RAIN INDUSTRIES LIMITED

RIL/SEs/2026 August 12, 2026

The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai-400 001	The Manager Listing Department National Stock Exchange of India Limited Bandra Kurla Complex Bandra East, Mumbai – 400 051

Dear Sir/ Madam,

Sub: Rain Industries Limited -Management Commentary on Un-Audited Financial Results of the Company (Standalone, Consolidated and Segment) for the second quarter and half year ended June 30, 2026 – Reg.
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

With reference to the above stated subject, given below is the link to the Management Commentary on Un-Audited Financial Results of the Company (Standalone, Consolidated and Segment) for the second quarter and half year ended June 30, 2026:

Link for Audio – Management Commentary:

https://www.rain-industries.com/images/RIL-Q2-2026-Q&A.mp3

Please also find attached herewith the Transcript of Management Commentary on Un-Audited Financial Results of the Company (Standalone, Consolidated and Segment) for the second quarter and half year ended June 30, 2026.

This is for your kind information and record.

Thanking you,

Yours faithfully,
for Rain Industries Limited

SINGIDI VENKAT RAMANA REDDY

Digitally signed by SINGIDI VENKAT RAMANA REDDY
Date: 2026.08.12 21:04:23 +05'30'

S. Venkat Ramana Reddy
Company Secretary

Sarang

Good day ladies and gentlemen.

Welcome to the Rain Industries Limited Question and Answer session for the Second quarter of 2026. My name is Saranga Pani, and I serve as General Manager of Corporate Reporting and Investor Relations at Rain Industries Limited.

The speakers for today are:
Mr. Jagan Reddy Nellore – Managing Director of Rain Industries Ltd.
Mr. Gerard Sweeney – Vice Chairman of Rain Carbon Inc.; and
Mr. T. Srinivasa Rao – CFO of Rain Industries Limited

Following the Earnings Presentation and Management Commentary released on August 6, 2026, we have received a wide range of questions from investors and analysts covering near-term market conditions as well as our medium-to long-term strategic priorities across business segments and balance sheet management.

We will try to address these in a structured manner, providing as much clarity as possible while keeping our responses focused and concise.

Before we proceed, the management would like to note that during this management discussion, we may make forward-looking statements that include various subjects such as outcomes, trends, targets, and strategic directions. These statements rely on our current projections and are subject to risks and uncertainties that could cause actual results to vary materially from those suggested by these forward-looking statements. There are certain risk factors that could lead to significant deviations from our predictions.

With that, we will now start the discussion today with Gerard Sweeney…

Sarang:

Gerry, could you please share management's medium-term outlook for the global aluminium industry, impacts from China's 45 million tonnes per year production cap and is there an LME price which Rain views as supportive to its business?

Gerard Sweeney

Thanks, Sarang. Let me address that in parts. In the near term, the aluminium market has been influenced by the disruptions arising from the crisis in the Middle East, but it is important to note that primary aluminium pricing was already relatively healthy before the escalation of those events. In the medium term, we believe the market is likely to remain reasonably well supported, as we do not expect a situation of excess supply, particularly given continued demand growth and China's 45 million tonnes per year production cap. Over the longer term, aluminium demand should continue to benefit from structural trends such as electrification, lightweighting, energy-transition infrastructure, packaging growth and urbanisation. Most of the incremental production growth outside China is expected to come from the Middle East, India and other parts of Asia, which is positive for RAIN because these regions are important growth markets for our carbon products. With respect to LME pricing, a supportive aluminium price is clearly helpful for overall industry sentiment and smelter economics; however, it is not the direct driver of our carbon price negotiations. Carbon represents roughly 15 percent of aluminium production cost, and our pricing is primarily determined by the supply-demand balance for carbon products in each geography, raw material availability, logistics, quality requirements and customer-specific market conditions.

Sarang:

Thanks, Gerry.

