer of amount to Reserves**

The Board of Directors do not propose to transfer any amount to the General Reserve for the Financial Year ended December 31, 2023.

**Variations in Net Worth**

The Net Worth of the Company for the Financial Year ended December 31, 2023 is ₹ 8,651.94 Million as compared to ₹ 8,521.94 Million for the previous Financial year ended December 31, 2022.

**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 the 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 the 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, 2023 is enclosed as **Annexure – 2** to this Report.

**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/>

**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 the Companies (Accounts) Rules, 2014 is enclosed as **Annexure – 3** 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, 2023. There are no outstanding Deposits in the Company.

**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 are 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 – 4** to this Report.

**Directors**

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

The Board of Directors at their meeting held on February 14, 2023 have appointed Ms. B. Shanti Sree as an Independent Director for a period of 5 years i.e., from February 15, 2023 to February 15, 2028 and Shareholders at their 24<sup>th</sup> Annual General Meeting held on April 17, 2023 have approved the appointment.

The Board of Directors at their meeting held on April 25, 2023 appointed Mr. N. Venkata Pranav Reddy as an Executive Director for a period of 5 years i.e., from April 25, 2023 to April 24, 2028

and Shareholders at their Extra Ordinary General Meeting held on April 28, 2023 have approved the appointment.

Ms. Nirmala Reddy, Independent Director ceased to be a Director of the Company with effect from February 28, 2023 consequent to completion of her second term as an Independent Director.

### Key Managerial Personnel

The Key Managerial Personnel of the Company as on December 31, 2023 are:

S. No.	Name of Key Managerial Personnel	Designation
1	Mr. N. Sujith Kumar Reddy	Managing Director
2	Mr. G.N.V.S.R.R. Kumar	Chief Financial Officer
3	Mr. P. Ganesh Pathrudu	Company Secretary

### Number of Meetings of the Board held during the Financial Year ended December 31, 2023

During the period from January 1, 2023 to December 31, 2023, Five (5) Meetings of Board of Directors were held, the details of meetings are as follows:

January 20, 2023, February 14, 2023, April 25, 2023, July 26, 2023 and October 26, 2023.

The maximum gap between any two Board Meetings was less than One Hundred and Twenty Days

**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	5
Mr. N. Sujith Kumar Reddy	Managing Director	5	5
Mr. N. Venkata Pranav Reddy*	Executive Director	3	3
Mr. Jagan Mohan Reddy Nellore	Non-Executive Director	5	5
Mr. N. Shiv Keshav Reddy	Non-Executive Director	5	5
Mr. Brian Jude McNamara	Independent Director	5	5
Mr. Suri Babu Samudrala	Independent Director	5	5
Ms. Shanti Sree#	Independent Director	3	3
Ms. Nirmala Reddy@	Independent Director	2	2

\* Mr. N. Venkata Pranav Reddy was appointed as an Executive Director of the Company at the meeting held on April 25, 2023 for a period of 5 years i.e., from April 25, 2023 to April 24, 2028.

# Ms. Shanti Sree was appointed as an Independent Director of the Company at the meeting held on February 14, 2023 for a period of 5 years i.e., from February 15, 2023 to February 14, 2028.

@ Ms. Nirmala Reddy, Independent Director ceased to be a Director of the Company with effect from February 28, 2023 consequent to completion of her second term as an Independent Director.

### Audit Committee

The Company's Audit Committee comprises of the following:

S. No.	Name of the Director	Designation
1	Mr. Brian Jude McNamara	Chairman
2	Mr. Jagan Mohan Reddy Nellore	Member
3	Mr. Suri Babu Samudrala	Member

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

#### **Number of Meetings of the Audit Committee held during the Financial Year ended December 31, 2023**

During the period from January 1, 2023 to December 31, 2023, Two (2) Audit Committee Meetings were held on January 20, 2023 & February 14, 2023, the details of Meetings of Audit Committee are as follows:

#### **Attendance at the Audit Committee Meetings are as follows:**

Name of the Director	Number of Meetings	
	Held	Attended
Mr. Brian Jude McNamara	2	2
Mr. Jagan Mohan Reddy Nellore	2	2
Mr. Suri Babu Samudrala	2	2

Note: As per the provisions of Section 177, Rule 6 of Companies (Meeting of Board and its Powers) Rules, 2014 and Rule 4 of Companies (Appointment and Qualification) Rules, 2014 of Companies Act, 2013, a Wholly Owned Subsidiary is exempted from constitution of Audit Committee. Rain Cements Limited is a wholly owned subsidiary of Rain Industries Limited, accordingly, the Board of Directors at their meeting held on February 14, 2023 have repealed the Audit Committee with effect from 1st March, 2023.

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 of December 31, 2023 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, 2023 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, S. R. Batliboi & Associates LLP, Chartered Accountants (FRN: 101049W/E300004), were appointed as the Statutory Auditors of the Company for a period of 5 years at the 24<sup>th</sup> Annual General Meeting of the Company, i.e., up to the conclusion of the 29<sup>th</sup> Annual General Meeting (i.e., for the Financial Year January 01, 2023 - December 31, 2023 to January 01, 2027 - December 31, 2027).

Accordingly, S. R. Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of 29<sup>th</sup> Annual General Meeting to be held in 2028. 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 Balasubramanian, Chief Internal Auditor as Internal Auditor to conduct Internal Audit of the Company for the Financial Year ended December 31, 2023.

**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, 2023.

Secretarial Audit Report issued by P. S. Rao & Associates, Practicing Company Secretaries in Form MR-3 is enclosed as **Annexure – 5** 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 Board of Directors had appointed Sagar & Associates, Cost Accountants 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, 2024 at a remuneration of ₹ 95,000 (Rupees Ninety Five Thousand Only).

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 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 Sagar & Associates, Cost Accountants, was 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, 2022 with the Central Government and the Company will file the cost audit report for the Financial Year ended December 31, 2023 before the due date.

**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 the 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 26, 2023 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 were registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

**Online Proficiency Self-Assessment Test**

Mr. Brian Jude McNamara, Independent Director and Ms. B. Shanti Sree, Independent Director have passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affairs (IICA).

Mr. Suri Babu Samudrala, 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 and Opinion of the Board on Independent Director**

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 fulfil the independence criteria as specified under Section 149(6) of the Companies Act, 2013 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.

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 the 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 behaviour. All Directors and 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 behaviour, 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 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:

S. No.	Name of the Director	Designation
1	Ms. Nirmala Reddy	Chairperson
2	Mr. Jagan Mohan Reddy Nellore	Member
3	Mr. Brian Jude McNamara	Member
4	Mr. Suri Babu Samudrala	Member

During the period from January 1, 2023 to December 31, 2023, one (1) Nomination and Remuneration Committee Meeting was held on February 14, 2023.

**Attendance at the Nomination and Remuneration Committee Meeting are given below:**

Name of the Director	Number of Meetings	
	Held	Attended
Ms. Nirmala Reddy@	1	1
Mr. Jagan Mohan Reddy Nellore	1	1
Mr. Brian Jude McNamara	1	1
Mr. Suri Babu Samudrala	1	1

@ Ms. Nirmala Reddy, Independent Director ceased to be a Director of the Company with effect from February 28, 2023 consequent to completion of her second term as an Independent Director.

Note: As per the provisions of Section 178, Rule 6 of Companies (Meeting of Board and its Powers) Rules, 2014 and Rule 4 of Companies (Appointment and Qualification) Rules, 2014 of Companies Act, 2013, a Wholly Owned Subsidiary is exempted from constitution of Nomination and Remuneration Committee. Rain Cements Limited is a wholly owned subsidiary of Rain Industries Limited, accordingly,

the Board of Directors at their meeting held on February 14, 2023 have repealed the Nomination and Remuneration Committee with effect from 1st March, 2023.

➤ **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;
- To carry out evaluation of the performance of Directors, Committees and Board;
- 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 and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration and to recommend to the Board their appointment and removal.
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 Board, its Committees and Individual 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 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 7 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;
- (vi) Evaluation of Managing Director; and
- (vii) Evaluation of Executive 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 to the Chairman of the Board.

The Chairman of the Board 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 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 subsidiary. 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:

S. No.	Name of the Director	Designation
1	Mr. N. Radhakrishna Reddy	Chairman
2	Mr. Jagan Mohan Reddy Nellore	Member
3	Mr. N. Sujith Kumar Reddy	Member
4	Mr. Suri Babu Samudrala	Member

During the period from January 1, 2023 to December 31, 2023, Two (2) Corporate Social Responsibility Committee meetings were held on February 14, 2023 and October 26, 2023.

**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. Suri Babu Samudrala	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 – 6** to this Report.

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

#### **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 the 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 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure – 7** to this Annual Report.

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

The details of Loans, Guarantees, Investments and Security made during the Financial Year ended December 31, 2023 is given in compliance with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the same is annexed to the Board's Report as **Annexure – 8**.

#### **Credit Rating**

India Ratings & Research, credit rating agency has given "IND A/Positive" for Fund Based Working Capital Limits and "IND A/Positive/IND A1" for Non-Fund Based Working Capital Limits 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 workflow and approvals are routed through ERP (SAP);

2. The Company has appointed Internal Auditors to check the Internal Controls, whether the workflow of organization is being done as per the approved policies of the Company. In every Quarter, while approval of Quarterly Financial Statements by the Board of Directors, Internal Auditors will present 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.

**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.

During the year under review, no application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof**

During the year under review, the Company has not done any one-time settlement with Banks or Financial Institutions.

**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, 2023 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 programmes 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.

#### **Environment, Health and Safety**

The Company considers that it is essential to protect the Earth and its limited natural resources as well as the health and wellbeing of every person.

The Company strives to achieve highest standards of safety, health and environmental excellence in all aspects of its commercial and production activities. Acting responsibly with a focus on safety, health and the environment is a part of the Company's DNA.

In line with the 'Go Green' philosophy, the Company is continuously adopting new techniques to eliminate and minimize the environmental impact. Various solar power projects have been implemented by the Company at its production units to reduce the total electric consumption.

With an intensive focus on safety, we have achieved decline in our total recordable injury rate (TRIR).

We firmly believe that we can progress only as fast as the successful implementation and acceptance of our safety programmes and initiatives.

Our aim is to build a more mature and sustainable safety culture that will allow us to increase our productivity and operational discipline and facilitate highly competitive organic growth.

Our safety culture is centrally driven with a global Safety, Health and Environment (SHE) organisation steering our company-wide programmes.

Occupational health is a key aspect of Company's safety activities. Currently, there are several health programmes initiated at each site and location, including global health days with dedicated initiatives.

Process safety is an integral part of our mission to operate in the safest manner possible by increasing the efficiency and reliability of our operations.

**Financial Year of the Company**

The Company Law Board vide its order dated October 16, 2015 has 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 provide 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**

Place: Hyderabad

Date: February 19, 2024

**N. Sujith Kumar Reddy**

Managing Director

DIN: 00022383

**N. Venkata Pranav Reddy**

Executive Director

DIN: 10040953

## Annexure - 1

## FORM NO. AOC -1

## 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

S 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 relevant Financial year in the case of foreign subsidiaries	Share Capital	Re-serves & 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	31.12.2023	INR	74.98	186.84	262.35	262.35	-	-	6.11	1.91	4.20	-	4.20	-	100	-

## 1. Names of Subsidiaries which are yet to commence operations.

S. 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.

S. No.	Name of the Company and Address
	NA



**Part - B - Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associate/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	
				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**

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

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

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

**For and on behalf of the Board of Directors**

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

**N. Venkata Pranav Reddy**  
Executive Director  
DIN: 10040953

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

**P. Ganesh Pathrudu**  
Company Secretary  
M No. A70037

Place: Hyderabad  
Date: February 19, 2024

Annexure - 2

**FORM NO. AOC -1**

**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**

S 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 relevant Financial year in the case of foreign subsidiaries	Share Capital	Re-serves & 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	31.12.2023	INR	74.98	186.84	262.35	262.35	-	-	6.11	1.91	4.20	-	4.20	-	100	-

**1. Names of Subsidiaries which are yet to commence operations.**

S. 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.**

S. No.	Name of the Company and Address
	NA

**Part - B - Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. 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	Network attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				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**

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

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

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

**For and on behalf of the Board of Directors**

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

**N. Venkata Pranav Reddy**  
Executive Director  
DIN: 10040953

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

**P. Ganesh Pathrudu**  
Company Secretary  
M No. A70037

Place: Hyderabad  
Date: February 19, 2024

## 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

##### a) Energy conservation measures taken:

##### ➤ Unit – I (Ramapuram)

1. Installation of Eleven High efficiency L.T motors at following sections:
  - (1) Pre-Heater fan Cooling Motor;
  - (2) RABH Screw Conveyor Motor;
  - (3) Pre-Heater GRR Cooling Fan Motor;
  - (4) Kiln Feed Bag Filter Fan Motor;
  - (5) Cooler Fan-1 Motor;
  - (6) Reclaimer Chain Drive Motor;
  - (7) Raw Mill Silo Elevator Motor;
  - (8) Two Truck Loader Luffing Drive Motors;
  - (9) WHR Power plant AOP Motor;
  - (10) WHR Power plant ACC Fan-2 Motor; and
  - (11) WHR Oil Purification Motor
2. Replacement of 12 Window A.Cs with Split A.Cs for colony quarters:
3. RABH I/L pressure Vs fan speed PID provided.
4. RABH Hopper RAL PID provided.
5. Cooler ESP discharge screw conveyor removed and direct chute provided.
6. Raw mill Tertiary Crusher Bag filter discharge Rotary airlock removed and plop volve arranged

##### ➤ Unit – II (Sreepuram)

- 1) Installation of 10 MW & 2.2 MW Ground Mounted Solar Power Plants;
- 2) Lightly loaded Motors connections conversion from Delta to Star in Line-1 Polycorn Section;
- 3) Line-2 Raw Mill Main drive power reduced by increasing mill temperature from 65°C to 72°C;

- 4) Bypassing Coal Crusher during coal handling in Line-2 to save energy;
- 5) Line-1 Polycom Clinker hopper's feeding reversable belt (5C1BC04) removed by providing direct Y-chute to save energy;
- 6) Installation of additional cooler at Line-2 Cement mill to minimize mill stoppages due to the outlet slide shoe bearing temperatures;
- 7) Optimization of Air Conditioner operation in Polycom MCC room, VFD panels room & Line-2 LC-1 control room to save energy;
- 8) Line-2 RABH puppet valves operating time reduced from 6 seconds to 3 seconds to save energy;
- 9) Replacement of two over rating roots blowers with suitable single blower to save energy;
- 10) Energy saving by using waste oil in place of HSD oil for Limestone blasting;
- 11) Cost Saving for formation of Short Ramp in N4 Bench; and
- 12) Cost saving by adding Limestone in Line-1 cement mill OPC53 as Performance Enhancer.

