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RGWL/26-27/

27th October, 2026

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
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Subject – Transcript of the earnings conference call for the quarter and year ended 30th September, 2026

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 30th September, 2026 conducted on 22nd October, 2026, for your information and records.

Thanking You,

Yours Faithfully

For Rajratan Global Wire Limited

Shubham

Jain

Shubham Jain

Company Secretary & Compliance Officer

Digitally signed by
Shubham Jain
Date: 2026.10.27
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“Rajratan Global Wire Limited
Q2 FY27 Earnings Conference Call”

October 22, 2026



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

MODERATOR: **MR. SAILESH RAJA – 360 ONE CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Rajratan Global Wire's Q2 FY27 Earnings Conference Call. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sailesh Raja from 360 ONE Capital. Thank you and over to you, sir.

Sailesh Raja: Yes. Good evening, Swapnali. Thank you for joining us for Rajratan Global Wire Limited's second quarter of FY27 Earnings Conference call. During this call, from the management side, we'll be hearing from Mr. Sunil Chordia, Chairman and Managing Director; Mr. Hitesh Jain, CFO, Rajratan India and Mr. Pranay Jain, CFO, Rajratan Thailand. I would now like to turn the call to Sunil sir for the opening remarks, followed by the Q&A. Sir, you may begin now.

Sunil Chordia: Yes. Good evening, all dear shareholders. Very happy to connect with all of you today. We are in very encouraging times for Rajratan. Our earnings are growing faster than revenue. It is led by operational improvement, higher volumes led by higher utilization rates in Chennai as well as in Thailand.

Our operating margins are moving in the right direction. In a manufacturing business exposed to raw material prices, product mix and capacity utilization, our ability to deliver these margins is meaningful and will only improve as these pressures changes. Today, Rajratan is amongst top two players outside China and amongst top five players including China, which says a lot about how we have continued to focus on making ourselves a force to reckon with in the domestic as well as global bead wire industry.

Our Chennai plant expansion to 60,000 tons is on track and should be completed in the current quarter. We are almost at full capacity utilization in the initial 30,000 tons capacity we have installed -- which we had installed in the first phase and now expanding it to 60,000 tons. Our debt-to-equity also is comfortable 0.6 is the ratio, which indicates a healthy balance sheet.

This is also visible in our cash flows. In September, we have generated positive operating cash flow in standalone as well as consolidated business. And so overall, we are very optimistic for the remaining two quarters of this year as well as for at least 2 to 3 years, we think that Rajratan will continue to grow at this pace. So I'm now very happy to answer your questions.

Moderator: Thank you, sir. We will now begin with the question and answer session. We will take the first question from the line of Arnav Sakhuja from Ambit Capital. Please go ahead.

Arnav Sakhuja: Hi, thank you for taking my question. So my first question is that we mentioned in our presentation that we're planning a 50,000-ton capacity addition in Thailand. So what is the broad timeline of this?

Sunil Chordia: Yes. We -- as already told you, we are running at full capacity, almost 100% capacity in Thailand and we are refusing customers locally also, some of the Chinese companies who buy from us and we are not able to supply to them. So it is mandatory for us to now expand in Thailand. So

maximum it will take 1 year. So within next three to four quarters, this capacity will be up and running.

Arnav Sakhuja: Right. And still focusing on our Thailand business, we saw a strong improvement in the realization at around INR97,500 per ton. So what drove this improvement in realization for Thailand?

Sunil Chordia: I don't think your numbers are correct, but broadly what you are saying is right. We are getting more approvals from major customers, the multinational clients and more volume will be going to them in the current quarter and next quarter. And also the export from Thailand is also improving. So all this will improve the performance of Thailand and that is why the capacity is -- further capacity is planned. And with that capacity, our cost will further come down. So going down the line for next 2, 3 years, we are very bullish on our Thailand business and performance.

Arnav Sakhuja: Okay. Congrats again on a strong set of numbers and thank you for answering my questions.

Sunil Chordia: Yes. Thank you.

Moderator: Thank you. We will take the next question from the line of Ritesh Shah from Investec India. Please go ahead.

Ritesh Shah: Hi, sir thanks for the opportunity. Sir couple of questions. First is how much is the capex number for the Thai expansion?

Sunil Chordia: Ritesh, generally the Brownfield expansions are very competitive, which gives you very good return on the investment. Broadly, we should be able to do it in INR100 crores, ballpark number. Last year or up till now we have spent about INR20 crores in acquiring a new factory there, where we'll be shifting some of the facilities. And so there is hardly investment in infrastructure. So investment will be there only in the machines and plant and machinery. So total, including everything, it will be INR125 crores, but from now, INR100 crores is enough.

Ritesh Shah: And sir, you said shifting some of the facilities, I didn't understand that, sir?

Sunil Chordia: No, because we were short of space, we bought one closed factory across the road. So finished stocks, raw material and spool cages, they are shifted in that location, which is not the same land area. It is across the road.

Ritesh Shah: Okay. And this closed factory had nothing to do with bead wire, it was something else? It is just a piece of land I presume?

Sunil Chordia: No, we have purchased their infrastructure of land and some sheds.

Ritesh Shah: Okay. Perfect. Correct. Sir, second is can you give some broad numbers on the total exports out of Thailand for first half?

Sunil Chordia: Pranay, you are there?

Pranay Jain: Yes, sir, I am here. So first half we have done 8,500 tons of exports from Thailand.