Given that Carbon segment volumes were approximately 10 percent lower compared to second quarter of last year, could management quantify the impact that deferred shipments had on volume, revenue, and EBITDA, comment on expected recovery in the third quarter and discuss any incremental volume opportunity RAIN sees from rising demand among non-Chinese smelters?

Gerard Sweeney

Despite sales volumes being lower in the second quarter, we were encouraged that utilisation in our Carbon segment remained at 69 percent, broadly in line with both the first quarter and the calendar year 2025 average utilisation rate. We expect utilisation to improve toward the end of the year, particularly as we plan to restart one kiln in the U.S. after a year-long outage. The net impact of deferred shipments was approximately 10,000 to 15,000 metric tonnes after considering the puts and takes across our various product groups. Looking into the third quarter, we expect volumes to move back toward more normal levels, subject of course to any shipment or logistics disruptions that may arise. The broader increase in primary aluminium production outside China is supportive for our Carbon segment, and we are actively working with customers to supply the carbon materials required for that growth. Our teams are already evaluating a few targeted, relatively small investments that could increase production where required. These types of investments are attractive because they can help us respond to medium-term market demand without compromising capital discipline, while we continue to assess longer-term capacity requirements in a measured way.

Sarang

Gerry, as it relates to realisations and margins in the Carbon segment, could you comment on the strong second quarter performance and where that falls between sustainable and opportunistic results? Were there any meaningful mixed results between products in the quarter?

Gerard Sweeney

I will start with the product-mix part of the question. As mentioned in our Earnings Presentation, there was a product mix impact during the quarter. Sales volumes were lower in Carbon calcination, but this was partly offset by higher carbon black oil sales in Carbon distillation. While this level of product detail used to be visible to investors, it was also visible to the broader market, including competitors. We have therefore moved away from detailed product-level reporting, so I cannot provide more granularity than that. However, the important point is that the quarter benefited from both mix and market conditions, rather than from a single factor alone.

Coming back to realisations and margins, we did experience some opportunistic margins during the quarter, but not necessarily from the Carbon segment's traditional core products in the way one might assume. Those products do not trade directly on oil commodity prices; they are instead influenced by their own market fundamentals, including regional supply-demand balances, raw material availability, logistics and customer requirements. We would therefore not describe the entire second-quarter performance as a new run-rate, but we also do not view it as purely one-off. Some of the opportunistic margin benefit should be balanced by higher volumes in the third quarter. With the ability to run our Indian calciners more optimally, the cost-saving measures implemented last year, and improved demand from the market, we believe earnings going forward should remain within our typical range, with a better operational foundation than we had during the trough period.

Sarang

Thanks, Gerry. The next question has three parts, each relating to Carbon segment outlook. Have calcination and distillation spreads normalised? What makes the current cycle different from prior CPC price spikes? And finally, does the exit of one of your competitors in U.S. distillation create opportunities for RAIN to improve utilisation or market position?

Gerard Sweeney

The market has improved from the trough levels we experienced in prior periods, but I would not characterise the current environment as a return to pre-war conditions. In CPC, the supply-demand balance remains supported by growing aluminium production outside China, China's production cap, and continued constraints around suitable anode-grade GPC availability. In distillation, regional supply conditions and coal tar availability continue to be important drivers, so spreads will vary by market and product, but the overall environment remains constructive.

The key difference versus the previous CPC price spike is that the prior cycle was driven more by a rapid price movement and inventory effects, which later reversed sharply as the market corrected. In the current cycle, while there can always be timing impacts from inventory and procurement, we see more underlying support from structural demand growth, tighter availability of qualified raw materials, and the need for reliable supply to smelters. That does not mean margins move only in one direction, but we believe the earnings base is better supported than it was during a purely short-term spike. While we cannot speculate on the timing or severity of geopolitical events and market shocks, we can say that, our endeavour is to operate the CPC production and blending systems at optimum capacity. We have more global tools in our toolbox to utilise our inventories and to work with a wider range of raw materials.

