RAIN INDUSTRIES LIMITED

Date: November 11, 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 third quarter ended September 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 third quarter ended September 30, 2026:

Link for Audio – Management Commentary:

https://www.rain-industries.com/images/RIL-Q3-2026-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 third quarter ended September 30, 2026.

This is for your kind information and record.

Thanking you,

Yours faithfully,
for Rain Industries Limited

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Sarang

Good day, ladies and gentlemen.

Welcome to Rain Industries Limited's Question-and-Answer Session for the third quarter of 2026. My name is Saranga Pani, and I am the 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 Limited;
Mr. Gerard Sweeney – Vice Chairman of Rain Carbon Inc.; and
Mr. T. Srinivasa Rao – Chief Financial Officer of Rain Industries Limited.

Following the Earnings Presentation and Management Commentary released on November 6, 2026, we received a wide range of questions from investors and analysts covering near-term market conditions, 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 begin, management would like to note that today's discussion may include forward-looking statements concerning matters such as expected outcomes, trends, targets, and strategic priorities. These statements are based on our current expectations and are subject to risks and uncertainties that could cause actual results to differ materially. Investors should therefore consider the relevant risk factors when assessing these statements.

With that, I will now request Gerard Sweeney to take the first set of questions.

Sarang

Gerry, management previously highlighted that growth in aluminium smelting outside China would expand our addressable market. However, with significant Chinese-backed capacity additions and intensifying competition in regions such as Indonesia and West Asia, how competitive are we on delivered cost and logistics? In addition, have competitors' supply constraints enabled us to gain new customers in either the Carbon or Advanced Materials segments?

Gerard Sweeney

Thank you, Sarang. On the first part of the question, every tonne of new primary aluminium capacity, wherever it is built, adds to global demand for CPC and coal tar pitch. With China operating close to its government-imposed production cap, Chinese-backed producers are,

for the first time, building smelting capacity outside China, notably in Indonesia, Angola, Kazakhstan, etc., while smelters in the Middle East and South Asia, especially India, have announced further expansions. There are anode plants also being built in some of these countries to supply anodes for the new smelters. Much of this new capacity lies within economic shipping distance of our plants in India, North America and Europe. Our long-term investments in flexible, multi-modal logistics, together with our global blending model, allow us to source raw materials widely and to supply customers from more than one plant, which we believe keeps our delivered costs competitive as regional competition intensifies. The third quarter illustrated this flexibility: as shipping in the Persian Gulf partially recovered, we resumed deliveries to Middle East smelters, having made none in the second quarter. On the second part, we are in regular contact with almost every smelter and major carbon user, and our volumes to each depend on market conditions, freight costs and competitors' supply constraints. While we would not describe these as entirely new customer relationships, we have increased sales to certain less-traditional Carbon and Advanced Materials customers in regions where competitors faced supply constraints, and we see scope to build on these relationships as new smelting capacity comes on stream.

Sarang

Thanks, Gerry. As European regulations such as the Carbon Border Adjustment Mechanism, or CBAM, take firmer shape, how are our

European carbon-distillation and calcination operations positioned with respect to carbon costs? What capital expenditure may be required over the medium term to maintain compliance and support the green transition?

Gerard Sweeney

CBAM entered its definitive phase on 1 January 2026. Importers of covered goods into the European Union now accrue a carbon cost on the embedded emissions of those goods, with certificates priced off the EU Emissions Trading System at about 75 euros per tonne of CO_2 in the first half of 2026. CBAM currently covers cement, iron and steel, aluminium, fertilisers, electricity and hydrogen, and the European Commission's December 2025 proposal would extend it to downstream steel and aluminium products. The vast majority of RAIN's products, including CPC, coal tar pitch and our principal Advanced Materials products, fall outside this scope, so we do not foresee CBAM-driven capital expenditure at our European plants. Independently of CBAM, we continue to reduce the carbon footprint of these plants by lowering natural gas consumption and buying more green electricity, within our normal, disciplined capital program. CBAM may also benefit RAIN indirectly. By placing a carbon cost on higher-emission steel and aluminium imports, it supports EU steelmakers, which supply the coal tar processed at our European distillation plants, and EU aluminium smelters, which buy our carbon products. We will continue to monitor

the legislative process closely, particularly any further extension of its scope.