- Ritesh Shah:** Okay. And in Q2?
- Pranay Jain:** I am audible?
- Ritesh Shah:** Yes.
- Pranay Jain:** No, I am talking about H1. Yes. It is H1 and Q2 is 5,200 tons.
- Ritesh Shah:** Correct. Sir, would you like to call out for any numbers for full year? Will it double or can it be more than double?
- Sunil Chordia:** This year total export target from India and Thailand is more than 30,000 tons.
- Ritesh Shah:** Sir, India would be how much?
- Sunil Chordia:** Close to 14,000 tons, 15,000 tons.
- Ritesh Shah:** 14,000 tons, 15,000 tons, okay. Sir, second question, I think Chennai expansion, any thoughts on increasing capacities over here? I think we are already marching towards, I would presume, 40,000 ton then 60,000 ton, which is not very far. Do we have -- I presume we have land in place for the next phase of expansion, but how are we looking at it? So I think the incremental growth engine is steel cord, but on bead wire also are we looking at something with the next 3 years, 5 years in mind?
- Sunil Chordia:** Yes, definitely. The Indian tire market is growing at 8% to 10% now. In the last entire year, we didn't see a dip in demand. We didn't see even two, three months where customers had cut down the production, okay? Looking at the demand and the number of export of tyres which is increasing from India, I think within next two years, we will have to put up another 60,000 tons in Chennai. But we cannot commit anything now, okay? Everything depends on how market is. If there is a return on investment, we'll do that. Yes.
- Ritesh Shah:** Perfect. And sir, any specific update on steel cord, the progress? I think earlier you had given certain numbers on revenue and margins?
- Sunil Chordia:** No. Which steel cord -- for conveyor belting, which we are doing in Pithampur, we have started plans. It's a small project and again a very quality-sensitive product. So -- and we have some capital equipment's yet to be bought and installed, but till that time, we'll be buying the semi-finished goods from the market. And I think next month, we'll be able to submit samples to our customers. But in all our projections, we are not taking any number of revenue or tonnage in our presentations. So -- but I'm confident that it will be up and running in full scale next year. And this remaining six months of this year will go in trials, submitting samples, maybe 1 lot, 2 lot, we'll keep doing that. Yes.
- Ritesh Shah:** Perfect. And sir, last one, would you like to comment on how the competitive intensity is in the local market? I think we are going ahead with playing on the operating leverage, market share, which is great, but from a top-down standpoint, how should we look at it?

- Sunil Chordia:** So as I told you, we had decided to continue capturing market share or at least maintaining our market share. So you will see in the numbers, at all premium customers, we have close to 50% of market share. And low-cost, low-price customers, we are not able to supply and we don't want to supply, okay? And as it is, our capacities are running at full scale, so no need to do that. I am sure there will be some change in the dynamics in next -- in maybe 1 or 2 quarters, and we should be able to improve the pricing. That's what I can say. But very difficult to comment on the competition in the market.
- Ritesh Shah:** Sure sir. Thank you so much. All the very best.
- Moderator:** Thank you. We have the next question from the line of Pranay Roop Chatterjee from Burman Capital Management. Please go ahead.
- Pranay Chatterjee:** Hello sir. Am I audible?
- Sunil Chordia:** Yes, Yes very much
- Pranay Chatterjee:** Great. So my first question is regarding the Thai expansion. So historically, we have been very conservative in terms of how we expand capacity, or I should say prudent, and only when you have optimally utilized your existing facilities, you go for capex. It is heartening to see the 50,000 expansion after you have fully utilized the facility. So my question is more around at the pace at which you expect to utilize it.
- So I'll tell you where I'm coming from. So globally, the tyre bead wire industry is growing somewhere in the 3% to 4% range. If I look at your Thailand numbers over the last five years and last ten years and do a CAGR, both come to about 12%, 13%. So if I assume you will continue growing at 12%, 13% after the capacity comes in, it will sort of take you five to six years to fill the facility.
- So my question to you, sir, is has there fundamentally something changed in the global competitive landscape which can allow us to grow faster and fill the capacity ahead of that five to six year time line? And I am alluding to an interesting point you made in the last con call where you said that there was some, I don't remember exactly, but some environmental norms which were favouring sourcing from Thailand to Europe is one thing you mentioned.
- Then you also mentioned that after one, one and a half years of effort, you have finally cracked some global premium MNCs. These are two of the things you mentioned. Sir, if you can help me understand what has fundamentally changed and what is allowing us to get confidence to utilize it faster, if at all?
- Sunil Chordia:** Yes, so very long question. I'll give point-wise answer in brief. Yes, your numbers are correct for global market growth and everything, but if you look at regional growth, Thailand capacities are growing much faster, okay, which are growing at 10% to 15% locally. Domestically, Thailand tyre industry is growing. That is point number one.
- Point number two, for us in Thailand, we have got major approvals from world leaders in tyres. Whom we were supplying locally, now we are supposed to supply them in their different

locations in Europe, America and Southeast Asia. So that will take our capacity, or that is already happening. We had to shift a lot of supplies from local customers to those MNCs, and we are short of capacity in Thailand.

So my projection for utilizing this capacity is not more than three years, as against your estimate of five to six years. So I'm very confident that this capacity will be utilized in next two years. Yes. Meaning one year of implementation and two years of utilization.

Pranay Chatterjee: That is very interesting, sir. Sir, my second and last question.