Finally, on the U.S. distillation side, any reduction in competitor capacity can create opportunities, but we will remain disciplined. We are focused on customers and product areas where RAIN can provide reliable supply, strong logistics, and consistent quality. To the extent market demand supports it, we would look to improve utilisation and capture incremental business, but we will do so in a way that protects margins rather than chasing volume for its own sake.

Sarang

Thanks, Gerry. The next set of questions relates to GPC supply security. How is RAIN positioning itself to secure long-term supply as aluminium and battery-material demand grow? Where does management see the key bottlenecks in the value chain? And, finally, what role could supply contracts, feedstock flexibility, and emerging technologies play in addressing potential constraints?

Gerard Sweeney

Thanks, Sarang. Securing the right quality of GPC has always been a core part of our business, and it becomes even more important as aluminium production grows outside China and as other end markets, including battery materials, compete for certain carbon feedstocks. RAIN's approach is to maintain a diversified supplier base, use our global logistics network, and apply our technical know-how to qualify and blend different feedstocks while still meeting customer specifications.

Over the next one to three years, we do not view the issue as simply whether there is enough total GPC in the market. The more important question is whether there is enough suitable anode-grade material available in the right regions, at the right time, and with the right logistics. Blending and feedstock flexibility help, but they do not eliminate the need for reliable access to qualified raw materials. As a result, we believe the value-chain bottleneck is most likely to be around suitable GPC availability and logistics rather than CPC production capacity alone.

China was at one time a net exporter of anode-grade GPC, but it has now become a large net importer of GPC. This has reduced the historical cost advantage of Chinese calcination facilities and has made their economics more comparable with other calcination facilities in Asia outside China. In addition, China has increasingly focused on producing and selling carbon anodes for the aluminium industry rather than exporting CPC, because anodes offer greater value addition. This shift is contributing to a gradual reduction in CPC exports from China and, in our view, supports a more constructive supply-demand environment for established non-Chinese suppliers with reliable feedstock access, blending capability and customer qualifications.

On supply contracting, typical arrangements vary by supplier, region, and product quality. We continue to use a mix of shorter-term and longer-term agreements, but in a tighter market, long-term relationships and supply commitments become more valuable. That does not mean every contract needs to be long term, but customers and suppliers increasingly recognise that reliability, quality, and logistics security have value beyond simply the spot price.

With respect to emerging technologies, we monitor developments such as inert anodes, recycling, and alternative carbon sources closely. These could become relevant over the longer term, but we do not expect them to materially change the anode-grade CPC demand picture in the next decade. Until those technologies are commercially proven at scale, the aluminium industry will continue to require high-quality carbon products, and RAIN's focus remains on being a reliable supplier with the flexibility and technical capability to adapt as the market evolves.

Sarang

Thanks, Gerry. The next question relates to alternative raw materials and technology. Has RAIN increased the use of alternative raw materials during the year? Does RAIN possess proprietary feedstock flexibility or processing capabilities that provide a competitive advantage relative to peers?

Gerard Sweeney

When we talk about alternative raw materials at RAIN, we are referring both to non-traditional raw materials and to traditional raw materials sourced from non-traditional origins. We have been steadily increasing the use of these materials over the past several years through close collaboration among our R&D teams, operations teams, customers, and suppliers. These efforts are particularly relevant in our Carbon and Advanced Materials segments, where RAIN has invested substantially in laboratory-scale, pilot-scale, and demonstration-scale capabilities, including both proprietary and non-proprietary technologies. Importantly, this is not only research activity; it has already helped us develop production-scale practices, formulations and materials that support our distinctive business model. Our work in alternative raw materials and related technologies spans battery materials, rubber, resins, distillation, calcination, carbon anodes and graphitisation. We believe this capability provides a meaningful competitive advantage because it gives us greater flexibility in feedstock selection, helps us manage quality and cost in more volatile markets, and allows us to work with customers on tailored material solutions rather than simply supplying standard products.