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

➤ **Unit – I (Ramapuram)**

The Company has invested ₹ 253.9 Million for Energy Conservation measures.

➤ **Unit – II (Sreepuram)**

The Company has invested ₹ 552.37 Million for Energy Conservation measures.

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

➤ **Unit – I (Ramapuram)**

A reduction in power consumption of 0.1064 kWh/MT of Cement is achieved after implementing the above mentioned energy conservation measures.

➤ **Unit – II (Sreepuram)**

- Solar Power Generation from 10 MW & 2.2 MW Solar Power plants is 1,83,54,743 Units, resulting in an annual reduction of power consumption by 8.84 KWH/ton of Cement.
- Annual Cost Savings achieved from other than solar power generation is ₹ 22.93 Million.

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

➤ **Unit-I (Ramapuram)**

- Nil -

➤ **Unit – II (Sreepuram)**

- i) Installation & commissioning of 10 MW ground mounted solar plant; and
- ii) 2.2 MW ground mounted Solar power Plant extension to 10 MW Solar Power Plant.

**3) The Capital investment on energy conservation equipment**

➤ **Unit-I (Ramapuram)**

The Company has made a Capital Investment of ₹ 253.9 Million towards energy conservation equipment.

➤ **Unit – II (Sreepuram)**

The Company has made a Capital Investment of ₹ 549.17 Million towards energy conservation equipment.

**B. TECHNOLOGY ABSORPTION:**

**i. The Efforts made towards technology absorption.**

➤ **Unit-I (Ramapuram)**

Nil.

➤ **Unit – II (Sreepuram)**

- 1) Replacement of water pumps at Line-2 plant with Energy efficient water pump.
- 2) Replacement of cement mill water pump at Line-2 with energy efficient water pump.
- 3) Replacement of cement mill Polycor water pump Line-1 with energy efficient pump.
- 4) Installation of three Variable Frequency Drives (VFD) for Line-2 VRM blending silo & LS Hoppers bag filters fans.

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

➤ **Unit-I (Ramapuram)**

Cost savings achieved – ₹ 78.5 Million.

➤ **Unit – II (Sreepuram)**

- Annual Electrical Energy savings of 2.61 Lakhs Kwh; and
- Annual Cost Saving ₹ 143.9 Million.

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

➤ **Unit-I (Ramapuram)**

- Nil -

➤ **Unit – II (Sreepuram)**

Sl. No	Particulars of Technology Imported	Year of Import	Whether the technology has been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons there of
1	Installation & commissioning of 40 KW roof top solar system at canteen building.	2021	Yes	N.A
2	Installation & commissioning of 20 KW roof top solar system at Administration building.	2021	Yes	N.A
3	Application of aluminum heat resistant paint for kiln shell for 40 meters.	2022	Yes	N.A
4	Upgradation of Line-1 cement mill by installing Polycom roller press.	2022	Yes	N.A
5	Installation of Energy efficient water pumps.	2023	Yes	N.A
6	Installation & commissioning of 10 MW ground mounted solar plant	2023	Yes	N.A
7	Installation & commissioning of 2.2 MW ground mounted solar plant	2023	Yes	N.A

**iv. The expenditure incurred on Research and Development**

-Nil-

**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:

(₹ Million)

Particulars	December 31, 2023	December 31, 2022
Used	1,236.57	2,592.51
Earned	NIL	NIL

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

Place: Hyderabad  
Date: February 19, 2024

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

**N. Venkata Pranav Reddy**  
Executive Director  
DIN: 10040953

## Annexure – 4

## 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:

		(₹ in Millions)				
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
1	Rain Industries Limited (Holding Company)	Availed Shared Services	From January 1, 2023 to December 31, 2023	₹ 122.31 Million	January 21, 2022 and January 20, 2023	NIL
		Rental Charges paid	From January 1, 2023 to December 31, 2023	₹ 10.04 Million	January 21, 2022 and January 20, 2023	NIL
		Purchase of Coal	From January 1, 2023 to December 31, 2023	₹ 288.86 Million	January 21, 2022 and January 20, 2023	NIL
		<p>Justification for entering into contracts</p> <p>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.</p> <p>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.</p> <p>Rain Industries Limited (Holding Company) deals with the purchase and sale of Coal. It has expertise in Purchasing and Negotiating with the suppliers. Rain Cements Limited requires Coal for manufacturing of Cement. Hence, Rain Cements Limited has purchased Coal from Rain Industries Limited to get competitive price and assured supply of Coal.</p>				



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 1, 2023 to December 31, 2023	₹ 146.24 Million	January 21, 2022 and January 20, 2023	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.
		Purchase of Green Petroleum Coke	From January 1, 2023 to December 31, 2023	₹ 19.80 Million	January 21, 2022 and January 20, 2023	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 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 1, 2023 to December 31, 2023	₹ 1.15 Million	January 21, 2022 and January 20, 2023	NIL	Rain Cements Limited (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.
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 1, 2023 to December 31, 2023	₹ 5,214.07 Million	January 21, 2022 and January 20, 2023	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.

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
		Carry and Forward and Manpower	From January 1, 2023 to December 31, 2023	₹ 353.97 Million	January 21, 2022, January 20, 2023 and January 19, 2024	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 Services 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 1, 2023 to December 31, 2023	₹ 0.64 Million	January 21, 2022, January 20, 2023 and January 19, 2024	NIL	Rain Cements Limited (RCL) has let out vacant premises situated at Unit – I, Ramapuram Village, Mellacheruvu Mandal, Suryapet District – 508246, Telangana State, India and Unit – II, Sreepuram, Boicheruvupalli Village, Peapully Mandal, Kurnool District – 518220, Andhra Pradesh State, India to Arunachala Logistics Private Limited (ALPL) for storing of spares for maintenance of Mining Machinery. The rent to be paid by Arunachala Logistics Private Limited is as per the lease rentals prevailing in surrounding buildings. As the transaction is done at Arm's length and at prevailing market price, it is thought appropriate to let out vacant premises to Arunachala Logistics Private Limited (ALPL).
		Rental Charges Paid	From January 1, 2023 to December 31, 2023	₹ 4.12 Million	January 21, 2022 and January 20, 2023	NIL	Arunachala Logistics Private Limited has godowns at Hassan and Bidar in Karnataka and at Kolathur in Tamil Nadu. Arunachala Logistics Private Limited (ALPL) also has Container facility at Tirupati, Andhra Pradesh. The Company has taken two Godowns and two Containers from ALPL on lease for Storage of Cement. The rent paid to Arunachala Logistics Private Limited is as per the lease rentals prevailing in surrounding buildings.
		Sale of Cement	From January 1, 2023 to December 31, 2023	₹ 57.39 Million	January 21, 2022 and January 20, 2023	NIL	Rain Cements Limited (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. As the transaction is done at Arm's length basis and at prevailing market price, it is thought appropriate to sell Cement to Arunachala Logistics Private Limited.

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
		Reimbursement of amount incurred for Purchase of Spares	From January 1, 2023 to December 31, 2023	₹ 34.04 Million	January 21, 2022 and January 20, 2023	NIL	The amount incurred by Arunachala Logistics Private Limited for purchase of spares for machinery used for mining activities was reimbursed by the Company.
		Sale of used Conveyor Belt.	From January 1, 2023 to December 31, 2023	₹ 0.10 Million	October 20, 2022 and January 20, 2023	NIL	Arunachala Logistics Private Limited is engaged in the business of providing Transportation and Carry and Forward and Manpower services. The Company has parts relating to conveyor belt considered as scrap at its plants. Arunachala Logistics Private Limited uses conveyor belt at their locations. The Company sold the conveyor belt to Arunachala Logistics Private Limited at the same price at which it can be sold to third parties.
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 1, 2023 to December 31, 2023	₹ 0.95 Million	January 21, 2022 and January 20, 2023	NIL	Rain Cements Limited (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. As the transaction is done at Arm's length basis and at prevailing market price, it is thought appropriate to sell Cement to Nivee Property Developers Private Limited.
5	Protector Facilities Management Private Limited (Managing Director of the Company has Substantial interest in Protector Facilities Management Private Limited)	Supply of Manpower	From January 1, 2023 to December 31, 2023	₹ 89.28 Million	January 21, 2022 and January 20, 2023	NIL	Protector Facilities Management Private Limited is engaged in the business of Supply of Manpower for Security Services and other Services. The Company proposes to avail Manpower Services from Protector Facilities Management Private Limited for Security Services and other Services. Manpower charges to be paid by the Company to Protector Facilities Management Private Limited is same as the charges paid to third party for availing similar Services.
6	Rain Entertainments Private Limited (Managing Director of the Company has Substantial interest in Rain Entertainments Private Limited)	Sale of Cement	From January 1, 2023 to December 31, 2023	₹ 0.04 Million	January 21, 2022 and January 20, 2023	NIL	Rain Cements Limited (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. As the transaction is done at Arm's length basis and at prevailing market price, it is thought appropriate to sell Cement to Rain Entertainments Private Limited.

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	Pragnya Priya Foundation (A Section 8 Company, in Which Managing Director and his relatives are shareholders and Directors)	Sale of Cement	From January 1, 2023 to December 31, 2023	₹ 0.16 Million	October 20, 2022 and January 20, 2023	NIL	The Company is engaged in the business of manufacture and sale of Cement. Pragnya Priya Foundation requires Cement for undertaking civil works at Schools and Hospitals. The Company sells Cement to Pragnya Priya Foundation 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 Pragnya Priya Foundation.
		Lease rentals to be received	From January 1, 2023 to December 31, 2023	₹ 0.06 Million	October 20, 2022 and January 20, 2023	NIL	Rain Cements Limited is managing Priya Cement Free Primary School at Boincherupalli, Peapully Mandal, Nandyala (Kurnool) District, Andhra Pradesh State located on 4.38 Acres of Land. On the request of Pragnya Priya Foundation, the Company granted the land on lease for a period of 20 Years to Pragnya Priya Educational Society for maintenance of the school which will enable the Company to bring all the schools and hospitals maintained by the Company under Pragnya Priya Foundation. The lease rent payable by Pragnya Priya Educational Society is similar to the lease rent prevailing in surrounding areas.

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

**N. Venkata Pranav Reddy**  
Executive Director  
DIN: 10040953

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

Place: Hyderabad  
Date: February 19, 2024

Form No.MR-3

**SECRETARIAL AUDIT REPORT**

for the Financial Year ended December 31, 2023

*[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 31<sup>st</sup> December, 2023 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 31<sup>st</sup> December, 2023 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; (Not applicable to the Company during the audit period)
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
  - f. 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018 (Not applicable to the Company during the audit period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period); and
  - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (Not applicable to the Company during the audit period)
- V. The Company has during the audit period covering the financial year ended on 31<sup>st</sup> December, 2023 complied with the statutory provisions listed below, specifically applicable to the Company:
- a. Mines Act, 1952 read with Mines Rules, 1955;
  - b. Mines and Mineral (Regulation and Development) Act, 1957 read with Mineral Conservation and Development Rules, 1988;
  - c. Cement (Quality Control) Order, 2003;
  - d. The Atomic Energy Act, 1962 read with Atomic Energy (Radiation Protection) Rules, 2004;
  - e. The Explosive Act 1884 read with Explosive Rules, 2008;
  - f. The Static & Mobile Pressure Vessels (Unfired) Rules, 1981;
  - g. Cylinder Rules, 2004;
  - h. Ammonium Nitrate Rules, 2012;
  - i. Limestone And Dolomite Mines Metallic Ferrous Mine Regulations, 2012;
  - j. The Explosives Act, 2008 read with rules made thereunder;
  - k. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
  - l. The Hazardous Wastes (Managements Handling and Trans Boundary Movement) Rules, 2008;
  - m. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
  - n. Water (Prevention & Control of Pollution) Cess Act, 1977;
  - o. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
  - p. The Noise Pollution (Regulation and Control) Rules, 2000;

q. Indian Boilers Act, 1923; and

r. 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.
- 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

C.P. No: 14449

PR No. 710/2020

UDIN: A031197E003442946

Place: Hyderabad

Date: 19.02.2024

*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.

Secretarial Audit Report of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. 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.
3. We have followed the audit practises and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on random 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.
4. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
5. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
7. We have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.
8. We further report that examination / audit of financial laws such as direct and indirect tax laws, labour laws has not been carried out by us as part of this Secretarial Audit.

**Disclaimer**

9. 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

**M B Suneel**  
Partner

C.P. No: 14449

PR No. 710/2020

UDIN: A031197E003442946

Place: Hyderabad  
Date: 19.02.2024



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility reflects the strong 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 a way that will lead to overall development of all stakeholders and society.

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. The objective of the Company is:

- To 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.
- 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.
- To generate, through its CSR initiatives, a goodwill for RCL and help reinforce a positive & socially responsible image of RCL as a corporate entity.

In accordance with the requirements under the Companies Act, 2013, Our Company's CSR activities, amongst others, will focus on:

- i) Providing health care, maintaining of 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.

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.

**2. Composition of CSR Committee:**

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. N. Radhakrishna Reddy	Chairman	2	2
2	Mr. Jagan Mohan Reddy Nellore	Member	2	2
3	Mr. N. Sujith Kumar Reddy	Member	2	2
4	Mr. Suri Babu Samudrala	Member	2	2

**3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

<https://www.priyacement.com/>

**4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

The average CSR obligation of the Company in past 3 years was ₹ 30.25 Million, hence, the impact assessment is not applicable to the Company.

