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**RGWL/25-26/**

**28<sup>th</sup> April, 2025**

<b>To</b> <b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street</b> <b>Mumbai 400001</b> <b>Scrip Code – 517522</b>	<b>To</b> <b>National Stock Exchange of India Limited</b> <b>‘Exchange Plaza’, C-1, Block G,</b> <b>Bandra Kurla Complex,</b> <b>Bandra (E), Mumbai – 400 051</b> <b>Symbol - RAJRATAN</b>
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**Subject – Transcript of the earnings conference call for the quarter and half year ended 31<sup>st</sup> March, 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 financial year ended on 31<sup>st</sup> March, 2025 conducted on 22<sup>nd</sup> April, 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  
Q4 FY '25 Earnings Conference Call”**

**April 22, 2025**



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

**MODERATOR:** **MR. SAILESH RAJA – BATLIVALA & KARANI  
SECURITIES INDIA PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Rajratan Global Wire Limited Q4 FY '25 Earnings Conference Call hosted by B&K Securities. As a reminder, all 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sailesh Raja from B&K Securities. Thank you, and over to you, sir.

**Sailesh Raja:** Yes. Thanks, Manav. Good evening all, and thank you for joining us for Rajratan Global Wire Limited Fourth Quarter of FY '25 Earnings Conference Call. During this call, from the management side, we'll be hearing from Mr. Sunil Chordia, Chairman and Managing Director; Mr. Yashovardhan, Executive Director; Mr. Pranay Jain, CFO, Rajratan Thailand; and Mr. Hitesh Jain, CFO, Rajratan India.

I would now like to turn the call to Chairman for the opening remarks, followed by Q&A. Over to you, sir.

**Sunil Chordia:** Yes. So good afternoon, dear shareholders. Happy to connect with all of you again. We ended the year with a positive note on several factors. Amongst them was increase in the capacity utilization of Chennai and we have started seeing good results in export market for which we have been working for last 2 years now.

Last quarter, both Chennai -- sorry, Pithampur and Thailand operated at 85%, 90% capacity utilization and Chennai has also started improvement in terms of volume, okay? So this quarter results are much better than quarter 3. And we are not selling a lot of quantity to North India customers produced in Chennai, which has reduced the losses in Chennai.

And now a lot of big companies are approving our Chennai facility. And going down the line, we see that Chennai capacity utilization will improve, and there will be substantial saving in the freight cost of serving to customers because that is the way we have put up the facility in Chennai.

Along with that, I would also like to comment that this U.S. tariffs have not affected us in any manner. If at all it is affected, it is a positive effect because the tariff on China is higher than tariff on India, okay, on our products. And yes, I'm looking forward to a better year '25-'26. And once again, thank all the shareholders for showing their confidence on Rajratan.

I'm ready to take questions from here.

**Moderator:** Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Arnav Sakhuja from Ambit Capital. Please go ahead.

- Arnav Sakhuja:** Thanks for taking my question. So I just wanted to know, could you please give us some insight into the current outlook of the Indian tyre industry?
- Sunil Chordia:** Current outlook remains same. There is whatever we are meeting the customers, we are getting an information that tyre will continue to grow at 5%, 6%, not beyond that. Yes.
- Arnav Sakhuja:** Thank you.
- Moderator:** Thank you. We have our next question from the line of Sanjay Shah from KSA Securities. Please go ahead.
- Sanjay Shah:** Yes. Good evening, sir. Thanks for opportunity...
- Sunil Chordia:** Yes, Sanjay.
- Sanjay Shah:** Appreciating the numbers of...
- Moderator:** Sorry to interrupt, Mr. Sanjay. Can you please be a little louder?
- Sanjay Shah:** Yes. Appreciating the performance of FY '25 in the challenging circumstances. Sir, my question was regarding our new initiative on wire ropes. Can you highlight and make us understand which will be helpful to us, the capacity you have announced is around 10,000 ton per annum. So what will be the cost? What will be the timeline? What ROI you expect from that? And what will be the capex required for that?
- Sunil Chordia:** Yes. So first of all, I would like to talk about -- there's an echo when I speak. So the rationale behind this decision is that we project that a lot of customers will shift to Chennai because we are closer to many customers whom we are serving from Indore. And there will be some capacity available in Pithampur. Along with that, we also have 12,000 tons capacity for black wire. And amongst black wire, we have a lot of customers who make wire rope out of the black wire we supply to them.
- So Pithampur being the mother facility, we have a lot of talented people who know the business, who are with us and for some reason, they can't shift to a new location. And to keep them busy and to keep the Pithampur factory as profitable as it was, we have decided to add value to our current product line. So, 12,000 tons of black wire, we will now add value to that product and start making wire ropes. That is the thinking.
- Of course, wire rope has better profitability and more value addition. If you look at Usha Martin or Bharat Wire Ropes, so it is similar business we'll be doing. We have facilities up to making wire and heat treatment processes, extra capacities are there, which we will utilize to make wire rope. This is the thought behind investing into this business. We have bought a plant which was available in Europe and we saw that these are very good quality of machines. So those machines are being shifted to Pithampur facility, and it will take about 1 year to start production of wire ropes, okay?

