

RIL/SEs/2025 August 18, 2025

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: Management Commentary on Un-Audited Financial Results of the Company (Standalone, Consolidated and Segment) for the second quarter and half year ended June 30, 2025 – 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, 2025:

Link for Audio – Management Commentary:

https://rain-industries.com/images/RIL-Q&A-Q2-2025.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, 2025.

This is for your kind information and record.

Thanking you,

Yours faithfully, for Rain Industries Limited

S. Venkat Ramana Reddy Company Secretary

Good day ladies and gentlemen.

Welcome to the Rain Industries Limited Q&A session for the Second quarter of 2025. 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
 Limited
- Mr. Gerard Sweeney President 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 August 6th, 2025, we have received various questions from investors and analysts concerning recent industry developments and their potential impact on our company's performance. RAIN Management will be addressing these questions in this session.

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 provide a brief business update outlining the steps taken to use alternate raw materials in the Carbon and Advanced Materials segments? Also, what percentage of these alternates can we use by 2026, and what benefits do we expect for volumes and margins?

Gerard Sweeney

Thank you Sarang. It is a Good Question.

In our Carbon segment's calcination operations, it is essential to understand that the strategic focus is not merely on incorporating alternative raw materials into our blends. Rather, the emphasis lies in our ability to source diverse grades of Green Petroleum Coke (or GPC) that were previously considered logistically impractical or economically unviable to transport. To overcome these challenges, we are actively developing and implementing innovative logistics solutions aimed at improving the efficiency and cost-effectiveness of raw material transportation. This is particularly critical given that freight costs represent a substantial portion of the overall raw material expense. By optimizing logistics and expanding our sourcing network, RAIN will be able to reduce the cost of raw material blends while enhancing supply chain flexibility.

Although the use of Anhydrous Carbon Pellets (or ACP) is not expected to have a significant impact in the short term, it is important to note that RAIN pioneered the concept of using ACP to structurally enhance GPC.

This innovation enables us to better utilize a broader range of GPC materials in our blends, improving both performance and cost efficiency.

While it is difficult to quantify the exact volume and margin benefits of our global blend strategy for 2026, we anticipate positive contributions in terms of increased throughput and improved capacity utilization. Specifically, the integration of alternative raw materials into our Carbon calcination operations is expected to support margin enhancement and strengthen our competitive position.

Turning to alternative raw material use in our Carbon segment's distillation business, we have steadily increased the use of alternate raw materials over the course of the past decade, which began as an R&D project. We have creatively used these new raw materials in a range of specialty products with benefits towards both environmental impact as well as technical performance while also developing and successfully testing with selected partners the use of these new formulated products for standard applications in binders and distillates. RAIN is now using alternate raw materials on a global scale at our Carbon distillation facilities. The of alternative materials volumes raw already employed most blends allow us to make up for the decreasing availability of certain raw materials globally, due to gradual shift from blast furnace steel production to electric-arc steel production. Therefore, this continuing initiative should contribute to better volumes and margins during 2026.

In parallel to all of these positive developments, RAIN's R&D department is actively exploring multiple bio-based solid and liquid raw materials across our three segments. These efforts include both internal initiatives and collaborative projects with customers and suppliers. The future

adoption of these sustainable materials will largely depend on the evolving priorities of our customer industries and their commitment to transitioning toward greener raw material platforms.

For example, our Advanced Materials segment has many sub-segments. Our most visible strides in the use of alternative raw materials have been from increasing use of bio-based raw materials in our NOVARES resins portfolio. As you may have seen in RAIN's integrated annual report for 2024, we have achieved ISCC-plus certification at our Duisburg, Germany resins plant thanks to these efforts. Our NOVARES-eco line of materials has seen very favorable market reaction, and RAIN's customers are increasingly seeking to lower the carbon footprint of the materials which they produce using our resins.