**5. (a) Average net profit of the company as per section 135(5):**

Net Profit	For the Financial Year ended December 31 (₹ Million)		
	2022	2021	2020
	1,029.29	2,321.51	1,729.43
Average Net Profit for the preceding three Financial Years	1,693.41		

**(b) Two percent of average net profit of the company as per section 135(5):**

₹ 33.87 Million

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA****(d) Amount required to be set off for the financial year, if any: NA**

## (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 33.87 Million

## 6. (a) (i) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ Million)	Amount spent in the current financial year (₹ Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

## (ii) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project. (₹ Million)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name.	CSR Registration Number
1.	Maintenance of Schools and Hospitals	Promotion of Health and Education	Yes	Ramapuram Village, Suryapet District, Telangana State; Boincheruvupalli Village, Kumool District, Andhra Pradesh State; and Kalayakagollu Village, Buchireddypalem Mandal, Nellore District, Andhra Pradesh State.		31.9	No	The amount was spent through Pragnya Priya Foundation, a Section 25 Company under Companies Act, 1956 (Section 8 of Companies Act, 2013)	CSR00001767
2.	Maintenance of School	Promotion of Education	Yes	Ramapuram Village, Suryapet District, Telangana State; and Boincheruvupalli Village, Nandyal District, Andhra Pradesh State.		0.13	Yes	Spent Directly	
3.	Maintenance of Hospitals	Promotion of Health	Yes	Ramapuram Village, Suryapet District, Telangana State; and Boincheruvupalli Village, Kumool District, Andhra Pradesh State.		1.17	Yes	Spent Directly	

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project. (₹ Million)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name.	CSR Registration Number
4.	Skill Development Training Programme for Women	Women Empowerment	Yes	Lavanya Mahila Mandal Association, Pasupula Village, Banaganapalle Mandal, Kurnool District, Andhra Pradesh State.		0.27	Yes	Spent Directly	
5.	Society for Public Safety (SPS) Nirmal programme	Public Safety	Yes	Police Department offices in Nirmal, District, Telangana State.		0.30	Yes	Spent Directly	
6.	Elimination of Single Use Plastic	Environmental Sustainability	Yes	Nandyal District, Andhra Pradesh State		0.20	No	The amount was spent through Utkarsh Global Foundation, a Society registered under Societies Registration Act, 1860.	CSR00003183
7.	Disaster Response & Fire Services	Public Safety	Yes	Disaster Response & Fire Services Department, Suryapet District, Telangana State		0.03	Yes	Spend Directly	
Total						₹ 34.00 Million			

(b) Amount spent on Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 34.00 Million

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ Million)	Amount Unspent (₹ Million)			
	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Date of transfer
₹ 34.00 Million	Nil	NA	NA	NA

## (f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ Million)
(i)	Two percent of average net profit of the Company as per section 135(5)	33.870
(ii)	Total amount spent for the Financial Year	34.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.13
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

## 7. Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ Million)	Balance Amount in Unspent CSR Account under section 135(6) (₹ Million)	Amount spent in the reporting Financial Year (₹ Million)	Amount specified under second proviso to Section 135(5), if any	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any	Amount remaining to be spent in succeeding financial years. (₹ Million)	Deficiency, if any
1.	FY 2022	Nil	Nil	Nil	Name of the Fund	Date of transfer	Nil	Nil
2.	FY 2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY 2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: -NO-

If Yes, enter the number of Capital assets created/acquired.

Nil

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

10. The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

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

N. Radhakrishna Reddy  
Chairman of CSR  
Committee  
DIN: 00021052

N. Sujith Kumar Reddy  
Managing Director  
DIN: 00022383

Place: Hyderabad  
Date: February 19, 2024

Annexure - 7

**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	₹ 32.36 Million	Regular	B. Com, 32 years	November 07, 2015	52 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 1. Mr. N. Shiv Keshav Reddy, Director, and 2. Mr. N. Venkata Pranav Reddy, Executive 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

**N. Venkata Pranav Reddy**  
Executive Director  
DIN: 10040953

Place: Hyderabad  
Date: February 19, 2024

**List of Top 10 salaried employees for the Financial Year ended December 31, 2023 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, 2023 to December 31, 2023 (₹ Million)	Nature of Employment	Qualifications and Experience of the Employee	Date of Commencement of Employment	Age (in years)	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	₹ 32.36	Regular	B. Com, 32 years	November 07, 2015	52	Executive Director of Rain Industries Limited	Son of Mr. N. Radhakrishna Reddy, Chairman Brother of Mr. Jagan Mohan Reddy Nellore, Director Father of 1. Mr. N. Shiv Keshav Reddy, Director and 2. Mr. N. Venkata Pranav Reddy, Executive Director	Nil
2	Mr. G N V S R R Kumar, Chief Financial Officer	₹ 8.68	Regular	B Com., C A, Member in ITLW, LLB, LLM 27 years	July 11, 2005	59	SPEC Systems Limited (Electronics and GIS Applications)	No	Nil
3	Mr. N. Venkata Pranav Reddy, Executive Director	₹ 6.67 (₹ 0.96 – for Vice President & ₹ 5.71 for Executive Director)	Regular	Bachelor's Degree in Business Administration, Northeastern University in Boston, USA	February 01, 2018	26	Vice President of Rain Cements Limited	Grandson of Mr. N. Radhakrishna Reddy, Chairman Son of Mr. N. Sujith Kumar Reddy, Managing Director. Brother of Mr. N. Shiv Keshav Reddy, Director	Nil



S. No.	Name & Designation	Remuneration received during the period from January 1, 2023 to December 31, 2023 (₹ Million)	Nature of Employment	Qualifications and Experience of the Employee	Date of Commencement of Employment	Age (in years)	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
4	Mr. Chevuru Mallikarjuna Reddy, Chief General Manager-Works	₹ 5.18	Regular	B.E-Mechanical, PG-Diploma in Environment Education & Management & MBA (Marketing) 31 Years	May 07, 2022	53	Khyber Industries Pvt. Ltd.,	No	Nil
5	Mr. P. Gurappa, General Manager-Works	₹ 4.66	Regular	BE - Mechanical 33 Years	June 05, 2004	58	Vasavadatta Cement	No	Nil
6	Mr. Karalapati Satyanarayana, Deputy General Manager-Mech.	₹ 3.56	Regular	B. Tech -Mechanical, Diploma in Mechanical 33 years	April 08, 2022	54	Chettinad Cement Limited	No	Nil
7	Mr. M. Srinivas Reddy, General Manager-Mines	₹ 3.51	Regular	Dip.in Mining Engg, 1st Class Mines Manager competency certificate, MBA, RQP: 31 years	December 21, 2009	56	India Cements Limited	No	Nil
8	Mr. B. Rajeev Reddy, General Manager - Sales	₹ 3.45	Regular	B.Com., MBA 24 years	February 14, 2005	44	E2 Financial Services	No	Nil

S. No.	Name & Designation	Remuneration received during the period from January 1, 2023 to December 31, 2023 (₹ Million)	Nature of Employment	Qualifications and Experience of the Employee	Date of Commencement of Employment	Age (in years)	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
9	Mr. U.S.K. Brahmaji Rao, Deputy General Manager - E&I	₹ 3.28	Regular	B.E-ECE, Diploma-ECE 27 years	November 01, 2021	53	India Cements Limited	No	Nil
10	Mr. MD Nisar, General Manager - Sales (TS)	₹ 3.08	Regular	MBA , PGDMSM 29 years	August 01, 1994	52	PR Cements Limited	No	Nil
11	Mr. B. Sree Ramulu, Assistant General Manager- Mech.	₹ 2.75	Regular	DME 32 years	July 31, 2008	56	Kuwait Cement Company	No	Nil
12	Mr. CH. Venkateswara Rao, Dy. General Manager-P&A	₹ 2.75	Regular	MA (IR&PM) 31 years	August 11, 2021	54	Hindustan National Glass & Industries Ltd.,	No	Nil

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

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

**N. Venkata Pranav Reddy**  
Executive Director  
DIN: 10040953

Place: Hyderabad  
Date: February 19, 2024

## Annexure - 8

## Particulars of Loans, Guarantees, Investments and Security under Section 186 of the Companies Act, 2013

(₹ Million)

S No	Nature of transaction (whether loan / guarantee / security / acquisition)	Date of making loan / acquisition / giving guarantee / providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed / Unlisted entities)	Amount of loan / security / acquisition / guarantee	Time period for which it is made / given	Date of passing Board Resolution	Purpose of loan/ security/ acquisition / guarantee	For loans	
								Rate of interest	Date of maturity
1	Loan	June 15, 2023	Rain Industries Limited (Holding Company) Rain Center, 34, Srinagar Colony, Hyderabad – 500073, Telangana State, India	₹ 500 Million	360 Days	October 10, 2022	The amount granted as loan will be utilized by Rain Industries Limited (Holding Company) towards its operations	Interest @8.25% p.a.	June 08, 2024

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

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

**N. Venkata Pranav Reddy**  
Executive Director  
DIN: 10040953

Place: Hyderabad  
Date: February 19, 2024

## 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 as amended from time to time, 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 and to recommend to the Board their appointment and removal.
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 Board, its Committees and Individual 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;
- iii. Chief Financial Officer; and

- iv. Such other officer, not more than one level below the Directors who is in Whole time Employment, Designated Key Managerial Personnel by the Board.

‘Senior Management’ means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including their functional heads.

### **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 Directors, Key Managerial Personnel and other Employees.
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.
4. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.

### **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 Other Employees 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 Managing Director or 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 Managing Director or Whole-time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. for Managing Director or Whole time Directors shall be subject to the approval of the shareholders of the Company and Schedule V of the Companies Act, 2013.
- iii. Where any insurance is taken by the Company on behalf of its Managing Director, 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 Managing Director or 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 Managing Director or 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 of 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.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

### 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 ₹ 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. Composition, Role, Frequency of Meetings and Quorum

The Composition, Role, Frequency of Meetings and Quorum of the Nomination and Remuneration Committee shall be as per the provisions of the Companies Act, 2013 and such other requirements as may be prescribed from time to time.

**F. Evaluation**

The Committee shall carry out evaluation of performance of Board, its Committees and Individual Directors annually.

**G. 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.

**H. 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, 2024

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

**N. Venkata Pranav Reddy**  
Executive Director  
DIN: 10040953



## 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 by Rain Cements Limited (the Company), for the benefit of different segments of the society.

### 2. CSR VISION STATEMENT & OBJECTIVE

#### VISION

Corporate Social Responsibility is the 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 the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

### 3. DEFINITIONS

- (a) "Act" means the Companies Act, 2013;
- (b) "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- (c) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act, but shall not include the following, namely: -
  - i. activities undertaken in pursuance of normal course of business of the company;

- ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
  - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
  - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
  - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- (e) “CSR Committee” means the Corporate Social Responsibility Committee of the Board;
- (f) “CSR Policy” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- (g) “International Organisation” means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
- (h) “Net profit” means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
- i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
  - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

Net Profit shall not include such sums as may be prescribed and shall be calculated in accordance with the provisions of Section 198 of the Act.

“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

#### 4. RESOURCES

- i. It will be the Company’s endeavour to spend in every financial year, two percent of its average net profits (or such other limit as may be prescribed under the Act) during the three immediately preceding financial years or such other periodicity as may be notified, on CSR programmes in pursuance of this Policy, as per approved Annual CSR Action Plan.

- ii. If the CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years or such other periodicity as may be notified, with the approval of the Board, on the recommendation of the CSR Committee.
- iii. Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund specified in Schedule VII of the Act for this purpose, within a period of six months of the expiry of the relevant financial year (or such other period as may be prescribed under the Act and the rules made thereunder).
- iv. In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the Company for that financial year in any scheduled bank to be called as 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund as specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year (or such other period as may be specified in the Act and rules made thereunder).
- v. The surplus arising out of the CSR activities, projects or programmes will not form part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual CSR action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
- vi. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
  - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
  - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (c) a public authority.
- viii. The board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the financial year.

## 5. 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 Government;
- xi) Rural development projects;
- xii) Slum Area Development Projects; and
- xiii) Disaster Management, including relief, rehabilitation and reconstruction activities.

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.

## 6. IMPLEMENTATION

- i. CSR programmes will be undertaken to the best possible extent within the defined ambit of the identified areas and as per the Annual Action Plan.
- 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 the Company nominated for the purpose and if found necessary by the specialized agencies.
- iv. The Company will incur the amount towards the Key Focus Areas
- v. The Company shall ensure that the CSR activities are undertaken by the company itself or through:

- a. a Company established under section 8 of the Act (or under Section 25 of the Companies Act, 1956), or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or Charitable Institutions; and Agencies involved in community development programme;
  - b. a Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
  - c. any entity established under an Act of Parliament or a State legislature; or
  - d. a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- vi. The Entity mentioned in Point no. v (a to d) above, who intends to undertake any CSR Activity, shall register itself with the Central government by filing Form CSR – 1 with the registrar of Companies and obtain a unique CSR Registration number.

## 7. 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;
- vi. Monitoring the implementation of CSR Programmes; and
- vii. To formulate and recommend to the Board Annual Action Plan in pursuance of CSR Policy, which shall include:
  - a. List of approved CSR projects and programmes;
  - b. Manner of execution of such projects or programmes;
  - c. Modalities of utilisation of funds and implementation schedules;
  - d. Monitoring and reporting mechanism; and
  - e. Details of need and impact assessment, if any, for the projects undertaken by the company.

**8. POWERS FOR APPROVAL**

- i. CSR programs 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 the Company, 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 CSR Committee and the Board of Directors.

**9. REPORTING, MONITORING AND FEEDBACK**

- i. To ensure effective implementation of the CSR programs undertaken, a monitoring mechanism will be put in place by the CSR Committee. The progress of CSR programs under implementation will be reported to CSR Committee from time to time.
- ii. Designated employees will also try to obtain feedback from beneficiaries about the programs.
- iii. Appropriate documentation of the Company's 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.
- v. Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.
- vi. The composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be displayed on the website of the Company.
- vii. The Board shall ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- xiii. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- ix. The Company shall undertake Impact assessment from an Independent Agency, if the average CSR obligation of the Company is ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years for the projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

**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 Regulatories.
- iii. Surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.
- iv. The Company reserves the right to modify, cancel, add, or amend any of these Rules.
- v. In case any matter is not specifically mentioned in the policy, the provisions of the Companies Act, 2013 and rules made there under will apply.
- vi. In case of inconsistency between the policy and the provisions of the Companies Act, 2013, the provisions of the Companies Act, 2013 shall prevail.