Sarang

Thanks, Gerry. As it relates to the Advanced Materials segment, could management discuss the key drivers of recent performance, the sustainability of margins and growth, the contribution from newer green products, and how RAIN's battery materials strategy positions the company in the broader anode materials value chain?

Gerard Sweeney

Thanks, Sarang. Our Advanced Materials segment comprises several sub-categories, including Resins and Downstream Materials, Chemical Intermediates, and Engineered Products, which also includes products in our battery materials portfolio. We see growth potential across these areas, although the pace and margin profile will differ by product line and end market. Recent performance has been supported by improved demand in several speciality end markets, a better product mix, and the disciplined cost-reduction measures we have implemented over the past few years. The segment is strategically important because it allows RAIN to apply its carbon chemistry, formulation and application expertise in higher-value markets where technical qualification, reliability and customer intimacy matter more than simple commodity price exposure.

Margin sustainability in this segment will continue to vary by product line, customer demand, raw material costs, and mix, but we view Advanced Materials as a platform where RAIN can earn attractive returns through technology, qualification, formulation know-how and application expertise rather than relying only on commodity movements. Newer green products remain an emerging but increasingly important contributor. Our objective is to grow these products in a disciplined way as customer adoption and commercial qualifications develop. Our Resins and Engineered Products businesses already include materials made using greener and alternative raw materials, and these have been well received by customers, including those serving consumer-goods markets where demand for more sustainable inputs continues to grow. While still developing, this gives us a credible pathway to participate in value-added and sustainability-linked growth opportunities.

On battery materials, our strategy is to participate where our existing capabilities create a real advantage. We are not trying to be present across every part of the battery supply chain. Instead, we are focused on areas within the anode materials value chain where our feedstock access, carbon processing expertise, coating capabilities and ability to develop tailored materials are relevant to customers. The battery materials activities within our Engineered Products portfolio include PETRORES specialty carbon coatings used in the production of battery anode materials, the sale and distribution of mesophase carbon micro-beads used in small-device batteries, including certain specialty applications, and the development of new solid and liquid carbon materials, formulations, and coatings. This remains a longer-term opportunity, and progress will depend on customer qualification timelines, technical validation and disciplined capital allocation. However, we are optimistic because these activities already position RAIN as both an existing supplier to multiple levels of the battery industry and a proven development partner for major industry participants. As demand for advanced carbon materials continues to grow, we believe this portfolio can become a more meaningful part of the Advanced Materials growth story over time.

Sarang

Thank you, Gerry. We now have a few questions for Mr. Jagan.

The first question relates to growth capex and expansion projects. Could management provide an update on the planned CTP capacity expansion in India and outline the expected capital expenditure, timeline, and strategic rationale?

Jagan Nellore

Thanks for the question, Sarang. India and the surrounding region continue to move steadily forward with aluminium smelting expansion plans, as Gerry mentioned earlier, and we believe this creates a supportive medium-term backdrop for CTP demand. We had received permissions earlier to undertake a new pitch production and distillation unit in India, and we are progressing this initiative in a disciplined, phased manner. Based on our current planning, we expect to commence operations of the first phase of the distillation unit in early 2028, subject to normal project execution and regulatory timelines. The strategic rationale is clear: India is becoming a more important aluminium and carbon market, and having additional local capacity enhances supply reliability, improves logistics flexibility, and strengthens our ability to serve regional customers competitively. At the same time, our immediate focus remains on increasing capacity utilisation at our existing Carbon plants globally to optimum levels, so that we can meet customer needs efficiently while retaining capital discipline.

Sarang.

Our next investor question is as follows: large customers such as Vedanta have significant backward integration into anode production. How does RAIN's competitive position compare with that of integrated players?

As anode-grade GPC potentially becomes more constrained, what structural advantages does RAIN possess across feedstock flexibility, technology, customer relationships, logistics, and product performance?