Sunil Chordia: Sorry. So Thailand, we are the only company in bead wire space who can supply green bead wire because our source of raw material is green, and which is not available in India, which is not available elsewhere in the world. It might be available some places, but not available easily. So especially European customers are inclined to buy major quantities of green bead wire from Thailand. That encourages us to quickly ramp up the capacity.

Pranay Chatterjee: That is very interesting, sir. Sir, my second and last question. Is there any one-off impact in the other expenses of this quarter? I saw two comments in the presentation, one was freight cost inflation; and one was fuel cost inflation, both of which I don't consider as structural, these are one-offs and should eventually wear off. So what would be the one-off impact this quarter? Because I would expect with higher volumes, margins ideally should have expanded, but they have been under pressure quarter-on-quarter.

Sunil Chordia: Yes, so freight, you must be talking to other companies, freight remains very volatile. We are supposed to supply material on DDP basis, deliver to their door of customer, and freight rates are fluctuating. So to mitigate that risk, some places we have built up a mark up or kind of freight surcharge; some customers have agreed. And then there is CBAM in Europe, there is a quota which has started in Europe. So Rajratan, being an agile and smart company, we are able to supply bigger quantities in those markets, and we are of course taking risk of all this volatility.

Pranay Chatterjee: Thank you so much sir. All the best.

Sunil Chordia: Yes. Thank you.

Moderator: Thank you. We will take the next question from the line of Bhargav Buddhadev from Ambit Asset Management. Please go ahead.

Bhargav Buddhadev: Yes. Good afternoon sir and congratulations on a good set of numbers. Sir, you mentioned that the capex in Thailand is closer to about 100 crores. So is it fair to say that if you are able to utilize in about two years time, then eventually the payback can also come back in two years of this 100-odd crores?

Sunil Chordia: Payback again depends on the profitability, margins, everything. So as told you, our focus is to consolidate our market share, and I believe once you have a bigger market share, your profitability always improves. And we don't see business on absolute bottom line, we see it on a comparison, how our competition is doing, how the market is doing, how the other industry is doing.

And we find Rajratan in a very, very consolidated position today. So very difficult to commit that payback will be two years, but it is absolutely necessary from the point of view of supplying to marquee customers, this increase in capacity. And 100 crores is nothing. It would have costed us maybe close to 300 crores for a greenfield project in Thailand, which we are doing for only 100 crores.

Bhargav Buddhadev: Secondly, sir, if you look at EBITDA per ton, it has sort of declined by marginal 3% on a Y-o-Y basis. Now, we are seeing a very strong revenue growth, but essentially the operating leverage benefits are not coming at the EBITDA level. So when do you see the operating leverage benefits also coming to the EBITDA in terms of EBITDA per ton?

Sunil Chordia: Let me tell you, it will not reflect in numbers because a lot of our inputs have gone up, the gas price, the electricity, the transportation, diesel cost, a lot of consumables and packing material. Everything has become expensive in last -- since this war has started. In spite of all those increased costs, we have been able to maintain the EBITDA per ton, I think which is commendable.

If you don't appreciate it, at least I would like to appreciate that we have been able to do that. And our strategy also is to not reduce production or not walk out of the market. As told you, we want to consolidate on the market share further.

Bhargav Buddhadev: And sir, in terms of profitability on the export side, given that exports will be driving the volume growth going forward, is it fair to say that exports are more profitable on a per-ton basis compared to either selling in the Thailand local market or selling in the Indian domestic market?

Sunil Chordia: Export overall are good -- is a good business, profitable. In India also or in Thailand also, in our conversation we have said there are marquee customers. For us, marquee customer means who gives a good price, where our product is appreciated. There are customers who don't want to pay good price to us.

So it is -- export is better than those customers. So if we are not exporting, it means we'll have to sell it to customers where profitability is very low or probably there is no profit left for us. So in our priority, our marquee customers are number one, export is number two and then some 5%, 10% we continue to sell in the customers where profitability is not there.

Bhargav Buddhadev: And lastly, sir, if you look at rubber prices for your customers, it has actually gone up more than 50% on a Y-o-Y basis, and we have seen some impact in terms of profitability for the tyre companies as well. So given that your customers are going through a tough time, are they also trying to squeeze you, or because you are not a very big sort of cost in their overall tyre manufacturing, you are able to pass through easily?

Sunil Chordia: Nothing is easy. Whether rubber prices are going up 50% or 10% or it is going down, the purchase manager of a company will always bargain. And -- but we always have an argument if your balance sheet is better from our bead wire, then take it for free, it will not affect anything. We are only 3% of your total tyre cost. So end of the day, we are getting reasonable support from our customers also.

