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**RGWL/26-27/**

**29<sup>th</sup> April, 2026**

<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 year ended 31<sup>st</sup> March, 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 31<sup>st</sup> March, 2026 conducted on 22<sup>nd</sup> April, 2026, for your information and records.

Thanking You,

Yours Faithfully

**For Rajratan Global Wire Limited**

**Shubham Jain**

**Company Secretary & Compliance Officer**

**RAJRATAN GLOBAL WIRE LIMITED**

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“Rajratan Global Wire Limited  
Q4 FY '26 Earnings Conference Call”

April 22, 2026



**MANAGEMENT:** **MR. SUNIL CHORDIA – CHAIRMAN AND MANAGING DIRECTOR – RAJRATAN GLOBAL WIRE LIMITED**  
**MR. YASHOVARDHAN CHORDIA – CHIEF EXECUTIVE OFFICER AND DEPUTY 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 – 360 ONE CAPITAL MARKETS**

**Moderator:** Ladies and gentlemen, good day and welcome to Rajratan Global Wire Limited Q4 FY26 Earnings Conference Call hosted by 360 One Capital Markets. 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 360 One Capital Markets. Thank you and over to you, sir.

**Sailesh Raja:** Good evening all. Thank you for joining us for Rajratan Global Wire Limited fourth quarter of FY26 earnings conference call. During this call, from the management side, we will be hearing from Mr. Sunil Chordia, Chairman and Managing Director; Mr. Yashovardhan, CEO and Deputy Managing Director of the company; Mr. Pranay Jain, CFO Rajratan Thailand; and Mr. Hitesh Jain, CFO Rajratan India. I would now like to turn the call to Chairman and Managing Director for the opening remarks, followed by Q&A. Sir, you may begin now.

**Sunil Chordia:** Thank you, Sailesh. Thank you all the participants for your interest in Rajratan. I am happy to say that we are meeting in very exciting times when the global businesses are affected by geopolitical situation, war situation in GICC countries. A lot of businesses are affected, supply chains are disturbed, but our company has been able to perform well in spite of all the difficulties. We have a mix of good news and some not-so-good news. Good news is that we have been able to achieve the highest ever sales tonnage. Our sales on the year-on-year basis have increased by 18%. We have done more than 133,000 tons of total sales from three locations.

Particularly in this quarter, we could not achieve the EBITDA targeted EBITDA. That is because of the high prices of raw material. There was a sudden increase in steel prices beginning from January. So from January till March, the prices went up by almost INR10,000 a ton, which we could not pass on to the customer. That is why the EBITDA percentage in this quarter has gone down. Coupled with that, the availability and the price of energy was a difficulty, which also affected the EBITDA margin particularly in this quarter.

But we have been able to pass on the price increase in the current quarter and we see a robust demand from all our customers in India, as well as in Thailand and globally also. So I can say that this year should be another growth year for Rajratan and we target to grow our business in volume by around 17% to 18% in the current year also. With this, I am happy to answer all your questions along with my team members. Thank you so much.

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

**Sanjay Shah:** Good evening, sir. Thanks for opportunity. Sir, sincerely appreciating the performance in this global volatile situation. My question was regarding can you please highlight upon and talk about exports business opportunity region-wise for our bead wire and even some non-tyre segment globally?

**Sunil Chordia:** Sanjay ji, we won't be able to give very specific information, but generally Yashovardhan is handling the global business, so he will answer you what are the developments in different markets.

**Yashovardhan Chordia:** Hi, Sanjay ji. Because of volatility, to be honest, the only impact that we have seen till now is disruption in shipping, especially from our Thailand plant. But overall, the development of export market remains robust for us. There are many companies that have already approved us in Europe and we are under regular supplies to them since last six months.

Definitely ensuring that the material reaches them on time is something that we are struggling with since last 30 to 40 days, but I think that should ease out. Also in American market, the demand still continues to be robust. So, we were expecting that the geopolitical issues will create or reduce the demand, but it has not happened till now.