And this is going to be the -- I'll say, the pilot project for wire ropes. If we are successful, we will, in future, invest in a big way in wire rope also. The idea behind this is that Rajratan has become INR1,000 crores plus company, and we are up till now focused on only one product, bead wire. And going forward, we don't see a very high scope of growth and investment in bead wire, okay? We are already biggest supplier in India. We are the biggest supplier in Thailand, which are 2 big markets in Asia.

Along with that, we have also started exporting from Chennai and also from Thailand. So we have to utilize the cash flow to invest in some profitable business. So that is the basic thinking behind this initiative. The total investment we plan will be around INR50 crores to create a capacity of 10,000 tons of wire rope, which will generate a revenue of INR100 crores. This is the projection but it is still almost 3, 4 quarters away from today. Yes, Sanjay. I hope I have answered your question.

**Sanjay Shah:** Yes, sir. Really very helpful. Only my worry was regarding technology part and our customer who need approvals and all. So I think you must be working on that, I'm sure about.

**Sunil Chordia:** No, no. We -- as I told you, 50%, 60% of the process we were already doing, okay? So we don't need many technical people. We have R&D facility here. We have people who have worked in wire rope business earlier. And if required, a few people we'll hire, okay, especially for marketing when we start making it. And this product has an export potential also, okay? So that is the path we want to take.

**Sanjay Shah:** Sir, my second question was regarding our Chennai facility. So this year, what is our target utilization or tonnage-wise?

**Sunil Chordia:** So, we should be doing around 20,000 tons production in Chennai this year. That is the business plan we have made, okay? And we are not projecting any growth in Pithampur. Some of the Pithampur volume may reduce, okay? But all this depends on how fast and how much approval we get and geographically where we supply from which plant, okay? So -- but stand-alone, Chennai should produce and sell 20,000 tons, including export from Chennai.

**Moderator:** We have our next question from the line of Saket Kapoor from Kapoor Co. Please go ahead.

**Saket Kapoor:** Firstly, you mentioned we have already purchased the plant and machinery part. So if you could just elaborate further on the same. I mean how much have we spent? You were telling about the machineries to be imported from Europe?

**Sunil Chordia:** Yes.

**Saket Kapoor:** So sir, a used plant?

**Sunil Chordia:** Yes. It was a fairly new facility of Continental Tyres, which was there and the conditions of the machine was very good. So we thought it is very competitive price at which we are getting. So we entered into an agreement with the supplier and our Board also approved yesterday to buy those machines. So -- that is the status. Total investment in this project will be INR50 crores, as

I told you, which will be 50% on the core plant and machinery and 50% on the building and other infrastructure at Pithampur.

**Saket Kapoor:** So we will be housing the plant in the same unit where we are currently running?

**Sunil Chordia:** In the same -- we have space and we are making some modification in the -- so we'll have to construct around 10,000 square meter of shed. So we are dismantling one of our oldest factory shed and we'll be building up a new shed there. So we'll start the work very soon.

**Saket Kapoor:** And Continental Tyres have they operationalized it as a...

**Sunil Chordia:** Yes plant was in operation. Till July last year the plant was in operation.

**Saket Kapoor:** So what led to they decided to close it, sir? It was unviable size or the market conditions?

**Sunil Chordia:** They were not making wire ropes. They were making a product which goes for conveyor belting, which is their raw material. And they found that it is not viable to make this capacity, this product in Europe it was getting very expensive. And there is a possibility that we become an exporter to them, but I don't want to commit anything at this point of time.

**Saket Kapoor:** So with some modification, we will be in the wire rope segment from the same equipment, which they were using for making conveyor belts. So that is what the...

**Sunil Chordia:** They were making the raw materials for conveyor belt, okay? So same machines will make wire rope also.

**Saket Kapoor:** Sir, in your presentation, sir, you mentioned about capacity addition in the bead wire segment domestically. So sir, now which are the new players? How much capacity has been added in the country for this financial year?

**Sunil Chordia:** See two years back, Tata has doubled their capacity. We invested in Chennai. We have put up a big capacity. Our friend, Aarti Steel has also started a new line in Ludhiyana. And the big company, Bansal Wire has invested a big way into this product also. So we are conscious about this, and we also take our competitors seriously.

**Saket Kapoor:** So in percentage terms, sir, I think we are above 40% in the market share currently for the year as of now? How is the market share shift?

**Sunil Chordia:** Our market share did not decrease in that. This is a product which is very difficult to get approval. And fortunately, compared to any other line or other increase in capacity, Chennai has got approval faster, I can claim. We have approvals from MRF, we have approvals from Apollo. We have approval -- this month and we'll get approval from CEAT, 3 major companies and BKT has approved us long back. So we will be able to I think breakeven from next quarter, the Chennai facility. So up till now, Chennai was making losses and whatever result you see had losses incorporated in the working from Chennai.