In Advanced Materials' sub-segment of Engineered Products, we have been using alternative raw materials for several years in our PETRORES and LIONCOAT lines of materials used in the production of lithium-ion batteries. As we continue to grow our energy storage materials business line beyond these products through our R&D work, we are also beginning to understand what alternative solid raw materials can be considered in Battery Anode Materials going forward. The recent opening of our comprehensive research facility in Hamilton, Canada is allowing us to gain valuable insight into various materials that could be used in the future. The start-up of our demonstration facility will further support our research efforts and will advance our understanding of the potential volume and margin value proposition here. Beyond the revenues from our current energy storage materials' product lines, the research, development and demonstration facilities are expected to make a meaningful additional contribution to the Advanced Materials segment in the medium term.

Sarang:

Thanks, Gerry and to following up on the earlier question, Would RAIN be the only company in the world to use such alternate raw materials? Do we have patents on the usage of any of these materials?

Gerard Sweeney

In terms of using alternative Carbon calcination and distillation raw materials, in general there are no distinct patent protections currently in place. The main barriers to entry surround capital investments, the leveraging of a global asset portfolio and a deeper processing know-how.

On our ACP product, RAIN does indeed have a product patent in place to protect our intellectual property.

Sarang:

Thanks Gerry. Our next question is regarding the Carbon segment's distillation business. What challenges are we facing in distillation? Are we looking at increasing volumes in that area in the second half of this year?

Gerard Sweeney

The challenges of our Carbon segment's distillation business are many-fold right now. Most, however, are linked to the Russian - Ukraine conflict over the last several years. Initially, skyrocketing energy prices in Europe resulted production curtailments by several aluminum smelters which were native customers for our European operations. Next, the elimination of both Russian and Ukrainian coal tar from the historic European supply

pool, due to a combination of factors, has greatly limited the availability of traditional coal tar raw materials in Europe. Lastly, the recessionary trend, which has stemmed from the war in Ukraine, has resulted in high energy prices and shifting supply chains. These changes have increased costs and forced steel mill rationalizations in Europe over the last few years, further exacerbating the coal tar supply situation.

In addition to our continuously increasing use of alternative raw materials and sources, our focus will be cost control to re-establish margins and then grow back volume over time.

Sarang

Thanks, Gerry. The next question is on RAIN's Carbon calcination business. Why was there a surge in Chinese prices for Calcined Petroleum Coke (or CPC) during the first and early second quarters, and why did this fall later on in the second quarter?

Will there be an impact from China's self-imposed cap on aluminum production capacity at 45 million tons per annum?

How will this likely be offset by aluminum smelter expansions in Indonesia and other areas?

Gerard Sweeney

The surge in Chinese CPC prices during early 2025 was primarily the result of a surge in GPC prices, driven by reduced refinery GPC output within China. Several major Chinese refineries who produce anode grade GPC were down for scheduled maintenance during the fourth quarter of 2024 and the first quarter of 2025. As a result, CPC prices substantially increased, and it was not due to an improvement in CPC demand. Once

these cokers restarted, the upward price pressure on GPC and CPC reduced.

As a result, by the end of the second quarter, Chinese CPC prices had retreated fairly substantially but remained above earlier levels by about 100 to 150 US dollars per ton.

We do not anticipate any large-scale impact in the immediate future from the government-imposed aluminum production cap on Chinese aluminum smelters. If anything, it allows other global smelters, especially in Indonesia and the US, to build new capacity and restart idled capacities, providing more global sales opportunities for RAIN's Carbon segment products, both in distillation and calcination.

Sarang

Thanks, Gerry. Next is a follow-up question on the Carbon calcination business. Where do you export your CPC, since US and European primary aluminum production has steadily fallen? Where are you redirecting your CPC products, and given that it can be exported steadily, is this good, or is their competition from China?

Gerard Sweeney

Our CPC exports have historically been shipped majorly to European, North American, South American, African and Middle Eastern aluminum smelting customers. While exports from India have been limited in recent years due to restrictions, we now have the ability to compete effectively in these areas.

As such, we have recently focused on building up our customer base in strategically freight-logical locations globally to place the increased CPC volumes resulting from our global blend strategy.

Sarang

Moving to the next question, are any shutdowns anticipated by RAIN or any industry peers producing CPC or CTP? We have observed recent expansions in CPC production within China. Are there any potential closures to note?

