



RAJRATAN

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/25-26/

07th November, 2025

To BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400001 Scrip Code – 517522	To National Stock Exchange of India Limited ‘Exchange Plaza’, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol - RAJRATAN
--	---

Subject – Transcript of the earnings conference call for the quarter and half year ended 30th September, 2025

Dear Sirs,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call for the quarter and half year ended on 30th September, 2025 conducted on 31st October, 2025, for your information and records.

Thanking You,
Yours Faithfully

For Rajratan Global Wire Limited

Shubham Jain
Company Secretary & Compliance Officer

RAJRATAN GLOBAL WIRE LIMITED

Regd. Office: Rajratan House, 11/2, Meera Path, Dhenu Market, Indore-452003, Madhya Pradesh, India. Tel.: +91-731-2546401
Factory: 200-B, Sector-1, Pithampur-454775, Dist. Dhar, Madhya Pradesh, India. Tel.: +91-7292-253429, 253375

Email : investor.cell@rajratan.co.in CIN No. L27106MP1988PLC004778



“Rajratan Global Wire Limited Q2 FY’26 Earnings Conference Call”

October 31, 2025



**MANAGEMENT: MR. SUNIL CHORDIA – CHAIRMAN & MANAGING
DIRECTOR, RAJRATAN GLOBAL WIRE LIMITED
MR. YASHOVARDHAN CHORDIA – EXECUTIVE DIRECTOR,
RAJRATAN GLOBAL WIRE LIMITED
MR. PRANAY JAIN – CHIEF FINANCIAL OFFICER,
THAILAND, RAJRATAN GLOBAL WIRE LIMITED
MR. HITESH JAIN – CHIEF FINANCIAL OFFICER, INDIA,
RAJRATAN GLOBAL WIRE LIMITED**

MODERATOR: MR. SAILESH RAJA – B&K SECURITIES

Moderator: Ladies and Gentlemen, Good Day and Welcome to Rajratan Global Wire Ltd Q2 FY26 Post Results Earnings Conference Call.

As a reminder, all the participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Sailesh Raja from B&K Securities. Over to you, sir.

Sailesh Raja: Good evening, all and thank you for joining us for Rajratan Global Wire Limited Q2 FY26 Earnings Call.

During this call, from the management side, we will be hearing from Mr. Sunil Chordia – Chairman & Managing Director; Mr. Yashovardhan – ED of the Company; Mr. Pranay Jain – CFO of Rajratan, Thailand; and Mr. Hitesh Jain – CFO, Rajratan, India.

I would now like to turn the call to the “Chairman for the Opening Remarks” followed by “Q&A.” Sir, you may begin now.

Sunil Chordia: Yes. Thank you, Sailesh. Thank you, B&K for organizing this call. Thank you all the participants for your interest and joining the call today.

I am happy to share with you that we have posted good results. We have shown a revenue growth of 20% this quarter. There is a substantial volume growth in this quarter both in Thailand and in our India business and led by that growth, we have posted EBITDA, which is close to Rs.40 crores in this quarter and highest ever since crossed 32,000 tons in one quarter. And, all this is possible because of our Chennai plant getting more and more approval and there is a good traction in global market also for Rajratan to export more in the coming quarters and I think we have left behind the worst quarter, which was last and going forward, you should be able to see better performance of your company.

With this, I am open to answer your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Sanjay Shah from KSA Securities Private Limited. Please go ahead.

Sanjay Shah: Thank you for the opportunity. Good evening, sir and congrats on great set of numbers. Sir, continuing to your last sentence about export, can you highlight what was the export volume from

Chennai in first half of '26 and what is the total target of '26 and '27, and what are the primary markets that we are targeting?

Sunil Chordia: Yes, so currently, our total export to markets other than India and Thailand is around 2,200-2,300 tons per month, which is also divided into around 1,200 tons from Thailand location and 1,000 tons per month from India. And within India also, roughly it is 50-50. So, we are doing around 500 tons of export from our Chennai location and around 500. And all these decisions are based on the availability of containers, availability of the competitive freight rates and all this. And primarily the exports are happening in Southeast Asian market, which are Sri Lanka, Indonesia, Malaysia, Vietnam, and many more locations in Asia. We continue to export to Europe, which we had developed post-COVID, and we are also exporting quantities to North American market. And there is a mix of export from both the locations, from Thailand and India.

Sanjay Shah: So, then what we can do in next H2 and next year, sir, export, what are the targets?

Sunil Chordia: As you know, we have a setup in America now, we have a setup in Europe, we are shortly engaging more people in Asian market. Okay? And our plans are to at least reach a total export of around 40,000 tons in next financial year FY27. So, that is the plan we have made.

Sanjay Shah: Right, sir. So, my second question was regarding our realization, which has gone up in India as well as from Thailand by 6 to 7 Kgs in India and 10 per Kg in Thailand. So, are these sustainable and what should be the sustainable number you feel which we can do? And what are the reasons for this higher realization?

Sunil Chordia: So, I think I am not confirming these numbers of higher realization, but yes, this gross margin is sustainable. Okay? There can be some pressure on gross margin if there is a change in the raw material price. Currently, the raw material prices are softer. So, we are able to maintain this. Otherwise, there may be a lag of one quarter if there is a sudden change in the raw material price. But we are currently operating at a very competitive market. Okay? So, these prices are after factoring in all the competition from other players in the business.

Sanjay Shah: Right. In last quarter only you alluded about the higher imports from China both in domestic as well as Thailand. So, currently, what is the status and how competitive we are in India?

Sunil Chordia: In India, there is not much of import from China. Only a few customers are able to import. But in Thailand, we are competing with Chinese import and we are profitably competing with them and growing also.