**Saket Kapoor:** Just to add to it, sir, what -- can you quantify for us quarterly -- last quarter, what were the losses and now what our fixed cost for running the Chennai plant?

- Sunil Chordia:** See if you look at EBITDA level we have done almost the same figure as compared to last year, but very high depreciation and very high finance cost and some other expenses also are high. And all this is because of investment in Chennai. And any -- I have seen this in every growth phase. When we went to Thailand and invested in Thailand, it took us a long time to be successful. When we started this product in '96 in Indore, it took us very long time. Compared to that, I'm happy that we know this business and we have made the very first production, first coil required for the customer. And accordingly, we are getting approval also. And we'll be exporting, I think, substantial quantity from Chennai now in this current financial year.
- Saket Kapoor:** Right. Just to conclude, sir, so can you give the volume numbers from the Chennai unit for this quarter, March quarter? What was the tonnage?
- Sunil Chordia:** March quarter... No, total for the year, I can tell you that we have done production of 5,000 tons for the whole year, out of which some quantity was capitalized because trial run losses had to be capitalized for WIP machines. And we have given a note in -- along with our result. So you can look into that.
- Saket Kapoor:** And this 5,000 is expected. We are envisaging it to hit 20,000 for this financial year.
- Sunil Chordia:** For this financial year, it should be -- our target is to reach up to 20,000 tons.
- Saket Kapoor:** And sir, coming to the finance cost and the net debt number, if our CFO, sir, would help us with the-- what the current debt numbers are, our cost of fund and the current maturities?
- Hitesh Jain:** Cost of fund is around 8% to 8.2%. around INR 150 crores on a stand-alone basis.
- Saket Kapoor:** On consol number, sir, how much is the debt? The long-term debt.
- Hitesh Jain:** We will have to see.
- Saket Kapoor:** Okay, sir. But this net -- this number of long-term loan on stand-alone of INR150 crores includes the Chennai facility debt also?
- Hitesh Jain:** Yes.
- Saket Kapoor:** Okay. And what are our current maturities for this current financial year? How much is receivables
- Hitesh Jain:** INR38 crores.
- Saket Kapoor:** INR 38 crores. And for the rating part, sir, when is our rating due, the revision?
- Hitesh Jain:** Due in next month.
- Saket Kapoor:** I'll join the queue. Sunil sir, if you could elaborate on the cost efficiency measures, especially for the Thailand part, you mentioned it was a bit down time. Yes, I'll rejoin the queue.
- Moderator:** We have our next question from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

- Darshil Jhaveri:** Firstly, congratulations on a great set of results, sir. So sir, just wanted to know like what is our revenue guidance if we can give for our next year? And any projection in terms of EBITDA that we can think of for next FY '26, sir?
- Sunil Chordia:** We are not projecting a great improvement in EBITDA number. There might be a little improvement in EBITDA percentage because of utilization of Chennai facility, which will reduce our overall cost, okay? So -- and we are projecting at least 15% volume growth from here for the next year.
- Darshil Jhaveri:** 15% volume growth. Okay. Fair enough. Sir, just wanted to know like our current Pithampur and Thailand facilities are at around 85%, 90% utilization. So now if we want to increase that, are we doing some debottlenecking or the utilization volume levels will be similar from that and the extra 15% is just going to come from the Chennai plant that we were saying or how will it come?
- Sunil Chordia:** I think in the previous question, I explained in much detail. We are also seeing projecting that many customers will like to buy more from Chennai, okay? So we'll have spare capacity in Pithampur plant. And out of that spare capacity, we want to add value to our black wire business by producing steel wire rope. So that is the kind of debottlenecking or growth in the product line or product mix, you can say it like that, yes.
- Darshil Jhaveri:** Okay. Fair enough. That -- got it, sir. And sir, just wanted to know like our Chennai plant, so currently, like because it was a bit lower utilization. In the current year, what kind of cost like loss that it would have made because next year, we are saying it will become breakeven and maybe profitable also. So just wanted to know, in current year what impact did we see?
- Sunil Chordia:** We made a loss of around INR11 crores, INR12 crores in Chennai, which has hit the bottom line by around INR11 crores. And I think INR10 crores we have capitalized as trial run losses, we could do that as per the IND-AS accounting standard.
- Darshil Jhaveri:** Okay. Fair enough. So this loss will also not be there. That will also help our bottom line, sir.
- Sunil Chordia:** Yes.
- Darshil Jhaveri:** Okay. And sir, just wanted to know, sir, after that, sir, like now we are going into a newer product line also that you're seeing maybe 3, 4 quarters down the line that will capitalize. So what is our vision? Like do we have any long-term vision that we would like to state, sir, like maybe for a 3-year or 5-year plan that where do we see ourselves, sir?
- Sunil Chordia:** No, see, frankly, I have been thinking of making wire rope for the last 25, 30 years, but we could never do that because all the financial capacity, management capacity and the market was available for bead wire. Now as I told you, we are already having major market shares in India, Thailand, Asia and some market share we'll have out of our total 180,000 tons capacity in Europe and America also. I think it is the right time to do a little diversification and add one more product, which is similar in culture, okay?