Gerard Sweeney

RAIN has no plans for curtailing any of our facilities at this time.

Regarding Carbon calcination, we only have one idle facility in the US at present. Restarting some of that idle capacity is under consideration for 2026 and will be thoroughly evaluated as we speak to customers and enter the 2026 budgeting process during the fourth quarter. Regarding any CPC production expansions or restarts in China during 2025, China is already GPC deficient for all the aluminum demand, so further building of new calcination capacity in China is questionable currently, except to replace existing facilities.

Regarding Carbon distillation, there is pressure on smaller distillers in Europe due to the reduced availability of coal tar throughout the continent as mentioned earlier. Without a global asset play, the ability for arbitrage between continents and the years of vigorous research to develop

alternative raw materials, it would be getting difficult to be an isolated distiller of coal tar located only in Europe.

Sarang

Moving on to the next question, oil prices have been volatile recently – how you have managed to contain the impact?

Gerard Sweeney

The recent oil price volatility has been due to a combination of the recent conflicts in the Middle East and on-going uncertainty on international trade flows as the US continues to negotiate new trade agreements with other nations and economic blocs.

Oil prices have little to no impact on our Carbon segment's calcination business beyond the links to transportation fuel prices. However, oil prices do have some impact on the pricing of both our raw materials and our finished goods in both our Carbon segment's distillation business and in our Advanced Materials segment. Oil price volatility usually causes companies and economies to change the speed at which they make purchasing commitments and investments. As such, in some countries and product lines, we saw customers ordering more products from RAIN, and in other areas, customers delayed their purchases from RAIN. While there may be opportunities which arise during times of volatility, in general, businesses are more stable, and business decisions are made in a more predictable manner, when there is less volatility.

Thank you, Gerry. We now have a few questions for Mr. Jagan. The first question is regarding CPC blending. With RAIN's global CPC blending system getting restarted, will RAIN be able to operate its CPC plants at full capacity?

With the CPC import allocation given to the SEZ unit in India, and increased GPC import allocation compared to the previous year, the expectation was for higher CPC sales volumes. Is there an increase reflected in inventories instead, and what portion of the incremental volumes is accounted for in current stocks? Is there potential for improved volumes in the upcoming quarter?

Jagan Nellore

Thank you Sarang for the question. As you cite in your question, having received the allocations needed to improve production and to re-start our global blending system, our goal during 2025 was to ramp up the CPC capacity at our Indian calcination plants. Key to this ramp up was the sufficiency of sales to support the production levels. We are vigorously pursuing sales both domestically (for our DTA unit) and internationally (for our SEZ unit) to support our sales plan, allowing us to produce at optimum capacity at the Indian calcination facilities.

Inventory levels were elevated at the end of the first quarter, due to the import quotas which had to be met by March 31st. With the new quotas, and with both plants in operation at optimum capacity, inventory levels will

remain higher compared to prior periods. Additionally, inventory levels will be impacted by the resumption of the blending operations, which does increase the inventory days due to the longer logistical supply chain, from procurement, to processing, to shipping the finished products, to blending and then selling to the customers.

With regards to sales volumes, there is still room for increased annual sales volumes going forward, as we were ramping up production in India and the US throughout the first half of 2025 and have not yet restored the blending operations fully.

Sarang

Thanks, Jagan. The next question is, Inventory remains high, and management noted CPC prices fell at last quarter's end. What are current CPC prices, and is any inventory loss expected?

Jagan Nellore

CPC prices have been reducing so far during the third quarter and have somewhat stabilized, as a result of the Chinese market price reductions. Given the sharp and fast increase in CPC prices during the end of the first quarter and the start of the second quarter, we had not completely increased our own CPC prices to the Chinese levels before Chinese prices began to fall. As a result, we do not foresee any material inventory write offs going forward.

Next question: With an increase in demand for, and the price of, aluminium, why aren't CTP and CPC seeing similar benefits? Are there any restarts in the USA, or Europe, and to what extent?

