RAIN INDUSTRIES LIMITED

RIL/SEs/2026 September 16, 2026

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

Dear Sir/ Madam,

Sub: Credit Rating – Reg.
Ref: Scrip Code: 500339 (BSE) & Scrip Code: RAIN (NSE)

With reference to the above stated subject, we bring to your kind notice that India Ratings and Research (Credit Rating Agency) vide their report dated September 16, 2026 affirms rating of **IND A with outlook Stable**.

Please note that there is no change in the Credit Rating compared to the Credit Rating issued during the previous year.

In this connection, please find enclosed herewith Credit Rating Report issued by India Ratings & Research.

This is for your information and record.

Thanking you,

Yours faithfully,
for Rain Industries Limited

SINGIDI VENKAT RAMANA REDDY
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Date: 2026.09.16 18:24:28 +05'30'

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India Ratings & Research
A Fitch Group Company

India Ratings Affirms Rain Industries & its Bank Loan Facilities at 'IND A'; Outlook Stable

Sep 16, 2026 | Rain Industries Limited | Specialty Chemicals

India Ratings and Research (Ind-Ra) has affirmed Rain Industries Limited (RIL) and its bank loan facilities, as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Issuer rating	#	-	-	-	-	IND A/Stable	Affirmed
Bank loan facilities	RBI	-	-	-	1,700	IND A/Stable	Affirmed

There is no instrument being rated and hence, Regulator of the instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

Analytical Approach

Ind-Ra continues to fully consolidate RIL and its subsidiaries to arrive at the ratings, as the companies share a common brand, business and management. RIL is the holding company for the carbon, advanced material, and cement business operating in the group. Also, one of its major subsidiaries - Rain CII Carbon (Vizag) Ltd (RCCVL; 'IND A+'/Stable) has provided corporate guarantees for some of RIL's borrowings.

Detailed Rationale of the Rating Action

The affirmation reflects an improvement in the consolidated business and credit risk profile marked by the increase in revenue and EBITDA margins in 2025, leading to an improvement in the net leverage (net adjusted debt/operating EBITDA). With sustained green petroleum coke (GPC) allocations and no cap on imports for the special economic zone (SEZ) units up to its existing capacity, Ind-Ra expects the consolidated business profile to further improve with higher capacity utilisations. Furthermore, Ind-Ra expects the net leverage to remain below 4.0x over 2026-2027.

However, the ratings are constrained by the company's increased working capital requirements, exposure to volatility in international business and West-Asia conflict.

List of Key Rating Drivers

Strengths

- Continued improvement in business scenario basis sustained availability of raw material for carbon segment
- Improved operational performance in 2025; likely to continue in 2026-2027
- Strong linkages with subsidiaries
- Strong business profile
- Sustained standalone financial profile but debt servicing support likely to continue from group entities

Weaknesses

- Declining demand and profitability in cement segment
- Volatility in carbon segment's profitability, although likely to improve with increased volumes
- Commodity price and foreign exchange fluctuations

Detailed Description of Key Rating Drivers

Continued Improvement in Business Scenario Basis Sustained Availability of Raw Material for Carbon Segment: Ind-Ra expects the operating environment for calciners will improve further, given the continued allocation of 1.9 million tonnes to the domestic tariff area (DTA) in accordance with the order from the Supreme Court of India and the Commission for Air Quality Management. The group has also received approval to import GPC and calcined petroleum coke (CPC) without any limits for its SEZ unit up to its existing capacity, exclusively for export sales. With sustained allocation to the DTA unit and no cap on imports of GPC for SEZ unit up to its existing capacity, the capacity utilisations for both SEZ and DTA units would improve. As per the management, the utilisation of both the units would be 90%-95%, leading to an improvement in revenue and margins in 2026-2027. Until 2024, the DTA unit and SEZ plant had capacity utilisation of around 50%, each, due to shortage of GPC supplies; however, this increased to around 90% in 2025.

The company received a total allocation of 598,589 tonnes for FY26 (FY25: 705,600 tonnes; FY24: 599,323 tonnes) for its DTA unit only. The company could also procure GPC and CPC (for blending purposes) required for a capacity of 370,000 tonnes at the SEZ plant. The company imports around 90% of its GPC requirement and the balance is met domestically. In FY27 company received initial allocation of 598,589 tonnes and additional allocations are yet to be received during FY27. RIL would not face any shortfall for GPC utilised as feedstock (not fuel) as the GPC imports towards the SEZ unit do not have any cap and would solely be utilised towards its exports order. The management would defer the capex plans of anhydrous carbon pellet facility due to sustained GPC allocation, which could be used as feedstock for calcining as it is not be cost effective. With regards to Environmental, Social, and Governance, the company already meets flue gas-desulphurisation standards issued by the Ministry of Environment.

Improved Operational Performance in 2025 Likely to Continue in 2026-2027: In 2025, RIL's consolidated revenue rose 10% yoy to INR169,458 million (2024: INR153,744 million; 2023: INR181,415 million) and 19% yoy to INR96,879 million in 1H26, due to increased sales realisation and volumes in the carbon segment. EBITDA increased to INR21,885 million in 2025 (2024: INR12,572 million; 2023: INR16,920 million) and EBITDA margins to 12.91% (8.18%; 9.33%). EBITDA was INR16,228 million (16.75%) in 1H26.