So wire rope is the right product. As told you in the earlier question, we are already doing 60% of the work. Manufacturing processes are available. We are adding machines to finish it into wire ropes, okay? So there are multiple applications of wire rope. You all know elevators, cranes, hoist, engineering ropes multiple application is there.

So we want to -- this can be considered as a pilot project of wire rope, okay? I know 1,000 tons or 10,000 tons per annum is not a very big, but we don't want to make a big investment and not utilize it, okay? Even wire rope approvals and market and brand will take some time to stabilize. Once we are successful in this product, maybe 2, 3 years down the line, we plan a bigger investment in wire rope business. We're cautiously doing it -- cautiously doing it, let me say.

**Darshil Jhaveri:** No. That makes perfect sense for us. It's better to have all our ducks in the row and then go for it. Sir, thank you so much sir, all the best.

**Moderator:** We have our next question from the line of Deepti Jain from Rewas

**Deepti Jain:** Yes. Sir, I wanted to know the exact status of the Chennai plant because I can see depreciation has really gone up. So is it because of the Chennai plant?

**Sunil Chordia:** Yes, yes. We have invested around INR240 crores in Chennai in last year, so -- which has increased the depreciation and also the finance cost in the numbers. And that facility is yet to come into full utilization, which will happen this year. And this happens with any manufacturing setup, okay? Any new setup will have an interest burden and depreciation burden.

**Deepti Jain:** Okay. Got it. And sir, I can see a 2% increase in the gross profit margin. Where do you think that -- like what is attributable to that?

**Sunil Chordia:** No, it is because we sold a lot of material in quarter 3 to North India customers. And this quarter, we refrained from doing that. And we were producing in Chennai and selling in North India and incurring a transportation cost of 10% on the product, okay? We have not done that. And that is why you see better contribution or better gross profit for quarter 4 compared to quarter 3.

**Deepti Jain:** Savings in the freight cost.

**Sunil Chordia:** Rather, that was a mistake in quarter 3, which we have not done. We have not repeated it.

**Deepti Jain:** Okay. And I think you mentioned you have closed that business of the cycle market in Ludhiana as low value...

**Sunil Chordia:** We are for now, we are staying away from that market. That is not a profitable market anymore. As I told you, a lot of capacities have come up and let our friends supply to that market.

**Deepti Jain:** Okay, sir. Sir, and this wire rope business, like already two major players are there in this. Is there room for a new player getting in and making its mark like maybe in another 3, 4 years?

**Sunil Chordia:** Yes. So this is also a growing market, okay? And we are not investing INR500 crores into this business. We are investing only INR 50 crores, which I think we have a market, and we should be able to get good quality production and good quality customers and profitable business. So

we don't believe in investing heavily and underutilizing the plant, okay? So that is why we are starting small.

**Deepti Jain:** Okay, sir. But the TAM, The Addressable Market for this bead wire is slowly diminishing, you're saying. We are almost there everywhere...

**Sunil Chordia:** We can't continue to plan 15%, 20% growth in bead wire. And company wants to continue growing at that speed, okay? So one more product is needed.

**Moderator:** Thank you. The next question is from the line of Ananya Nichani from ThinQwise Wealth Managers. Please go ahead.

**Ananya Nichani:** I just wanted to ask regarding Chennai, are the revenues for Q2 and Q3 included in India financials?

**Sunil Chordia:** Sorry, I didn't get your call -- question.

**Ananya Nichani:** So in Q2 and Q3, I believe INR12 crores and INR20 crores of revenue you did from Chennai. Is that correct?

**Sunil Chordia:** I'll tell you. Total revenue from Chennai has been INR26.26 crores.

**Ananya Nichani:** Okay, okay.

**Sunil Chordia:** For the whole year...

**Ananya Nichani:** So has this been consolidated into India financials?

**Sunil Chordia:** These are part of the India financials.

**Ananya Nichani:** Okay. Got it. But the expenses are not part of the P&L statement that...

**Sunil Chordia:** Expenses also. You see higher cost of interest, higher cost of depreciation. It's all because of Chennai.

**Ananya Nichani:** Okay. Got it. And sales volume from Chennai, could you give us that...

**Sunil Chordia:** I told you we did total production of 5,000 tons. We did sell to customers 3,000 tons, and we sold all the 5,000 tons, but out of that, 2,300 tons odd is trial production, which is not reflected in the sales number because that working and the losses are capitalized.

**Ananya Nichani:** Okay. Got it.

**Sunil Chordia:** We have given a detailed note. Our auditor has given a note on that. You can -- it is quite explanatory.

**Ananya Nichani:** Sure. Thank you.

**Moderator:** Thank you. We have our next question from the line of Preet from InCred AMC. Please go ahead.

**Preet:** Yes. Hello. Thank you for the opportunity. I just wanted to ask on the freight cost. If you could tell the number, what would it -- what was the cost in quarter 3 and quarter 4? And as you mentioned in the previous call that because of this freight cost, there would be saving of INR3,000 -- around INR3,000 per ton. So has this saving started -- would start from financial year '26 onwards?