Sanjay Shah: So, in India, new capacity from Tata and other companies are coming up -

- Sunil Chordia:** So, in India, as you know, Tata has also increased capacity. Our other competitor, Arti Steel has also increased capacity and Bansal Wires, they have also put up capacity. But Rajratan being present in this business for a long time because of our knowledge of this business, our product quality and our strategic locations, Chennai and Indore, I can say we are ahead of our competition.
- Sanjay Shah:** So, price parity is coming near to the competitor, we are getting better off?
- Sunil Chordia:** No, price differentials are there depending on the customer. Earlier we were not selling quantities to North Indian market, which is low price market where approvals are also not required. But with Chennai in operation, a lot of our customers will be fed from Chennai, and we will have open capacity available in Indore plant, which will start selling to customers in West and North of India.
- Sanjay Shah:** So, my last question is about non-auto business opportunities for bead wire in overseas and domestic market?
- Sunil Chordia:** So, there are not many opportunities like that. Mainly, we are exporting bead wire only for now. And in India, we are doing some business which is a non-tire business. So, that is a constant business we are doing.
- Sanjay Shah:** I will come for a few more questions in queue. Thank you very much.
- Sunil Chordia:** Thank you Sanjay ji.
- Moderator:** The next question is from the line of Rishabh Gang from Sancheti Family Office. Please go ahead.
- Rishabh Gang:** Hello, sir. Thank you for the opportunity. Good set of numbers. Wanted to understand more on how are the export volumes shaping up especially for the premium customers in the US and Europe? And if you can provide a breakup of like from where are we exporting to the US and Europe? A follow up on that is, wanted to understand more on the size of opportunity at customer level in the US and Europe? So, if we can explain for any one customer, names are not needed, like in general, how much bead wire they will be consuming per annum in these geographies, US and Europe and how much are we supplying them currently to understand what is the potential to grow, to supply more premium bead wire to these geographies?
- Sunil Chordia:** I am afraid we will not be able to give you very specific information, but Yashovardhan will throw some light on this market and opportunity, because he is responsible for global market.
- Yashovardhan Chordia:** Yes. So, in the last two quarters, we have transitioned into supplying bulk quantity trial lots to many customers. So, we were in an approval phase earlier, which has now converted to bulk trial.

Eventually, we are hoping that this volume should increase further this year. And the plan that we have for next year's export business is also dependent on these approvals, which has already happened. Just to give you a perspective, one Japanese MNC, who we are approved with now in Europe, probably buys about 3,000 tons to 4,000 tons a month. And there we have started supplying probably 5% to 8% of the requirement. So, the headroom at these counters is quite a lot.

Rishabh Gang:

This is very encouraging, sir. Also, wanted to understand any senior management hire or hire that we have done for especially for the exports as well as for the Korean customers? So, I remember that you mentioned that the volumes were not moving up in some quarters ago. So, any action that we have taken to improve volumes to the Korean customers?

Yashovardhan Chordia:

To be honest, the action that we have taken is we have shifted our focus to the other customers. Korea seems to be slightly overcompetitive market situated very close to China. The logistic cost from China is also very less. And probably we are seeing that those companies, the approval and scaling up is very slow. We are still in discussion with them. It is not that something has stopped, but the kind of trajectory which we were expecting that has not happened. But contrary to that we have got that growth trajectory from the companies in Europe and America. So, probably there are many counters that we are working at. Some would be slow, some would be fast, and some we would have to shift our focus from. So, that is the plan that we have.

Sunil Chordia:

And I would like to add here that serving to Korean customers was resulting into tougher competition with two Korean multinational companies who supplied bead wire to them. Okay. That is let me tell you that is becoming very difficult and that is our learning also in the last two years.

Rishabh Gang:

Absolutely. That makes sense. For the Indore plant, I think, like, have we witnessed any volume decline, because we are shifting the more volumes to Chennai as well as we wrote this point that liberated the Pithampur plant to seek alternative and more profitable markets? So, when we say more profitable markets, what do we mean, like which markets are we supplying from Pithampur?

Sunil Chordia:

No, when I say more profitable, it does not mean only profit in terms of price. We were not able to supply to the customers in this part of the country, North India and West because of non-availability of capacity. So, there is no decline in the capacity in Indore. There is a shift in service from which location we are serving. So, we were serving big volumes to South Indian customers from Indore, which is now moving to Chennai location, and we will have capacity available. So, we are using that capacity for export and also to service to North Indian customers. And in our business, more volumes means lower cost of production. So, that is where we are confident of keeping our profitability intact in spite of competition and in spite of higher volume to the lower cost customers.