Ind-Ra expects the revenue to improve and stabilise over 2026-2027, supported by likely increased volumes from sustained allocation of GPC imports towards SEZ and DTA units coupled with usage of blending facility at SEZ unit.

Realisation in the carbon segment increased around 8% yoy, advanced materials segment around 1% yoy, and cement segment 2% yoy in 2025. EBITDA for the carbon segment rose to INR19,861 million in 2025 (2024: INR10,400 million; 2023: INR14,542 million), due to favourable pricing. EBITDA of the advanced materials segment reduced to INR1,542 million in 2025 (2024: INR2,187 million; 2023: INR1,359 million), led by lower realisations. The cement segment EBITDA turned positive at INR482 million in 2025 (2024: loss of INR15 million; 2023: INR1,019 million), due to higher operating costs, lower capacity utilisation, intense competition in South India, and extended monsoons. EBITDA in 1H26 for carbon, advanced material, and cement segments was INR13,984 million, INR2,245 million and INR49 million, respectively (20.1%,10.3%, 0.9%).

RIL's return on capital employed improved to 7.2% in 2025 (2024: 2.4%; 2023: 1.0%), due to the increased profitability. The agency also expects RIL's consolidated net adjusted leverage to remain below 4.00x in 2026 (2025: 3.89x; 2024: 5.43x; 2023: 3.97x) and gross interest coverage (operating EBITDA/gross interest expense) in the range of 2.0x-3.0x in 2026-2027 (2.37x; 1.34x; 2.07x), due to improved profitability visibility.

Strong Linkages with Subsidiaries: As RIL is the principal holding company of the group, it has adequate financial flexibility. However, it depends on timely and adequate cash flow support from its subsidiaries as it does not have any operations at the standalone level. Any weakness in the credit profiles of RIL's key subsidiaries would reduce the group's financial flexibility, thereby affecting the ratings. At the standalone level, RIL accounted for 0.47% of the consolidated revenue in 2025 (2024: 0.92%; 2023: 0.68%) and around 1.70% of the total consolidated debt (1.96%; 2.49%). The company has historically relied on timely cash flow support from its US-based subsidiary, Rain Commodities (USA) Inc to service its debt obligations, which along with Rain Cements Limited ('IND A'/Stable/'IND A1') also upstream dividends. Any increase in the debt at the standalone level without any back-to-back cash flow support arrangement from its operational subsidiaries would be a key rating monitorable.

Strong Business Profile: The RIL group has been diversifying its products. In 2025, the carbon, advanced materials, and cement businesses accounted for around 74%, 19% and 7% of the consolidated revenue (2024: 69%; 2023: 22%; 2022: 8%), respectively, and 91%, 7% and 2% of the consolidated EBITDA (86%; 17%; nil), respectively. The increased contribution in revenue and EBITDA was due to both higher sale volume and market pricing impact.

RIL has 100% ownership of Rain Carbon Inc, through its wholly owned subsidiary Rain Commodities (USA) Inc. which operates the group's CPC business in North America and India. RIL is the second-largest producer of CPC globally and has a leadership position in India, along with being the largest producer of coal tar pitch (CTP) globally. It also has 65.3% ownership in Severtar Russia through its UAE-based subsidiary, which is the global leader in the manufacturing of coal tar pitch, a part of carbon segment. The company also owns Rain Cements, which has a 4.0 MMT of cement manufacturing capacity in South India. The revenue of operations outside India constituted 70%-75% and EBITDA of 75%-80% in 2025, with majority of the debt on consolidated basis being on RCI's balance sheet. Hence, RCI's operations would be a key monitorable.

Sustained Standalone Financial Profile but Debt Servicing Support Likely to Continue from Group Entities: On a standalone basis, RIL has minimal operations of its own and depends on its subsidiaries to service its debt and declare dividends. As RIL is the holding company, its revenue is in the form of dividend income, interest income and service income, apart from trading revenue. In 2025, the revenue (including other income) was INR1,440 million (2024: INR2,054 million; 2023: INR2,033 million; 2022: INR1,044 million) and the EBITDA (including other income) was INR255 million (INR641 million; INR773 million; INR478 million). As of December 2025, RIL's standalone debt remained at INR1,700 million (2024: INR1,700 million; 2023: INR2,221 million) as the term loan, which was due for repayment in November 2025, was refinanced. The debt continues to be guaranteed by RCCVL. In 2025, RIL received a dividend income of INR101 million (2024: INR550 million).

