



RESEARCH REPORT ON

RAIN INDUSTRIES LTD

FOUNDER : Jagan Mohan Reddy

FOUNDED : 1974

HEADQUATER : Hyderabad

REVENUE : INR 16,000 crore

DATE OF REPORT : 07/11/2024

About Rain Industries Limited

Rain Industries Limited is a diversified industrial company headquartered in Hyderabad, India. It operates primarily in three segments: carbon, cement, and advanced materials. Founded in 1974, Rain Industries has grown to become a global leader in the production of calcined petroleum coke (CPC), coal tar pitch (CTP), and other chemical and carbon-based products. Its operations span multiple countries, with a significant presence in India, Europe, and North America.

CASH CALL – BUY Rain Industries Limited

**BUY AT 160
TGT 170
SL 150**

Mr. Kundan Mishra

Research Analyst

CASH CALL

**BUY AT 160
TGT 170
SL 150**

COMPANY OVERVIEW

Market cap	₹ 5,385 Cr.
Face value(Rs)	₹ 2.00
P/E ratio	0
Book value	₹ 211
52 week high	₹ 220
52 week low	₹ 130
Return on Equity(ROE)	-10.2 %

Key Points of Rain Industries Limited

Financial Performance

Rain Industries has experienced mixed financial performance, reflecting the cyclical nature of its core industries, especially the carbon and cement businesses. Here are some financial highlights:

Revenue: Rain Industries' revenue in FY 2023 was approximately INR 16,000 crore. The carbon segment remains the primary revenue driver, accounting for over 60% of total revenue.

Profit Margins: Due to volatility in raw material prices (such as green petroleum coke) and high energy costs, profit margins have been under pressure. The company's EBITDA margin stands around 12–15%.

Debt Levels: Rain Industries has a high debt load, which it has been working to reduce. Recent efforts to refinance and repay debt have somewhat eased the burden, though the debt-to-equity ratio remains elevated.

Earnings Growth: Earnings have been impacted by fluctuating raw material costs and demand-supply imbalances in the aluminum and steel sectors, which affect CPC and CTP demand.

Stock Performance and Investment Considerations

Rain Industries' stock has been highly sensitive to the performance of its primary segments, particularly carbon products, which are influenced by raw material costs and demand from heavy industries.

Growth Potential: The company's expansion in advanced materials and Indian infrastructure growth provides potential for long-term growth.

Risks: High debt and reliance on cyclical industries add financial risk. Additionally, the carbon and cement segments face increased regulatory scrutiny over environmental impact.

Valuation: Rain Industries trades at valuations reflecting its exposure to industrial cyclicalities, and its valuation is sensitive to market outlooks for aluminum and steel.

Rain Industries Limited by Mutual Funds 6Last Quarter

	Aug 2024 No. of shares	Sep 24 No. of shares
TOTAL	54412327	62097011

NOTE:-

For schemes that have not disclosed the number of shares, the same has been calculated on the basis of the closing price of the stock on the BSE/NSE as on the portfolio date. The increase/decrease in the share quantity besides the fund buying or selling the shares from the market, could also be due to any bonus, split, rights, or restructuring in the company.

Financial highlights of Rain Industries Limited

Financial highlights refers to a section appearing in an annual report that includes a multi-year comparison of operating and business metrics. Financial highlights are often times the first section appearing in an annual report, providing investors with an at-a-glance view of the company's recent performance.

The information contained in an annual report is normally audited by the company's accounting firm and includes financial highlights, a Chairperson's Letter as well as the Form 10-K. The financial highlights section of the report usually contains performance over the last several years in addition to the percentage change in each metric overtime.