- Rishabh Gang:** Absolutely, sir. The 91% Thailand utilization was very encouraging. On Chennai, I wanted to understand, let us say, how much offtake per client has increased, right, because of Chennai being very proximate to them, as well as what is the status on the PLI for Chennai, like, did we do 14,000 tons in FY25, like, how is it PLI thing moving for Chennai?
- Sunil Chordia:** Yes, so volumes are shifting to Chennai-based customers. So, I will say currently we are supplying 50% of what we were supplying from Indore. So, 50% of that quantity has moved to Chennai. So, more and more of that will happen. On PLI, we could not do 14,000 tons as committed with the PLI agreement. We have done less than that. But we have applied for revision in the production volumes year-on-year and we are chasing with the department we are representing to the government to allow us change in the year-on-year production targets and I hope that will happen. But in all of our projections, we are not including PLI as a gain up till now. That will happen only if we get approval of the change in year-on-year production targets.
- Rishabh Gang:** So, any PLI incentive will be incremental to the margins?
- Sunil Chordia:** Correct.
- Rishabh Gang:** So, when I ask you about the volumes, let us say we are supplying 100 units to Company A, which is near Chennai, right, earlier, before Chennai plant was there. So, now Chennai plant has come. So, how much additional volume are we able to get from customers which are near Chennai? That was my question, increasing volume share, if you can illustrate the number maybe?
- Sunil Chordia:** Difficult to say. We have grown our business with them. If I compare from my last year, because our understanding with these bigger clients is on an annual basis. So, our business with these companies have grown from anywhere from 10% to 20% in first three, four, five companies and then we have a plan to offer them some value addition, like we are offering them to keep minimum inventory and we will take the responsibility of supplying them just in time, which will be possible because we are surrounded with 10 tyre manufacturing locations, but all this will take some time.
- Rishabh Gang:** Excellent decision on the location, sir. One question I have been reading competitors investor presentation, they entered into the steel tyre cord, and I read that somewhere it is 20% kind of margin. So, I wanted to understand, like, do we also think about entering into other products which we can sell to tyre companies? And as a percentage of the total tyre cost, like can you give us some idea on how much of the steel tyre cord constitutes?
- Sunil Chordia:** I will answer all the three questions. So, our back-of-the-envelope calculation does not show that it is a 20% margin business, one. Number two, it is a very difficult business. Investments are very high and approval cycle is much longer than bead wire. So, we will not dare to enter that business

without a very, very strong partner, who takes the responsibility of making the right product and making and getting the approvals quickly. Okay. So, that is our plan. So, right now, there is nothing such happening in Rajratan that I can tell you about tyre cord. Number two, tyre cord is about 10% to 12% of the tyre input against 3% to 4% of bead wire. So, yes, consumption is high and it is a bigger, raw material for tyre industry.

Rishabh Gang: Got it. I have a few more questions. I will come back in the queue. Thank you so much for the opportunity.

Sunil Chordia: Thank You.

Moderator: The next question is from the line of Arnav Sakhuja from Ambit Capital. Please go ahead.

Arnav Sakhuja: Hi. Thanks for taking my question. So, with regards to your other expenses, there was an increase of around 60% year-on-year. So, just wanted to understand that a bit from you?

Sunil Chordia: So, these other expenses are related to expenses in Chennai, because till last year, a lot of expenses were capitalized, but we have shown fully commercial plant operating now. So, all those expenses have come to P&L. Number two, this also has a lot of freight outward cost for exports we are doing. So, around Rs.11 crores is the freight outward cost, then there is a higher cost of power and fuel by around Rs.9 crores and many more such costs. So, there is nothing extraordinary about it. This other manufacturing cost will come down drastically as the volume in Chennai picks up. So, the cost is not proportionate to the volume right now, because Chennai is still operating at lower production.

Arnav Sakhuja: And you were mentioning the PLI benefit earlier that to the volume division from this PLI perspective. So, if the PLI benefit comes through that, I mean, could you quantify what the benefit would be?

Sunil Chordia: As per the agreement with the Ministry of Steel, we are supposed to get 8% of incremental sales every year.

Arnav Sakhuja: And my last question is, could you please give a bit of an outlook into the tyre industry?

Sunil Chordia: So, I see tyre industry doing very well, they are also growing, but their growth is 5% to 8%, not more than that and I also see that tyre industry is able to export also. So, the projections they have given us is in that range of growth for next year also.

Arnav Sakhuja: Okay. Thank you for answering my question.

- Moderator:** The next question is from the line of Bhargav from Ambit Asset Management. Please go ahead.
- Bhargav:** Good afternoon, sir and congratulations for a good set of numbers. Sir, my first question is that given that our utilization in Chennai is now closer to 60%, what is the timeline and CAPEX for the second phase of expansion if you can elaborate on that?
- Sunil Chordia:** So, we have already decided to invest in the balance CAPEX, which is maximum Rs.20 to 25 crores, which will be sufficient to bring the modular machines to increase the capacity to 60,000 tons and we are placing all the orders in a phased manner to reach us in next one year time. So, some of it will be available for beginning of the next first quarter of the year and some will be available for second and third quarter. Because we have an aggressive sales plan from Chennai also, we want to not limit it because of the capacity, and it is a small investment which is required. So, we have decided to go ahead with this.
- Bhargav:** Secondly, given that from Chennai we are closer to the customer, the location as well as in terms of raw material sourcing also, we are now closer, is it fair to say that the freight savings once the Chennai plant operates at full-fledged could be about 1.5% to 2.5% both inward and outward as a percentage of revenue?
- Sunil Chordia:** Yes, but we are not committing that as an improvement in bottom line entirely. Some of it will have to be passed on because of competitive market. Okay? But definitely you can see the glimpses of the right decision we took to be in Chennai. Chennai on a monthly basis has become profitable and going onward, this is to improve further.
- Bhargav:** And sir, in terms of Thailand, given that it is operating at almost 90% utilization and we are making inroads into the premium customers as well, any plans to increase capacity there or we will use the Chennai facility to target those customers?
- Sunil Chordia:** So, when we say Thailand is 90% utilized, we are doing some de-bottlenecking, making some little more investment, doing some more work to increase the capacity by another 10%, which will be possible in the same location. Beyond that, we do not have the space there. Okay? So, the next move will be moving from low-priced customer to better-priced customers. That will be the next year. When Yashovardhan gets major approvals in the multinational counters, the volumes to Chinese companies will reduce and volumes to those multinationals will increase. So, that will benefit the bottom line of the company. So, for now, this is the plan. And there is no possibility of increasing capacity further in that location.
- Bhargav:** Understood. And lastly, in the presentation, you mentioned that despite a significant improvement in Thailand in terms of pricing, you expect this to sustain or maybe in a band of about 10%-odd

here and there. So, that confidence comes from the fact that you are seeing good visibility from your premium customers, is that the reason why you are sort of confident on this realization in Thailand sustaining more or less?

