

## Annexure – 8

# Management Discussion and Analysis

## 1. Company Overview

The Rain Industries Limited group (RAIN, RAIN Group or, the Group) is one of the world's largest producers of calcined petroleum coke (CPC) and coal tar pitch (CTP). We operate in three key business segments: Carbon, Advanced Materials and Cement. We have 16 production facilities in seven countries across three continents and continue to grow through capacity expansions, mergers and acquisitions throughout the world across all business segments.

Carbon segment converts the byproducts of oil refining [i.e., green petroleum coke (GPC)] and steel production [i.e., coal tar (CT)] into high-value carbon-based products [i.e., calcined petroleum coke (CPC), coal tar pitch (CTP) and other carbon products (OCP)]. These products are critical raw materials for aluminium, graphite, carbon black, wood preservation, titanium dioxide, refractory and several other global industries.

Advanced Materials segment carries out the innovative downstream transformation of a portion of our carbon output, petrochemicals and other raw materials into high-value, eco-friendly raw materials under three sub-segments of engineered products, chemical intermediates and resins, which are critical to the specialty chemicals, coatings, construction, automotive, petroleum and several other global industries.

Cement segment produces and markets high-quality ordinary portland cement (OPC) and portland pozzolana cement (PPC), which are consumed largely by the civil construction and infrastructure industries within India.

The scale and process sophistication provide us the flexibility to capitalise on market opportunities by selecting raw materials from a wide range of sources across various geographies, adjusting the composition of our product mix and offering products that meet stringent customer specifications, including several specialty products.

The global manufacturing footprint and integrated worldwide logistics network have also strategically positioned us to capitalise on market opportunities by addressing raw material supply and product demand on a global basis, in both established (mainly North America and Europe) and emerging markets (mainly Asia and the Middle East).

The following operating and financial reviews are intended to convey the management's perspective on the operating and financial performance of RAIN Group for the year ended December 31, 2025. This should be read in conjunction

with the Company's Standalone and Consolidated Financial Statements, the schedules and notes thereto and the other information included elsewhere in RAIN's Integrated Annual Report. RAIN Group's Financial Statements have been prepared in compliance with the requirements of the Companies Act, 2013, the guidelines issued by the Securities and Exchange Board of India (SEBI), in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India.

## 2. Discussion on Financial Performance

### Consolidated Financial Performance:

(₹ in Million except share data)

| Particulars                                     | 2025    | 2024    |
|---|---------|---------|
| Revenue from Operations                         | 169,458 | 153,744 |
| EBITDA  | 22,749  | 14,981  |
| EBITDA margin (%)                               | 13.4%   | 9.7%    |
| Profit / (Loss) Before Tax                      | 4,345   | (2,257) |
| Adjusted Profit / (Loss) After Tax <sup>@</sup> | 1,178   | (4,419) |
| Adjusted Earnings / (Loss) Per Share            | 3.50    | (13.14) |

@ After Non-controlling interest

EBITDA and profit after tax are adjusted with exceptional and one-off items. Please find hereunder the reconciliation of reported EBITDA and reported profit after tax with adjusted EBITDA and adjusted profit after tax.

(₹ in Million)

| Reconciliation  | EBITDA*       | Profit After Tax |
|---|---------------|------------------|
| Reported  | 21,854        | 425              |
| <b>Adjustments:</b>                                       |               |                  |
| Insurance claims related to prior periods                 | (430)         | (430)            |
| Expenses towards non-recurring items                      | 876           | 876              |
| Foreign exchange loss / (gain) on inter-company debt note | 449           | 449              |
| Tax impact on above adjustments                           |               | (142)            |
| <b>Adjusted</b>   | <b>22,749</b> | <b>1,178</b>     |

\* Adjusted EBITDA is Profit before Depreciation & Amortization, Impairment Loss, Finance costs, Interest income and Tax adjusted with exceptional items, if any

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During current year 2025 (CY 2025), we generated revenue from operations of ₹ 169,458 million and EBITDA of ₹ 22,749 million. The revenue in CY 2025 was higher by 10% compared to previous year 2024 (PY 2024), mainly due to higher price realisations in Carbon business coupled with the appreciation of USD and EURO against INR, offset by decrease in volumes, particularly in AM segment and Cement segment. The EBITDA margins in CY 2025 is higher primarily driven by the Carbon segment due to improved realisations and lower operating costs compared to previous year.