- Bhargav Buddhadev:** Great. Thank you very much and all the very best.
- Sunil Chordia:** Thank you Bhargav.
- Moderator:** Thank you. We will take the next question from the line of Nishita from Sapphire Capital. Please go ahead.
- Nishita:** Hello am I audible?
- Sunil Chordia:** Yes.
- Moderator:** Yes. You are audible.
- Nishita:** Yes. So I had a few questions. On our Chennai facility, you mentioned that we'll be able to -- so the rest of the 30,000-ton capacity, we'll be able to start like, the commercialization from this quarter, right?
- Sunil Chordia:** No, it is not that something new we are starting there. We were already having a capacity of 30,000 ton. We started adding more machines, and machines are modular. So if you ask me today, our rated capacity in Chennai is 40,000 tons. Few more machines will be added next month. It will go up to, on a monthly basis, from 3,500 we are targeting 4,000 tons. From 4,000, we'll start making 4,500 tons. So gradual improvement and gradual increase in production per month to ramp up the capacity up to 60,000 tons. That is the plan. So there is no starting date or ending date in this.
- Nishita:** Okay. So by end of FY27, can we expect that the capacity will be improved till 60,000 tons?
- Sunil Chordia:** No, no. So to give you a flavour, this year from Chennai, we will be at least making 37,000 tons, 38,000 tons in the current financial year, which is already more than the 30,000 tons overall capacity. And the balance will come in the coming years.
- Nishita:** Okay, okay. Understood. And what is the incremental cost in adding each machine? Like you said, gradually we are adding the capacity, so what is the incremental capex that we're spending there?
- Sunil Chordia:** I recall we had spent 270 crores for a facility of 30,000 tons, and we spent another 30 crores, 35 crores to complete it to 60,000 tons.
- Nishita:** Okay, okay. Understood. And my next question is on our Thailand capacity. So you mentioned that the brownfield capex that we'll do will be of 100 crores. So how are we going to fund this capex? Is it going to be from internal accruals?
- Sunil Chordia:** Both. It's a combination of internal accrual. Thailand balance sheet is accruing cash on a month-on-month basis. And there are banks; loan is also at a very competitive rate, below 4% we borrow from bank. So it will be a combination of loan and internal accrual.
- Nishita:** And the capacity -- like, we can start operations in that capacity from FY29 start, right? Because it will take a year to build the machineries and start the capacity?

- Sunil Chordia:** FY28. FY28.
- Nishita:** No, so like you mentioned that it'll take a year for the capacity to start?
- Sunil Chordia:** Yes, so one year from now. We are in September.
- Nishita:** Okay. One year from now. So H2, FY28, we can expect the capacity to start, and that will be of additional 50,000 tons?
- Sunil Chordia:** Yes, yes. And it will take two years to utilize that capacity based on the current demand. That is our projection.
- Nishita:** Right. So I just wanted to understand, now our margins have been under pressure and like we are doing all this capex also, so can we expect the margins to improve gradually from here on? Like, do you think this is the bottom part of the margin?
- Sunil Chordia:** I can say that our current margins are rock bottom. It should not go below this, so anything from here will improve. But we have decided to compete head-on in the market. We don't want to leave the space for competition to grow.
- Nishita:** Right. Right. And my next question is on growth. So like we've had very good growth -- revenue growth in Q1 and Q2 year-on-year, so can we expect this growth trajectory of around like 27%, 28% to continue for the full year and for FY28 as well?
- Sunil Chordia:** Yes. So I can talk about volume. Revenue is a function of price and other dynamics also work. So as I've been saying, 15% to 20% volume growth year-on-year you can safely consider for Rajratan. It is a combination of growth in Thailand, in Chennai and some in Indore. So this will continue for next at least 10 to 15 quarters. And we have been consistent in saying this.
- Nishita:** Okay. Understood. That's it from my end. Thank you so much.
- Sunil Chordia:** Thank you.
- Moderator:** We will take the next question from the line of Abhishek Benkar from Genuity Capital. Please go ahead.
- Abhishek Benkar:** Yes. Hi. Am I audible?
- Moderator:** Yes. You are audible.
- Abhishek Benkar:** Thanks for the opportunity. My questions are -- first, my question is about EBITDA per ton differences between Thailand and India. So what is that difference? And on blended basis, I mean where are we going? How are we going to improve that?
- Sunil Chordia:** Let me tell you, we never compare India EBITDA per ton and Thailand EBITDA per ton. Thailand has a different set of customers, different market, different source of raw material, their cost of manufacturing is different. So you have to divide your question in two parts. India business is very different, the source of raw material is different, prices are different. In Thailand,

we source globally raw material. Thailand is a market which is open for Chinese competition. So very difficult to answer your question. If you can break it down into two questions, I will be happy to answer that.

Abhishek Benkar: Yes. No. Then my other question is that Thailand expansion we are doing, so are we targeting similar set of customer -- I mean same customer mix, or are we going from current customer mix to premium or export customers from there?

Sunil Chordia: Let Pranay answer this question. Now he is better connected to all the customers than me. Pranay?

Pranay Jain: Yes, sir. So yes, I would answer that Thailand itself is a growing market, and we have recently got good approvals in our marquee customers which sir has just mentioned, and they are very hopeful with few, 2 or 3 good counters which are renowned all over the world. So the growth which we are expecting will be of course with the premium customers increasing their shares, and the balance will be in the Southeast Asia and European market. So that is the target for the growth what we are currently doing now and what we are going to get the new customers in.

Abhishek Benkar: Okay. That's it. Thank you.

Moderator: Thank you. We will take the next question from the line of Parth Sheth from Smith & Thomson Capital Advisors.

Parth Sheth: So I wanted to ask the decline in other income, is there any one-time reason or what is the sustainable other income absolute number we can assume?

Sunil Chordia: Other income, because we are a company having a subsidiary in U.S.A., a subsidiary in Thailand, and the consolidation happens, so a lot of revenue items also, when we consolidate it, reflects in the other income. So other income is not extraordinary income which generally is not part of the EBITDA. I will say this is very much part of the EBITDA for us. Otherwise, what is your question? I did not understand it.

Parth Sheth: What is the reason for, on the Q-on-Q basis, the other income has declined significantly? Earlier it was INR3.4 crores and now it has declined to INR0.66 crores?

Sunil Chordia: I think something wrong with your numbers. Other income on stand-alone basis has gone up, and on consolidation, because of consolidation, that has gone down.