**Sunil Chordia:** I think in the previous quarter, we must have talked about the extra freight we paid for material we sold in North India. And we decided not to continue that, which was the major reason for losses in Chennai. And we -- this quarter, we have saved on that. And that is why you see the bounce back of profit. Generally, there is a INR3,000 to INR4,000 saving on freight because of the location of Chennai plant, which is closer to customer and a little closer to raw material supplier also.

**Preet:** Yes. Got it. And one more question. If you could just tell me the volume of black wire as well as bead wire from the Indian plant, the difference, how much volume was from black wire?

**Sunil Chordia:** Yes, one minute. We did 12,000 tons of black wire -- we did 12,000 tons of black wire, but exact numbers, I'm not quite sure. Rest was all coated wire, bead wire.

**Preet:** And what would be the realization difference between black wire and bead wire?

**Sunil Chordia:** I can tell you the EBITDA number. In bead wire, we are able to hit 14%, 15% EBITDA, in black wire, it is 8%, 9%...

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Rest was all coated wire, bead wire.

**Preet:** And what would be the realization difference between black wire and bead wire?

**Sunil Chordia:** I can tell you the EBITDA number. In bead wire, we are able to hit 14%, 15% EBITDA, in black wire, it is 8%, 9%.

**Preet:** Okay. And one more last question. This quarter, the Thailand was a very muted quarter for the Thailand subsidiary. So when can we see revival in this...?

**Sunil Chordia:** Sorry, can you come again?

**Preet:** Do you see any revival in Thailand in financial year '26 or it will take more time?

**Sunil Chordia:** No, Thailand, you will see a growth in this year, okay, at least in volume, 5,000, 6,000 tons growth will be there. And you will also see the customer profile changing in Thailand, which will improve the profitability. So we are sitting with major approvals from some multinational companies. So volume will be going to them. I think Yashovardhan can talk more about it. He's there on the call. Yashovardhan?

**Yashovardhan Chordia:** Yes. Hi. Can you hear me?

**Preet:** Yes, yes.

**Yashovardhan Chordia:** Yes. So yes, definitely, Thailand year -- not even the quarter, the year has been quite muted. But for next year, our strategy of continuing with operating the plant at the highest utilization is still intact. We don't want to leave any market for the competition. Definitely, the price levels of Thailand are at international level. There's more competition and the country is also importing bead wire from many countries, especially China.

But there will be a change in the profile of customers. The approvals that we have already received in initial lots have already gone last year. So we are sure that, that should convert into much bigger volumes this year. And I can also see exports to Europe and America increasing from Thailand. So rather than most of the export going to Southeast Asia, I think some volumes will shift to Europe and America as well.

**Preet:** Yes. But this quarter, there was no problem with the volumes. The major problem was on the margin levels. So I'm asking about the margin. Will it come back to old levels? Or will it now continue at this 7%, 8% only?

**Yashovardhan Chordia:** I can see definitely next year, the margins would improve to about 10%, 10% to 11%.

**Preet:** Next year means FY '26, you are saying?

**Sunil Chordia:** Yes. Pranay is also on the call. Pranay, you want to say something?

**Pranay Jain:** Hello.

**Sunil Chordia:** Our CFO from Thailand who also now...

**Pranay Jain:** Hi, this is Pranay. So as Yashovardhan sir has mentioned, you are going to witness that the key customers where we have already supplied the lots are approved already, and you will see a substantial volume to be supplied to them in this year, which will definitely improve the margins because the realization is quite better. And we are targeting to hit the EBITDA level of 10% to 11% as confirmed by sir. I can vouch for it.

**Preet:** Okay. Got it. Thank you. And one last question.

**Yashovardhan Chordia:** Actually, in terms of the volumes, unfortunately, Thailand had a major breakdown in the last 10 days of March. So we actually lost about 1,000 tons of sales in this financial year. Otherwise, volume would have been slightly better than what it is -- what it was.

**Preet:** Okay. What would be the reason of this breakdown?

**Sunil Chordia:** So, we just had some issue in terms of the equipment in the line, but that is rectified and sorted within a couple of days. But unfortunately, we missed selling the -- against the orders that we already had in hand.