Sarang

Thanks, Gerry. Continuing with the earlier topic, what is the current operating and margin position of our European businesses, particularly the HHCR plant and regional coal-tar pitch supply dynamics? Are we seeing structural consolidation in Europe that could strengthen pricing power? Also, following changes or exits in competitors' footprints, what is our strategic direction in North America?

Gerard Sweeney

This is another two-part question, so I will take it piece by piece. Our HHCR plant and our coal tar distillation plants in Europe serve different raw material and end-product markets. HHCR sales are continuing, but we have temporarily taken HHCR production off-line because European natural gas costs remain high relative to the prices of HHCR imported into Europe from Asia, and we will keep this decision under review as energy costs evolve. Coal tar pitch, by contrast, is driven mainly by raw material availability. Several permanent reductions in coal tar production have been announced in Europe and North America as steelmakers shift from blast furnaces to electric arc furnaces, and this is tightening coal tar supply in both regions. We have not seen distillation capacity closures in Europe or consolidation in our industry, so we would not attribute pricing

developments to consolidation. What has supported our distillation business is raw material diversification: more than a decade of R&D has enabled us to blend various feedstocks into our distillation process. In North America, we will continue to serve customers from our existing footprint, secure feedstock through long-standing supplier relationships, and assess any opportunities arising from changes in the competitive landscape with financial discipline.

Sarang

Thanks, Gerry. While market indications suggest a significant increase in CPC prices, Rain's annual carbon realisation per tonne appears relatively stable. Is this primarily due to a lag in passing market prices through to customer contracts, changes in product mix, or higher raw material costs? Could management help investors understand how reported realisations relate to prevailing market prices?

Gerard Sweeney

RAIN's Carbon segment combines two businesses: Carbon Calcination, which produces several grades of CPC, and Carbon Distillation, which produces coal tar pitch and a range of other distillation products. The reported Carbon realisation per tonne is therefore a weighted average across products, grades and regions, and its movement reflects changes in mix as much as changes in price. Two further factors explain the difference between quoted CPC prices. First, a significant share of our CPC is sold under contracts priced quarterly

or over longer periods, so market movements are passed through with a lag. Second, segment realisations are reported in Indian Rupees and are affected by currency movements. Raw material costs affect our margins rather than our realisations. On a like-for-like basis, our CPC realisations have risen meaningfully over the past year, which is reflected in the Carbon segment's net revenue: it increased by about 22 percent year-on-year in the third quarter to 39.8 billion Rupees, despite lower volumes.

Sarang

Thanks, Gerry. In the earnings presentation, management indicated that the Carbon segment's EBITDA benefited from lower-cost inventory carried over from earlier periods. Could you explain how much of the improvement was attributable to this inventory advantage, as opposed to better product realisations, operating efficiencies, and cost management? How should investors assess the sustainability of current Carbon margins as replacement costs rise? In addition, what is the current EBITDA per tonne in the carbon calcination business, and has it declined materially because of competition from the battery anode material sector for GPC?