Jagan Nellore

Thanks, Sarang. Most of the major aluminium smelting companies in the world are, in some way, backwardly integrated into anode production to cover the needs of some or all of their smelters. A smaller number are further integrated backward into calcination, but we are not seeing significant growth in that business model because reliable feedstock sourcing, technical qualification, blending, logistics, and consistent product performance are all increasingly complex. Other smelting companies continue to buy some or all of their anodes from merchant producers, some of whom have integrated CPC production. RAIN's model is differentiated because of our sideways integration across CPC and CTP production, supported by our global supply chain, world-class research and development, pilot-plant capabilities, and technical service teams. This allows us to engage more deeply with customers, whether integrated or merchant, on product performance, operating parameters, raw material optimisation, and cost efficiency. As anode-grade GPC potentially becomes tighter, we believe this combination of feedstock flexibility, technical know-how, logistics reach, and longstanding customer relationships becomes an important structural advantage. It positions RAIN not only as a supplier of materials, but also as a technical partner capable of helping customers manage quality and reliability in a more constrained market environment.

Sarang

Thanks, Jagan. The next question relates to battery materials and advanced carbon products. How does management assess RAIN's opportunity in these higher-value applications, what progress has been made to date, and should investors expect a more accelerated expansion in this area?

Jagan Nellore

RAIN has already been active for several years in the development, production, and sale of various battery materials and advanced carbon products. During that period, we have been able to adapt our business model as the production and consumption markets for these materials have shifted geographically. More recently, we achieved another important step through our partnership with a major global producer of mesophase carbon micro-beads used in the battery industry. In addition, our work on new carbon materials, formulations, coatings, and applications, together with joint development agreements with several major graphite companies, is progressing in a promising manner. We believe our unique combination of liquid and solid carbon material-science capabilities gives us a strong platform to participate selectively in higher-value applications. At the same time, we will remain disciplined. Battery materials require long qualification cycles, customer validation, and careful capital allocation, so we would prefer to scale in a measured way where RAIN has a clear technical and commercial advantage rather than simply pursuing growth for its own sake. Over time, however, we are optimistic that these initiatives can become a more meaningful contributor to the Advanced Materials portfolio.

Sarang

How is RAIN leveraging digital tools, data analytics, and artificial intelligence across demand forecasting, raw material procurement, pricing optimisation, inventory management, working capital efficiency, and new product development?

Have these initiatives begun to deliver measurable operational or financial benefits?

Jagan Nellore

RAIN has been leveraging digital tools, data analytics, and automation for several years, and we use them across many parts of the business, including demand planning, raw material sourcing, production scheduling, logistics, inventory management, pricing analysis, working capital monitoring, and new product development. The use cases vary by segment and function, but the common objective is to improve decision quality, increase visibility, and respond faster to changing market conditions. As these technologies evolve, particularly with the rapid advancement of artificial intelligence, we continue to test new tools and selectively replace or upgrade existing ones where they offer better accuracy, speed, or integration. These initiatives have already delivered measurable benefits in areas such as procurement planning, operational efficiency, inventory discipline, and cost control. Going forward, we expect the benefits to increase as more data becomes available, as systems become better connected, and as our teams gain further experience in applying these tools to commercial and technical decisions.

Sarang

Now the next investor question is that over the last decade and half, the Company has generated more than ₹130,000 crore of revenue but only a minimal cumulative profit after tax. More than half of operating cash flow has been consumed by interest costs, returns on capital have often been below the cost of capital, especially after the RÜTGERS acquisition. Given this history, why will the next five years be different from the last fifteen years?

Jagan Nellore

We recognize the concerns arising from the Company's historical performance. The last decade was impacted by a combination of acquisition-related leverage, challenging market cycles, regulatory disruptions, and elevated financing costs. However, it is equally important to distinguish between these historical headwinds and the Company's current position.

The RÜTGERS acquisition significantly expanded our global footprint, technology capabilities, customer base, and market access, establishing the foundation of the diversified global business we operate today. While leverage increased and market conditions subsequently proved more challenging than anticipated, these assets continue to play a strategic role in our global carbon and advanced materials platform.