Parth Sheth: Yes, in consolidation.

Sunil Chordia: Yes. So, when the balance sheet of the U.S is consolidated, the other income gets knocked off. Yes.

Parth Sheth: Okay. Got it. Thank you.

Moderator: Thank you. We will take the next question from the line of Ritesh Shah from Investec India. Please go ahead.

- Ritesh Shah:** Hi, sir, just quick questions. Sir, what percentage of our volumes will be premium for India and Thailand? The reason to ask this question is you indicated that as we move more towards premium customers, we will get rid of the bottom customer base. So just trying to understand the impact on profitability it can have say over next 2 years, 3 years. So if you could help us understand the percentage of premium volumes and how much is the difference in pricing for a standard customer versus a premium customer?
- Sunil Chordia:** Yes. So Ritesh, it won't make a big difference in India because in India, premium customers we are already at more than 50%, 60% counter share. So we are not projecting to further consolidate that market share. Something may happen because of our Chennai location, but that is not our projection.
- Definitely, the big difference will come in Thailand, where the price difference also between a premium customer and a Chinese customer is in some cases up to THB10,000 per ton, which is in Indian rupees today close to INR25,000, INR26,000. So that should make a difference. Yes. And premium customer volume growth takes time. So it is happening, every year we add more volume to that. Pranay, will you say something?
- Pranay Jain:** Yes, so I will answer that question. Currently, around 30% to 32% of our sales are towards the premium customers, and as sir has mentioned, it will take time to grow, but few marquee customers are already approved and we will supply them. So we expect this to grow by 40%, means 30% will become 40% in the coming year product mix.
- Ritesh Shah:** Correct. And sir how much is the differential in working...
- Pranay Jain:** Are you clear?
- Ritesh Shah:** Yes. That is helpful. Related question, basically when we look at exports, how much is the difference in working capital days basically when we are catering from India to say Europe or U.S., likewise from Thailand to Europe or U.S.?
- Sunil Chordia:** Pranay?
- Pranay Jain:** Yes. So working capital for European customers is around 70 to 80 days what's the credit. It also includes around 40 days of transit time. So transit time to Europe is 40 to 50 days from Thailand. So that is the reaching time, and after that 30 to 40 days is the credit time. So we can say around 70 days is the working capital for exports to Europe.
- Sunil Chordia:** And as against local, local I think is 30 days payment terms?
- Pranay Jain:** Yes, local is 30 days, so on an average, 40 days is the receivable collection days for local.
- Ritesh Shah:** Sir, I didn't understand, sorry.
- Sunil Chordia:** If you sell locally in Thailand, then you get the money in 40 days, average, and if it is exported to Europe, 70 to 80 days because 40 days is the shipping time. And for U.S, it is 90 days.

- Ritesh Shah:** Perfect. Sir, my second question is, you did indicate Thai facility has the benefit of probably scrap usage and it's green bead wire. Are we getting any benefits out of it?
- Sunil Chordia:** Yes, definitely. We got few quick approvals only because those European customers were very keen to buy green bead wire because of their targets of making green tire and reducing carbon footprint. So Thailand also has an advantage, the CBAM which is applicable in Europe now, EU. Thailand is much competitive when the CBAM will be applicable. So compared to India, Thailand is in a better position.
- Ritesh Shah:** Fair. And sir, Indian exports, do they target Europe or is it largely towards U.S.? How should we look at it?
- Sunil Chordia:** From here, we are exporting to both the continents. It is depending on the customer which product is approved from which location.
- Ritesh Shah:** Correct. But sir, there will be negative impact because I think, I do not know the source of our feed for the Chennai and Pithampur plant, it won't be scrap-based wire rods, so the carbon intensity will be higher.
- Sunil Chordia:** No, no, it is higher, so those customers are not supplied from India. We cannot.
- Ritesh Shah:** Okay. Fair. This is helpful. Thank you so much sir.
- Sunil Chordia:** Thank you Ritesh.
- Moderator:** Thank you. We will take the next question from the line of Varun Sharma from Corporal Investment.
- Varun Sharma:** Congratulations for the good set of numbers, sir.
- Sunil Chordia:** Thank you.
- Varun Sharma:** Sir, my first question is that what were the tariffs on our products when we were exporting to U.S. when the tariffs on India were 50%?
- Sunil Chordia:** So for a long time, the tariff on our products is 50%. Our product falls under Section 232, so all the steel products exported to U.S. face a 50% duty from India or from Thailand or from anywhere else. And against China, it is a little more, they have an additional duty of 12.5%.
- Varun Sharma:** Okay, sir. And my second question is that who would be our main competitor? Would it be Bansal Wire or would it be Tata Steel?
- Sunil Chordia:** Both.
- Management:** The main competitor, would it be Bansal Wire or Tata Steel?
- Sunil Chordia:** We consider both of them as competitors, but Bansal is new. Still, according to us, he is not in all the counters able to supply. So more competition with Tata than Bansal.