As a result, the profit after tax in CY 2025 was ₹ 1,178 million (i.e., ₹ 5,597 million higher than the loss of ₹ 4,419 million generated in PY 2024). Consequently, the earnings per share was ₹ 3.50 in CY 2025 as against loss per share of ₹ 13.14 in PY 2024.

Post the weaker performance of two consecutive years of 2023 and 2024, our performance improved during 2025 and we are confident in achieving normalised margins going forward. We also worked during the last few years on optimising the operational costs which helped with overall recoverability. During the year, post the receipt of CAQM order relief in 2024, we started operating our Carbon Plant in SEZ in India at full capacity which required additional working capital. We stood at a net debt position of US\$ 837 million as at December 31, 2025. With the major debt repayments scheduled to start in October 2028, we are comfortable with the current liquidity position.

The paid-up share capital of RAIN on December 31, 2025, is ₹ 672,691,358 comprising 336,345,679 fully paid-up equity shares of ₹ 2 each.

### Details of Key Financial Ratios (Consolidated):

| (₹ in Million) |                         |         |         |          |
|----------------|-------------------------|---------|---------|----------|
| Sl. No         | Key Financial Ratios    | CY 2025 | PY 2024 | Variance |
| (i)            | Debtors Turnover        | 8.96    | 7.88    | 14%      |
| (ii)           | Inventory Turnover      | 2.89    | 2.84    | 2%       |
| (iii)          | Interest Coverage Ratio | 2.58    | 1.65    | 56%      |
| (iv)           | Current Ratio           | 1.87    | 1.75    | 7%       |
| (v)            | Net Debt Equity Ratio   | 1.08    | 0.97    | 11%      |
| (vi)           | EBITDA Margin (%)       | 13%     | 10%     | 3%       |
| (vii)          | Net Profit Margin (%)   | 1%      | (3)%    | 4%       |
| (viii)         | Return on Net Worth     | 2%      | (7)%    | 9%       |

The interest coverage ratio has increased during CY 2025 as compared to PY 2024, mainly on account of higher EBITDA and a decrease in borrowing costs.

## 3. Performance of Carbon Segment

| (₹ in Million)              |         |         |
|-----------------------------|---------|---------|
| Particulars                 | CY 2025 | PY 2024 |
| Sales Volumes ('000 Tonnes) | 2,593   | 2,398   |
| Net Revenue*                | 124,984 | 106,575 |
| EBITDA                      | 19,973  | 12,332  |
| EBITDA margin (%)           | 16.0%   | 11.6%   |

\*Revenue (excluding other operating income)

Carbon segment includes the manufacturing of carbon products comprising CPC, CTP and other derivatives of coal tar distillation, including creosote oil, naphthalene, carbon black oil and other basic aromatic oils. The sale of energy produced through waste-heat recovery in the manufacturing of CPC is also included in the Carbon segment. About 74% of RAIN Group's consolidated revenue for CY 2025 was generated from the Carbon business segment.

During CY 2025, the Carbon business segment generated ₹ 124,984 million in net revenue, an increase of approximately 17% as compared to ₹ 106,575 million generated during PY 2024. Volumes increased by 8%, primarily driven by higher capacity utilisation of Indian CPC plants post the relief granted by Honorable CAQM in 2024 and its full benefit coming into 2025. The average blended realisation increased by 9% across all regions. There was an appreciation of the Euro against the Indian Rupee by 9% and an appreciation of US Dollar against the Indian Rupee by 4%.

The EBITDA for CY 2025 increased by ₹ 7,641 million compared to PY 2024, driven by margin improvement on account of better realisations coupled with the appreciation of the US Dollar and Euro against the Indian Rupee.

Post the two prolonged periods of 2023 ad 2024, with market improvements coupled with operation of both Indian calcination facilities at maximum capacity along with global blend strategy, the performance of the Carbon segment improved. We expect a similar trend continues during 2026.

## 4. Performance of Advanced Materials Segment

(₹ in Million)

| Particulars                 | CY 2025 | PY 2024 |
|-----------------------------|---------|---------|
| Sales Volumes ('000 Tonnes) | 270     | 290     |
| Net Revenue                 | 31,622  | 33,786  |
| EBITDA                      | 2,202   | 2,571   |
| EBITDA margin (%)           | 7.0%    | 7.6%    |

Advanced Materials segment mainly comprises engineered products, chemical intermediates and resins. These are derived from one of our primary Carbon segment distillates – naphthalene – and from additional raw materials purchased from third parties. About 19% of RAIN Group's consolidated revenue for CY 2025 is from the Advanced Materials segment.