Price / EPS	294.88
EPS (TTM)	₹ 0.54
No. of Shares	33.63 Cr.
Profit Growth	91.22 %
Dividend / Yield	0.62 %
Price / Book	5.7
Enterprise Value	₹ 5,498.46 Cr.
Sales Growth	129.59%

Key Ratio of Rain Industries Limited

Key ratio of Rain Industries Limited specifically designed to help traders gauge the overall sentiment (mood) of the market. The ratio is calculated either on the basis of options trading volumes or on the basis of the open interest for a particular period. If the ratio is more than 1, it means that more puts have been traded during the day and if it is less than 1, it means more calls have been traded. The PCR can be calculated for the options segment as a whole, which includes individual stocks as well as indices.

Financial ratios are important tools for quantitative analysis. Certain ratios are available to evaluate both short and long-term financial and operational performance, making them useful at identifying trends in the business and providing warning signs when it may be time to make a change. There are also specific ratios that can measure important variables essential to one industry or another. By evaluating particular ratios, a business can benchmark itself against similar companies and understand its strengths, weaknesses, threats and areas of opportunity.

Price to Earning	-3.86
Price to Book	0.681
Price to Sales	0.345
Shareholders Equity	27.31
Return On Equity	-18.45
Return On Asset	-6.98
Net Profit Margin	-8.94
Operating Profit Margin	2.73
EBITDA Margin	3.25
Debt to Equity Ratio	1.18
Cash Ratio	0.620
Quick Ratio	1.46

Key Technical Indicators of Rain Industries Limited

Technical indicators are heuristic or pattern-based signals produced by the price, volume, and/or open interest of a security or contract used by traders who follow technical analysis.

In general, technical indicators fit into five categories: trend, mean reversion, relative strength, volume, and momentum.

Leading indicators attempt to predict where the price is headed while lagging indicators offer a historical report of background conditions that resulted in the current price being where it is.

Indicator	Value	Signal
ADX	Adx : 16.97, +DI : 21.79, -DI : 25.39	Neutral
Aroon	Aroon Up : 0, Aroon Down : 42.86	Mild Bearish
Awesome Osc	-7.89	Mild Bearish
MACD	Macd : -2.84, Signal Line : -2.97	Strong Bullish
Parabolic SAR	167.2	Mild Bearish
Rate Of Change	1.93	Neutral
Super Trend	176.17	Mild Bearish

Key Moving Average of Rain Industries Limited

A moving average (MA) is a stock indicator that is commonly used in technical

analysis. The reason for calculating the moving average of a stock is to help smooth

out the price data over a specified period of time by creating a constantly updated average price.

A simple moving average (SMA) is a calculation that takes the arithmetic mean of a given set of prices over the specific number of days in the past; for example, over the previous 15, 30, 100, or 200 days.

Exponential moving averages (EMA) is a weighted average that gives greater importance to the price of a stock on more recent days, making it an indicator that is more responsive to new information.

EMA	Value
EMA 5	162.76
EMA 10	162.94
EMA 15	164.02
EMA 20	165.13
EMA 50	167.9
EMA 100	168.13
EMA 200	167.37

SMA	Value
SMA 5	162.77
SMA 10	160.5
SMA 15	163.66
SMA 20	166.41
SMA 50	171.06
SMA 100	167.73
SMA 200	170.07

Daily Candle Stick Chart Pattern



Weekly Candle Stick Chart Pattern



Monthly Candle Stick Chart Pattern



Rain Industries Limited Mutual Fund Holdings

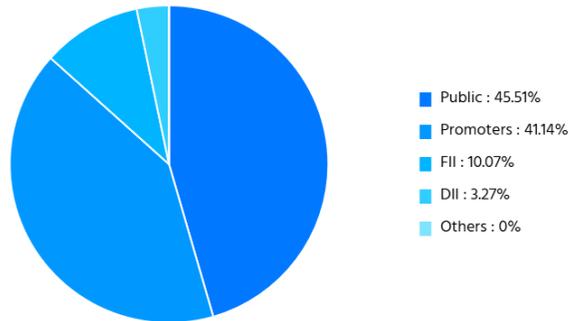
Pivot	S2	S 1	Pivot point	R 1	R 2
Fibonacci	162.06	162.96	164.41	165.86	166.76