- Varun Sharma:** Okay. Thank you.
- Moderator:** Thank you. We will take the next question from the line of Sanjay A from Elara Capital.
- Sanjay A:** Good evening sir. Thank you for giving me this opportunity. I just wanted to ask you regarding this green bead wire, as you mentioned. You said that you are the only supplier which is supplying from Thailand, and you also got the approvals regarding the same to export it to Europe because of the green -- I mean whatever the globalization it is, the green thing. So can you highlight some more details on this? Why do not we have some other competitors in this green wire?
- Sunil Chordia:** Very simple reason. Thailand the source of raw material, he uses 100% scrap. So the material coming out of the scrap is called green steel. In India, nobody is making wire rod out of scrap; they are still using the iron ore and pellets and those raw materials. That is the difference. So our Thailand source uses 92%, 95% scrap as raw material. So we use that wire rod for making green bead wire. That's it.
- Sanjay A:** Okay. So the technology is open or is it that I mean, any competitor can come in and make this thing?
- Sunil Chordia:** If we want to make in India, we are not able to do it. So some customers who are doing some trials, they place a small order on our Thai company, and we supply them from there to make some prototype tires and trials and everything is going on. It is more of theory. It is more aggressive in European market, but other companies are also, because of their commitment to become a green company or reduce carbon emission globally, there is a flavor, there is a pressure, there is a need for green.
- Sanjay A:** Perfect, sir. Thank you so much for your answer. And may I know, sir, I understand that this is very initial and nascent stage that we are heading towards green revolution and everything, so are we expecting some huge amount of good margins or it is just for green energy and everything, I mean the introductory stage as you said? What kind of margins can we expect once this scales up?
- Sunil Chordia:** No, see, what will happen is, we cannot project today. Because of our ability to supply green bead wire, we got approvals faster in bigger counters, European tire makers. That is the advantage. They got attracted, so in short time they said, okay, okay, if you are supplying that product, we will approve it. So, entry is done and business started. It is not that green bead wire I can sell at \$300 more. No.
- Sanjay A:** Okay. Initiation of market share. I agree, sir. Entry into the new market.
- Sunil Chordia:** Yes.
- Sanjay A:** Agreed, sir. And as you said that on the steel cord which is for conveyor belts, you said that it is in the nascent initial stages. So just wanted to understand, any other products in the pipeline other than this which you might be testing and...

- Sunil Chordia:** No, not right now. Our focus is on building up capacity in Chennai and Thailand, which I can see will be consumed very quickly. So right now, nothing beyond this.
- Sanjay A:** Okay. Thank you so much for this and good luck for the future.
- Sunil Chordia:** Thank you so much. Thank you, Sanjay.
- Moderator:** Thank you. We have the next question from the line of Saket Kapoor from Kapoor & Co. Please go ahead.
- Saket Kapoor:** Just to reiterate two points, you mentioned that, firstly, our EBITDA margin will be in the vicinity of this 12.7%, 13%. If we expect to expand, will this be the minimum margin?
- Sunil Chordia:** I will try to make it better, but this is the minimum. I think this is the lowest margin. Because of our volume and our efficiencies, we are able to click this double-digit volume, but when I look at other balance sheets of our competitors, none of them globally is making double-digit EBITDA margin. So it is less likely to fall below this.
- Saket Kapoor:** Right, sir. on the front of volume, we are getting additional 7,000 from the Indian domestic operation, that is the Chennai part for H2?
- Sunil Chordia:** Yes.
- Saket Kapoor:** That is what the volume growth will be -- expected volume growth for H2 from the Indian part is...
- Sunil Chordia:** So, from India, 14 percent growth has taken place in the first half to second half, and we are on track to continue growing in the second half also. And consolidated growth of 17%, Thailand has grown by 22%. So this year we should end up close to 160,000 tons of business.
- Saket Kapoor:** 160,000 for the entire -- both the profile as consolidated?
- Sunil Chordia:** Consolidated, yes.
- Saket Kapoor:** Last year we did 133,000?
- Sunil Chordia:** Yes, we are targeting 160,000.
- Saket Kapoor:** 160,000, out of which we did 71,000 for the first half, right?
- Sunil Chordia:** Yes.
- Saket Kapoor:** Sir, secondly, when we look at our balance sheet part, sir, there are a lot of capital work in progress, closing balance is INR90 crores for standalone. So for INR90 crores stand-alone, it is for both the steel wire project -- cord project as well as the Chennai capacity, that is what the closing balance is? And how much you are going to capitalize?
- Sunil Chordia:** In this, only INR70 crores is for the steel cord project. Okay. And a small portion is for Thailand and some is for Chennai.

Saket Kapoor: Sir can you please repeat?

Sunil Chordia: INR70 crores is for the steel cord project which is still not capitalized. And some is small. INR10 crores for both the places. Chennai as well as Thailand.

Saket Kapoor: Okay, sir. Then that figure is INR115 crores when we look at the consol part, our closing.

Sunil Chordia: Yes. So the real number for Pithampur is INR80 crores, and Chennai must be INR15 crores and INR20 crores in Thailand.

Saket Kapoor: Okay. And out of that INR80 crores that we are doing for the steel cord project, that will get capitalized when, sir?

Sunil Chordia: I think end of this quarter we should be capitalizing that. Because the trials are still going on. once we start regular production, we will capitalize it, Then the depreciation will start.

Saket Kapoor: Okay. And what should be the expected revenue contribution for H2, sir?

Sunil Chordia: For H2, now in all our discussions we are not counting steel cord revenue.

Saket Kapoor: Okay. But sir, that will have an impact on our H2 on account of depreciation and interest.

Sunil Chordia: Not very big, We are not expecting big volume growth in H2. Trail going on and sample will be send to customer for approval. We need ISO certification, we need BIS certification. All these formalities will take a lot of time. But I am confident that next financial year it will be running at full -- it will be running at good capacity utilization.