Gerard Sweeney

Lower-cost raw materials purchased during the second quarter supported our Carbon results early in the third quarter. This is typical in a rising market, where our selling prices adjust ahead of replacement

raw material costs. As that benefit unwound, Carbon Adjusted EBITDA eased to 7.4 billion Rupees, a margin of about 19 percent, from 8.1 billion Rupees and 22 percent in the second quarter. Within the segment, calcination margins improved sequentially, while distillation margins eased on higher raw material and energy costs. Importantly, Carbon Adjusted EBITDA was still about 38 percent higher than in the third quarter of last year, an improvement driven mainly by higher realisations, operating efficiencies and cost control rather than by the inventory effect alone. We do not disclose EBITDA per tonne for individual products. On GPC, competition from battery anode material producers for low- and medium-Sulphur grades has raised raw material costs over the past two years and remains a factor. So far, however, our blending capability, our ability to use multi-grade GPCs and firm CPC prices have allowed us to protect calcination margins. Looking ahead, we expect Carbon margins to normalise from the elevated levels of the first half, at a pace that will depend on market prices and on energy costs such as electricity and natural gas, which we continue to manage through our efficiency programs.

Sarang

Thanks, Gerry. Given shifting commodity cycles, how should investors assess inventory-valuation dynamics? Do you expect inventory gains to continue, or could a reversal in pricing trends result in inventory write-downs or losses?

Gerard Sweeney

We plan raw material purchases, by quality and quantity, against the forward sales outlook for each business, and we test inventory values against expected realisable prices every quarter. At present, we do not see signs of a sharp near-term decline in our key product markets that would require inventory write-downs, and industry forecasts continue to point to firm CPC and petroleum coke prices for the remainder of 2026, supported by smelter demand and tight feedstock availability. Should prices reverse, our conversion model provides a partial natural offset, because raw material costs typically follow selling prices downward, and the resulting release of working capital would support cash flow, as it did in 2024. Given the continuing uncertainty in the Middle East, we will keep inventory levels under close and conservative review.

Sarang

Thanks, Gerry. What are the current utilisation levels across our Indian and overseas carbon calcination and distillation facilities, and what was the average utilisation during the first nine months of 2026? Has the planned US kiln restart occurred, and are GPC quotas or supply-chain constraints still limiting utilisation? Following the restoration of RAIN's global blending model, how have sourcing flexibility and procurement economics evolved? Please also provide an update on utilisation across our other businesses.

Gerard Sweeney

Capacity utilisation across our Carbon segment averaged 69% during the first nine months of 2026, in line with the prior year. Interruptions were limited to planned maintenance outages and one brief, unplanned outage caused by an electrical grid issue in Europe. Indian GPC import quotas are not currently constraining our utilisation, and the restart of our idled kiln at Lake Charles in the United States is currently targeted for December 2026. Restoring our global blending model has broadened our sourcing flexibility and improved our procurement economics: we can calcine alternative raw materials close to where they are sourced, ship calcined material in larger vessels and blend it to customer specifications for markets in India, the Middle East, Africa and Australasia, which supports optimization of the calcination plants. In our other businesses, Advanced Materials plants operated at steady rates, apart from the temporary idling of HHCR production in Europe, while Cement sales volumes rose to about 670 thousand tonnes in the quarter. As we noted in our recent presentation, Carbon sales volumes were lower year-on-year, but higher per-tonne margins more than offset the lower volumes.

Sarang

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

We estimate that RAIN's CPC realisation was approximately 60 thousand Rupees per tonne in the third quarter of 2026. With domestic

CPC prices in India moving towards 70 thousand Rupees per tonne, and NALCO indicating that its CPC procurement cost could reach approximately 70 thousand 600 Rupees per tonne in the fourth quarter, is RAIN seeing comparable increases in CPC realisations across its key markets? Are Carbon segment realisations rising accordingly? How are GPC procurement costs moving relative to CPC selling prices, and what is the trend in the CPC-to-GPC spread? Finally, can higher realisations protect EBITDA margins as the benefit of the third quarter's lower-cost inventory unwinds?