Jagan Nellore

While CPC and CTP are both essential raw materials for the primary aluminum smelting industry, they do not share the same supply and demand symmetry as primary aluminum, nor as each other for that matter. Prices for our CPC and CTP products are driven by the cost of their relative raw materials. The ultimate demand for those Carbon products stems from aluminum and other industries. As evidence, the earlier mentioned spike in Chinese GPC prices resulted in a spike during the second quarter of CPC prices. Once the GPC supply in China returned, prices dropped again because demand did not outstrip supply during the quarter. On the CTP side, for example, we have seen weaker demand from the graphite electrode industry, which is having an impact on market prices.

Sarang

Thanks. The next question is, where are we with the announced CTP production of 50 thousand tons in India as well as further plans of expansion. Why such a soft expansion approach? What are the potential benefits in terms of volumes and margins that we expect from the pitch facility in India? By when can we see the revenues being generated from this segment?

Jagan Nellore

RAIN has already secured the permits for the Carbon distillation operations in India, and, after a slight delay on the finalization of the location for the operations, we are now moving forward again. We have decided on a phased approach to this new regional market activity, starting with coal tar pitch, and then increasing those volumes. After the first two stages, we will evaluate a third stage to incorporate "other carbon products" into the production and sales mix. Therefore, the Indian Carbon distillation volumes, product lines and margins will ramp up over time. It is too early to speculate on the final margins, but we can say that we expect to begin generating revenue from the Indian Carbon distillation activities in later part of 2026.

<u>Sarang</u>

Thanks, Jagan. The next question is, one of your competitors in their investor call mentioned that the coal tar distillation industry could benefit from a rationalization of capacity. Are you considering any capacity rationalization to enhance profitability for RAIN?

Jagan Nellore

While we do not comment on competitors' statements, we remain focused on continuously evaluating strategic opportunities to enhance profitability and operational efficiency across our own operations. Our foremost priority is to maintain a reliable and uninterrupted supply to our customers. We achieve this by proactively managing costs, optimizing production processes, and reinforcing our supply chain resilience.

For example, a recent disruption involving one of our key raw material suppliers may temporarily impact on our supply chain. In response, we are swiftly activating contingency plans, including securing alternative materials and reassessing procurement strategies. These actions reflect our commitment to operational agility and our ability to navigate industry challenges while safeguarding customer commitments.

We remain confident in our ability to navigate industry challenges and continue delivering strong performance through disciplined execution and strategic foresight.

Sarang

Thank you, Jagan. The next question is on tariffs. Under Section 232, the U.S. aluminium industry now benefits from 50 percent tariffs, leading to higher aluminium prices. As a core raw material supplier, do you foresee any opportunity to pass on the incremental GPC costs to the end consumers of CPC?

Jagan Nellore

It is true that certain segments of the aluminum industry may experience favorable pricing due to tariff protections. However, CPC as a product, and also CTP for that matter, is not currently subject to any tariffs. Hence our endeavor will be to align our pricing with the Import Parity Price for similar quality CPC or CTP, which is calculated based on the Free on Board (or FOB) price from the exporting country, plus shipping, port handling, and storage costs.

The next question is, What is the capacity utilization level currently across facilities and divisions? What is the scope for increasing the utilization levels further?

Jagan Nellore

Our Carbon segment operated at approximately 68% of capacity. Advanced Materials was at about 63% and Cement was at 70%. We are working on opportunities to increase utilization in the Carbon segment, and we should see improvement going forward.

Our Advanced Materials segment is currently exploring opportunities to enter new markets and, if those are successful, we will see an improvement from that segment as well.

In our Cement segment, we are actively focusing on optimizing outward freight logistics as a key lever to enhance operating margins. By improving transportation efficiency and reducing distribution costs, we aim to strengthen the overall profitability of this business. This freight optimization strategy is particularly important as we are preparing to respond to the demand growth in our targeted markets. We expect this groundwork to support a scalable increase in volumes, enabling us to capture growth opportunities more effectively while maintaining cost discipline.

Sarang

Thanks, Jagan. The next question is, have the new emission norms for calciners taken effect in India? If yes, how it is going to impact the calciners in India?

Jagan Nellore

The new air emission standards for petroleum coke calciners in India have officially come into effect, marking a significant step toward stricter environmental compliance in the sector. However, it is important to note that calciners currently not in compliance with these updated standards have been granted a transition period until December 2025 to align their operations accordingly.