Sunil Chordia: Yashovardhan or Pranay, you should answer this.

Yashovardhan Chordia: Yeah, so you know, like I mentioned, because now good amount of volumes have started going and the negotiation with premium customer is always annual. So, we have much better visibility with these counters, and the discussion is always for the entire year's business, which we have had for 2025, and now we are in the process to do it for 2026. So, the discussions are quite encouraging, and we are confident that these volumes will increase and will sustain.

Bhargav: And one clarification on this that if there is a bilateral trade agreement which happens in the US maybe in the future, will that also include our category or our category is sort of excluded as of now?

Sunil Chordia: Bhargav, this product is excluded. This falls under Sec. 232. So, there is no adverse impact of reciprocal duty. Whatever duty is there across the board for all the countries is there and it is a little higher on China. So, as of today, we do not see any change in the duty structure because of the trade agreements with India or any other country.

Bhargav: So, sir, this 25 taka, if it becomes 20 taka, it applies to us also, meaning the tariff of 25%?

Sunil Chordia: No, no. Not 25, it will become 50. Okay? But that is across the board for all the countries.

Bhargav: Okay. Great. Thank you very much and all the very best.

Moderator: The next question is from the line of Ritesh Shah from Investec. Please go ahead, sir.

Ritesh Shah: Yes. Hi, sir. Thanks for the opportunity. So, my question is, with a five-year view, how should we look at the company? You indicated that we will go ahead with Chennai Phase-II. I think you know That is one. But beyond that, how should we look at the company, sir?

Sunil Chordia: Yes, Ritesh, difficult to talk five years view in this volatile market. In five years, businesses close down, new ones start, unicorns come. But I can tell you three years view, which is we are very confident of that Rajratan will be doing a business of around 190,000 tons or 180,000 tons with a top line of close to 2,000 tons. This plan is intact. Okay? Beyond that, maybe we walk a little further and we will see some visibility.

- Ritesh Shah:** Okay. And my second question is related to this one. When we say Chennai Phase-II expansion, what will be the process in securing approvals, basically stabilization of the plant -- will it be as easy as the first one or is it like we have done all the hard work, Phase-II expansion would not have any of those hiccups?
- Sunil Chordia:** No, those hiccups would not be there if we are expanding in the same location. Okay? So, we would not have to go for a new approval. But if we see the market growing that fast, we see the customers demand, which can absorb doubling the capacity there, we are ready to do that with a very low cost investment. But as of today, I do not see that happening in maybe three years time. So, three years are too long to predict that.
- Ritesh Shah:** Okay. That is helpful. And sir, my second question was on Thailand operations. I would presume there would be some benefit of FOREX in the reported rupees per ton implied number that we see for Thai operations on consol minus standalone. Sir, how should we understand the FOREX impact over here? Are there any tailwinds or basically if you look at Thai Baht, it moved both ways during the quarter. And if there are exports out of Thailand, probably in dollar terms, we would have some gains probably over there. So, net-net, sir, if you could help us understand how to look at those numbers?
- Sunil Chordia:** Broadly, we are not doing any hedging as of today because we do import from China in dollars and we export out of Thailand in dollars and there is a natural hedge available. Whatever foreign currency impact you see of valuation is because of our investment in Thailand and that relationship is changing. But Pranay, can you say more on this or Hitesh?
- Pranay Jain:** Sir, as part from Thailand, I agree with you and this is the only practice which we are following. There is a natural hedging on receivables and payables. But we do monitor if there is something changing related to FOREX. We are sometimes taking action and we are hedging ourselves also if it is really necessary.
- Sunil Chordia:** Ritesh, very difficult to give projections on foreign currency gains or losses.
- Ritesh Shah:** Done, done, done. Perfect, sir. Thank you so much for the answers.
- Yashovardhan Chordia:** But Ritesh, the improvement in realization that you see is also because, there is some downward trend on the raw material cost. But, we are not looking at it as reduction in raw material cost. The actual scenario is that we were able to improve our realization because the proportion of sales to premium customers increased. So, that is also one of the major reasons for the realization improving in Thailand.

- Ritesh Shah:** Sure. Sir, I will just take a third question. Sir, how should we look at the timelines for Phase-II Chennai expansion and the ramp up of Phase-II at Chennai?
- Sunil Chordia:** I already told you. We are ordering all the required equipments and that should be available beginning of the first quarter of next financial year and complete in the second quarter. So, next year plans for Chennai are big. So, we need to have the capacity in place.
- Ritesh Shah:** Okay, sir. Thank you, sir. Thank you so much.
- Moderator:** The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Namaskar, sir and thank you firstly for the opportunity. Sir, can you please point out the tonnage from Chennai for Q1 and Q2?
- Sunil Chordia:** Hitesh, will you answer this? You have the numbers.
- Hitesh Jain:** For Q2, sales tonnage 4,768 metric tons and Q1 2,485 metric tons.
- Saket Kapoor:** So, when we are comparing Q1 versus Q2, there is an incremental 3,855 metric tons. So, the entire contribution is from the Chennai unit only?
- Sunil Chordia:** And you will see more of it is coming.
- Saket Kapoor:** Okay, sir. Sir, what was the number you gave for export from Chennai for the entire year? I missed that tonnage.
- Sunil Chordia:** So, around 6,000-7,000 tons for this year.
- Saket Kapoor:** And sir, you just mentioned a figure, tonnage of 1,80,000 tons for the three-year vision and Rs.2,000 crores top line, this is what you mentioned, sir?
- Sunil Chordia:** Yes, close to that. 1,80,000 tons of bead wire and other products may be 15,000-20,000 tons, that makes it close to 200,000 tons because we are also investing in a wire rope facility and that will also add 10,000 tons. So, let us see.
- Saket Kapoor:** Okay, I was coming to the wire rope part only, sir. What is the progress on that and how are we progressing?