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

Place: Hyderabad  
Date: February 19, 2024

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

**N. Venkata Pranav Reddy**  
Executive Director  
DIN: 10040953

## Independent Auditor's Report

To the Members of Rain Cements Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Rain Cements Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Other information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act



read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

#### **Other Matter**

The financial statements of the Company for the year ended December 31, 2022, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on February 14, 2023.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on December 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2023, 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended December 31, 2023, has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 34 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
  - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. financial year beginning April 1, 2023, reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Harish Khemnani**

Partner

Membership Number: 218576

UDIN: 24218576BKGEMW1272

Place of Signature: Hyderabad

Date: February 19, 2024

## Annexure '1' - Referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

### Re: Rain Cements Limited ("the Company")

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended December 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory during the year and in our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- (b) As disclosed in note 20(a) to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the audited/unaudited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of ₹ five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.
- (iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies or firms as follows:

Particulars	Loans granted
Aggregate amount granted during the year.	
- Others (Holding Company)	INR 500 million
Balance outstanding as at balance sheet date in respect of above cases.	
- Others (Holding Company)	INR 523 million*

\* Including interest accrued

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

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

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

- (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

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

- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships, or any other parties which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Cement, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues applicable to it. The provisions for sales-tax, service tax, duty of excise, value added tax and cess are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Amount (In INR millions)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	3.10	AY 2007-08	Income Tax Appellate Tribunal
		2.18	AY 2008-09	
		113.99 (67.01)*	AY 2009-10	Commissioner of Income Tax (Appeals)
		18.26	AY 2011-12	Honorable High Court of Telangana
		148.93	AY 2012-13	Commissioner of Income Tax (Appeals)
		31.72	AY 2017-18	
		373.29*	AY 2018-19	Honorable High Court of Telangana
	Penalty	1.60	AY 2020-21	Commissioner of Income Tax (Appeals)
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	8.15	FY 1991-92 FY 1992-93	Honorable High Court of Andhra Pradesh
Central Sales Tax Act, 1956	Penalty	7.84 (1.96)	FY 2018-19	
Central Excise Act	Penalty	4.65	Oct-Nov'2012	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise duty and Penalty	75.42 (75.32)#	Aug'14 – Nov'16	Customs, Excise and Service Tax Appellate Tribunal
Telangana Tax on Entry of Goods into local areas act, 2001	Entry Tax	14.45 (3.61)	2012-13 2015-16 2016-17 2017-18	Honorable High Court of Telangana
Telangana Tax on Entry of Goods into local areas act, 2001	Entry Tax	2.54 (1.27)	2013-14 2014-15	Sales Tax Tribunal
Telangana Tax on Entry of Motor Vehicle into Local Areas Act, 1996	Entry Tax	6.84	2008-09	Honorable High Court of Telangana
Goods and Services Tax, 2017	Goods and Services Tax	1.00 (0.05)	2018-19	Company is evaluating filing an appeal with the tribunal upon its formation.
Goods and Services Tax, 2017	Goods and Services Tax	37.66 (2.34)	2017-18 2018-19 2019-20	Commissioner (Appeals)

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

- \* Vide its order dated October 05, 2021, the Honorable High Court for the State of Telangana has granted an interim stay with respect to further proceedings, including any recovery, pursuant to the assessment order passed for AY 2018-19
- ≈ Represents amounts adjusted against the refund due for AY 2013-14 - October 2017
- # Amount represents Cenvat credit on clean energy cess reversed.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

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



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

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Harish Khemnani**

Partner

Membership Number: 218576

UDIN: 24218576BKGEMW1272

Place of Signature: Hyderabad

Date: February 19, 2024

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

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

We have audited the internal financial controls with reference to financial statements of Rain Cements Limited ("the Company") as of December 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

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

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

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

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

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation

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

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

#### **Opinion**

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

#### **per Harish Khemnani**

Partner

Membership Number: 218576

UDIN: 24218576BKGEMW1272

Place of Signature: Hyderabad

Date: February 19, 2024

**BALANCE SHEET AS AT DECEMBER 31, 2023**

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

Particulars	Note	As at December 31, 2023	As at December 31, 2022
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	4,157.15	3,909.02
(b) Capital work-in-progress	3	189.01	554.52
(c) Right-of-use assets	4	52.96	64.76
(d) Intangible assets	5	0.41	0.67
(e) Financial assets			
(i) Investments	6	422.47	438.47
(ii) Loans	7	500.00	-
(ii) Other non-current financial assets	7(a)	242.98	226.73
(f) Non-current tax assets (net)	8	276.68	215.45
(g) Other non-current assets	9	343.15	429.72
<b>Total Non-current assets</b>		<b>6,184.81</b>	<b>5,839.34</b>
<b>2. Current assets</b>			
(a) Inventories	10	1,372.65	1,850.21
(b) Financial assets			
(i) Trade receivables	11	233.34	288.27
(ii) Cash and cash equivalents	12	422.09	50.84
(iii) Other Bank balances	12	3,354.91	1,907.44
(iv) Loans	13	0.29	1,169.48
(v) Other current financial assets	14	161.10	101.16
(c) Other current assets	15	281.17	521.73
<b>Total Current assets</b>		<b>5,825.55</b>	<b>5,889.13</b>
<b>TOTAL ASSETS</b>		<b>12,010.36</b>	<b>11,728.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	16	298.05	298.05
(b) Other equity	17	8,353.89	7,953.89
<b>Total Equity</b>		<b>8,651.94</b>	<b>8,251.94</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18(a)	80.98	187.49
(ii) Lease liabilities	18(b)	26.84	37.01
(b) Provisions	19	216.48	238.75
(c) Deferred tax liabilities (net)	25	283.65	234.33
<b>Total Non-current liabilities</b>		<b>607.95</b>	<b>697.58</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20(a)	101.53	100.85
(ii) Lease liabilities	18(b)	13.04	12.26
(iii) Trade payables	21		
(A) Total outstanding dues of micro enterprises and small enterprises		29.48	17.52
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.		597.72	587.28
(iv) Other financial liabilities	22	1,099.33	1,252.31
(b) Provisions	23	54.65	19.64
(c) Other current liabilities	24	453.78	352.78
(d) Current tax liabilities (net)	20	400.94	436.31
<b>Total Current liabilities</b>		<b>2,750.47</b>	<b>2,778.95</b>
<b>TOTAL LIABILITIES</b>		<b>3,358.42</b>	<b>3,476.53</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,010.36</b>	<b>11,728.47</b>
Corporate information		1	
Significant accounting policies		2	

The accompanying notes form an integral part of the financial statements

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

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

**per Harish Khemnani**  
Partner  
Membership number: 218576

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

**Venkata Pranav Reddy Nellore**  
Executive Director  
DIN: 10040953

Place : Hyderabad  
Date : February 19, 2024

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

**P. Ganesh Pathrudu**  
Company Secretary  
M.No.A70037

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Particulars	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>1 Income</b>			
Revenue from operations	26	15,234.34	16,193.73
Other income	27	277.31	350.18
<b>Total income</b>		<b>15,511.65</b>	<b>16,543.91</b>
<b>2 Expenses</b>			
Cost of materials consumed	28	1,953.80	1,954.15
Purchases of stock-in-trade		-	844.73
Changes in inventories of finished goods and work-in-progress	29	136.91	(170.02)
Employee benefits expense	30	526.90	483.13
Finance costs	31	23.35	28.59
Depreciation and amortisation expense	3, 4&5	576.13	557.33
Other expenses	32	11,595.22	11,834.95
<b>Total expenses</b>		<b>14,812.31</b>	<b>15,532.86</b>
<b>3 Profit before tax (1-2)</b>		<b>699.34</b>	<b>1,011.04</b>
<b>4 Tax expense</b>	33		
Current tax		163.65	276.49
<b>Deferred tax</b>			
Current period		51.55	(41.08)
		<b>215.20</b>	<b>235.41</b>
<b>5 Profit for the year (3-4)</b>		<b>484.14</b>	<b>775.64</b>
<b>6 Other Comprehensive income/ (loss)</b>			
(i) <b>Item that will not be reclassified to profit or loss</b>			
(a) Remeasurement of defined benefit plans		(8.88)	16.34
(b) Income tax relating to remeasurement of defined benefit plans		2.24	(4.11)
<b>Total other comprehensive income/ (loss) for the year (a+b)</b>		<b>(6.64)</b>	<b>12.23</b>
<b>Total comprehensive income for the year (5+6)</b>		<b>477.50</b>	<b>787.87</b>
<b>Earnings per share (Face value of INR 10/- each)</b>			
Basic and Diluted (INR)	36	16.24	26.02
Corporate information	1		
Significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

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

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

**per Harish Khemnani**  
Partner  
Membership number: 218576

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

**Venkata Pranav Reddy Nellore**  
Executive Director  
DIN: 10040953

Place : Hyderabad  
Date : February 19, 2024

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

**P. Ganesh Pathrudu**  
Company Secretary  
M.No.A70037

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**A. Equity Share Capital**

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
Balance as at December 31, 2023	298.05	-	298.05
Balance as at December 31, 2022	298.05	-	298.05

**B. Other Equity**

Particulars	Other equity			Total
	Reserves and surplus			
	Securities premium	General reserve	Retained earnings	
Balance as at January 01, 2022	424.33	612.48	6,206.70	7,243.51
Profit for the year	-	-	775.64	775.64
Other comprehensive income (net of tax)	-	-	12.23	12.23
Total comprehensive income for the year	-	-	787.87	787.87
Dividends distributed	-	-	(77.49)	(77.49)
Balance as at December 31, 2022	424.33	612.48	6,917.08	7,953.89
Balance as at January 01, 2023	424.33	612.48	6,917.08	7,953.89
Profit for the year	-	-	484.14	484.14
Other comprehensive income (net of tax)	-	-	(6.64)	(6.64)
Total comprehensive income for the year	-	-	477.50	477.50
Dividends distributed	-	-	(77.49)	(77.49)
Balance as at December 31, 2023	424.33	612.48	7,317.09	8,353.90

Refer note no. 17 for nature and purpose of reserves

Corporate information 1

Significant accounting policies 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached  
for S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E3000004

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

**per Harish Khemnani**  
Partner  
Membership number: 218576

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

**Venkata Pranav Reddy Nellore**  
Executive Director  
DIN: 10040953

Place : Hyderabad  
Date : February 19, 2024

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

**P. Ganesh Pathrudu**  
Company Secretary  
M.No.A70037

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>A. Cash flow from operating activities</b>		
Profit before tax	699.34	1,011.05
<b>Adjustments for :</b>		
Depreciation and amortisation expense	576.13	557.33
Loss/(Profit) on sale of property, plant and equipment, net	-	18.24
Investment written off	0.01	-
Provision for impairment on investments	16.00	-
Interest and other borrowong costs	13.09	17.97
Unwinding of mines restoration cost	10.26	10.62
Interest income	(234.79)	(189.21)
Liabilities / provisions no longer required written back	(5.06)	(8.69)
Reversal of impairment on assets	-	(120.00)
Provision for impairment of receivables/Bad Debts written off	0.02	1.15
	<u>375.66</u>	<u>287.41</u>
<b>Operating profit before working capital changes</b>	<b>1,075.00</b>	<b>1,298.46</b>
<b>Adjustments for changes in working capital:</b>		
(Increase)/decrease in inventories	477.56	(493.19)
(Increase)/decrease in trade receivables	54.95	(38.98)
(Increase)/decrease in current Loans	(0.10)	(10.35)
(Increase)/decrease in other current assets	240.56	(212.63)
(Increase)/decrease in other non-current financial assets	(16.25)	-
Increase/(decrease) in trade payables	21.58	21.08
Increase/(decrease) in other current liabilities	101.00	3.50
Increase/(decrease) in other current financial liabilities	(73.88)	(25.24)
(Increase)/decrease in other non-current assets	(2.38)	-
Increase/(decrease) in current provisions	26.13	(4.18)
Increase/(decrease) in non-current provisions	(22.27)	-
	<u>806.90</u>	<u>(759.99)</u>
<b>Cash generated from operations</b>	<b>1,881.91</b>	<b>538.47</b>
Income taxes paid, net	(260.21)	(270.70)
<b>Net cash generated from operating activities (A)</b>	<b>1,621.69</b>	<b>267.77</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including movement in Capital work in progress, capital advances and capital creditors)	(437.54)	(1,142.85)
Proceeds from sale of property, plant and equipment/investment	0.71	14.83
Proceeds from redemption of National Savings certificate	-	0.05
Investment in fixed/ restricted bank deposits (having original maturity of more than three months)	(3,465.15)	(8,117.74)
Redemption of fixed/ restricted bank deposits (having original maturity of more than three months)	2,017.71	8,374.84
Investment in inter corporate deposits	-	(1,059.29)
Redemption of inter corporate deposits	1,169.28	1,372.28
Loan to holding company	(500.00)	-
Interest received	174.85	188.39
	<u>(1,040.15)</u>	<u>(369.49)</u>
<b>Net cash generated/(used in) investing activities (B)</b>	<b>(1,040.15)</b>	<b>(369.49)</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>C. Cash flow from financing activities</b>		
Repayment of non-current borrowings	0.78	(73.96)
Sales tax deferment paid	(100.84)	(138.90)
Lease rentals paid	(9.39)	(7.87)
Interest on lease rentals paid	(3.35)	(3.15)
Interest and other borrowing costs paid	(20.00)	(14.82)
Dividend paid	(77.49)	(77.49)
	<u>(210.29)</u>	<u>(316.19)</u>
<b>Net cash used in financing activities (C)</b>	<b>(210.29)</b>	<b>(316.19)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>371.25</b>	<b>(417.91)</b>
Cash and cash equivalents at the beginning of the year	<u>50.84</u>	<u>468.75</u>
<b>Cash and cash equivalents at the end of the year (refer note 12)</b>	<b>422.09</b>	<b>50.84</b>

**Notes:**

- 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'.
- Reconciliation of Cash and Cash equivalents with the Balance Sheet:

Particulars	As at December 31, 2023	As at December 31, 2022
Cash on hand	0.12	0.08
Cheques/ drafts on hand	-	0.05
Balances with banks:		
- in current accounts	58.37	50.71
- in deposit accounts (with original maturity of 3 month or less)	363.60	-
	<u>422.09</u>	<u>50.84</u>

Refer note 18(a) and 18(b) for the movement in financial liabilities arising from financing activities  
The accompanying notes form an integral part of the financial statements

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

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

**per Harish Khemnani**  
Partner  
Membership number: 218576

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

**Venkata Pranav Reddy Nellore**  
Executive Director  
DIN: 10040953

Place : Hyderabad  
Date : February 19, 2024

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

**P. Ganesh Pathrudu**  
Company Secretary  
M.No.A70037



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

**Note 1: Corporate Information**

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

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

**Note 2: 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 December 31, 2023 have been applied. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements were authorised for issue by the Company's Board of Directors on February 19, 2024.

**(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 :

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

**(iv) Use of estimates and judgements**

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

**Assumptions and estimation uncertainties**

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

- a) measurement of defined benefit obligations: key actuarial assumptions (Refer note 38)
- b) recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Refer note 34)
- c) useful life of property, plant and equipment and intangible assets (Refer note 2 (e) and (f))
- d) impairment of financial assets and non-financial assets (Refer note 42)
- e) recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used & utilisation of Minimum Alternate Tax (Refer note 25)
- f) site restoration provision (Refer note 19)
- g) measurement of borrowings at amortised cost using effective interest rate method (Refer note 18).

**(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;

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

- iii. It is expected to be realised within 12 months after the reporting date; or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

### Liabilities

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

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

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

### Operating cycle

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

### (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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing 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 categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For changes that have occurred between levels in the hierarchy during the period the Company re-assesses categorization (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) 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 or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Business model assessment**

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

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

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

**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.

**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 amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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

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

**Derecognition**

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

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

**Financial liabilities:****Initial recognition and measurement**

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

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

**Subsequent measurement**

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

**Derecognition**

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

**Offsetting:**

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

**(c) Revenue Recognition**

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

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

Variable consideration includes incentives, volume rebates, discounts and liquidated damages etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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. 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.

**(d) Other income**

Interest income 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.

**(e) 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. The Company uses lease period for calculating depreciation for buildings taken on lease.

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

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

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

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

**(f) Intangible Assets**

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

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

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

Asset Description	Useful Life
Software	3 years

**(g) Inventories**

Inventories are valued at lower of cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition) and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis, after providing for obsolescence, if any. 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 cost and net realisable value. Goods in transit are valued at cost.

**(h) Impairment of non-financial assets**

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

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

**(i) Impairment of financial assets**

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

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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(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.