S1 – First Support Level, R1 - First Resistance Level, S2 – Second Support Level, R2 – SecondResistance Level

Rain Industries Limited Technical Views

50 Day EMA	Close is Above EMA 50 (Short Term)	Bullish
100 Day EMA	Close is Above EMA 100 (Mid Term)	Bullish
200 Day EMA	Close is Above EMA 200 (Long Term)	Bullish
MACD (12 26 9)	MACD Line is Less Then SIGNAL Line	Bearish
RSI (14)	RSI is Below 30	Over Sold
MFI (14)	MFI is Below 20	Over Sold
CCI (20)	CCI is Below -100	Over Sold
WILLIAM %R (14)	William %R is Below -80	Over Sold
ADX (14)	ADX is Above 20 & +DI is Below -DI	Down Trend
PSAR	Stoploss For Long Buy	79.47
10 Day Avg Volume	Traded 38.38 % More then 10 Day Average Volume	

Shareholding Pattern of Rain Industries Limited



Peer Comparison of Rain Industries Limited

COMPANY	PRICE Rs.	MCAP Cr.	P/B	P/E	EPS Rs.	ROE %	ROCE %	P/S	EV/EBITDA
Rain Industries	160.09	5,384.56	5.70	294.88	0.54	5.81	6.84	43.37	128.33
Agarwal Indl. Corp	1,102.95	1,649.77	4.62	32.80	33.63	15.47	19.32	0.92	18.70
Kothari Petrochem		1,244.37	4.41	19.06	11.09	29.13	41.76	2.06	12.59
Vikas Lifecare	4.61	845.55	1.55	517.98	0.01	4.88	6.02	2.03	72.86
TN Petro Products	85	764.76	0.95	17.97	4.73	5.50	7.92	0.46	5.57
Multibase India	296.90	374.69	2.71	29.65	10.01	8.56	11.61	5.79	14.37

Share Price History of Rain Industries Limited

Date	Price	Open	High	Low	Vol.	Change %
7/11/2024	160.27	157.45	160.64	157.27	2.45M	-2.53%
6/11/2024	164.43	162.95	166.3	162.5	1.54M	1.61%
5/11/2024	161.82	162.5	163.5	160.5	727.35K	-0.36%
4/11/2024	162.4	163.95	163.95	159	1.03M	-0.76%
1/11/2024	163.65	162.5	164.7	162.01	308.24K	1.29%
31-10-2024	161.57	161.61	163.95	160.8	944.45K	-0.15%
30-10-2024	161.82	160	164.22	160	1.09M	1.11%
29-10-2024	160.04	157.3	160.64	156.5	1.42M	2.11%
28-10-2024	156.73	156.84	158.75	153.88	1.01M	1.50%
25-10-2024	154.41	158.73	158.76	151.68	2.35M	-2.33%
24-10-2024	158.09	162	162.51	157.5	1.10M	-2.37%
23-10-2024	161.92	161.3	164.35	158.71	1.41M	0.37%
22-10-2024	161.32	170	170.12	160.36	1.58M	-5.29%
21-10-2024	170.33	179.45	179.45	169.7	1.35M	-4.21%
18-10-2024	177.82	177.8	179.7	174	1.28M	-0.38%
17-10-2024	178.5	179	185	176.92	4.43M	0.14%
16-10-2024	178.25	173.1	179.4	172.83	1.96M	2.19%
15-10-2024	174.43	172.3	177.65	171.7	2.05M	1.42%
14-10-2024	171.99	173	175.69	170.83	943.79K	-0.57%
11/10/2024	172.98	175.66	175.9	172.15	1.02M	-1.53%
10/10/2024	175.66	170.85	180.85	170.85	9.54M	6.04%
9/10/2024	165.66	166.43	169	165.28	812.30K	-0.31%
8/10/2024	166.18	161.3	166.73	159.7	1.12M	2.89%
7/10/2024	161.51	172	172.7	161	1.92M	-5.62%

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