**Sanjay Shah:** That's great. So basically, it's in tyre segment itself or in non-tyre also we are looking?

**Yashovardhan Chordia:** I would say 70% of the efforts and development is happening in tyre segment in terms of number of counters and number of plants. But today, non-tyre segment volume is also substantial. But this ratio will keep changing because tyre companies take a long time to approve. Other products are faster approvals and volumes come in faster. So it's a mix of both.

**Sanjay Shah:** Sunil sir, I have one question for you was regarding our Chennai plant. Can you share the ideology of working where we have shifted many tyre industry supply from Chennai and we are catering to some low margin customers from Indore? So how do you see that panning out in near future? How do you see that capacity over there and do we need any capex in any each of the plant further?

**Sunil Chordia:** Yes. So, last quarter Chennai utilized capacity almost 85% to 90%. If you look at their exit rate against 30,000 tons capacity, they have been producing 2,200 tons to 2,300 tons per month. That is why we decided to put in the money for balance equipment and some equipments have started arriving and we will become a 60,000 tons capacity plant by second quarter of this financial year.

This year our plan is to sell around 35,000 tons from Chennai to all the customers who are in that region. So we will be able to cater to customer in North India who might be a lower price customer, okay? So, as specified earlier, we don't want to lose our market share. As long as the product is giving us some contribution, we want to continue with our high market share.

And in tyre sector, our market share has again reached to 42% to 43%, which had come down to 35% to 37%. And we are also putting in capex for steel cord for conveyor belt in our Indore facility. So that project, of course got little delayed because of the reconstruction of the shed. We have broken the old shed which was made in 1989 and built up a new big shed.

But now that work is over and machines are getting installed and we will be able to start trials in the second quarter of that product also. So apart from these two capex, there is no additional capex plans for this year as of today. Yes.

- Sanjay Shah:** So what will be that amount of capex approximately?
- Sunil Chordia:** In the steel cord, we have already invested around INR55 crores, I think INR45 crores to INR50 crores and we will require another INR25 crores to complete that capex. And Chennai this year will be close to INR25 crores to complete the capacity to 60,000 tons.
- Sanjay Shah:** That's helpful. Sir, my last question was regarding margin uptick. Can we see that establishing the rising raw material and energy prices get passed on in coming future time in this year itself?
- Sunil Chordia:** Right now, this year, the price that increased until March has been passed on, whether it is the steel price or it is other consumables or even energy prices. And currently we are seeing that there is a pressure on the dispatches. We are not able to meet the demand of customers to supply them on time because there is a shortage of raw material also.
- But I think that will become smooth by end of this month and we will be able to meet our overall production target and sales target for this year unless something major happens again, okay? So you cannot -- you have to keep your fingers crossed that no other war, another issue. That uncertainty will remain. So whatever I am talking of is a normal situation. Yes.
- Sanjay Shah:** Got it, got it. And this receivable cycle is a bit high this time?
- Sunil Chordia:** That has increased because of US export because the US export that happens, we first supply to our company in USA who imports, pays 50% duty on the product. So that amount also adds on to the working capital cost and then customer pays us in 30 or 60 days after he receives the material. So that credit cycle has become bigger.
- Sanjay Shah:** Got it sir. Thank you sir. Very helpful and best of luck, sir.
- Sunil Chordia:** Thank you. Thank you.
- Moderator:** Thank you. We have next question from Preet Pitani from InCred AMC. Please go ahead.
- Preet Pitani:** Congratulations for good set of volume numbers. Sir, my first question would be on raw material cost. So by telling that we are able to pass on the entire INR10,000 per ton which has been increased in the cost, do we mean to say that we would be able to reach 38% to 39% gross margin which we were doing back in Q1? Is my understanding clear?
- Sunil Chordia:** It will be little more because in percentage we will be able to maintain gross margin. So on absolute numbers, because prices have gone up, we will be able to do that. Not an issue. So I don't think any issue in this quarter. Yes.
- Preet Pitani:** Okay. And I was seeing your Thailand as well as India numbers. In India, there was a pressure on gross margin, but I can see that in quarter four Thailand gross margin stayed constant quarter-on-quarter, but we have seen a huge increase in other expense for this quarter as well as for this full year. Any particular reason for the same?