#### **(j) Foreign currency transactions and balances**

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

#### **(k) Retirement and other employee benefits**

##### **Defined contribution plans**

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

##### **Defined benefit plans**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

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

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

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

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

#### **Compensated absence policy :**

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

#### **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 31 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.

**Short-term employee benefits**

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

**(I) Leases**

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

**Company as a lessee**

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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

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

**(m) Earnings per share**

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

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

**(n) Tax expense**

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**Deferred tax**

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

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

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

The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

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

**(o) Statement of cash flows and cash and cash equivalents**

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

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

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

**(p) Investments in subsidiary**

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

**(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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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.

**Provision for site restoration**

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

Site restoration expenses is incurred on an on going basis as and present valued at every reporting period end. The unwinding effect is presented as finance costs. This costs are incurred as and when required and until the closure of the quarries and mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023** (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:**

Particulars	Free-hold Land	Freehold Mining Land	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Capital work-in-progress
<b>Cost</b>									
As at January 01, 2022	80.69	44.30	1,152.74	5,017.11	117.67	73.18	38.06	6,523.75	116.49
Add: Additions	8.12	-	61.47	300.89	1.04	37.23	9.72	418.47	856.50
Less: Deletions/ Adjustments	-	-	17.41	77.32	0.02	29.34	1.47	125.56	418.47
As at December 31, 2022	88.81	44.30	1,196.80	5,240.68	118.69	81.07	46.31	6,816.66	554.52
Add: Additions	-	-	81.53	709.42	8.74	3.31	9.90	812.90	447.39
Less: Deletions/ Adjustments	-	-	-	8.01	0.56	4.87	11.53	24.97	812.90
As at December 31, 2023	88.81	44.30	1,278.33	5,942.09	126.87	79.51	44.68	7,604.59	189.01
<b>Accumulated depreciation</b>									
As at January 01, 2022	-	2.14	241.79	2,125.90	34.57	24.41	25.42	2,454.23	-
Add: Charge for the year	-	0.37	45.08	474.22	5.30	10.26	10.64	545.87	-
Less: Deletions	-	-	8.18	62.62	0.02	20.17	1.47	92.46	-
As at December 31, 2022	-	2.51	278.69	2,537.50	39.85	14.50	34.59	2,907.64	-
Add: Charge for the year	-	0.37	51.62	484.66	6.43	11.28	9.71	564.06	-
Less: Disposals	-	-	-	7.70	0.55	4.49	11.53	24.27	-
As at December 31, 2023	-	2.88	330.31	3,014.46	45.73	21.29	32.77	3,447.44	-
<b>Net carrying amount</b>									
As at December 31, 2022	88.81	41.79	918.11	2,703.18	78.84	66.57	11.72	3,909.02	554.52
As at December 31, 2023	88.81	41.42	948.02	2,927.63	81.14	58.22	11.91	4,157.15	189.01

**(i) Contractual obligations:**

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

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

(iii) In the earlier years, a charge was created on the immovable and movable properties of the Company in connection with the loan availed by the Holding Company, Rain Industries Limited. This charge has been released during the year 2022 pursuant to the repayment of loan by the Holding Company.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

**Capital-Work-in Progress (CWIP):**

(a) Capital work in progress ageing schedule:

**As at December 31, 2023**

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

**As at December 31, 2022**

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	>3 years	
Projects in progress	522.74	31.56	0.22	554.52

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

**As at December 31, 2023**

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

**As at December 31, 2022**

CWIP	To be completed in		
	Less than 1 year	1-2 years	>3 years
Installation of 10MW Solar power plant in Unit 2	416.34	-	-
Fencing for Company land at Unit 2	8.15	-	-
Flyash silo and extraction System (Line 1)	11.08	-	-
Side cladding for Polycom building	14.96	-	-
<b>Total</b>	<b>450.53</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**Note 4: Right of use assets**

Particulars	Buildings
<b>Cost</b>	
As at January 01, 2022	50.25
Add: Additions	44.85
Less: Deletions	-
As at December 31, 2022	95.10
Add: Additions	-
Less: Deletions	-
As at December 31, 2023	95.10
<b>Accumulated Depreciation</b>	
As at January 01, 2022	19.00
Add: Charged during the year	11.34
Less: Deletions	-
As at December 31, 2022	30.34
Add: Charged during the year	11.80
Less: Deletions	-
As at December 31, 2023	42.14
<b>Net carrying amount</b>	
As at December 31, 2022	64.76
As at December 31, 2023	52.96

**Note 5: Intangible assets:**

Particulars	Software
<b>Cost</b>	
As at January 01, 2022	5.25
Add: Additions	0.79
Less: Deletions	5.25
As at December 31, 2022	0.79
Add: Additions	-
Less: Deletions	-
As at December 31, 2023	0.79
<b>Accumulated Depreciation</b>	
As at January 01, 2022	5.24
Add: Charged during the year	0.12
Less: Deletions	5.24
As at December 31, 2022	0.12
Add: Charged during the year	0.26
Less: Deletions	-
As at December 31, 2023	0.38
<b>Net carrying amount</b>	
As at December 31, 2022	0.67
As at December 31, 2023	0.41

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

	As at December 31, 2023	As at December 31, 2022
<b>Note 6: Non-current investments</b>		
<b>A. Investments in subsidiary</b>		
<b>(Unquoted instruments valued at cost unless stated otherwise)</b>		
Renuka Cement Limited	422.38	422.38
7,498,483 (December 31, 2022: 7,498,483)		
equity shares of INR 10 each fully paid up		
Less: Provision for impairment in value of		
Investments in subsidiary	-	-
<b>Note:</b> Pursuant to the impairment testing of investment in subsidiary carried out during the year 2022, the recoverable value of the investment in the subsidiary, Renuka Cement Limited was assessed to be higher than its cost. This resulted in a reversal of impairment loss of INR 120 in the statement of profit and loss during the year ended December 31, 2022.		
<b>B. Investments in others:</b>		
<b>(Unquoted instruments valued as fair value through profit and loss)</b>		
<b><i>Equity instruments</i></b>		
Andhra Pradesh Gas Power Corporation Limited	16.00	16.00
(December 31, 2022: 134,000) equity shares of		
INR 10 each fully paid up		
Less: Provision for impairment in value of		
Investments in Andhra Pradesh Gas Power	(16.00)	-
Corporation Limited		
<b><i>Government securities</i></b>		
National Savings Certificates	0.09	0.09
10,000 (December 31, 2022: 10,000) units		
<b>Total</b>	<b>422.47</b>	<b>438.47</b>

**Note:**

Aggregate amount of unquoted investments	438.47	438.47
Aggregate amount of provision for impairment in value of investments	(16.00)	-

Information about the Company's exposure to credit and market risks, and fair value measurement is included in note 42.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

	As at December 31, 2023	As at December 31, 2022
<b>Note 7: Loans</b>		
(Unsecured, considered good unless otherwise stated, valued at cost)		
Non-Current - Loans and advances		
- To others		
- Employees		
- to related parties	500.00	-
<b>Total</b>	<b>500.00</b>	<b>-</b>
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	500.00	-
Loans Receivables which have significant increase in credit risk	-	-
Loans Receivables - credit impaired	-	-
<b>Note 7(a): Other non-current financial assets</b>		
(Unsecured, considered good, unless otherwise stated)		
Electricity deposits	216.62	199.80
Other security deposits	26.36	24.93
Balances held as margin money against guarantees and other commitments	-	2.00
<b>Total</b>	<b>242.98</b>	<b>226.73</b>
The Company's exposure to credit risks related to other financial assets are disclosed in note 42.		
<b>Note 8: Non current tax assets (net)</b>		
Advance tax	276.68	215.45
(Net of provision for tax)		
<b>Total</b>	<b>276.68</b>	<b>215.45</b>
<b>Note 9: Other non-current assets</b>		
(Unsecured, considered good unless otherwise stated)		
Capital advances	304.58	393.53
Balances with government authorities	38.57	36.19
<b>Total</b>	<b>343.15</b>	<b>429.72</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

	As at December 31, 2023	As at December 31, 2022
<b>Note 10: Inventories</b>		
(At lower of cost and net realisable value)		
a) Raw materials	89.84	71.65
Goods-in-transit	0.71	1.88
	90.55	73.53
b) Work-in-progress	503.42	620.27
	503.42	620.27
c) Finished goods	101.14	121.20
	101.14	121.20
d) Stores and spares	167.59	193.03
Goods-in-transit	1.82	1.87
	169.41	194.90
e) Packing materials	33.03	36.21
	33.03	36.21
f) Fuel	396.99	615.62
Goods-in-transit	78.11	188.48
	475.10	804.10
<b>Total</b>	<b>1,372.65</b>	<b>1,850.21</b>

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

**Note 11: Trade receivables**

- Secured, considered good	83.10	138.84
- Unsecured, considered good	150.24	149.43
- Doubtful	29.24	37.79
	<b>262.58</b>	<b>326.06</b>
	262.58	326.06
Less: Allowance for expected credit loss	(29.24)	(37.79)
<b>Total</b>	<b>233.34</b>	<b>288.27</b>

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

The Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 42.

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

## Trade receivables ageing schedule:

As at December 31, 2023

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

As at December 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Undisputed trade receivables - considered good	129.09	83.23	13.99	16.94	12.35	32.67	288.27
ii. Undisputed trade receivables - considered doubtful	3.18	5.72	3.15	5.05	0.61	20.08	37.79
iii. Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
iv. Disputed trade receivables - considered good	-	-	-	-	-	-	-
v. Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
vi. Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>132.27</b>	<b>88.95</b>	<b>17.14</b>	<b>21.99</b>	<b>12.96</b>	<b>52.75</b>	<b>326.06</b>
Less: Allowance for doubtful receivables							37.79
<b>Total</b>							<b>288.27</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**Note 12: Cash and bank balances**

	As at December 31, 2023	As at December 31, 2022
<b>A. Cash and cash equivalents</b>		
Cash on hand	0.12	0.08
Cheques/ drafts on hand	-	0.05
Balances with banks:		
- in current accounts	58.37	50.71
- in deposit accounts (with original maturity of 3 months or less)	363.60	-
	<b>422.09</b>	<b>50.84</b>
<b>B. Other bank balances</b>		
Balances held as margin money against guarantees and other commitments	57.30	102.36
Balances in term deposit accounts with maturity period of more than three months and not more than twelve months	3,297.61	1,805.08
	<b>3,354.91</b>	<b>1,907.44</b>
<b>Total [A+B]</b>	<b>3,777.00</b>	<b>1,958.28</b>

**Note 13: Loans****(Unsecured, considered good unless otherwise stated)**

Inter-corporate deposits*	-	1169.29
Advance to employees	0.29	0.19
<b>Total</b>	<b>0.29</b>	<b>1169.48</b>
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	0.29	1,169.48
Loans Receivables which have significant increase in credit risk	-	-
Loans Receivables - credit impaired	-	-

\* During the year HDFC Limited Merged with HDFC Bank and inter-corporate deposits was converted into Bank Deposits

**Note 14: Other current financial assets****(Unsecured, considered good unless otherwise stated)**

Interest accrued on deposits	161.10	101.16
	<b>161.10</b>	<b>101.16</b>

The Company's exposure to credit risks related to current loans are disclosed in note 42.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

## Note 15: Other current assets

	As at December 31, 2023	As at December 31, 2022
Prepaid expenses	22.89	22.57
Balances with Government authorities	7.53	12.41
Advance to supplier and service providers	242.45	479.74
Others	8.30	7.01
<b>Total</b>	<b>281.17</b>	<b>521.73</b>

## Note 16: Equity share capital

	As at December 31, 2023		As at December 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital:</b>				
Equity shares of INR 10 each	50,000,000	500.00	50,000,000	500.00
<b>Total</b>	<b>50,000,000</b>	<b>500.00</b>	<b>50,000,000</b>	<b>500.00</b>
<b>Issued, subscribed and fully-paid up capital</b>				
Equity shares of INR 10 each	29,805,000	298.05	29,805,000	298.05
<b>Total</b>	<b>29,805,000</b>	<b>298.05</b>	<b>29,805,000</b>	<b>298.05</b>

## Notes:

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

	As at December 31, 2023		As at December 31, 2022	
	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	-	-	-	-
<b>As at end of the year</b>	<b>29,805,000</b>	<b>298.05</b>	<b>29,805,000</b>	<b>298.05</b>

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

## (iii) Details of shares held by the Holding Company

	As at December 31, 2023		As at December 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of INR 10 each fully paid up held by</b>				
Holding company - Rain Industries Limited., along with its nominees	29,805,000	298.05	29,805,000	298.05
	<b>29,805,000</b>	<b>298.05</b>	<b>29,805,000</b>	<b>298.05</b>

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

Name of the shareholder	As at December 31, 2023		As at December 31, 2022	
	Number of shares	%	Number of shares	%
Rain Industries Limited along with its nominees	29,805,000	100%	29,805,000	100%

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

## (v) Shares held by Promoters

Name of the Promoter	As at December 31, 2023			As at December 31, 2022		
	Number of shares	%	% change during the year	Number of shares	%	% change during the year
Rain Industries Limited along with its nominees	29,805,000	100%	-	29,805,000	100%	-

## (vi) Shares held by Holding/ Ultimate Holding Company

Name of the Holding/ Ultimate Holding Company	As at December 31, 2023			As at December 31, 2022		
	Number of shares	%	% change during the year	Number of shares	%	% change during the year
Rain Industries Limited along with its nominees	29,805,000	100%	-	29,805,000	100%	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**(vii) Dividend paid**

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

Particulars	As at December 31, 2023		As at December 31, 2022	
	Dividend per equity share	Amount	Dividend per equity share	Amount
Interim dividend	2.60	77.49	2.60	77.49
		<b>77.49</b>		<b>77.49</b>

**Note 17: Other equity**

	As at December 31, 2023	As at December 31, 2022
<b>(i) Reserves and surplus</b>		
<b>(a) Securities premium account</b>		
Opening balance	424.33	424.33
<b>Closing balance</b>	<b>424.33</b>	<b>424.33</b>
<b>(b) General reserve</b>		
Opening balance	612.48	612.48
<b>Closing balance</b>	<b>612.48</b>	<b>612.48</b>
<b>(c) Retained earnings</b>		
Opening balance	6,917.08	6,206.70
Add: Profit for the year	484.14	775.64
Add: Remeasurements of defined benefit (liability)/asset, net of tax	(6.64)	12.23
	<b>7,394.58</b>	<b>6,994.57</b>
Less : Interim dividend	77.49	77.49
<b>Closing balance</b>	<b>7,317.09</b>	<b>6,917.08</b>
<b>Total</b>	<b>8,353.89</b>	<b>7,953.89</b>

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

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

**(b) General reserve :**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**(c) Retained earnings :**

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

**Note 18(a): Non-current borrowings**

	As at December 31, 2023	As at December 31, 2022
<b>Deferred payment liabilities</b>		
Unsecured	182.51	288.34
Less: Current maturities of non-current borrowings disclosed under note 20(a) - Current borrowings	(101.53)	(100.85)
<b>Total</b>	<b>80.98</b>	<b>187.49</b>

**Deferred payment liabilities**

This represents sales tax deferment. Balance outstanding is repayable in 18 structured monthly installments as per deferment schedule (December 31, 2022: 30 installments).