Based on the information available to us, non-conforming calciners that fail to meet the new National Emission Standards by the December 2025 deadline may face regulatory action, including potential shutdowns. This underscores the urgency for all operators in the sector to accelerate their compliance efforts and invest in necessary upgrades to emission control systems, thereby providing a level playing field for those calciners that are already in compliance with the new National Emission Standards.

Sarang.

Our next investor question is, What is the long-term impact of the battery anode market's demand for GPC? Will this reduce margins or can calciners pass on cost increases? When can we start seeing meaningful revenues being generated from RAIN's new R&D initiatives?

Jagan Nellore

It is too early to predict the impact that BAM raw material demand may have on GPC for calcining, from both volume and pricing perspective. That industry continues to grow rapidly in demand, and the use of Lithium-Ion batteries is still in its infancy. As calciners produce CPC mainly for the aluminum and titanium dioxide industries, we look at the BAM producers more from a competitive perspective, specifically evaluating how well placed are we against our competition. Simply put, we believe that RAIN is an ideally placed global calciner for the long term. We benefit from preferential placement compared to the largest pool of both traditional and alternative raw materials, and we have invested strategically in unmatched assets which support our unique global blend system.

We see contributions from our R&D team every quarter, as they are continually supporting our commercial activities, allowing us to either produce using alternative raw materials or modify our existing product lines to meet new environmental and customer requirements.

With regards to our new energy storage materials center in Canada, it is only an R&D and demonstration facility. As such, it is not expected to contribute materially to revenues. However, it is designed to help formulate additional new materials for future sales and to generate increased sales of the battery materials which RAIN today sells only to the Asian market. It will help to grow Asian sales while positioning RAIN as a key, strategic partner in the North American battery materials supply chain.

Sarang

The next question is with regard to the Cement segment. Have you considered selling the cement plants to reduce debt? This would save at least 40 million dollars in annual interest, despite being a permanent loss of capital. With weak returns — just 11 million dollars in EBITDA this quarter — the net savings would be 30 million dollars, plus a stronger balance sheet. The current consolidation opportunity in India will not last. Or is any Cement segment expansion planned?

Jagan Nellore

As highlighted in previous quarterly updates, our Cement segment continues to play a vital role in diversifying RAIN's global business portfolio, complementing our core operations in Carbon and Advanced Materials. This diversification not only strengthens our overall business resilience but also provides a stable revenue stream from a regionally grounded industry.

We are seeing encouraging signs of performance improvement within the Cement segment, particularly in South India, where market dynamics and operational efficiencies should contribute to stronger results. In light of this positive momentum, we have no plans to divest the cement business.

On the contrary, we are actively evaluating opportunities to expand our presence in the cement sector. These expansion plans are currently under strategic review and will be formally announced in the upcoming quarters. This reflects our long-term commitment to the segment and our confidence in its potential to deliver sustained value.

Sarang

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

Are we on track to refinance debt in 2026? Or is it likely to be postponed due to the working capital requirements? March 2026 is the earliest time that we can refinance the US bonds. And what about the European term loan?

Srinivasa Rao

Thanks for the question Sarang.

With regard to the 2029 Senior Secured Notes, they were issued as 6-year notes with a 3 year "no call" period, which expires on March 1st, 2026. We are actively monitoring market and will act decisively when market conditions are favorable.

As for our European term loan (or TLB), which matures in October of 2028, we have flexibility to repay it whenever excess cash is available and we had done in the past two years, reducing the outstanding debt by approximately 44 Million Euros.

Sarang

Thanks, Srinivas. The follow-up question is that Interest rates have come down by more than 100 bps across geographies. Even if we exclude the fixed rate debt we have, the interest cost should have been reduced by 5 percent. Why is that not seen? Some part must be due to higher working capital limit utilization, but can we expect the interest expense to come

down below 150 crore Rupees per quarter in the near future? What are various options we are evaluating to reduce debt? Is there a possibility of reducing debt by 25 to 30 percent in the next 12 to 18 months? Clarity on debt reduction would immensely help the shareholders.