- Sunil Chordia:** So, it will take another six months to complete. We are making up a new building. Machines are already at site, stored in a godown, but we had to make a new building for accommodating all that layout and machines and we will start production in the first quarter of next financial year.
- Saket Kapoor:** So, when we look at our cash flow, for the first half under the plant, machinery and property, we have invested around close to Rs.31 crores. So, can you quantify where this money has been spent, 30 crores, 72 lakhs?
- Hitesh Jain:** Rs.29 crores in wire rope plant at Pithampur.
- Sunil Chordia:** And some in the balancing equipment in Chennai maybe.
- Saket Kapoor:** And for Pithampur, is it the efficiency one, can you quantify where this money has gone?
- Sunil Chordia:** No, no, it is for the new project.
- Saket Kapoor:** Okay, sir. Sir, can you elaborate slightly more what are we setting up?
- Sunil Chordia:** No, we have talked about it in the past also. We are doing a pilot project of wire rope business, which is 10,000 tons per annum capacity. If we are successful in this business, then maybe after two, three years, we really want to invest in a bigger capacity. So, as of today, because we had the space available, we had the capability, people were available, we decided to put up this in the mother factory at Pithampur. So, for longer run and for global market, Indore may not be the right location, but all those decisions will take maybe two years from now.
- Saket Kapoor:** Okay. So, the entire Rs.29 crores is attributed towards the wire rope facility?
- Sunil Chordia:** Yes. And more of investment is required, which will be in the coming months.
- Saket Kapoor:** Okay. And what will be the total CAPEX we have envisaged for this project?
- Sunil Chordia:** Rs.70 crores for this project.
- Saket Kapoor:** And this is only the plant and machinery part, since land is there co-shared by the –
- Sunil Chordia:** No, no, no, total investment is around Rs.70 crores, out of which plant and machinery majority has already come.
- Saket Kapoor:** Okay. So, now we need to reinvest in land?

- Sunil Chordia:** No, land is already there. We had our company land. So, new building, other infrastructure, power, electricals, material handling, all this will be done now.
- Saket Kapoor:** Okay. When we look at the realization part, that is trending lower only. So, if you could just give some colors for the domestic entity on a consolidated level also? So, just a color on the market and what are we anticipating in terms of realizations going ahead?
- Sunil Chordia:** So, as I told you, we are working in a competitive market. You see realization lower because the raw material prices have also come down. Okay? So, there is a huge correction. Prices of steel products remain softer, so, the price of bead wire, but we are happy with this realization and we have enough plans to improve on our cost to continue generating satisfactory EBITDA number and profitability.
- Saket Kapoor:** And last point is in the cash flow, we see that the net of income tax paid for the first half on a standalone basis is lower than what we paid for the last year first half. So, does that include some regarding the Chennai operation unabsorbed?
- Sunil Chordia:** Actually, Chennai operation depreciation will save us on income tax, because this year we will claim full depreciation on Chennai operation, so, the income tax liability will reduce.
- Saket Kapoor:** But going ahead, we will be seeing improvement in the tonnages from the Chennai unit, this is what the roadmap for H2 looks like?
- Sunil Chordia:** Yes. Sure. Sure. Yes, you are right.
- Saket Kapoor:** And sir, thank you for this very detailed and crisp investor presentation that answered and gives the information in the much needed way. So, please continue with the same and all the best to the team.
- Moderator:** The next question is from the line of Preet from InCred AMC. Please go ahead.
- Preet:** Thank you for the opportunity, sir. Congratulations on the stellar performance. Sir, I would like to know about the realization which we get in India market as well as export market, what would be the difference? We are being continuously telling that we will be supplying to premium customers. Just wanted to know about the realization difference which we get? And also if we could talk something about EBITDA margin which we make in India and what kind of EBITDA margin we make while we export the same product?
- Sunil Chordia:** So, there is a big price differential in the market. Multinational companies, we get better price. In India also, there are cycle market where the realization is very low. So, the price differential in our

product is quite of ranges between, plus/minus 8-10%. So, very difficult to tell you. What you see in the profit & loss account or balance sheet is a total number divided by tonnage, which is average price which may be a misleading figure. In the international market again the same scenario. If we are supplying to a Chinese customer, prices are very low. If we are supplying to a European or a North American customer, prices are better. So, what you see here is a total average price. Very difficult. On EBITDA, we are confident of continuing with the same margin or some improvement from here because there is a lot of improvement in the cost possible with increased tonnage. So, our costs are likely to come down substantially in the coming months. Part of that will have to be passed on to customer. But there is a likelihood of improvement in the EBITDA margin also.

Preet: Got it, sir. Sir, I can understand that it would be difficult to mention about the realization exactly. But, if you could just tell the ballpark difference between Chinese customer which are the lowest realization and the premium customer which we have started like in Europe and North America, what would be the difference of the realization between them?

Sunil Chordia: From \$800 to \$1,050.

Preet: It is 25-30% kind of difference?

Sunil Chordia: Yes.

Preet: And also on the thing that now I have heard about the policy of anti-involution which has been played in China. So, this is the reason why they are not dumping now in Thailand or is there any other reason why we are getting better realization as well as volume are increasing in Thailand plant?

Sunil Chordia: No, it is only because of increasing volume. Chinese have not stopped dumping. They are as competitive as they were. But fortunately, our cost structure is also very competitive and we are able to compete with Chinese suppliers in Chinese tyre companies. So, we are making little profit but we are able to supply them. And increasing volume in our business gives you a overall improvement in the cost. So, we have decided not to reduce the production, but continue with full production and keep supplying wherever we have little contribution.