**Reconciliation of liabilities arising from financing activities**

Opening balance at the beginning of the year	288.34	501.20
Interest accrued during the year	20.00	14.82
Provision reversed	(4.99)	-
Borrowings interest payments during the year	(20.00)	(14.82)
Repayment of borrowings during the year	(100.84)	(212.86)
<b>Closing balance at the end of the year</b>	<b>182.51</b>	<b>288.34</b>

**Note 18(b): Lease liabilities**

Total lease liabilities	39.88	49.27
Less: Current maturities of non current lease liabilities (Disclosed under note 35)	(13.04)	(12.26)
	<b>26.84</b>	<b>37.01</b>
<b>Total</b>	<b>107.82</b>	<b>224.50</b>

**Reconciliation of liabilities arising from financing activities**

	As at December 31, 2023	As at December 31, 2022
Opening balance at the beginning of the year	49.27	12.29
Additions to lease liabilities during the year	-	44.85
Interest accrued during the year	3.35	3.15
Lease principal payments during the year	(9.39)	(7.87)
Lease interest payments during the year	(3.35)	(3.15)
<b>Closing balance at the end of the year</b>	<b>39.88</b>	<b>49.27</b>

Refer note 35 for reconciliation of Lease liabilities

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**Note 19 : Non-current provisions****Provision for employee benefits:**

	As at December 31, 2023	As at December 31, 2022
- Compensated absences (Refer note 38)	-	27.09
- Gratuity (Refer note 38)	82.99	88.44
<b>Provision - others</b>		
- Mine restoration (Refer below note)	133.48	123.22
<b>Total</b>	<b>216.48</b>	<b>238.75</b>

The movement in the mine restoration provision during the year was as follows:

	As at December 31, 2023	As at December 31, 2022
<b>Balance as at the beginning of the year</b>	123.22	112.60
Unwinding of discount on mine restoration provision	10.26	10.62
<b>Balance as at the end of the year</b>	<b>133.48</b>	<b>123.22</b>

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

**Note 20: Current tax liabilities (Net)**

	As at December 31, 2023	As at December 31, 2022
Provision for tax (net of advance tax)	400.94	436.31
	<b>400.94</b>	<b>436.31</b>

**Note 20(a): Current borrowings**

	As at December 31, 2023	As at December 31, 2022
Current maturities of non-current borrowings	101.53	100.85
	<b>101.53</b>	<b>100.85</b>

- i) ICICI Bank: The Company has taken working capital demand loan facilities from ICICI Bank, secured by way of first pari-passu charge hypothecation of the Company's current assets. Working capital demand loan carries an interest rate of 9.35% to 10.00% per annum, outstanding as at December 31, 2023 is Nil (December 31, 2022: Nil).
- ii) HDFC Bank: The Company has taken working capital demand loan facilities from HDFC Bank, secured by way of first pari-passu charge hypothecation of the Company's current assets both present and future. Working capital demand loan carries an interest rate of 8.05% to 9.65% per annum, outstanding as at December 31, 2023 is Nil (December 31, 2022: Nil)
- iii) Yes Bank: The Company has taken cash credit and working capital demand loan facilities from Yes Bank, secured by way of first pari-passu charge hypothecation of the Company's current assets both present and future along with other working capital bankers. Working capital demand loan carries an interest rate of 9.40% to 10.25% per annum, outstanding as at December 31, 2023 is Nil (December 31, 2022: Nil).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**Note 21: Trade payables**

	As at December 31, 2023	As at December 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note below)	29.48	17.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	597.72	587.28
<b>Total</b>	<b>627.20</b>	<b>604.80</b>

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

**Trade payables ageing schedule:****As at December 31, 2023**

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

**As at December 31, 2022**

Particulars	Unbilled dues	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	17.52	-	-	-	-	17.52
ii. Others	45.84	91.79	188.55	17.68	85.40	158.02	587.28
<b>Grand Total</b>	<b>45.84</b>	<b>109.31</b>	<b>188.55</b>	<b>17.68</b>	<b>85.40</b>	<b>158.02</b>	<b>604.80</b>

**Note 21: Trade payables (continued)**

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

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

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
(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.	29.48	17.52
(b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

**Note 22: Other current financial liabilities**

	As at December 31, 2023	As at December 31, 2022
Trade and security deposits	109.29	311.19
Payables to employees	98.83	87.60
Deposits from contractors and customers	684.32	396.78
Provision for discounts	112.73	283.51
Others:		
- Capital creditors	92.81	171.91
- Retention money	1.35	1.32
<b>Total</b>	<b>1,099.33</b>	<b>1,252.31</b>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**Note 23: Current provisions**

	As at December 31, 2023	As at December 31, 2022
<b>Provision for employee benefits:</b>		
- Compensated absences (Refer Note38)	30.19	8.65
- Gratuity ( Refer Note 38)	24.46	10.99
<b>Total</b>	<b>54.65</b>	<b>19.64</b>

**Note 24: Other current liabilities**

Statutory remittances	369.69	275.38
Contract liability	84.09	77.40
<b>Total</b>	<b>453.78</b>	<b>352.78</b>

**Note 25: Deferred tax liability (net)****Deferred tax liability**

Property, plant and equipment	355.95	337.72
Right of use asset	3.29	16.30

**Deferred tax assets**

Employee benefits	(34.64)	(34.02)
Land indexation	-	(32.75)
Site restoration liability	(33.59)	(31.01)
Provision for doubtful receivables	(7.36)	(9.51)
Lease liability	-	(12.40)

<b>Net deferred tax liability</b>	<b>283.65</b>	<b>234.33</b>
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Also refer note 33 for tax expense

**Movement in deferred tax assets / liabilities:**

Particulars	Balance as at January 1, 2023	Recognised in profit or loss during the period	Recognised in OCI during the period	Balance as at December 31, 2023
Property, plant and equipment	337.72	18.23	-	355.95
Employee benefits	(34.02)	1.62	(2.24)	(34.64)
Land indexation	(32.75)	32.75	-	-
Site restoration liability	(31.01)	(2.58)	-	(33.59)
Trade receivables	(9.51)	2.15	-	(7.36)
Right of use asset and lease liability	3.90	(0.61)	-	3.29
	<b>234.33</b>	<b>51.55</b>	<b>(2.24)</b>	<b>283.65</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

Particulars	Balance as at January 1, 2022	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at December 31, 2022
Property, plant and equipment	374.39	(36.67)	-	337.72
Employee benefits	(39.19)	1.06	4.11	(34.02)
Land indexation	(31.11)	(1.64)	-	(32.75)
Site restoration liability	(28.34)	(2.67)	-	(31.01)
Trade receivables	(9.22)	(0.29)	-	(9.51)
Right of use asset	7.86	8.44	-	16.30
Lease liability	(3.09)	(9.31)	-	(12.40)
	<b>271.30</b>	<b>(41.08)</b>	<b>4.11</b>	<b>234.33</b>

**Note 26: Revenue from operations**

	For the year ended December 31, 2023	For the year ended December 31, 2022
Sale of products (Refer Note (i) below)	15,234.21	15,343.46
Other operating revenue (Refer Note (ii) below)	0.13	850.27
<b>Revenue from operations</b>	<b>15,234.34</b>	<b>16,193.73</b>

**Notes:****(i) Sale of products comprises:**

Sale of cement	15,234.21	15,343.46
<b>Total</b>	<b>15,234.21</b>	<b>15,343.46</b>

**(ii) Other operating revenues comprises:**

Sale of GPC	-	850.27
Sale of Spares	0.13	-
<b>Total</b>	<b>0.13</b>	<b>850.27</b>

**Contract assets and contract liabilities:**

Trade receivables	233.34	288.27
Contract liabilities recorded in balance sheet	84.09	77.40

Trade receivables are non-interest bearing and are generally on terms of 0 to 15 days. In December 2023, INR 29.24 (December 2022: INR 37.79) was recognised as provision for expected credit losses on trade receivables.

The amount of revenue recognised from contract liabilities at the beginning of the year INR 55.01 million (December 31, 2022: INR 43.97 million). Contract liability represents amount received against sale of products. These unsatisfied performance obligations are expected to be completed within one year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**Reconciliation of revenue from sale of products with the contract price**

	For the year ended December 31, 2023	For the year ended December 31, 2022
Contract price (A)	17,577.96	17,804.53
Less - Reductions towards variable consideration components	-	-
Discounts (B)	(2,343.74)	(2,461.07)
<b>Revenue recognised (A-B)</b>	<b>15,234.22</b>	<b>15,343.46</b>

**Note 27: Other income**

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest from banks on deposits	199.33	182.96
Interest- others	35.46	6.25
Reversal of provision for doubtful debts and advances	8.55	-
Reversal of impairment loss on investment in subsidiary	-	120.00
Other non-operating income:		
Liabilities / provisions no longer required written back	5.06	8.69
Miscellaneous income	28.91	32.28
<b>Total</b>	<b>277.31</b>	<b>350.18</b>

**Note 28 : Cost of materials consumed**

## Raw material consumed :

Lime stone	431.56	393.91
Laterite	481.13	479.97
Gypsum	285.15	265.27
Fly ash	746.68	806.47
Others	9.28	8.53
<b>Total</b>	<b>1,953.80</b>	<b>1,954.15</b>

**Note 29: Changes in inventories of finished goods and work-in-progress****Inventories at the beginning of the year**

Finished goods	121.20	76.68
Work-in-progress	620.27	494.77
	<b>741.47</b>	<b>571.45</b>

**Inventories at the end of the year**

Finished goods	101.14	121.20
Work-in-progress	503.42	620.27
	<b>604.56</b>	<b>741.47</b>

**Decrease/(increase) in inventories of finished goods and work-in-progress**

	<b>136.91</b>	<b>(170.02)</b>
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

**Note 30: Employee benefits expense**

	For the year ended December 31, 2023	For the year ended December 31, 2022
Salaries, wages and bonus	475.75	434.17
Contribution to provident and other funds (Refer note 38)	27.30	25.46
Gratuity	14.50	15.75
Staff welfare expenses	9.35	7.76
<b>Total</b>	<b>526.90</b>	<b>483.13</b>

**Note 31: Finance costs**

Interest expense on borrowings	8.05	10.02
Interest expense on lease liability (Refer note 35)	3.35	3.15
Unwinding of mines restoration cost	10.26	10.62
Other borrowing cost	1.69	4.80
<b>Total</b>	<b>23.35</b>	<b>28.59</b>

**Note 32: Other expenses**

Consumption of stores and spares	441.56	456.58
Consumption of packing materials	646.35	744.89
Power and Fuel	5,154.29	5,584.58
Freight outward	4,169.74	4,007.87
Repairs and maintenance		
- Building	71.72	63.04
- Plant and machinery	135.81	137.72
- Others	104.37	95.47
Insurance	24.64	29.79
Rent	65.01	55.90
Rates and taxes	27.87	23.90
Communication expenses	9.52	7.88
Travelling and conveyance	34.94	29.57
Printing and stationery	2.74	2.62
Other selling and distribution expenses	364.93	298.51
Corporate social responsibility and other donations (Refer note 37)	34.00	35.52
Consultancy charges	160.66	139.10
Payment to auditors (refer note below)	3.34	3.16
Directors' sitting fees (Refer note 39)	0.76	0.78
Commission to directors (Refer note 39)	10.00	15.00
Provision for doubtful debts and advances	-	1.15

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Provision for impairment on investment	16.00	-
Loss on sale of property, plant and equipment (net)	-	18.24
Loss on foreign currency transactions and translation (net)	-	1.35
Miscellaneous expenses	116.97	82.33
<b>Total</b>	<b>11,595.22</b>	<b>11,834.95</b>

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

Statutory Audit fees	3.27	2.30
Statutory Audit fees - cost overruns of previous year	-	0.20
Limited review fees	-	0.66
Reimbursement of expenses	0.07	-
<b>Total</b>	<b>3.34</b>	<b>3.16</b>

**Note 33: Income tax and Deferred tax****(i) Amount recognised in statement of profit and loss**

Current tax		
(i) Tax for current year	163.65	276.49
Net current tax	163.65	276.49
Deferred tax		
(i) Deferred tax for current year	51.55	(41.08)
<b>Total</b>	<b>215.20</b>	<b>235.41</b>

**(ii) Reconciliation of effective tax rate**

Profit before tax	699.34	1,011.05
Enacted tax rate	25.17%	25.17%
<b>Tax expense as per enacted tax rate</b>	<b>176.02</b>	<b>254.48</b>

**Effect of:**

Tax impact on non-deductible expenses/ income	(12.38)	(21.19)
Others	51.55	2.12
	<b>215.20</b>	<b>235.41</b>

**(iii) Income tax recognised directly in other comprehensive income:****a. Remeasurement of defined benefit plan**

Remeasurements of defined benefit plans before tax	(8.88)	16.34
Tax impact on remeasurements of defined benefit plans	2.24	(4.11)
Remeasurements of defined benefit plans net of tax	<b>(6.64)</b>	<b>12.23</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

- (iv) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.
- (v) On September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019, subject to certain conditions. The management has evaluated the options and adopted the new tax rate of 25.17%. Accordingly, the Company remeasured its current tax expense for Assessment year 2020-21 and deferred tax asset/liability at the new effective tax rate prescribed by the aforesaid section.

**Note 34.: Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at December 31, 2023	As at December 31, 2022
<b>(I) Contingent liabilities</b>		
<b>(a) Claims against the company not acknowledged as debt:</b>		
- Income tax	223.15	199.87
- Sales tax, service tax and excise duty related matters under dispute	19.30	26.92
- Fuel surcharge adjustment levied by electricity distributing companies	192.58	34.57
- Others	466.69	482.30
	<b>901.72</b>	<b>743.66</b>
<b>(b) Corporate Guarantees issued</b>		
<b>Disclosure of Corporate guarantees given as per provisions of Section 186(4) of the Companies Act 2013</b>		
- As at the beginning of the year - Guarantee and contingent liability	-	534.96
- Given during the year - Guarantee and contingent liability	-	-
- Settled/ expired during the financial year - Guarantee and contingent liability	-	534.96
- As at the end of the year (restated at closing rate) - Guarantee and contingent liability	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

Particulars	As at December 31, 2023	As at December 31, 2022
<b>(II) Commitments</b>		
Estimated amounts of contracts remaining to be executed on capital account [net of capital advance INR 304.58 (December 31, 2022: INR.393.53)]	299.13	289.03

- a) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that there are no material foreseeable losses on such long term contracts which needs to be provided for in the books of account other than the provisions already made in books of account.
- b) The Company has reviewed all its pending litigations including legal proceedings initiated in the ordinary course of business. The Company does not expect the outcome of these proceedings to have a material and adverse effect on its financial position, except as disclosed above and accordingly no adjustment in respect thereof is expected.