Declining Demand and Profitability in Cement Segment: The cement volumes reduced in 2024 and 2025 owing to state and centre elections and intense competition faced by the group in South India. Furthermore, extended monsoon impacted the volumes. Volumes reduced to 2.57 million metric tonnes (MMT; 2024: 2.85MMT; 2023: 3.24MMT; 2022: 3.12MMT) along with stable realisations at INR4,390/MT (INR4,314/MT; INR4,704/MT; INR4,912/MT). Although the group reported positive EBITDA margins of 4.3% in 2025 (2024: negative 0.1%; 2023: 6.7%) and 1Q26 EBITDA was negative 0.4%, which turned positive in 1H26 at 0.9% due to higher operational cost and lower volumes. In 1H26, the revenue stood at INR5,707 million with EBITDA of INR49 million of EBITDA margin of 0.9% reflecting the low demand in the cement industry. Ind-Ra expects the segment's margin to remain in the range of 1%-2% over 2026-2027. Increased pet coke and fuel prices impacted the margins.

Volatility in Carbon Segment's Profitability, Although Likely to Improve with Increased Volumes: In the carbon segment, RIL acts as a converter, and largely has the ability to pass on any volatility in GPC cost to its customers, which are large smelters at the lower end of the cost curve. While CPC and GPC prices generally move in tandem, the movements in CPC prices might be reflected in GPC costs with a time lag of two or three quarters, due to inventory holding. During this period, the difference, if any, may have to be absorbed by CPC producers. In 2025, RIL's margins improved to 15.9% (2024: 9.8%; 2023: 10.9%; 2022: 22.2%) due to favourable pricing. RIL benefits from the depreciation of India rupee (reporting currency) since a large portion of transactions are executed in US dollar. The operating EBITDA of the segment stood at around INR19,861 million in 2025 (2024: INR10,400 million; 2023: INR14,542 million; 2022: INR34,305 million).

In 1H26, the EBITDA stood at INR13,934 million with an EBITDA margin of 20.1% based on the lower pricing inventory held from the earlier period. Ind-Ra opines the segment's volumes would continue to increase in 2026-2027, due to sustained allocation of GPC to both SEZ and DTA units, improving the utilisations of the plants in addition to continued increasing demand for aluminium smelters. In 2025, the group sold 2.59MMT of carbon products (CPC, CTP & other; 2024: 2.40 MMT; 2023: 2.32 MMT; 2022: 2.43 MMT).

Commodity Price and Foreign Exchange Fluctuations: RIL's profitability remains exposed to fluctuations in commodity prices, which depend on demand-supply dynamics. It is also exposed to forex risks. The company mitigates this risk to some extent by matching its cash inflows and outflows within the same currency so as to obtain a natural hedge.

Liquidity

Adequate: RIL had cash and cash equivalents of around INR16,117 million at end-June 2026 (2025: INR 14872 million; 2024: INR18,349 million). The company incurred around INR4,586 million in capex in 2025. The company has no plans for any additional capex in 2026-2027, along with a focus on debt reduction; the only capex that would be incurred will be routine/maintenance capex of USD60 million to 65 million. The net working capital cycle elongated to 150 days in 2025

(2024: 126 days) due to an increase in the inventory holding period to 137 days (126 days) coupled with a decline in the payable period to 31 days (40 days). Ind-Ra expects the net working capital cycle to stretch to around 150 days in 2026-2027. Ind-Ra expects RIL's debt service coverage ratio to remain comfortable at 1.5x-2.0x over 2026-2027, due to minimal scheduled repayments.

Rating Sensitivities

Positive: Developments that could, individually or collectively, lead to a positive rating action include:
- a successful ramp-up and growth in the revenue on the back of increased sales volumes with improved capacity utilisation while maintaining the profitability;
- the sustenance of the consolidated EBITDA per tonne while maintaining the working capital cycle, leading to the consolidated net adjusted leverage remaining below 3.0x, on a sustained basis, with an improvement in the return on capital employed.

Negative: Developments that could, individually or collectively, lead to a negative rating action include:
- a lack of timely and adequate support from the group entities for debt servicing;
- an increase in the indebtedness at the standalone level without any back-to-back cash flow support arrangement from its operational subsidiaries;
- a decline in the consolidated EBITDA per tonne and/or an elongation of the working capital cycle and a reduction in liquidity buffer, leading to the consolidated net adjusted leverage exceeding 4.0x, on a sustained basis.

Any Other Information

Not applicable

About the Company

Incorporated in 1974, RIL is the holding company with subsidiaries engaged in the manufacturing of cement, CPC, CTP and downstream products, including resins, modifiers and superplasticisers.

Key Financial Indicators

Particulars (Consolidated; INR million)	1H26	2025	2024
Revenue	96,879	169,458	153,744
Operating EBITDA	16,228	21,885	12,572
EBITDA margin (%)	16.75	12.91	8.18
Interest coverage (x)	3.31	2.37	1.34
Net adjusted leverage (x)	2.88*	3.89	5.43
Source: Company, Ind-Ra * Annualised basis			

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (INR million)	Current Rating	24 July 2025	26 April 2024
Issuer rating	Long-term	-	IND A/Stable	IND A/Stable	IND A/Stable

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (INR million)	Current Rating	24 July 2025	26 April 2024
Bank loan facilities	Long-term	1,700	IND A/Stable	IND A/Stable	IND A/Stable

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Bank wise Facilities Details

The details are as reported by the issuer as on (16 Sep 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	ICICI Bank	Term Loan	1700	IND A/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology
Parent and Subsidiary Rating Linkage
The Rating Process
Evaluating Corporate Governance

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