Preet: Got it. And we do one more business apart from bead wire, some wire rope I do not remember the exact name. What would be the volume for this quarter and what kind of volume we are expecting for this year from that particular segment?

- Sunil Chordia:** It is going to be around 12,000-15,000 tons. We are not doing any new investment in that and that will be maintained at that level. So, we have some spare capacity which is profitably being used. But there is not much focus on that and there is not much scope in the coming years.
- Preet:** And have we seen any margin improvement in that particular segment or that are in the line with 6-7% which we used to do earlier?
- Sunil Chordia:** Yes, it is same. But it helps us reduce the overall fixed cost.
- Preet:** Understood. One last question is on the CAPEX front. We have told that we are making into that wire rope business and we would be doing around Rs.40-50 crores of more CAPEX in coming half. So, total CAPEX if I am not wrong, you have guided in some of the conference that it will be Rs.100 crores for FY26. If you can guide on similar basis what are you expecting on FY27 basis, what would be the CAPEX total?
- Sunil Chordia:** FY27, we do not see much happening except Rs.15-20 crores which will be balancing equipment in Chennai and maybe some balancing equipment for wire rope business in Indore location and some de-bottlenecking in Thailand. So, you can call it maintenance CAPEX which will happen. But not more than Rs.20-25 crores max. We have not worked out yet. But it is going to be approximately this only.
- Preet:** Got it. Sir, one last question on gross margin side. For this quarter, we have seen a very much improvement in gross margin due to Thailand. So, from the three years point of view which we have guided like 180 tons of bead wire and Rs.2,000 crores with improving EBITDA margin what we have done in this quarter. What kind of gross margin can we think from a year point of view that would be sustainable -- would it be the current level of 42% or we see around 38-40% which we have been doing in the last three quarters?
- Sunil Chordia:** 38-40% we never did. Something wrong in your data. So, again this percentage will change with the change in the price. So, I think for now you can assume the same EBITDA level and do your calculation or you can get this information later on.
- Preet:** Got it, sir. Thank you, sir.
- Moderator:** The next question is from the line of Vinit Thakur from Plus91 AMC. Please go ahead.
- Vinit Thakur:** Hi, good evening sir. I have a couple of questions. So, could you give me guidance regarding the revenue for the next two years?

- Sunil Chordia:** Sorry, come again.
- Vinit Thakur:** I would like to know the guidance for the next two years sir, what revenue are you expecting this year in FY26?
- Sunil Chordia:** So, we have plans to grow in 15-20% volume growth in next year also, like 15% this year, 15-20% next year depending on the price, similar top line growth.
- Vinit Thakur:** Similar top line growth of 15-20% from last year FY25?
- Sunil Chordia:** Yes.
- Vinit Thakur:** Okay. So, what is our consolidated realization on a top line basis per ton?
- Sunil Chordia:** So, in India it is around Rs.88,000 to Rs.90,000 per ton and in Thailand it is around Rs.80,000 to Rs.83,000 per ton.
- Vinit Thakur:** Okay. And sir, what EBITDA margin are we hoping -- are we able to bounce back to our old margins around 17% or it is going to stay at 14% for this year as well?
- Sunil Chordia:** No, it will range between 13-15% because anything beyond 15% requires a tailwind and we cannot predict a tailwind. Okay.
- Vinit Thakur:** Okay. That is about it, sir. Thank you so much.
- Sunil Chordia:** Thank you, Preet.
- Moderator:** The next question comes from the line of Rahul Kothari, an individual investor. Please go ahead.
- Rahul Kothari:** Hi, good evening, sir. My question to Mr. Yashovardhan. So, do we see any export opportunity in the markets other than US, Europe or South East Asia like Middle East or Latin America?
- Yashovardhan Chordia:** So, when we talk of America broadly, it also covers Latin America. So, we are looking at a few counters there. Other than that, Middle East does not have too much of tyre production and countries like Iran have it but there are some sanctions on those countries. One potential that we are evaluating is increasing our sales to or probably look at counters in Japan. But it is too early to comment or it is too early to predict that market right now. But that is what we are looking at for the next two years of growth.
- Rahul Kothari:** Okay. Thank you.

- Moderator:** The next question is from the line of Rishabh Gang from Sancheti Family Office. Please go ahead.
- Rishabh Gang:** Thank you for the opportunity. Sir, first question was on the wire rope. We had talked about a Rs.50 crores kind of CAPEX for that, right? You mentioned Rs.70 crores today.
- Sunil Chordia:** No, total Rs.70 crores. I think we have been saying that only.
- Rishabh Gang:** Okay. My mistake. Sorry. On the competition front, how are we seeing the competition dynamics in Thailand? I read somewhere that there is this company called as Xingda. X-I-N-G-D-A -
- Sunil Chordia:** That is a Chinese company. Yes.
- Rishabh Gang:** They claim to have 80,000 tons bead wire capacity in Thailand. So, like, have they reached a commercialization stage, because I read it somewhere on their website? Second was on our customer mix. We say that we will sell more to the premium customers such as MNCs in Thailand. So, how hard it is to get the approval for these MNCs such that, what is the mode that we have against Chinese players also getting access to these premium customers?
- Yashovardhan Chordia:** Yes. So, Xingda is there in Thailand since last probably eight years. But they only manufacture steel cord, they do not make bead wire. A few years back, I think around pandemic, they had announced to put up an investment in Thailand. But it never took off. That is what we know. But if there is any information, probably you can share with us. So, that is about Xingda. Regarding MNC, the approval cycle is long, definitely. What gives us an advantage is we are a local supplier or a local producer in Thailand. So, our service levels and our discussions with the customers are all based on providing them an added advantage of being a local producer. Chinese suppliers are already present in these companies. So, it is not that Chinese are not supplying to them. But probably, definitely, Rajratan has an edge because we are there in Thailand.
- Rishabh Gang:** Got it. Sir. Also, sometime back you had mentioned that Chinese government has stopped the export rebate. So, there is no such export incentive by Chinese government to bead wire manufacturers currently also, right?
- Yashovardhan Chordia:** Yeah, it is not there, it is still there on steel cord, but it is not there on bead wire anymore.
- Rishabh Gang:** On the BIS regulation, right, I understand that this BIS regulation do not easily go to the players in China or maybe last time you mentioned Rajratan Thai wire. So, is it still as hard as earlier to get this BIS regulation?