**Note 35: Leases**

The Company has entered into various operating lease agreements for assets comprising of storage and other facilities.

The following is the rental expense recorded for short-term leases, variable leases and low value leases:

Particulars	As at December 31, 2023	As at December 31, 2022
Short term lease expense	65.01	55.90
<b>Total lease expense</b>	<b>65.01</b>	<b>55.90</b>

Following are the changes in the lease liability

Particulars	As at December 31, 2023	As at December 31, 2022
<b>As at the beginning of the year</b>	49.27	12.29
Additions	-	44.85
Finance cost accrued during the year	3.35	3.15
Payment of lease liabilities	(12.74)	(11.02)
<b>Balance as at the end of the year</b>	<b>39.88</b>	<b>49.27</b>
Non-current	26.84	37.01
Current	13.04	12.26



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

The following is the cash outflow on leases

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
Payment of lease liabilities (excluding interest)	9.39	7.87
Interest on lease liabilities	3.35	3.15
Short term lease expense	65.01	55.90
<b>Total cash outflow on leases</b>	<b>77.75</b>	<b>66.92</b>

**Maturity analysis - contractual undiscounted cash flows:**

Particulars	As at December 31, 2023	As at December 31, 2022
- Not later than 1 year	13.57	12.52
- Later than 1 year and not later than 5 years	31.33	44.89
- Beyond 5 years	0.26	0.27

**Note 36: Earnings per Share (EPS)**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
a. Profit for the year	484.14	775.64
b. Weighted average number of equity shares of INR 10/- each outstanding during the year	29,805,000	29,805,000
<b>Earnings per Share</b>		
c. Basic and Diluted - [a]/[b] - (INR)	<b>16.24</b>	<b>26.02</b>

**Note 37: Corporate social responsibility**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

Gross amount required to be spent by the Company during the year ended December 31, 2023 is ₹ 33.87 (December 31, 2022: ₹ 34.90)

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
a. Gross amount required to be spent by the Company during the year	33.87	34.90
b. Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than construction / acquisition of any asset	34.00	35.52
(iii) Nature of CSR activities		
Promoting education	34.00	35.52
c. Amount unspent during the year	-	-
d. Shortfall at the end of the year	-	-
e. Related party transactions (Donation given to Pragnya Priya Foundation)	31.90	33.50
f. Movements in provision of liability created	-	-

**Note 38: Employee benefits****a) Defined contribution plans:**

The Company deposits an amount determined at a fixed percentage of basic pay every month to the state administered Provident fund, Employee State Insurance (ESI) for the benefit of employees. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.

Amount recognised in the statement of profit and loss is as follows:

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
Provident fund paid to the authorities	26.37	24.45
Employee state insurance paid to the authorities	0.48	0.59
Others (Employee welfare etc.)	0.45	0.43
<b>Total</b>	<b>27.30</b>	<b>25.47</b>

**b) Defined benefit plans - Gratuity**

The Company has a defined benefit gratuity plan in India, governed 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**Inherent risk:**

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

The following table sets forth the status of the Gratuity plan of the Company and the amounts recognised in the balance sheet and the statement of profit and loss:

(i) **Amounts recognised in note 19 and note 23 of Balance sheet**

Particulars	As at December 31, 2023	As at December 31, 2022
Present value of funded obligation	118.62	109.38
Less: Fair value of plan assets	(11.17)	(9.96)
<b>Net liability</b>	<b>107.45</b>	<b>99.42</b>
- Non Current	82.99	88.44
- Current	24.46	10.99

## (ii) Expense recognised in Statement of Profit and Loss is as follows: (Refer note 30)

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
Current service cost	7.51	8.52
Interest cost	7.11	7.21
<b>Total</b>	<b>14.62</b>	<b>15.73</b>

(iii) **Amount recognised in other comprehensive income:**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Actuarial (gain)/loss on remeasurement of defined benefit obligation:</b>		
Actuarial (gain)/ loss arising from change in financial assumptions	2.91	(5.07)
Actuarial (gain)/ loss arising from change in demographic assumption	0.10	-
Actuarial (gain)/ loss arising on account of experience changes	6.36	(10.60)
<b>Actuarial (gain)/loss on remeasurement of planned asset:</b>		
Actual return on plan assets less interest on plan assets	(0.49)	(0.67)
<b>Total (gain)/loss</b>	<b>8.88</b>	<b>(16.34)</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

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

Particulars	As at December 31, 2023	As at December 31, 2022
Opening defined benefit obligation	109.39	122.36
Current service cost	7.51	8.52
Interest Cost	7.37	7.21
Actuarial loss/(gain)	9.37	(15.67)
Amount paid to employees	(15.02)	(13.03)
<b>Closing defined benefit obligation</b>	<b>118.62</b>	<b>109.39</b>

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

Particulars	As at December 31, 2023	As at December 31, 2022
Opening fair value of plan assets	9.96	7.85
Expected return on plan assets	0.26	(0.08)
Contribution by employer	15.49	14.56
Actual return on plan assets	0.49	0.67
Amount paid to employees	(15.02)	(13.03)
<b>Closing fair value of plan assets</b>	<b>11.17</b>	<b>9.96</b>

**(vi) The details of investments in plan assets are as follows:**

Particulars	As at December 31, 2023	As at December 31, 2022
Life Insurance Corporation of India	100%	100%

**(vii) Principal Actuarial assumptions used:**

Particulars	As at December 31, 2023	As at December 31, 2022
Discount rates on benefit obligations	7.25%	7.45%
Expected salary increase rates	8.00%	7.50%
<b>Demographic assumptions</b>		
Retirement age	58 Years	58 Years

The discount rate is based on the prevailing market yields on Indian government securities as at the balance sheet date from the estimated term of the obligations. The estimates of future salary increase considered in the actuarial valuation taken into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Assumptions regarding future mortality and experience are set in accordance with published rates under Indian assured life's mortality (2012-2014) Ult table.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

**(viii) Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2023 shown below:

Particulars	Increase (%)	Decrease (%)
Discount rate (0.5% Movement)	(1.83)	1.90
Future salary growth (0.5% Movement)	1.78	(1.74)

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

Particulars	Increase (%)	Decrease (%)
Discount rate (0.5% Movement)	(2.54)	2.67
Future salary growth (0.5% Movement)	2.56	(2.46)

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

The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations. The principal actuarial assumptions used for the computation of defined plan are also used for the computation of compensated absences of long term benefit.

(ix) The Company expects to contribute a sum of INR 35.63 to the plan for the next annual reporting period (31 December 2022: INR 8.00)

**(x) Maturity profile of defined benefit obligation**

Particulars	As at December 31, 2023	As at December 31, 2022
1st Following year	35.63	20.95
2nd Following year	23.97	18.31
3rd Following year	21.26	16.87
4th Following year	12.61	16.46
5th Following year	9.61	10.11
Thereafter	60.16	94.76

(xi) As at December 31, 2023, the weighted average duration of the defined benefit obligation is 3.73 years ( December 31, 2022: 5.21 years)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**c) Compensated absences**

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods or receive cash in lieu thereof as per company policy. The 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, 2023	As at December 31, 2022
<b>Net Liability :</b>		
- Current	30.19	8.65
- Non Current	-	27.09
	<b>30.19</b>	<b>35.74</b>

**Note 39: Related Party Disclosures****a) Names of related parties and description of relationship with whom there are transactions**

(i) Holding Company	Rain Industries Limited (RIL)
(ii) Subsidiary	Renuka Cement Limited (RenCL)
(iii) Entities under common control	Rain CII Carbon (Vizag) Limited (RCCVL)
	Rain Commodities USA Inc. (RCUSA)
	Rain Verticals Limited(RVL)
	Rain Holdings Limited(RHL)
	OOO Rain Carbon LLC
(iv) Enterprise where key managerial personnel along with their relatives exercise significant influence	Rain Entertainments Pvt Ltd
	Nivee Property Developers Pvt Ltd (NPDPL)
	Arunachala Logistics Pvt Limited (ALPL)
	Pragnya Priya Foundations (PPF)
	Protector Facilities Management (Pvt) Ltd
(v) Key Managerial Personnel	Mr. N. Radhakrishna Reddy - Chairman
	Mr. N. Sujith Kumar Reddy - Managing Director
	Mr. N. Jagan Mohan Reddy - Director
	Mr. N. Venkata Pranav Reddy - Executive Director (From April 25, 2023)
	Mr. D. Rajasekhar Reddy- Company Secretary (From August 13, 2020 to October 18, 2022)
	Mr Pilla Ganesh Pathrudu - Company Secretary (From October 20, 2022)
(vi) Non-executive directors	Mr. G.N.V.S.R.R.Kumar - Chief Financial Officer
	Ms. Nirmala Reddy- Independent Director (Till February 28, 2023)
	Ms. Shanti Sree Bolleni - Independent Director (From February 15, 2023)
	Mr. Brian Jude McNamara- Independent Director (From February 12, 2021)
	Mr. Suribabu Samudrala - Independent Director (From October 21, 2021)
	Mr. N. Shiv Keshav Reddy - Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

**b) Transactions with related parties:**

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Purchases and services (net of reimbursements) from:</b>		
1. Rain CII Carbon (Vizag) Limited- Purchase of power	146.24	153.87
2. Rain CII Carbon (Vizag) Limited-Handling of Pet coke	-	-
3. Rain CII Carbon (Vizag) Limited -Purchase of Pet coke	19.80	75.49
4. Rain CII Carbon LLC - Purchase of Pet coke	-	844.73
5. Rain Industries Limited - Shared Services Expenses	122.31	91.77
6. Rain Industries Limited- Lease Rent	10.04	9.13
7. Rain Industries Limited- Purchase of coal	288.86	-
7. Protector Facilities Management (Pvt) Ltd - Purchase of Spares	1.22	0.18
8. Arunachala Logistics Pvt Limited - Freight and Services	5,568.04	5,437.58
9. Arunachala Logistics Pvt Limited - Purchase of Spares	34.06	33.85
<b>Sale of cement &amp; traded goods:</b>		
1. Rain CII Carbon (Vizag) Ltd	1.15	13.69
2. Rain Entertainments Pvt Ltd	0.04	0.05
3. Pragnya Priya Foundations	0.16	0.02
4. Nivee Property Developers Pvt Ltd	0.95	2.81
5. Arunachala Logistics Pvt Limited	57.39	38.77
6. Rain CII Carbon (Vizag) Ltd-Sale of Pet coke	-	850.27
<b>Other operating income:</b>		
1. Arunachala Logistics Pvt Limited - Rental Income	0.64	0.54
2. Arunachala Logistics Pvt Limited - Sale of Gypsum & Conveyor Belt	0.10	0.10
3. Pragnya Priya Foundations - Rental Income	0.06	0.06
4. Rain Industries Limited - Interest on Unsecured loan	23.00	-
<b>Other operating expenses</b>		
1. Arunachala Logistics Pvt Limited - Rental Expenses	4.12	4.04
2. Rain Industries Limited - Reimbursement of expenses	-	2.57
3. Protector Facilities Management (Pvt) Ltd - Man power services	88.06	71.49
<b>Managerial remuneration:</b>		
<b>(i) Short-term employee benefits</b>		
a) Mr. N. Sujith Kumar Reddy	22.36	22.33

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
b) Mr. G.N.V.S.R.R.Kumar	8.68	8.24
c) Mr. Pilla Ganesh Pathrudu	0.74	0.13
d) Mr. D.Rajasekhar Reddy	-	0.70
<b>(ii) Post-employment benefits</b>		
*Refer note(iii) below		
<b>Commission to Directors</b>		
Mr. N. Sujith Kumar Reddy	10.00	15.00

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>Salaries paid:</b>		
<b>(i) Short-term employee benefits</b>		
Mr. N. Venkata Pranav Reddy	6.68	2.32
<b>(ii) Post-employment benefits</b>		
Refer note (iii) below		
<b>Dividend paid:</b>		
Rain Industries Limited	77.49	77.49
<b>Donations given:</b>		
Pragnya Priya Foundation	31.90	33.50
<b>Unsecured loan given (including interest) :</b>		
Rain Industries Limited	523.00	-
<b>Remuneration to Independent Directors (Sitting fees):</b>		
1. Ms. Nirmala Reddy	0.08	0.19
2. Ms. Shanti Sree Bolleni	0.09	-
3. Mr. Brian Jude Mc Namara	0.21	0.24
4. Mr. Suribabu Samudrala	0.23	0.29
<b>Remuneration to Non-Executive Director (Sitting fees):</b>		
1. Mr. N. Shiv Keshav Reddy	0.15	0.06
<b>Closure of corporate guarantee</b>		
1. Rain Industries Limited	-	534.96

**Note:**

- (i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.
- (iii) Long term employee benefits for Key Managerial Personnel.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

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

- (iv) The transactions disclosed above are inclusive of taxes and other duties payable to the Government.