Jagan Nellore

RAIN produces CPC in India and North America and sells it into many regions, in several grades beyond the anode-grade CPC consumed by aluminium smelters. Prices in India include import duties of either 10 percent on GPC or 7.5 percent on CPC, whereas our average realisation is calculated on a global, consolidated basis across grades and markets. It is therefore not directly comparable with Indian market quotations. That said, CPC prices have been trending upwards in the recent quarters, with prices remaining stable in the third quarter. As Gerry explained, rising prices initially widen margins because replacement raw material costs follow with a lag. GPC costs have since risen as well, but our CPC-to-GPC spread held broadly steady in the third quarter compared with the second and remained well above the level of a year ago. Looking ahead, we expect some moderation in margins in the fourth quarter as higher-cost raw materials flow through, and we are

aligning our pricing with replacement costs to limit that impact. With firm smelter demand and tight supply of anode-grade GPC, we believe higher realisations will help margins settle at sustainable levels as the early-cycle inventory benefit fades.

Sarang

What was RAIN's total GPC import quota for the Indian financial year 2026-27, how much of that has been imported and utilised so far, and does the Company expect any additional allocation during the current financial year? Also, could management quantify the operational and monetary impact, in terms of volume loss and fixed-cost absorption, of the planned and annual maintenance outages scheduled for the upcoming quarters across the affected sites?

Jagan Nellore

In May 2026, the Directorate General of Foreign Trade (or DGFT) granted RAIN's DTA CPC plant an initial GPC import allocation of 598 thousand tonnes for the financial year 2026-27. This is in line with the total quota allotted for last year and covers about 85 percent of our requirement, and we expect the balance to be allocated in a second tranche around January 2027. We do not disclose interim import volumes. The annual maintenance of our Indian DTA calcination plant has been completed, and CPC production restarted in October. While the outage reduces fourth-quarter output and fixed-cost absorption at the plant, we built sufficient inventory beforehand to meet our

customers' requirements, so we do not expect a material impact on sales volumes. As a matter of practice, we do not quantify these effects at site level.

Sarang

What impact could lower water levels and higher gas prices in Europe, and the cyclone in Andhra Pradesh, have on operations in the coming periods?

Jagan Nellore

Thank you, Sarang. Cyclone Arnab crossed the Andhra Pradesh coast on 28 October, bringing heavy rainfall and strong winds to Visakhapatnam and the surrounding districts. Recent rainfall, together with water supplied by our demineralisation plant and our water-optimisation measures, should help us manage any water-supply constraints. In Europe, low river levels persisted for several months following an exceptionally dry summer and autumn, while natural gas prices remain historically high as winter approaches. A durable resolution of the conflicts in Ukraine and the Middle East could help reduce European gas costs, although we cannot predict the timing or the pace at which affected supply chains may recover. Over the longer term, we expect low water levels to become a more frequent constraint in Europe as reduced snowmelt alters historical river flows. Our multimodal logistics network enables us to shift from barges to rail or road when required, albeit at a higher cost, and we are increasingly

incorporating these risks into logistics planning, inventory positioning, and energy procurement.

Sarang

Our next question concerns R&D. What technical milestones were achieved during the third quarter across RAIN's Northern Graphite, Green Graphite Technologies, and MCMB programmes? Have any of these initiatives progressed to customer sampling or qualification? When can we realistically expect commercial orders, and when might they begin contributing meaningfully to revenue and EBITDA?

Jagan Nellore

Thanks for the question, Sarang. Our energy storage programmes continue to make good progress. Through joint development agreements and collaborations with leading graphite companies, including Northern Graphite and Green Graphite Technologies, and our recent partnership with a major global producer of mesophase carbon micro-beads, we are developing and qualifying advanced carbon materials for battery anode and energy storage applications. This work draws on our proprietary technologies, including our LIONCOAT® carbon-coating technology, and is anchored at our Technology Innovation Center in Hamilton, Canada. Some of our partners have recently announced milestones in programs in which RAIN is a partner; however, our confidentiality obligations prevent us from commenting on specific sampling or qualification results. Qualification cycles in the

battery industry typically take several years, so we expect these initiatives to contribute to revenue gradually, starting with qualification volumes, rather than to make a material contribution to EBITDA in the near term. We will update investors as these programs reach commercial milestones.