During CY 2025, Advanced Materials segment generated ₹ 31,622 million in net revenue, a decrease of 6.4% as compared to ₹ 33,786 million during PY 2024. The decrease was primarily related to a decrease in volumes by 7%, primarily driven by lower throughput of Engineered products and chemical intermediates, due to weaker demand offset with increase in average blended realisation by 1% and appreciation of Euro against Indian Rupee. The EBITDA decreased from ₹ 2,571 in PY 2024 to ₹ 2,202 in CY 2025 due to decreased volumes offset with appreciation of the Euro against the Indian Rupee.

In 2026, we are advancing in the next-generation energy storage research at our North American demonstration facility while leveraging proprietary distillation and calcination capabilities to support entry into Battery Anode Material (BAM) markets. Our focus will also include developing and integrating alternative raw materials to strengthen feedstock security and expand specialty product applications, supporting long-term growth in emerging energy markets. With advancement into new developments and optimisation of operating costs, we expect this segment to perform better in the future.

## 5. Performance of Cement Segment

(₹ in Million)

| Particulars                 | CY 2025 | PY 2024 |
|-----------------------------|---------|---------|
| Sales Volumes ('000 Tonnes) | 2,575   | 2,854   |
| Net Revenue                 | 11,305  | 12,312  |
| EBITDA                      | 574     | 78      |
| EBITDA margin (%)           | 5.1%    | 0.6%    |

Cement segment is engaged in the manufacture and sale of cement in India. The products include high-quality OPC and PPC. About 7% of the consolidated revenue of RAIN Group for CY 2025 was from this business segment. During CY 2025, this segment generated ₹ 11,305 million in net revenue, a decrease of 8% compared to PY 2024. The decrease is primarily due to decrease in volumes of approximately 10% in CY 2025 compared to PY 2024 offset with increase in price realisations by 2%. The Cement segment operated at an average capacity utilisation of approximately 64% during CY 2025 compared to approximately 71% in PY 2024.

The operating margin of Cement segment increased from 0.6% in PY 2024 to 5.1% in CY 2025, due to lower operating costs and marginal improvement in realisations offset with decrease in volumes.

From a demand perspective, market conditions across South India remain mixed, reflecting both regional variations in infrastructure spending and the muted construction activity in recent quarters. While certain southern states experienced a temporary slowdown in infrastructure-led demand, early indicators suggest that this softness may gradually ease as project execution improves. Importantly, the planned development of the Amaravati capital city project in Andhra Pradesh is expected to provide meaningful support to regional cement demand beginning in 2026.

## 6. Overall Business and Growth Strategies

RAIN aims at process improvements and the development of new, higher-margin products and technologies through research and development (R&D) initiatives. We also emphasise performance improvement, sustainability and utilisation of alternative raw materials. RAIN intends to maximise efficiencies and minimise costs by combining the purchasing, trading, plant operations, logistics management, finance and R&D functions within each segment and by executing cost-reduction initiatives.

RAIN believes that the scale of its vertically-integrated organisation will provide an effective platform to continue to develop higher-margin downstream products. The size and efficient logistical networks of our plants allow RAIN to realise economies of scale.

Looking ahead, the future is promising. Noteworthy are the recent announcements of our new R&D laboratory and demonstration plant for energy storage materials and battery

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anode materials in Canada, along with government grants in Canada and Germany, and joint development agreements. These initiatives position RAIN as a significant player in the burgeoning electric vehicle and other battery markets. Already an established supplier to the Chinese battery market, we bring years of experience in serving major manufacturers. The new demonstration plant in Canada will solidify RAIN's reputation for excellence in battery technology, allowing us to showcase the current and future relevance of our products while exploring new applications and supply chain opportunities.

### 7. Internal Control Systems and their Adequacy

The Company operates an in-house internal audit department based in India to carry out robust internal audits of all RAIN companies and locations in India, Europe and North America. The observations of our internal auditors and their recommendations are presented to the Audit Committees of the Company. Also, the implementation of the recommendations of our internal auditors are reviewed during monthly review meetings, and their findings are reported to the RAIN Group's Audit Committees on a quarterly basis.