Similarly, the HHCR facility was developed to position the Company in an attractive long-term specialty materials market. However, its ramp-up coincided with exceptionally high European energy costs and aggressive pricing pressure from low-cost Asian imports, resulting in significantly lower-than-expected returns. We have implemented measures to substantially reduce losses from the facility beginning Q2 2026 while continuing to pursue appropriate regulatory relief in Europe.

More recently, the Indian GPC import restrictions had a significant impact on volumes, plant utilization, and profitability. Importantly, the industry has now largely adapted to the revised regulatory framework, reducing uncertainty and restoring greater operating stability.

Looking ahead, management remains focused on three priorities:

- EBITDA normalization through improved utilization, operational efficiency, and market recovery.
- Balance sheet strengthening through deleveraging, working capital optimization, and improved cash generation.
- Disciplined capital allocation, with a stronger focus on cash returns, value creation, and return on invested capital.

While historical results reflect an exceptionally challenging period, we believe the key factors that affected margins are being actively addressed. With regulatory issues largely behind us, operational initiatives underway, and a continued focus on deleveraging and returns, we are confident that EBITDA, cash generation, and shareholder value can improve meaningfully from recent levels and move closer to normalized performance.

Sarang

Would management consider providing a clearer two- to three-year strategic roadmap covering key growth drivers, capital allocation priorities, margin aspirations, and Advanced Materials milestones?

Such a framework would help investors better assess RAIN's long-term value creation potential beyond quarterly earnings volatility.

Additionally, would management consider hosting live conference calls to enable deeper engagement with investors and analysts and support more comprehensive discussions on strategy and business trends?

Jagan Nellore

We are continuously working on a number of growth and improvement initiatives across Carbon, Advanced Materials, operational efficiency, and balance sheet management. Internally, these initiatives are reviewed through a structured process, including technical validation, commercial assessment, capital requirements, risk analysis, and Board-level evaluation where appropriate. Once projects reach the right stage of maturity and receive the necessary approvals, we will communicate them to stakeholders in a clear and timely manner. While we may not provide every element of a two- to three-year roadmap in the form of fixed targets, we recognise that investors value a clearer framework, and we will endeavour to improve the way we communicate our strategic priorities, capital allocation approach, margin drivers, and key milestones over time.

Regarding live conference calls, we have observed that the current pre-recorded Q&A format has encouraged more thoughtful and detailed questions from a broad range of stakeholders, which in turn enables management to provide more considered and comprehensive responses. We therefore see value in continuing this format. That said, we also recognise the importance of deeper engagement with investors and analysts, especially when there are major strategic developments or periods of significant market change. Accordingly, while the current format remains our preferred approach, we will remain open to hosting live calls when we believe they would add meaningful value to stakeholder communication.

Sarang

Thanks Jagan. Our final set of questions is for Srinivas.

The first question is, while working capital increased significantly but short-term borrowings did not increase the same, how should we think about these going forward and why did we not see increased cash generation with the improved earnings?

Srinivasa Rao

Thank you for the question, Sarang. Working capital increased materially during the quarter, primarily because we deliberately built safety stocks for our Indian calciners in response to disruptions in the Middle East and the related logistics uncertainty. The increase was driven mainly by higher inventory volumes rather than price increases alone. From a volume perspective, we would view this as close to a peak requirement, and as supply chains normalise and those inventories are consumed, we would expect working capital levels to moderate. The improved earnings generated additional operating cash, but a meaningful portion of that cash was deployed into inventory and working capital to protect plant operations and customer commitments. That is why the increase in working capital was not matched by an equal increase in short-term borrowings, and also why cash generation did not immediately reflect the full benefit of stronger earnings. CAPEX and interest expenses remain broadly in line with last year's levels, while taxes are expected to be higher this year because of the improved profitability. Overall, we see the working capital build as a temporary and prudent measure rather than a structural change in cash conversion.