Sarang

Our next question also concerns technology development. With inert-anode technologies such as ELYSIS progressing towards industrial commercialisation, has RAIN conducted long-term stress testing under scenarios in which non-carbon anodes achieve 10% to 30% global adoption? What proportion of our existing CPC and coal-tar pitch volumes could be redirected to other applications without compromising margins? More broadly, what is management's long-term plan to mitigate the potential threat from carbon-free aluminium technology?

Jagan Nellore

We closely monitor developments in inert-anode technology. ELYSIS, the Alcoa and Rio Tinto joint venture, started a 450-kiloampere inert-anode cell at the Alma smelter in Québec in November 2025. A separate ten-pot demonstration plant at Arvida, with capacity of up to approximately 2,500 tonnes per year, is targeting first metal in 2027. This represents genuine technical progress, but it should be viewed in context: the proposed capacity is modest compared with global primary

aluminium production of more than 70 million tonnes per year, and the long-term durability, economics, and energy requirements of inert anodes remain unproven at commercial scale. Converting existing smelters would also require substantial capital and, in our view, significant additions of low-cost power at a time when electricity is scarce and expensive in many regions. Meanwhile, numerous aluminium producers continue to invest in new carbon-anode plants and smelting capacity that will use carbon anodes. We therefore expect carbon anodes to remain the industry standard for many years, with any adoption of non-carbon alternatives occurring gradually and allowing us time to adapt. Our CPC and pitch also serve other markets, including titanium dioxide, graphite, and specialty carbon, providing a degree of diversification. To meet growing demand for carbon anodes more sustainably, we are reducing energy consumption per tonne, generating more energy from process heat, and developing alternative raw materials, including bio-based materials and other feedstocks with lower carbon footprints.

Sarang

Our next question is, while some peers are investing significantly in new-age materials, our approach remains cautious. Is this primarily due to balance-sheet constraints or the geographical location of our plants?

Jagan Nellore

RAIN has developed a range of new-age materials across both segments. These include hybrid pitches and bio-based CPC in our Carbon segment and, in our Advanced Materials segment, ISCC PLUS-certified resins made from new-age raw materials, PETRORES resins used in lithium-ion and sodium-ion batteries, and our recently announced involvement in bio-BTX. Our approach reflects our business model. As a converter of by-products, we focus our R&D on readily available by-product streams that add value to our core businesses, and we work with technology and customer partners to share development risk and accelerate qualification. Our measured pace reflects capital discipline rather than a lack of opportunity. We allocate capital judiciously, especially in uncertain times, weighing geography, geopolitics, technical maturity and long-term value. As our balance sheet strengthens, we will have greater flexibility to scale up the programmes that prove commercially viable.

Sarang

Thanks, Jagan. Our final set of questions is for Srinivasa Rao.

First, can operating working capital be reduced to below 500 million US dollars by December 2026? What is the normalised working-capital requirement, and how much cash release can we realistically expect as supply chains normalise?

Srinivasa Rao

As we discussed on earlier calls, rising prices and higher volumes, together with the safety stocks we deliberately built for our Indian calciners during the Middle East disruption, increased our working capital requirement, which is visible in both our use of working capital limits and our balance sheet. Net working capital rose by about 130 million US dollars, from approximately 493 million at the end of December 2025 to approximately 623 million at the end of June 2026. We released approximately 35 million dollars during the third quarter, bringing it to about 588 million, and we expect a further release in the fourth quarter as safety stocks are consumed. Whether we fall below 500 million by December will depend mainly on raw material prices and the timing of GPC shipments, so we would not commit to a specific year-end figure. The normalised requirement moves with prices, but in volume terms we expect to return towards our historical cash conversion cycle.

Sarang

With commodity-price volatility affecting working-capital requirements, what normalised free-cash-flow conversion rate should investors expect over the next two to three years? What structural measures are being taken to optimise inventory days?