- Preet:** Okay. Got it. One last question. Regarding the supplies to Bridgestone, you mentioned that you have already supplied some few commercial quantities and we can see -- do we see any traction? Or do we receive any new -- did we receive any new orders from this?
- Yashovardhan Chordia:** Yes, quarter 1 order for next financial year is much higher than what we sold to them in quarter 4 of last year. Moving forward, we see clarity that the volumes would increase. Also trial lots to Bridgestone Europe and Bridgestone America are on the way. So in the second half of next financial year, we are expecting some volumes will start going to the Bridgestone Europe and America plants also.
- Moderator:** We have our next question from the line of Sara from UVR Investments.
- Sara:** Sir, my question is we are currently making INR5 per kg EBITDA in Thailand. When can we achieve INR10 per kg EBITDA? And what will drive this? And how are we seeing -- how are we going to adjust the competition from the Chinese players?
- Sunil Chordia:** Pranay, will you answer this?
- Pranay Jain:** Yes, sir, I'll answer it. So as we are already -- we have already explained that this year, we are going to supply -- you can see in our commentary by MD, sir also, he has mentioned we are not targeting a higher volume growth in Thailand. We are majorly focusing to shift the customer combination. We are trying to cater those customers who can give us a proper realization. So definitely, we are not going to reduce the volume to our Chinese customers, but we are going to have this incremental volumes to customers who have better realization.
- So we are quite confident we'll have improved margins in the coming year, which is FY '26, '27 sorry, FY '25, '26.
- Sara:** And sir, we are targeting to do exports to USA and Europe. In USA, particularly including the tariffs, how competitive we are compared to the local bead wire players? And what's the right to win for the business? And also what is the total opportunity size in US? And what share are we targeting there?
- Pranay Jain:** Just a minute, I would just add one more thing. You mentioned INR5 per kilo EBITDA for Thailand. I think that is not the correct number. It should be around THB8, so which should be in the range of around INR20 per kilo EBITDA, INR21 per kilo EBITDA for Thailand, so not INR5. I think you have to check -- re-check your number.
- Sara:** Okay. sir, because as per my calculation, it is coming INR5 per EBITDA.
- Pranay Jain:** No, if you see stand-alone for Thailand, it is not INR5, it is INR20 to INR21 per kilo.
- Sunil Chordia:** That is the gross profit, Pranay, okay? EBITDA. So you can get on a separate call with Pranay, if you want to. He will explain you. You've to -- what you must be doing, you are deducting from consolidation, okay, and then arriving at a number, which may not be right.
- Sara:** So INR20,000 is the gross profit, that is correct?

**Sunil Chordia:** Yes.

**Sara:** So I asked the question?

**Yashovardhan Jain:** Yes -- I think I have your question regarding the competition in US. See, we are always and will always be competitive when you compare it to the local manufacturers in U.S. because all the cost factors are much higher and even the raw material price for those manufacturers in the U.S. is much higher. But to cater to the U.S. market, the direct competition was China because that's where we have to compete.

With the older tariffs also, we were competing with China and getting into customers. And now with the change in tariff till the time the tariff remains same, China is going to be much, much more expensive than us. So in the immediate short term, we are expecting that the volumes to the U.S. market should increase.

**Sara:** So sir, like after this 25% of tariffs, still we are very competitive in the local players in U.S?

**Yashovardhan Jain:** Yes. So we always had 25% tariff and it remains at 25%. But for China, it was around 30%, 32%, which has now become 59% or 57 %. So that's the change that has happened.

**Sara:** Okay. So what is the total opportunity size in U.S. and what share are we targeting?

**Yashovardhan Jain:** It's difficult to share exact numbers, but I think a sizable opportunity. U.S. is one of the largest tyre producing country. They also have a lot of other wire applications. So U.S. as a market has very, very big volumes. And it will be good to be substantially present in U.S. in the longer term.

**Sunil Chordia:** But our target is fraction of that market. It doesn't come so easily. But definitely, we see a traction since the tariff war started, we see a traction from our customers in U.S. They want to buy more from us.

**Sara:** Okay. Sir, why has the working capital cycle increased by 15 days to 63 days from FY '24? Are we expecting to maintain it or planning to reduce it?

**Sunil Chordia:** So it is partly because of larger export volumes where the material takes about 45 days to reach. And then there is a 1-month payment cycle. So the overall debt number you see is because of that, debtors.

**Sara:** Okay, sir. And one last question, sir. The volume growth in India was 17%. From where are you seeing such high growth and yes...