Saket Kapoor: Okay. And sir, when we look at our borrowing part also, on a consolidated level, the borrowings have gone up. So what explains this INR90 crores difference with consolidation? When we look at consolidation, it is only I think the Thailand that gets consolidated, so in the borrowing as well as in the inventory part. So can you explain since you are mentioning that?

Sunil Chordia: There has been 27% revenue growth. So majority of this is working capital borrowing. And it is more so because working capital cycle for export is higher than the local. So majority of this is borrowing for working capital, and it is in proportion to the growth of business.

Saket Kapoor: Okay. And sir, lastly, sir, capex that we have done for the last 6 months, in a standalone of INR51 crores, that will be major for your steel cord project. The major part of it that we have invested?

Sunil Chordia: Yes.

Saket Kapoor: Okay. And sir, what infrastructure have we created in this? It is only the plant and machinery, I think so that is what they...

Sunil Chordia: Plant machinery and our entire shed is -- no, Our first factory was dismantled and we have created a huge shed, almost 2.5 lakh square feet with a capability to take more machines and more volume in future. So, we have invested in that as well.

- Saket Kapoor:** Okay. Lastly, sir, when we look at our EBITDA growth, EBITDA growth sir has been 10% quarter-on-quarter. So factoring in into?
- Sunil Chordia:** 14% remaining.
- Saket Kapoor:** No, I am talking about Q-o-Q. When we look at, at a console level, Q1's EBITDA was INR41.71 crores and Q2 was INR45.79 crores?
- Sunil Chordia:** Okay. That is 10%. But okay, year-on-year it is 14%. Yes.
- Saket Kapoor:** So that translates into 10% Q-on-Q. So taking into account the volume growth that you are expecting, what will be the trajectory of this number in terms of the growth part?
- Sunil Chordia:** Our projection for Thailand is better. You will see better number from Thailand in the coming quarter as far as EBITDA is concerned. We do not expect much improvement in EBITDA in the remaining 2 quarters in India. As I told you, market is competitive, and we are also one of the head-on competition with other two names which were discussed earlier. But in consol, you will see improvement coming from Thailand.
- Saket Kapoor:** Okay. So to conclude, Thailand from margin contribution will come and volume will come from India.
- Sunil Chordia:** No, from Thailand both will come. From Thailand volume and margin will come and from India volume will come and margin contribution percentage will not come.
- Saket Kapoor:** Okay. Because sir, Thailand we have done 29,000, so starting capacity will be that much or we could reach higher than that?.
- Sunil Chordia:** This year it will be like this.
- Moderator:** Thank you. We will take the next question from the line of Pranay Roop Chatterjee from Burman Capital Management. Please go ahead. Mr. Pranay please proceed with your question.
- Pranay Roop Chatterjee:** So my question is with respect to the India capacity. So after Chennai scales up, our total, let's say, I am talking with respect to Q4 of FY27 as an example, by then our annualized capacity in India would be 132,000 tons, 1,32,000 which is effectively 1,20,000 of bead wire and the remaining is the other product. On that...
- Sunil Chordia:** And 10,000 tons of steel cord.
- Pranay Roop Chatterjee:** So total is 132,000 tons, right, including steel cord?
- Sunil Chordia:** 142,000.
- Pranay Roop Chatterjee:** Okay. Let me then be sure about this. I am looking at your presentation. Pithampur has total capacity of 72,000 tons, of which 60,000 tons is bead wire. That is correct?
- Sunil Chordia:** Correct. Yes, yes, but we are adding 10,000 tons of steel cord also.

- Pranay Roop Chatterjee:** Okay. Because I think the last time I spoke with the team, I was under the impression it was being that bead -- that black wire is being converted into steel cord and it is not incremental. That is wrong then?
- Sunil Chordia:** No, no, no. But I also told in the call that few more -- right now we will be buying raw material, semi-finished goods, but we are installing few more equipments and lines to have in-house capability.
- Pranay Roop Chatterjee:** Okay. So if I then for a second ignore that additional 10,000 tons because anyway we are not building anything into this year, it's probably next year. So if I focus only on the 132,000 tons and I divide it by 4, I get 33,000 tons for the quarter, which is the capacity. What is the maximum we can produce on that 33,000 tons even if we stretch ourselves to the max?
- Sunil Chordia:** So 90% of that. We are doing that in Thailand; we are stretching to that capacity.
- Pranay Roop Chatterjee:** So hence my question, sir. In Thailand aren't we doing almost 100%? Because I think we sold 15,260 ton and our quarterly capacity in Thai is 15,000 tons, so...
- Sunil Chordia:** Yes. You are right. Production was a little lower than this; it was 14,600 tons something. So yes, we are doing some debottlenecking, some change in the sizes. So when we say capacity, it is based on some assumptions of sizes and beads. If there are orders for thicker wire, little capacity will increase. Those complications are difficult to explain you on phone.
- Pranay Roop Chatterjee:** Perfectly understood. Sir, the reason I am asking this is, obviously at the start of the call you said that basically now nothing is approved on Chennai going beyond 60,000 ton capacity, and obviously basis how it gets utilized and basis the return on investment, you will decide. I am just thinking, India, if it continues growing in 13%, 14% range, sometime in the second half of FY28, likely you will be fully utilized, Chennai completely utilized and Pithampur completely utilized on the bead wire front.
- Sunil Chordia:** Yes.
- Pranay Roop Chatterjee:** So when, assuming everything goes on track, how do you plan to progress in terms of time line of events? Because first you have to take Board approval, then there will be a lead time of the machines being ordered and coming in. And...
- Sunil Chordia:** I have answered in the previous question that we have the land available in Chennai and it's a very good location, very well located. Profitability margins are much better in Chennai, and our competition is far away from South, which encourages us to quickly ramp up the capacity in Chennai. But unless there is a Board approval and there is a firm plan, I do not want to announce. But if you want to foresee, yes, I also foresee that expansion in 2 years' time.
- Pranay Roop Chatterjee:** Understood, sir. Sir, last question I will ask, just to gauge how the growth could be from an India front, since we have spend -- you have explained Thailand beautifully. Sir, India in FY26, we did about 81,000 tons, 82,000 tons if I round. I can split that 82,000 tons into 62,000 tons to 63,000 tons of domestic bead wire consumption, about 10,000 tons of black wire if I assume it's fully utilized and about 9,000 tons of export from India. Is that correct, sir?