**Sunil Chordia:** Look, the other expenses, it is not Thailand other expenses. We have now one more 100% subsidiary which is getting merged in this balance sheet, that is USA, Rajratan USA. So there is a cost of around INR30 crores which is for six months wherein we have been supplying to USA on a FOB basis because the import duty in USA is on the FOB cost of the product and the US company pays for the shipping cost and logistics cost.

So that INR30 crores of cost for second half of the year is booked in the USA balance sheet. So because both the balance sheets are merged and you can't see USA balance sheet separately, you think that it has gone up in Thailand. It has not gone up in Thailand, it has gone up in USA.

**Preet Pitani:** So now it is new normal that we would be incurring around INR60 crores cost for the full year in this subsidiary?

**Sunil Chordia:** If the export volumes are like this or we have a projection to increase that, so this will be further increased.

**Preet Pitani:** So can you just help me explain between the EBITDA per ton or EBITDA margin differential between when we sell in India or we sell in Thailand or we sell in USA or any other export country? Is EBITDA per ton maintained at the same level or if you could just tell us picking order?

**Sunil Chordia:** No, because there will be very different prices, logistics cost, prices, long-term contracts. Some orders are at good price, some orders are long-term commitment. It is very difficult to tell you what is EBITDA in USA market, what is EBITDA in Thailand or customer wise. In Thailand, we have a mix of customer. The prices range from something like THB26,000 to THB34,000. So very difficult. You can continue to assume that we will be able to maintain this EBITDA level 13.5% to 14% safely.

**Preet Pitani:** Across continent?

**Sunil Chordia:** on a consolidated basis.

**Preet Pitani:** And sir one question from my side. This year you have also shown the segmental difference in the quarter 4 financial about how much we have got from India, how much we have got from Thailand, USA and rest of world. Can you break up this 17% to 18% volume growth which you mentioned region wise? How much growth we expect in India, how much growth we expect in Thailand and how much growth in USA?

**Sunil Chordia:** I think we have given. We have grown 19% in sales volume in India, we have grown 17% in Thailand and overall consolidated growth in volume is about 18%.

**Preet Pitani:** Sorry for interruption. I am asking for FY27 guidance, the guidance which we are giving 17%, 18% volume growth for FY27. If you could just break it up further how much growth we expect in India?

**Sunil Chordia:** Yes, I can tell you. Thailand we are not expecting 20%, we are expecting around 10% to 14% because there is a capacity constraint in Thailand. We are doing some debottlenecking, so Thailand from current year volume which is close to 51,000 will grow to 55,000 to 56,000. That is why I am saying 10% to 11% growth in volume in Thailand.

But balance growth of to make it to a consolidated 17% will come from India because Chennai capacity is ramping up and we have little growth possible in Pithampur factory. And in all these numbers I am not including steel cord. So steel cord will be trials and it will take some time before we talk of volumes of that product. So next year you can estimate a 155,000 tons of total sales if things remain normal globally.

**Preet Pitani:** I was just asking about not plant wise growth, I was asking about region wise revenue growth like USA like year we did .

**Sunil Chordia:** So USA will further grow. Like this year export from India has grown by 250%, but in different markets we choose where to supply from. So matching both this is a little difficult. We look at the transportation cost, capacities available in different plants. But we have a plan to grow around 30% in North America I can tell you. And some growth in Europe, which will be around 50% and Southeast Asia 10%, 15% because we were supplies in South Asia for many, many years. So not many opportunities left for us.