**Sunil Chordia:** The volume growth in India was 12%.

**Sara:** Sir, it was 17% year-on-year, 18,400...

**Sunil Chordia:** In volume?

**Sara:** Yes, sir.

- Sunil Chordia:** No, quarter-on-quarter, I'm seeing the total overall.
- Sara:** Yes, quarter-on-quarter. Yes, sir.
- Sunil Chordia:** I would like to look at the annual growth, not the quarter-on-quarter growth, which might be a wrong indication. Yes. So in India, we have grown by 12% in volume.
- Sara:** Okay. So where is this growth coming from, sir?
- Sunil Chordia:** It's partly coming from the growth in the tyre industry and we are taking larger share from bigger customer. That's all.
- Sara:** All right. Okay, sir. I will join back in the queue.
- Moderator:** Thank you. We have our next question from the line of Rajesh Disale from SBI Mutual Fund. Please go ahead.
- Rajesh Disale:** I just wanted to get a few things clarified. First was on your guidance that you will see a 15% volume growth in FY '26. So could you just help us like where do you see that growth coming from because you said tyre growth will be 5% to 6% and your market share has kind of matured in India and Thailand?
- Sunil Chordia:** Yes. So this 15% guidance is including some growth in Thailand, which is around -- we are -- our annual business plan is for 5,000 tons growth in Thailand and around 15,000 to 18,000 tons growth in India. This will come mainly from we being closer to our customer because we had discussions and every tyre company wants its supplier to be closer to him. So -- and we'll be more competitive from our Chennai facility, which should give us larger volume.
- As I told you in the past that the Chennai facility has 10 tyre companies, which are in the radius of 250 to 300 kilometers where material can reach overnight compared to we are supplying from Indore, it takes about a week's time. Somebody supplying from North India will take 12 to 15 days and tyre companies are not comfortable with that. So -- and this is based on our discussion with customers and discussions for annual business with especially four big customers.
- Rajesh Disale:** But sir, you said our market share has matured. So where do we stand today and where do you think we will kind of peak out in terms of market share?
- Sunil Chordia:** We are -- as I told you, we are already at 40%. So 40% can always become 42%, 43%. We are not talking of 40 becoming 60 anytime. And major growth this year, at least 7,000 tons of export will increase. Yashovardhan can talk more about that. So we are targeting 7,000 tons additional exports from Indian ports to U.S. and Europe.
- Rajesh Disale:** Okay. And sir on the same when you talked about the volume growth, you also talked about EBITDA. I actually could not understand. You said EBITDA margins will increase, but absolute EBITDA might not increase?
- Sunil Chordia:** Sorry, no. I don't think I said this. I said there might be a little improvement in the EBITDA margin because of the better utilization of capacity, which will reduce our cost of manufacturing,

which will result into 1 or 2 percentage of EBITDA improvement. That's it. I said that we are very -- we are taking our competition seriously and we are not anticipating that we'll increase the prices. Prices will continue to be under pressure because there will be an extra capacity in the market.

**Rajesh Disale:** Understood. That's all sir from me. Thank you very much.

**Moderator:** Thank you. We have our next question from the line of Dhruv Bhatia from Edelweiss Mutual Fund. Please go ahead.

**Dhruv Bhatia:** Good evening, sir. Sir couple of questions. Just firstly is clarification. You did about 112,000 tons of volume for FY '25 and if you are talking about a 15 % volume growth, you're adding about 16,000, 17,000 tons of incremental volume. And since Chennai itself is doing 5,000 and will go to 20,000 for the year which you're guiding for plus you're talking about 5,000 coming from Thailand, that itself is 20,000. So is it that Pithampur will show lower volumes for the year?

**Sunil Chordia:** Pithampur volumes might reduce because we are serving a lot of customers from Pithampur to South India and the supplies to those customers from Pithampur will reduce. Secondly, last year also, I had said some number and I couldn't achieve that. So this year, we want to be cautiously careful in our projections. We don't want to commit a number where I had to face questions from my investors.

**Dhruv Bhatia:** Understood. And sir, the other thing, just again, a clarity, you mentioned that the key customers from the Chennai facility, the approval from MRF, CEAT and the likes of them have already come or they are still under the trial stage?

**Sunil Chordia:** No. Approvals have come. There are multiple products. So like for some product we have approval to supply 100 tons next month. For another product, we have approval to supply 200 tons next month. So the volumes will shift to Chennai, out of total supplies to MRF or Apollo, which we are doing from Pithampur. They have started saying that now this product, you can supply 100 tons next month from your Chennai facility. We'll watch that. And then slowly, it will grow from there.

So I was seeing a clear-cut volume of 1,000 to 1,200 tons starting quarter 2 from Chennai, which is combination of local supplies to premium customers and exporting from Chennai. And we have done some calculation that 1000, 1100 tons, we break even in Chennai. So Chennai losses will stop. I think from May, June, we should not be making losses in Chennai.

**Dhruv Bhatia:** And you were -- I think last year, a PBT loss of INR10 crores from Chennai I'm guessing that 10,000, 11,000 tons breakeven, then for FY '26 at PBT level, we should see profit from Chennai?

**Sunil Chordia:** Definitely, yes.

**Dhruv Bhatia:** Okay. And the last question. Sir, just anything on the tariff bid. Though it's early, but in the Thailand facility, a lot of dumping anyways happens from China. And since the imposition of



tariffs on other -- from US, does that lead to the competitive intensity and then the risk to profitability volumes higher from the Thailand facility?

**Sunil Chordia:** Bead wire directly will not be affected by tariff. Indirect effect may be there because tyres will also have tariffs, okay? Tyres produced in Thailand will have tariffs, higher tariffs, but there is a pause of 90 days. We have to see what happens after 90 days.

**Dhruv Bhatia:** Understood. Thank you sir.

**Sunil Chordia:** My statement is directly bead wire is not affected. Indirectly, our end customers will have some impact, which may affect us after 90 days.

**Dhruv Bhatia:** Understood. Thank you so much sir.

**Moderator:** Thank you. We have our next question from the line of Bhargav Buddhadev from Ambit Capital.

**Bhargav Buddhadev:** Yes. Congratulations on a good recovery.

**Sunil Chordia:** Yes, Bhargav.

**Bhargav Buddhadev:** Sir, is it fair to say that this volume ramp-up from Chennai will be gradual? So maybe in the first half, you will do about 6,000, 7,000 and second half, you do about 12,000, 13,000. Is that the way we should look at it or how?