Srinivasa Rao

Historically, our cash conversion cycle across segments has been in the range of 3 to 4 months. It lengthened during the recent disruption as we carried additional inventory, but it is now improving: on a consolidated basis, it stood at about 125 days at the end of September, compared with 147 days and 133 days at the end of June 2026 and December 2025 respectively, with receivable days down to 38 from 41 and payable days up to 38 from 34 between September 2026 and December 2025. We expect it to move back towards the historical range over the next two to three quarters. Structurally, we are aligning raw material purchases more tightly with forward sales across regions, using our global blending model and our SEZ facility to reduce the safety stock we need to hold in India, and maintaining our focus on collections. We do not set a formal free cash flow conversion target, but as working capital normalises, a significantly larger share of EBITDA should convert into free cash flow after interest, taxes and capital expenditure, which we expect to be 60 to 65 million US dollars in 2026.

Sarang

With the prepayment premium on the US Dollar notes expected to decline to approximately 3% by March 2027, and refinancing costs potentially adding a further 2%, what reduction in interest cost and extension of maturity would justify refinancing? Why not pursue a more permanent debt-reduction strategy? How much of expected operating cash flow and working-capital release does management

intend to allocate to reducing the 445 million US Dollar notes over the next two to three years? Finally, can you explain the approximately 28 million US Dollar increase in senior bank debt?

Srinivasa Rao

We are closely monitoring the markets and remain in regular discussions with banks and investors to identify the right time and terms for refinancing. Our approach is phased. Because the Term Loan B can be prepaid at any time, our first priority is to refinance it, together with our liquidity facilities, on terms that lower our cost and extend our maturities. For the 12.25 percent Senior Secured Notes, the call premium steps down to about 3 percent in March 2027 and falls away in March 2028. We will refinance the Notes only if the all-in cost, including the call premium, fees and any issue discount, delivers a clear interest saving and a longer maturity; otherwise, we have the flexibility to wait. We are also evaluating a broader range of funding sources and markets. Refinancing and debt reduction are complementary rather than alternatives. During the quarter, we prepaid about 32 million euros of the Term Loan B, reducing it to about 278 million euros and prepaying all quarterly instalments due before its October 2028 maturity. We will continue to apply surplus cash flow and working capital releases to debt reduction as opportunities arise; given the call premium, however, we would not commit to a fixed allocation towards the Notes at this stage. The increase of about 28 million dollars in senior bank debt reflects a 2.75 billion Rupee working capital loan taken by

our Indian subsidiary during the quarter. We have also extended our 200-million-dollar revolving credit facility to April 2028, further strengthening our liquidity.

Sarang

Given elevated gas prices, ongoing geopolitical conflicts, high interest rates, and other challenges, refinancing may provide only a limited reduction in borrowing costs. Why not consider an equity raise to address leverage more permanently, fund investment in new-age materials, unlock shareholder value, and strengthen resilience against future disruptions?

Srinivasa Rao

We agree that many external factors are beyond our control, which is why we have concentrated on what we can control: reducing debt and protecting liquidity. Since 2018, we have reduced our Senior Secured Notes from 550 million to 450 million US dollars and our Euro Term Loan B from 390 million to about 278 million euros, a reduction in long-term debt of approximately 230 million US dollars at current exchange rates. With stronger earnings, our net debt to Adjusted EBITDA ratio improved to 2.6 times at the end of September, from 3.6 times at the end of December 2025, and our interest coverage strengthened to 3.4 times from 2.6 times. We ended the quarter with liquidity of 345 million US dollars and no major term debt maturities until October 2028. Given this progress, we do not believe that equity

dilution is the right solution. We will continue to evaluate all options to reduce our debt and our cost of debt, and we believe our improving credit profile will help us achieve this on attractive terms.

Sarang

Cement operations have historically weighed on return ratios and cash flows. Given that the South India cement expansion has been deferred rather than cancelled, how does management justify entering another commoditised cycle instead of directing capital towards higher-value specialty carbon and Advanced Materials R&D, as some Indian peers have done? In addition, is there any plan to list Rain Cements separately to unlock shareholder value?