Sarang

The next question is whether management can provide an update on the refinancing plans? Is there a specific window being targeted or market condition? What about debt reduction and leverage targets?

Srinivasa Rao

The Company remains in regular dialogue with its banking advisors and debt investors so that we can assess refinancing opportunities as market conditions evolve. At present, our second lien notes are trading at a yield below the coupon, which indicates that the market is recognising an improving credit profile and that a refinancing could potentially be achieved at a lower cost than the current coupon. However, we also need to be disciplined. While the Term Loan is prepayable at any time, refinancing the bonds early would involve meaningful costs, so the market window would need to be sufficiently attractive to justify those costs and create clear economic value for the Company. Ideally, any refinancing should extend maturity, simplify the capital structure where possible, and move our average interest cost closer to historical levels over time.

In connection with any refinancing, we would also evaluate the most efficient use of cash on hand for debt reduction. Our objective is to position the Company to de-leverage steadily as earnings improve and working capital normalises. Based on normalised earnings, we believe the Company should be able to manage toward a net-debt-to-EBITDA ratio of around 3x over time. We will, however, balance the pace of debt reduction with liquidity, working capital needs, refinancing economics, and any high-return capital requirements that may arise.

Sarang

The next question is, assuming the business generates stronger cash flow over the next few years, how will management utilise the excess cash? On debt reduction or on projects?

Srinivasa Rao

As the business returns to more normal operating rates, the first use of cash will be to support the working capital required for higher production and sales volumes. This has already been visible in the recent quarter. As the temporary safety-stock build begins to unwind, our first priority would be to reduce the working capital loans used to fund those requirements. Over the medium term, assuming earnings and cash flows strengthen and there is no major growth projects committed, we would look to move cash through the system in a tax-efficient manner and apply it toward reducing long-term debt. At the same time, we will remain open to selective projects that clearly meet our return thresholds and strengthen the business, but debt reduction and balance sheet resilience will remain important priorities.

Sarang

Our next question is related to growth and reducing interest expenses. Has the Company given any consideration to raising equity to address either?

Srinivasa Rao

There are certainly areas where the Company could pursue growth, including opportunities in Advanced Materials linked to battery applications and potential capacity additions to support the carbon requirements of the aluminium sector. However, each opportunity has to be evaluated on its own merits, including technical feasibility, execution risk, customer commitments, capital intensity, returns, and the right partnership model. A technical or strategic partner could add value in the right situation if it brings capabilities, market access, or execution support that improves the risk-return profile of a project. A purely financial partner may reduce funding or interest costs, but such structures can also create complexity and potential distraction, so we would only consider them where they are clearly aligned with a compelling growth opportunity. At this stage, we have no plans to raise equity under current market conditions. Our preference is to improve cash generation, manage working capital efficiently, refinance at the right time, and reduce leverage in a disciplined manner.

Sarang

Thank you. The final question for today's session relates to employee expenses, which increased by approximately 32 percent year-over-year. What drove this and will it be recurring?

Srinivasa Rao

The increase in employee expenses was mainly driven by annual incentive provisions coupled with appreciation of USD and Euro against Indian Rupee by 10.7 percent and 13.5 percent respectively. Because performance had been weaker over the last couple of years, annual incentive payments to certain employees across our global operations had not been triggered. With the improvement in results this year, we recognised a provision during the quarter to reflect the higher likelihood of incentive payments linked to improved earnings. Therefore, the year-over-year increase appears significant because the comparison base was unusually low. This should be viewed more as a performance-linked expense normalising with better business results, rather than as a broad structural increase in fixed employee costs. The actual level in future periods will depend on business performance, incentive plan outcomes, and normal employee cost inflation.

Thank you, Srinivas, Jagan, and Gerry.

Ladies and gentlemen, this concludes RAIN's Management Q&A session for the second quarter of 2026.