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

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Amounts receivable from:</b>		
a) Pragnya Priya Foundations	0.06	0.06
b) Arunachala Logistics Pvt Limited	73.90	252.85
c) Rain Industries Limited	523.00	-
<b>Amounts payable to:</b>		
a) Rain CII Carbon (Vizag) Limited	28.25	14.65
b) Protector Facilities Management (Pvt) Ltd	2.43	1.40
<b>Commission payable to Director:</b>	10.00	15.00
N. Sujith Kumar Reddy		

**Note 40: Capital Management**

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

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

Particulars	As at December 31, 2023	December 31, 2022
Total borrowings, net of cash and cash equivalents*	(239.58)	237.50
Total equity attributable to the equity shareholders of the company	8,651.94	8,251.94
<b>Net debt to equity ratio</b>	<b>(0.03)</b>	<b>0.03</b>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

\* Borrowings reduced due to repayment of sales tax deferment liability and increase in cash and cash equivalents as at December 31, 2023

**Note 41: Fair value measurements****As at December 31, 2023:**

Particulars	Fair value instruments by category			
	Amortised cost	FVTPL	FVTOCI	Total
<b>Financial assets:</b>				
Investments	422.38	0.09	-	422.47
Loans	500.29	-	-	500.29
Trade receivables	233.34	-	-	233.34
Cash and cash equivalents	422.09	-	-	422.09
Bank balances other than cash and cash equivalent	3,354.91	-	-	3,354.91
Other financial assets	404.08	-	-	404.08
	<b>5,337.08</b>	<b>0.09</b>	-	<b>5,337.17</b>
<b>Financial liabilities</b>				
Borrowings	182.51	-	-	182.51
Trade payables	627.20	-	-	627.20
Lease liabilities	39.88	-	-	39.88
Other financial liabilities	1,099.33	-	-	1,099.33
	<b>1,948.92</b>	-	-	<b>1,948.92</b>

**As at December 31, 2022:**

Particulars	Fair value instruments by category			
	Amortised cost	FVTPL	FVTOCI	Total
<b>Financial assets:</b>				
Investments	422.38	16.09	-	438.47
Loans	1,169.48	-	-	1,169.48
Trade receivables	288.27	-	-	288.27
Cash and cash equivalents	50.84	-	-	50.84
Bank balances other than above	1,907.44	-	-	1,907.44
Other financial assets	327.89	-	-	327.89
	<b>4,166.30</b>	<b>16.09</b>	-	<b>4,182.39</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

Particulars	Fair value instruments by category			
	Amortised cost	FVTPL	FVTOCI	Total
<b>Financial liabilities</b>				
Borrowings	288.34	-	-	288.34
Trade payables	604.80	-	-	604.80
Lease liabilities	49.27	-	-	49.27
Other financial liabilities	1,252.31	-	-	1,252.31
	<b>2,194.72</b>	<b>-</b>	<b>-</b>	<b>2,194.72</b>

**Note:**

- a) The carrying amounts of trade receivables, loan receivable, security deposits, cash and cash equivalents, bank balances, trade payables, borrowings and other financial assets and liabilities are considered to be the same as their fair values.
- b) Investments of ₹ 0.09 mn (December 31, 2022: ₹ 16.09 mn) are Level-3 fair value investments

**Measurement of fair values:**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

**Note 42: Financial Risk Management**

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

**The Company has exposure to the following risks arising from financial instruments:**

- Credit risk
- Liquidity risk
- Market risk

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

**Credit risk:**

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks and arises primarily from trade receivables, investments, cash and cash equivalents and balances with banks. The maximum exposure to credit risk is equal to the carrying value of these financial assets.

The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

**Trade receivables**

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

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

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Company and changes in the operating results of the borrower
- Based on the above analysis, the Company does not expect any credit risk from its trade receivables for any of the years reported in this financial statements.

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

Particulars	As at December 31, 2023	As at December 31, 2022
Receivables that are neither past due nor impaired	55.31	129.09
Receivables that are past due but not impaired:		
Past due 0-30 days	44.47	18.01
Past due 31-60 days	38.93	31.54
Past due 61-90 days	14.09	10.63
Past due over 90 days	80.54	99.00

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

Particulars	As at December 31, 2023	As at December 31, 2022
	178.03	159.18
<b>Gross receivables</b>	<b>233.34</b>	<b>288.27</b>
<b>Doubtful receivable</b>	29.24	37.79
Loss allowance	(29.24)	(37.79)
<b>Net receivables before credit notes</b>	<b>233.34</b>	<b>288.27</b>

No single customer accounted for more than 10% of the trade receivable as of December 31, 2023 and December 31, 2022. 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.

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):

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

## As at December 31, 2023

Particulars	Carrying value	Contractual cash flows				
		Less than 1 year	1-2 years	2-5 years	5-10 years	Total
<b>Financial liabilities</b>						
Borrowings	182.51	101.53	80.98	-	-	182.51
Trade payables	627.20	627.20	-	-	-	627.20
Lease liabilities	39.88	13.04	24.08	2.68	0.08	39.88
Other financial liabilities	1,099.33	1,099.33	-	-	-	1,099.33
<b>Total</b>	<b>1,948.92</b>	<b>1,841.10</b>	<b>105.06</b>	<b>2.68</b>	<b>0.08</b>	<b>1,948.92</b>

## As at December 31, 2022

Particulars	Carrying value	Contractual cash flows				
		Less than 1 year	1-2 years	2-5 years	5-10 years	Total
<b>Financial liabilities</b>						
Borrowings	288.34	100.85	101.53	85.96	-	288.34
Trade payables	604.80	604.80	-	-	-	604.80
Lease liabilities	49.27	12.26	12.12	24.89	-	49.27
Other financial liabilities	1,252.31	1,252.31	-	-	-	1,252.31
<b>Total</b>	<b>2,194.72</b>	<b>1,970.22</b>	<b>113.65</b>	<b>110.85</b>	<b>-</b>	<b>2,194.72</b>

**Market risk:**

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Currency risk**

The Company does not have any foreign currency risk exposure

**Sensitivity Analysis:**

The Company does not have any foreign currency risk exposure

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company adopts a policy of ensuring an optimal mix of its interest rate risk exposure.

**Exposure to interest rate risk**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

Particulars	Interest rate exposure as at	
	December 31, 2023	December 31, 2022
<b>Fixed rate instruments</b>		
Financial assets	4,435.13	3,076.73
Financial liabilities	39.88	49.27
	<b>4,475.01</b>	<b>3,126.00</b>
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
	-	-

**Interest rate Sensitivity:**

The Company does not have any interest rate risk exposure

**Note 43: Additional Regulatory Information**

- (i) The Company does not have any Immovable Properties which are not held in the name of the Company
- (ii) The Company has not revalued its Property, plant and equipment (including Right of use assets) and intangible assets during the year.
- (iii) During the year there are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, except the following:

**a) Details of Loans given covered u/s 186 (4) of the Companies Act, 2013.**

Name of the loanee	Rate of Interest	Secured/unsecured	December 31, 2023	December 31, 2022
Rain industries Limited	8.25%	Unsecured	500.00	-

Note: The loan is repayable in June 2025 along with interest.

- (iv) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (v) All quarterly returns or statements of current assets are filed by the Company with banks or financial institutions and are in agreement with the books of account.
- (vi) Balances outstanding with nature of transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Continued)

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

Name of the struck off company	Nature of transactions with Balance struck off company outstanding	Transaction during the year	Balance Outstanding	Relationship with the struck off company
Plg Power And Infra Private Limited	Deposit Payable to Customer	-	0.03	N/A
Cemtrademarketing Syndicate Private	Deposit Payable to Customer	-	0.15	N/A
Shruthi Homes And Paving Blocks	Deposit Payable to Customer	-	0.02	N/A

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

(viii) During the year there are no pending charges or satisfaction to be registered with RoC.

(ix) No funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediates") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

(xii) The Company has not declared as wilful defaulter by any bank or financial institution or other lender.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023** (Continued)

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

**(xiii) Details of Key Financial Ratios:**

Key Financial Ratios	Formulae	Numerator	Denominator	Unit	December 31, 2023	December 31, 2022	Variance
(a) Current Ratio	Current assets/ Current liabilities	Current assets	Current liabilities	Times	2.12	2.12	0%
(b) Debt-Equity Ratio *	Total debt/ Shareholders' equity	Non-current borrowings + current borrowings	Total equity	Times	0.02	0.03	-33%
(c) Debt Service Coverage Ratio	Earnings available for debt service/ Debt service	Profit for the year + Depreciation and amortisation expense + Finance costs + Loss on sale of property, plant and equipment	Finance costs + Current borrowings + Current lease liabilities	Times	10.47	9.74	7%
(d) Return on Equity Ratio #	Net Profits after taxes/ Average shareholders' equity	Profit for the year	Average shareholders' equity	%	6.00%	9.82%	-39%
(e) Inventory turnover ratio	Sales/ Average Inventory	Revenue from operations	Average inventory	Times	9.45	10.10	-6%
(f) Trade Receivables turnover ratio	Sales/ Average accounts receivables	Revenue from operations	Average accounts receivables	Times	58.41	61.42	-5%
(g) Trade payables turnover ratio \$	Purchases/ Average accounts payables	Purchases	Average accounts payables	Times	3.17	5.28	-40%
(h) Net capital turnover ratio	Sales/ Working capital	Revenue from operations	Current assets - Current liabilities	Times	4.95	5.21	-5%
(i) Net profit ratio #	Net profits after taxes/ Net sales	Profit for the year	Revenue from operations	%	3.18%	4.79%	-34%
(j) Return on Capital employed #	Earning before interest and taxes/Capital employed	Earning before interest and taxes	Total equity - Intangible assets + Non-current borrowings + Current borrowings + Deferred tax liabilities	%	7.8%	18.0%	-56.9%
(k) Return on investment (fixed deposits and inter-corporate deposits)	Income generated from fixed deposits and inter-corporate deposits/ Average fixed deposits and inter-corporate deposits held	Income generated from fixed deposits and inter-corporate deposits	Average fixed deposits and inter-corporate deposits held	%	6.0%	5.0%	20.0%

\* Decrease is on account of repayment of borrowings.

# During the year, due to increase in direct costs, profit and earnings have decreased when compared to the previous year.

\$ The decrease is mainly on account of trading activity done in previous year.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

(Continued)

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

**Note 44: Segment Reporting**

Ind AS 108 "Operating segment" establishes standard for the way public business report information about operating segment and related disclosures about product and services, geographic areas and major customers. Based on "management approach" as defined in Ind AS 108, operating segments are to be reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). All operating segments results are reviewed regularly by the Company's Managing Director to make decisions and assess their performance. The CODM evaluates the company's performance and allocates resources an overall basis. The Company's sole reportable segment is manufacture and sale of Cement. Further, the business operations of the Company are primarily concentrated in India, and hence, the Company is considered to operate only in one geographical segment. Accordingly, there are no disclosures to be provided under Ind AS 108.

**Note 45: Regroupings/ reclassifications**

Previous year figures have been regrouped/ reclassified wherever necessary to conform to current period classification.

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

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

**Harish Khemnani**  
Partner  
Membership number: 218576

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

**Venkata Pranav Reddy Nellore**  
Executive Director  
DIN: 10040953

Place : Hyderabad  
Date : February 19, 2024

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

**P. Ganesh Pathrudu**  
Company Secretary  
M.No.A70037

## RAIN CEMENTS LIMITED

CIN: U23209TG1999PLC031631

Regd. Office: Rain Center, 34, Srinagar Colony, Hyderabad – 500 073, Telangana State, India.  
Ph. No. 040-40401234; Email ID: secretarial@rain-industries.com; website: www.priyacement.com

### ATTENDANCE SLIP

**25<sup>th</sup> Annual General Meeting to be held on Tuesday, the April 16, 2024 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 25<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the April 16, 2024 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

CIN: U23209TG1999PLC031631

Regd. Office: Rain Center, 34, Srinagar Colony, Hyderabad – 500 073, Telangana State, India.  
Ph. No. 040-40401234; Email ID: secretarial@rain-industries.com; website: www.priyacement.com

### 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 25<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the April 16, 2024 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
<b>Ordinary Business</b>	
1	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended on December 31, 2023 and Reports of Board and Auditors thereon.
2	To appoint a Director in place of Mr. N. Radhakrishna Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3	To approve and ratify interim dividend of ₹ 2.60 per equity share for the financial year ended 31 <sup>st</sup> December, 2023
<b>Special Business</b>	
4	To ratify remuneration payable to Cost Auditors.
5	To grant authorization to the Board of Directors to borrow up to ₹ 2,500 Crores.
6	To grant authorization to the Board of Directors to create Mortgage / Charge / Pledge / Hypothecation / Lien on the assets of the Company.

Signed this..... day of..... 2024

Place:

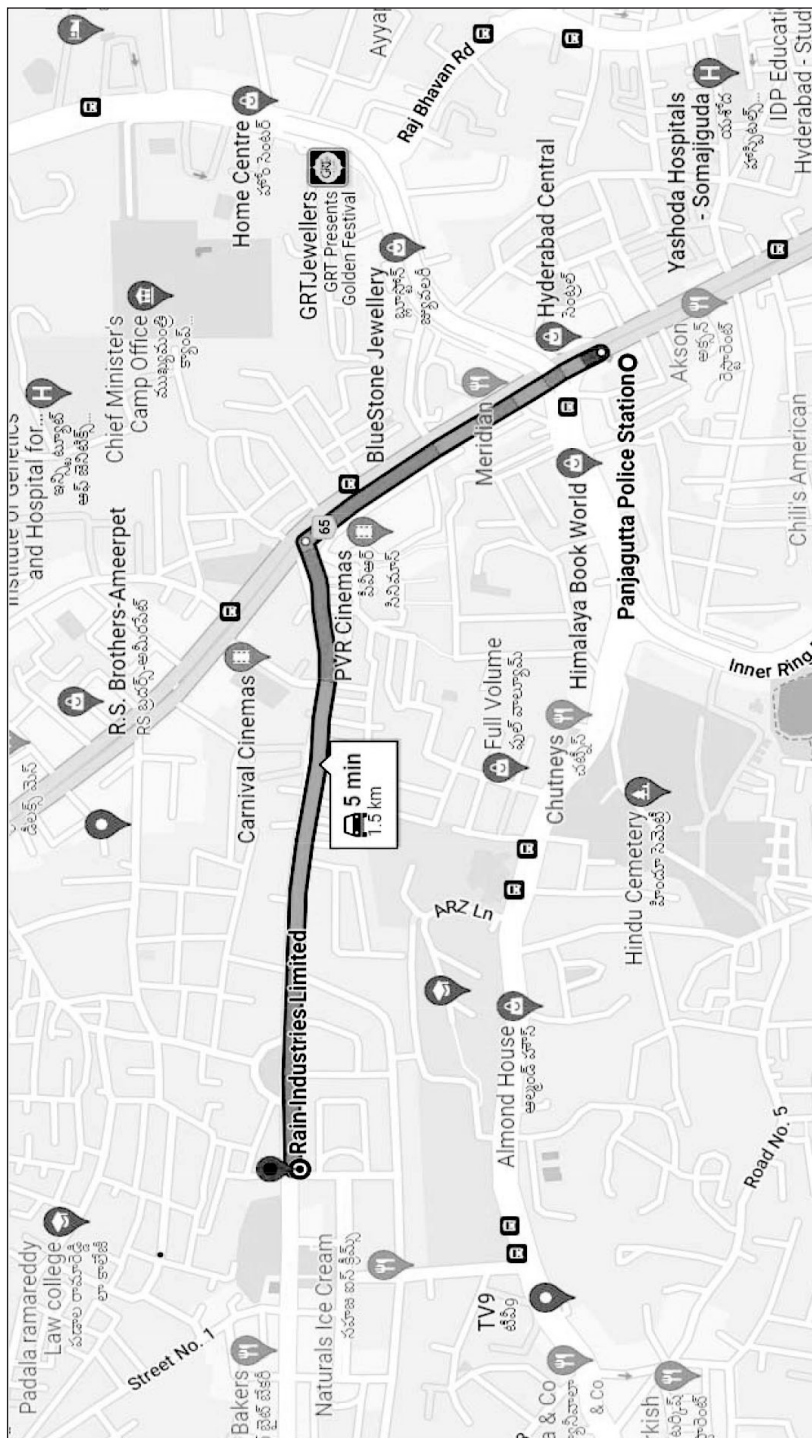
Signature of Proxy holder(s)

Please Affix  
₹ 1/-  
Revenue  
Stamp and sign  
across

Signature of shareholder

**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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