Srinivasa Rao

Thanks for the question, Sarang. Over the past two years, the South Indian cement market has been reshaped by consolidation, as national players acquired regional producers and their dealer networks, intensifying competition. Our volumes improved in the third quarter, rising about 3 percent sequentially and 11 percent year-on-year to approximately 670 thousand tonnes. However, a sharp increase in fuel, coal and freight costs over the last two quarters, together with our investment in a new brand launch, resulted in an Adjusted EBITDA loss of 113 million Rupees for the segment. Net realisations have not yet risen enough to offset these cost increases, which is one of the main

reasons we have deferred the cement expansion. We will revisit it only when market conditions and expected returns justify the investment, and it will compete for capital against the same Board-approved return thresholds as our Carbon and Advanced Materials opportunities. Any structural option for Rain Cements, including a separate listing, would be evaluated by the Board on its merits, and we would disclose any decision in line with our regulatory obligations.

Sarang

Market sentiment reflects significant concern about capital-allocation priorities, particularly the balance between discretionary capacity expansion and accelerated debt reduction in a cyclical business. What specific financial guardrails or debt-reduction milestones has the Board established before approving major growth capital expenditure? More broadly, given our recurring exposure to external factors, a more resilient balance sheet, a simpler organisational structure, and greater diversification into higher-value products could unlock shareholder value. What explains management's perceived reluctance to pursue these measures, which would benefit all shareholders, including the promoters?

Srinivasa Rao

As you noted, over the past few years we have deliberately limited capital expenditure to what is required for safe and reliable operations and have not undertaken any major expansion projects. Our leverage

increased because geopolitical disruptions in Europe and the Persian Gulf depressed earnings. As earnings have normalised, leverage has fallen below the approximately 3.0 times level that we had set as our medium-term objective, as I mentioned earlier. Any major expansion must satisfy stringent Board-approved investment criteria, including technical validation, a robust business case, required regulatory approvals, and returns that clearly exceed the value of further debt reduction. Capital is committed only after these conditions have been met. We will maintain this disciplined approach over the next few years while continuing to reduce debt gradually. As part of the refinancing, we are also considering raising a portion of the funding as amortising debt to provide for scheduled repayments. In addition, we have been simplifying our internal holding and financing arrangements to better align debt with the jurisdictions in which earnings are generated. This should improve tax efficiency and release more cash for debt reduction. Together with the selective development of higher-value products, we believe these measures will create a more resilient business for all shareholders.

Sarang

Thank you. Our final question is: once debt has been reduced to a sustainable level, would management consider a disciplined share-buyback programme, particularly when RAIN's shares trade at a substantial discount to management's conservative assessment of intrinsic value? Given the historical cyclicality of earnings and the

current cost of debt, does the Board have a defined and predictable framework for returning surplus capital to shareholders—such as a fixed payout ratio or buyback threshold—during periods of strong cash flow, rather than continually retaining or reinvesting capital at potentially lower returns?

Srinivasa Rao

Thanks for the question, Sarang. Our immediate priorities are to reduce working capital, lower debt as opportunities arise and refinance at the right time to reduce our interest burden. Once these are achieved, and in line with the Board's past guidance, we will pursue new capex or expansion only where the expected returns justify investing in the business over further debt reduction. On shareholder returns, the Board has declared a second interim dividend of 50 paise per share for 2026, following the interim dividend of 1 Rupee per share paid in August, which reflects our commitment to sharing improved earnings with shareholders. Our Dividend Distribution Policy sets out the factors the Board considers in determining distributions, and any share buyback would be evaluated alongside dividends in light of leverage, cash generation and regulatory requirements. As our balance sheet strengthens, we remain open to the most appropriate ways of returning surplus capital to shareholders.

Thank you, Srinivas, Jagan and Gerry.

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