- Yashovardhan Chordia:** Yes, it is still hard. We are done with our inspection, but still we have not received the license. So, probably getting BIS approval for bead wire still seems to be a struggle.
- Rishabh Gang:** So, that is actually beneficial to us when we compare to China and India?
- Sunil Chordia:** Yes.
- Rishabh Gang:** Got it, sir. My last question is on the working capital, right? So, how do we see our working capital days panning out considering both that we sell more from Chennai as well as we increase our exports because we have higher inventory days and receivable days.
- Sunil Chordia:** So, it is because of our higher sales to global market. So, say for example, if we are shipping to a customer in US, it takes about 45 to 60-days transit time and he pays after 60-days. So, the real credit cycle goes up to 120-days and in some cases 150-days also. So, you have seen historically we were operating at 70-days working capital cycle which has gone up to 90-days. And it is only because of that there is no change in the customer profile or credit days in local Thailand or in India. It is purely a factor of higher export to long-distance customers.
- Rishabh Gang:** Got it, sir. This is very helpful. If you can quantify on the time it actually takes for the approvals to come, right, for a normal tyre manufacturer and let us say a very premium MNC customer, because we keep on reading about this, but I never get the number of months, so, if you can tell about that?
- Sunil Chordia:** If everything goes, multinational companies anything from two to five years, okay and with local big companies like MRF who is sitting close to you, anything from one year to three years. But one year is the minimum time for any good customer.
- Rishabh Gang:** Thank you so much, sir. This is very helpful. That is it from my side.
- Sunil Chordia:** Thank you, Rishabh.
- Moderator:** The next question is from the line of Nikhil Joseph, an individual investor. Please go ahead.
- Nikhil Joseph:** Hi, sir. Good evening. Thank you for the opportunity. So, I just wanted to ask you in terms of the Thai plant. As you just mentioned on this call, since we are very competitive there despite Chinese competition, so, what is it that is going right there? And my question is currently although India does not see a lot of import from China. But suppose that changes in a significant manner after a few years, will the Indian plants also be as competitive, what are the factors actually differentiating?

- Sunil Chordia:** So, you asked two questions. So, the good thing in Thailand business is that we are exporting to better customers. We are selling bigger quantity to multinational companies where prices are better. And number three, our volumes have grown in Thailand. So, any volume growth in business gives you a better cost of product and better gross margin also. So, this is about Thailand. In a hypothetical question if China enters India, if the quality control order is done by the government freely allows the Chinese. So, they will also allow Chinese wire rods to be supplied to us. And if we get Chinese wire rod, our conversion cost will be as competitive as any Chinese player. So, I think with bigger capacities, like 60,000 tons in one location will be equally competitive from both our locations which are strategically closer to the consumer.
- Nikhil Joseph:** Understood, sir. Thanks for that. And just one last thing. You had mentioned that the overall industry is also putting up capacity. So, what is the total industry capacity right now and what is it that is coming up in the next one or two years? And how do you expect it to impact the margins or any other operating metrics?
- Sunil Chordia:** No. So, as I told you, the total Indian market to our calculation is around 160,000 tons to 170,000 tons per annum and installed capacity is much higher. But, that is on paper. Viable capacity is a capacity which is approved by the customers. So, there is a difference in the installed capacity and viable capacity. So, that is how it is. Companies have invested in three, three lines, but they are lying idle. So, this is about it.
- Nikhil Joseph:** Got it, sir. So, if I understand, probably these guys are not getting approval, which is why they are not producing. Do we see them getting approval, say, down the line with a two, three year lag to us or that is not really how it works?
- Sunil Chordia:** No. If they sustain these losses for two, three years, yes, they will learn, they will improve the product quality, they will get the approval also. I keep saying that smaller capacities are not viable because your cost of production goes very high and bigger capacities are not sellable because there is no customer without approval.
- Nikhil Joseph:** Got it. Got it, sir. Yes, that is very helpful, sir. Thank you and all the best.
- Moderator:** The next question is from the line of Radha. Please go ahead.
- Radha:** Hi, sir. Thank you for the opportunity and congratulations for significant improvement and performance. Sir, I wanted to know what is the total employee headcount for Chennai facility and also for Indore? And if Chennai phase-II comes on stream, how many more employees do you plan to add?