**Sunil Chordia:** Yes, yes, it will be like that only.

**Bhargav Buddhadev:** Secondly, sir, you mentioned there will be exports from Chennai. So has the approvals come in for these exports because they will be either to Bridgestone or any other competitor, right?

**Sunil Chordia:** No, these products will not go to -- the exports from Chennai, will not go to Bridgestone's of the world, okay? They don't approve a new facility so easily. These were customers who don't mind shifting to another source, okay? And because as I told you, we see more orders coming in, especially from Europe, from US, we got approval to supply from Chennai. This approval came in quickly in 2, 3 months' time, yes.

**Bhargav Buddhadev:** Okay. The shift...

**Yashovardhan Chordia:** But Mr. Bhargav, there is also a strategic shift of our existing customers from Thailand. So we see now that with Chennai coming on board, we see a freight advantage, we see a logistics lead time advantage. So purely, it's not a new approval or a new supplier approval. It's kind of a new plant approval of the existing supplier. So in the Southeast Asian market, things have happened quicker than expected.

**Bhargav Buddhadev:** So that frees up the Thailand capacity to sell to Europe and US?

**Yashovardhan Chordia:** Yes, that frees up, yes. So strategically, we sell at a better cost from Chennai and then Thailand should aim at supplying to premium customers.

- Bhargav Buddhadev:** And sir, you also mentioned that there is this increase in duty on Chinese to US so is there a case that they route it to some other country and by pass that duty? Or do you think that is not a possibility?
- Yashovardhan Chordia:** Suddenly, that -- it should not be a possibility. Definitely long term, if Chinese decide to put up tyre factories in some other country that can happen. But definitely, yes, that's one risk that can create some disruption in the local market in Thailand if the duties come in play after 90 days.
- Bhargav Buddhadev:** And you don't see any risk to margins in Thailand market where you are selling from your Thailand factory because of the Chinese export dumping?
- Yashovardhan Chordia:** See, I can't say that, risk is not there. I think that risk, we are surviving that risk.
- Sunil Chordia:** Yes. Bhargav, currently, we are competing with -- Chinese suppliers in Thailand. And they are selling at a very low price. So wherever we have to compete with Chinese and we get some contribution, we are doing that, okay?
- Bhargav Buddhadev:** And lastly, sir, in our steel cost we were thinking, it's right now on the backburner right?
- Sunil Chordia:** Right now there is no development to be discussed right now. I'm not in a position to say anything confirmatory at this point of time. We continue to look for a partner. Yes.
- Bhargav Buddhadev:** And we have enough on the plate to basically...
- Sunil Chordia:** And we have enough on the plate, 15%, 20% growth, I think, without stressing or stretching the financials and without leveraging the balance sheet is a good growth. We don't want to be going faster than this, honestly, yes.
- Bhargav Buddhadev:** And this new business investment we are entering that I believe wire rope is also 1 million ton market, right? So it's not a small market?
- Sunil Chordia:** Wire rope is a big market. There are a number of small players. There are 2, 3 big players. Usha Martin is the company for many, many years, okay? And we have to learn a lot from them. We also have to make right quality. But I don't think it is as difficult as making bead wire, okay? It should be a little faster than that. And the customer profile is available where we can start selling immediately and then move up on the value chain.
- Bhargav Buddhadev:** And if we get good success in this 10,000 ton product, to expand it to say 40,000, 50,000 tons, where will we obtain the machinery from or is that a...
- Sunil Chordia:** As I told you, we got this one old factory we could buy, which is in very good condition. So without doing much of calculation and we decided to quickly get into it. But if we do a bigger project, we'll do all the calculations, make machines or import machines that will be at least 2, 3 years from now or maybe 3, 4 years from time.
- Bhargav Buddhadev:** There is a lot of space there....

- Sunil Chordia:** When you start a big project, you need land, then you will make a complete plan from scratch by the time our management capability should also improve to manage 1 more location.
- Bhargav Buddhadev:** Sir it's been a good recovery.
- Sunil Chordia:** You are one of the very worried investors last time I met you. I think it's time, 5 o'clock.
- Moderator:** Ladies and gentlemen, that would be the last question for today. And I now hand the conference over to Mr. Sailesh Raja from B&K Securities for closing comments. Over to you, sir.
- Sailesh Raja:** Yes. Thank you all for attending this session. We especially thank the Rajratan team for their time. Sunil, sir, would you like to make any closing comments?
- Sunil Chordia:** Yes. So I think my opening comments and closing comments will remain the same, and I would thank all my investors and shareholders for continuing to have belief and faith in Rajratan. And I can assure you from the management side that we'll continue to work hard and build up this company and take the business to newer heights. Our tagline for business is "Outperform". And definitely, the coming year we'll outperform the last year. So thank you so much.
- Moderator:** Thank you, sir. On behalf of B&K Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.