RAIN has optimal internal control systems and procedures in place to handle all its business processes such as purchasing raw materials, stores, plant and machinery equipment and the sale of goods and other assets.

The Group has clearly-defined roles and responsibilities for all managerial positions. Its operating parameters are monitored and controlled effectively through SAP ERP software system. Additionally, RAIN has established a global shared-service center in India to support the Group's SAP users across all its global facilities. This enables effective utilisation of SAP for implementing efficient internal controls and timely reporting of financial and operational information.

### 8. Human Resource Development and Industrial Relations

RAIN Group employs about 2,300 people directly and indirectly through its subsidiaries across the globe. The Company believes that the quality of its employees is the key to its success and is committed to providing necessary human-resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancement and evolving workplace requirements.

Our employee-development efforts also include the implementation of a Safety Training Observation Programme (STOP), which focuses on ways to address unsafe acts and recognise people who act and work safely. Our learning-management system plays an active role in standardising and digitalising many processes that are crucial to various work functions, such as administration, documentation, tracking and reporting of the various learning-and-development and training programmes for employees.

Industrial relations during the year continued to be cordial, and RAIN is committed to maintaining these relations through effective communication, meetings and negotiation.

During CY 2025, a major milestone was achieved with successful implementation of the SAP-SuccessFactors Human Resources (HR) tool. While RAIN had previously employed a few parts of this system in a few countries, it has now been fully implemented groupwide. This allows RAIN's HR team to efficiently manage, and provide statistics to management for, our entire global workforce, including digitalisation of common recruiting, on-boarding, employee training (including safety training) and off-boarding tasks. RAIN has adopted the name "myRAIN" for our customised SAP-SuccessFactors system. By combining myRAIN with our now-global, Group-wide OSHA guidelines safety initiative (see below), the Company is able to ensure that all employees are given the necessary tools and trainings to be effective and safe in the workplace.

### 9. Safety and Environmental Compliance

We continuously seek to improve safety and reliability at all RAIN production facilities. Our production facilities have been awarded ISO certifications for maintaining quality- and environmental-management standards. These certifications demonstrate RAIN's efforts to ensure high product-quality standards and compliance with environmental laws and regulations.

Our production facilities also have been awarded ISO certifications for energy-management systems. We follow a systematic approach in achieving continual improvement in performance, including energy efficiency, energy security, and energy use and consumption. In addition, our production facilities have been certified for compliance in international occupational health and safety management.

In the safety area, RAIN has been phasing in the global adoption of the safety guidelines of the United States Occupational Safety and Health Administration (OSHA). In 2024, RAIN completed the Group-wide phase-in with our Cement segment's adoption of these guidelines. While all

RAIN sites in parallel follow their local government's safety schemes, having all RAIN sites around the world following OSHA guidelines allows RAIN to now fully benefit from the power and improvements which can be made by utilising common procedures and statistics. We are proud to announce that RAIN's group-wide OSHA Total Recordable Incident Rate (TRIR) for CY 2025 was an impressive 0.11, an improvement over TRIR of 0.13 achieved for PY 2024.

Prevention of safety-related incidents is one of our highest priorities. We have an extensive safety programme, which includes formal training for all employees, preventive measures such as pre-job safety analyses and a system aimed at identifying risks, taking corrective actions and preventing incidents. We regularly conduct internal audits of this safety system. Our management team has implemented a structured process for handling, monitoring, documenting and learning from near-miss incidents. We have taken stringent measures to reduce the number of recordable injuries Group-wide, and the monetary incentives of most employees are linked to fulfilling the Company's safety targets.

## 10. Statutory Compliance

We have robust controls and internal procedures to ensure all applicable compliances across all subsidiary companies within

India and abroad. The Company Secretary ensures compliance with the provisions of the Companies Act, 2013, the Foreign Exchange and Management Act, 1999 and SEBI rules, regulations and guidelines made thereunder.

## 11. Cautionary Statement

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand / supply conditions, finished-goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business, and other factors such as litigation and labour negotiations. The Company is not obliged to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent development, information or events or otherwise.

On behalf of the Board of Directors  
for **Rain Industries Limited**

Place: Hyderabad

Date: February 27, 2026

**Jagan Mohan Reddy Nellore**

Managing Director

DIN: 00017633

**N. Sujith Kumar Reddy**

Director

DIN: 00022383