- Yashovardhan Chordia:** Sorry, you were asking about the Chennai employees, right, when we increase capacity?
- Radha:** Chennai and Indore currently. And for phase-II team Chennai, how many more are you planning to add?
- Sunil Chordia:** In Indore, we have around 250 people and in Chennai, currently we have 180 people working and management have given an approval to go up to 210 people with full capacity of 60,000 tons installed.
- Radha:** Okay, understood, sir. Sir, if the Chennai plant is ramped up further over the consequent quarters, so the Indore utilization will gradually come down. So in the interim because of this, just wanted to understand what is the total fixed cost for metric ton in Indore versus Chennai?
- Sunil Chordia:** But right now, Per metric ton is Rs.8,000 rupees in Indore and it is much higher in Chennai because the volumes are very low. But I do not see possibility of Indore volume coming down, because we will be exporting from here and we also have customers whom we were not supplying because we were short of capacity.
- Radha:** Could you tell it in terms of fixed cost per month in rupees?
- Hitesh Jain:** In Indore, fixed cost per month is Rs.4.55 crores per month, in Chennai, Rs.2.33 crores per month.
- Radha:** Okay, sir. And what is the tax rate in Chennai, sir?
- Sunil Chordia:** There is no separate tax. The results are with the same company. It is the unit #2.
- Radha:** So, the PLI is the total tax benefit. So, it will be 26% only?
- Sunil Chordia:** Yes, yes. It will be on the balance sheet. Tax will be on the total consolidated merged number of Chennai and Indore operation. So, there is no separate tax on Chennai.
- Radha:** Okay, sir. Okay. Thank you.
- Sunil Chordia:** Radha, you can connect with Hitesh if you want more numbers.
- Radha:** Okay, sir. Thank you so much and all the best. Thank you.
- Moderator:** The next question is from the line of Preet from InCred AMC. Please go ahead.

- Preet:** Yes. Thanks for giving me opportunity once again. There are only two questions. I need some clarity. You have mentioned that from three year point of view, we are planning for around 180,000 to 200,000 tons and our top line would be in the range of Rs.2,000 crores. So, are we expecting the realization to increase from currently 88,000 to 90,000 to go to Rs.1 lakh?
- Sunil Chordia:** No. I am building in some inflation. Okay? That is why I am talking of a range anything from 1800 to 2000 crores. Because the new wire rope business which we are doing, the prices are around Rs.150,000 a ton. So, different products will get you different realization. So, it is a ballpark number.
- Yashovardhan Chordia:** Also, we will have an effect of raw material prices that day. So, probably 180,000 tons of sales is what is a good number to look at.
- Preet:** Yes. Got it, sir. And one more thing on export side. Correct me if I am wrong. I have heard that you have mentioned that for this year we are planning 6,000 tons of export and for next year we are planning around 40,000 tons of export?
- Sunil Chordia:** No, no, no, no, no. 6,000 from one location in India. And overall global export including Thailand and India is 40,000 tons.
- Yashovardhan Chordia:** So, let me clarify. This year we are expecting it to be about 20,000 tons of export and next year's plan is in the range of 35,000 to 40,000 tons.
- Preet:** Okay. Got it.
- Yashovardhan Chordia:** 6,000 tons was only from Chennai, approximately 6,000 tons would be from Indore and Thailand would be doing about 12,000 to 13,000 tons.
- Preet:** And on employee expense side, now as we mentioned that we have around 180 employees in Chennai. So, this is the reason why we are seeing increase in employee expense for last one year and will this number be stabilized going forward?
- Sunil Chordia:** These numbers are stabilized only. But there will be a bigger denominator in terms of tonnage. So, per ton cost will substantially come down when we increase the production.
- Preet:** Got it. Got it. And for the fixed cost which we have mentioned Rs.4.5 crores per month for Indore and Rs.2.3 crores per month for Chennai, does this include employee expense as well?
- Sunil Chordia:** Yes. It does include and interest depreciation, other overheads also.

Preet: Okay. Got it.

Moderator: The last question comes from the line of Rishabh Gang from Sancheti Family Office. Please go ahead.

Rishabh Gang: Thank you for the opportunity, sir. So, what is the current trend that you are seeing on the competition front from your Indian peers like Tata Steel, Bansal and Aarti? Also, you spoke about unviable players possibly exiting due to excess capacity. So, what is the kind of capacity utilization which is needed in the industry below which players generally make EBITDA margin losses, if you can tell about that?

Sunil Chordia: Very difficult to comment about competition. But our experience is that at current price level, unless you do 60-65% utilization, you do not break even. Okay? So, we are seeing some of the competition only using 15% capacity. So, I am assuming that they will be making losses. So, it is all about how much loss absorbing capacity you have which will decide.

Rishabh Gang: Okay. On the wire rope front, so, we mentioned that it is possible to achieve a 17-18% margin, let us say when the plant comes up. So, what is the right to win in that particular segment? And is 17-18% the best kind of margins? Like, what is the path to getting to that? How do we think about it? It is a strategy-based question.

Sunil Chordia: Path is simple. Make full production, get approval for the product, make good quality products, sell it to global customers. And this is what the people in the wire industry who are doing that right, this is the number they are able to achieve. So, our projection is based on the assumption that we will be able to do the right quality volumes to achieve the similar profitability what our competitors are doing.

Rishabh Gang: So, the approval periods are similar as bead wire?

Sunil Chordia: No, no, no, no, no. Much, much lower. It is not an auto product. It is an engineering product. So, not such a long time. And as I told you in the earlier conversation, that this is a pilot project. So, pilot project is more for learning. Okay? But if we do it well, the opportunities are very big. US alone imports around 15,000 tons of wire rope every month.

Rishabh Gang: That is a very big opportunity. Correct. All right. Thank you so much, sir. Really appreciate it.

Sunil Chordia: Thank you, Rishabh.

Moderator: This was the last question. Ladies and gentlemen, I now hand the conference over to Sailesh Raja from B&K Securities. Over to you, sir.

Sailesh Raja: Thank you all for attending this session. Sir, would you like to make any closing comment, Sunil sir?

Sunil Chordia: So, I will end the call on a positive note that you have seen improved performance I think which is beginning of a U-turn and the road ahead looks very promising to us. So, keep watching Rajratan and thank you for your interest and from management side, we will keep doing our hard work with full value for our investors. Thank you so much.

Moderator: On behalf of Rajratan Global Wire Limited Q2FY26, that concludes this conference. Thank you for joining us and you may now disconnect your lines.