**Factual error corrected in transcript*

- Sunil Chordia:** I'm not so handy with numbers what you remember.
- Pranay Roop Chatterjee:** I think it's correct, sir, because I think I got this from.
- Sunil Chordia:** But probably it is correct. Yes, so it is correct number, Yes.
- Pranay Roop Chatterjee:** Yes. So I'll tell you where I'm getting at. So if I were to think about what the growth could be from a more medium-term perspective here, the domestic consumption of bead wire would be constrained, right? Because anyway it is limited by how much capacity your tire guys are putting, and obviously you are confident of gaining market share, but you're already at a high market share.
- So maybe 10%, 11%, 12% could be the growth on the domestic consumption piece. Your -- I am very excited about the export from India piece. This, I think historically, has been in the 1,000 tons to 2,000 tons mark, and after Chennai sort of successfully ramped up in FY26, that went to 9,000 tons. And I think this year you could almost, not double, but a bit less than double, maybe 14,000 tons, 15,000 tons, 16,000 tons.
- Sunil Chordia:** 40% growth.
- Pranay Roop Chatterjee:** 40% growth. So sir, what is driving the exports from India and how much runway for growth do you think there is? Because for me, at least how much I understand your India capacity, this is going to be the material growth engine sort of, where you can gain market share and drive faster growth.
- Sunil Chordia:** Yes. So what is driving growth is the quality we make. So other than Rajratan, nobody else is able to export. And it is also because of our long, long relationship in India and Thailand with those global customers. And we clearly see that there is a demand, China Plus One, in our product, okay. People are not very comfortable buying 100% from China.
- So we are getting -- and our hard work of last 2, 3 years of making effort, we now have a subsidiary in U.S., very soon we'll start a subsidiary in Europe, but our marketing people are already located there. So their efforts and our efforts have given this result, and I can say this is only the beginning. These volumes will keep growing if everything goes well.
- Pranay Roop Chatterjee:** And would it continue to be driven by Southeast Asia and U.S.? I think these are the two geographies I had captured from past con calls.
- Sunil Chordia:** Yes. So Southeast Asia I don't see much growth because China is very competitive there, but yes, growth in Europe and U.S.A. is certain.
- Pranay Roop Chatterjee:** Got it. And you said 40% is the growth expectation this year from India exports?
- Sunil Chordia:** Yes.
- Pranay Roop Chatterjee:** Okay. Great. Thank you sir, You've been very patient in answering. you sir...
- Sunil Chordia:** Yes. Thank you so much for your interest, Yes. I think it's over now.

- Moderator:** Sir we have one last question.
- Sunil Chordia:** Okay.
- Moderator:** We have the question from the line of Ajay Kapadia from Motilal Oswal. Please go ahead.
- Ajay Kapadia:** Good evening, sir, Sir, last price hike we took was in the first quarter when the steel prices had gone up considerably in the last quarter of the last year. So in the last couple of months also, the steel prices have gone up significantly, and we normally take price hike on quarterly basis. So any hike we have taken at the end of this second quarter?
- Sunil Chordia:** We have been able to take some hike in some cases where prices were not finalized or we were not committed at old price, but remaining we will have to take end of this quarter.
- Ajay Kapadia:** End of the third quarter?
- Sunil Chordia:** Yes.
- Ajay Kapadia:** So currently, the pressure on margin is more due to the freight and the other raw materials rather than steel, am I correct, or steel is also one part?
- Sunil Chordia:** Yes, No, the impact of steel is not in the paper that you are looking at today. The impact is more of other costs mainly energy, gas, petroleum, packing products and dies, everything has gone up, transportation cost. Yes. Export sea freights, they are like crazy. Yes, but steel prices, yes, are going up, and I think it will continue till mid of November. But whatever it is, December onward we have to pass on the price increase in remaining counters.
- Ajay Kapadia:** okay, sir. Thank you so much.
- Sunil Chordia:** Thank you.
- Moderator:** Thank you very much. Ladies and gentlemen, that was the last question, and with that concludes the question-and-answer session. I now hand the conference back to the management for the closing comments.
- Sunil Chordia:** So thank you all the shareholders for your interest in Rajratan. We are in exciting times. In spite of very turmoil market, very turmoil geopolitical situation, your company has been able to show a good growth, and we are confident of continuing this growth journey for next couple of quarters. Please keep watching us, and we'll try to do our best. Thank you so much.
- Moderator:** Thank you, members of the management. On behalf of 360 ONE Capital, we conclude this conference. Thank you, everyone, for joining with us today, and you may now disconnect your lines.