Srinivasa Rao

To clarify the increase in interest costs observed in the current quarter compared to the first quarter of 2025, this rise is primarily attributed to two factors. First is the Higher Working Capital Utilization that resulted in increased operational requirements which led to greater reliance on working capital facilities. Secondly, the Indian Rupee depreciated by approximately 7 percent against the Euro, which impacted our foreign currency-denominated liabilities.

As of now, RAIN's total gross debt, including working capital borrowings, stands at approximately One Billion US Dollars. With an average interest rate of 9 percent, this translates to an annual interest expense of roughly 90 million dollars. Looking ahead, we anticipate a release of working capital over the next two quarters, which should result in a reduction in gross debt by around 10 percent. Consequently, this would lead to a proportional decrease in interest costs, supporting improved financial efficiency and margin enhancement.

On repayment of principal amounts, based upon various factors, including the funds required due to the increase in capacity utilization in our Carbon segment, we will decide the required working capital and the best course of action, which includes a combination of repayment and refinancing of debt with lower interest costs in the next 12 months.

<u>Sarang</u>

The next question is: What has increased in other operating income – 220 to 660 million Rupees?

Srinivasa Rao

Other operating income includes 5 million US dollars relating to the proceeds from insurance claims for the breakdown of our Lake Charles Carbon plant during January of 2024.

<u>Sarang</u>

The next question on Capex spent for the first half of 2025 was 28 million US dollars, which looks low – as maintenance CAPEX is around 70 million dollars. What are the plans for the rest of the year?

Srinivasa Rao

As part of the cost-saving initiatives and in response to increased cash requirements to support working capital needs, we are currently focused on reducing discretionary maintenance projects, without compromising on

operational performance. We expect that 2025 CAPEX will be below the typical spending levels.

Sarang

The next question is: Can you explain the reason for the increase in goodwill by approximately 400 Crore Rupees? Where can we see the corresponding impact on the liabilities side?

Srinivasa Rao

The increase in goodwill is on account of depreciation of the Rupee against the Euro by 13 percent between December 2024 and June 2025. The corresponding impact will be in the other equity line item of liabilities (in Foreign Currency Translation Reserve (or FCTR).

Sarang

Thanks. The next question is, Other expenses haves fallen to 9,068 Million Rupees from 9,400 Million quarter-on-quarter, and 10,200 Million year-on-year. What does this comprise of, and what is the reason?

Srinivasa Rao

The primary driver for reduction in the current quarter compared to first quarter of 2025, or even the second quarter of 2024, is due to lower power, fuel, freight, repair and maintenance costs.

Thanks. The next question is, why has the depreciation expense increased by more than 10 percent in recent quarters? What was last year's impairment of 73 crore Rupees for, in terms of projects?

Srinivasa Rao

The increase in depreciation is majorly driven by devaluation of the Rupee against US Dollar and Euro compared to earlier periods. The impairment of 73 crore Rupees reported in 2024 relates to certain expansion projects that were initiated earlier which were no longer viable, due to changing market conditions. As these projects were no longer intended for implementation and related equipment has no alternate use, accounting standards require these assets to be expensed in income statement.

Sarang

Thanks. Here is our last question for today's session. Why has current tax increased so much and is 60 percent of Profit Before Tax.

Srinivasa Rao

This is a good question. As we have discussed in previous quarterly calls, our current tax expense has been influenced by regulatory limitations in key jurisdictions, specifically the United States and Germany. Under prevailing tax laws in both countries, the deduction of interest expenses in income tax filings is restricted to 30 percent of EBIT. Any interest

expense exceeding this threshold cannot be claimed in the current year and must be carried forward for deduction in future periods.

Given the recent decline in earnings in these regions, coupled with relatively high interest costs, this limitation has resulted in elevated current tax expenses in recent quarters. While the deferred interest deductions may benefit us in future quarters, the immediate impact is a higher effective tax rate in the short term.

Thank you, Srinivas, Jagan, and Gerry.

Ladies and gentlemen, this concludes RAIN's Management Q&A session for the second quarter of 2025.