**Preet Pitani:** Europe you mentioned 50%?

**Sunil Chordia:** Yes, because the base is low.

**Preet Pitani:** And Southeast Asia you mentioned around 10%?

**Sunil Chordia:** Yes 10% to 15%. Base is high and US we see bigger opportunities.

**Preet Pitani:** Got it. And sir, if you could mention about working capital difference like you mentioned if we sell to USA we take additional 30 days, 40 days to receive our money because of the long supply chain. What would be the difference between the working capital in India and Thailand? Do we receive it in 30 days or 60 days?

**Sunil Chordia:** Thailand is overall average 30 days and India is about 50 to 60 days and then some working capital for stocking and finished good and raw material. But export has a longer working capital cycle because Europe shipping line takes 45 days to reach, USA takes anything from 45 to 60 days and then there is a credit to be extended.

**Preet Pitani:** Got it. Sir would continue to see short-term loans at a higher working capital loans at a higher range for next couple of years until we reach to a mature stage?

**Sunil Chordia:** Yes, it is good to borrow at 7%, 7.5% and invest in a profitable business, so working capital borrowing will continue.

**Preet Pitani:** I'll join back in the queue. Thank you so much, sir.

**Sunil Chordia:** Yes. Thank you.

- Moderator:** Thank you. We have next question from the line of Vinit Thakur with Plus 91 AMC. Over to you, sir.
- Vinit Thakur:** Hi sir, good afternoon. Congratulations on the volume growth. Sir, I wanted to know when would we see a margin reversal to the expected levels of around 13% to 14% as we had spoken on 9 months?
- Sunil Chordia:** Yes. So as told you in the earlier question, the margin dip is purely because of the sudden increase in wire rod price in January, February, March, which we have been able to pass on to customers in the current quarter April, May, June. So you will see the margin coming back to 13%, 13.5% in the current quarter itself if everything remains normal. If there is another situation, some another breakout event happening in the world.
- Vinit Thakur:** And sir, like we had spoken about the wire rope expansion as well and the steel cord expansion as well. Sir, what is the timeline on the steel cord, when would it be online sales?
- Sunil Chordia:** Wire rope and steel cord are one. Earlier we were telling that it is a wire rope project, but now it's a similar product, but we have decided to make the same product what was being made in the same factory in Greece and that will start production trials in second quarter and will take some time for approval and regular production. So you can expect bigger revenue next financial year. And in all our discussion and projection we are not including bigger numbers of this product.
- Vinit Thakur:** So sir as I know steel cord gets a higher realization and has a higher margin?
- Sunil Chordia:** It is not that steel cord for tires. This is a steel cord for conveyor belt. So very niche product in a niche market.
- Vinit Thakur:** So sir what would be the capacity of the plant?
- Sunil Chordia:** The total capacity of this plant is 10,000 tons a year and the generation at current level of pricing, the top line possible from this investment is around INR150 crores.
- Vinit Thakur:** That would be assuming in 3 years to 4 years to reach peak utilization, is it correct?
- Sunil Chordia:** 2 years.
- Vinit Thakur:** From next year onwards?
- Sunil Chordia:** FY29.
- Vinit Thakur:** Got it, sir. And sir what would be the average realisation for steel cord?
- Sunil Chordia:** Different sizes, different prices, but on an average INR150 a kg.
- Vinit Thakur:** And what are the margins on this product, sir?

- Sunil Chordia:** Right now, what others are selling, the current sales and if we look at financials, the EBITDA margin as of today are around 20%. We will have to see going forward how it works out.
- Vinit Thakur:** And sir, there is a debt increase as well in short term and long term. What would be the peak that we are assuming post the capex cycle once it's completed?
- Sunil Chordia:** I have been telling that this is the peak, but because of business situation, our volumes in North America have grown substantially, which needed more working capital, so we had to borrow. Similarly, capex in steel cord and remaining capex in Chennai required more term loan. But we have paid around INR50 crores of term loan in the current year also. So that is the company culture. We keep borrowing and repaying and we still feel rather than diluting equity, we should continue borrowing at a lower cost and save dilution of equity.
- Vinit Thakur:** And sir, there is a quite a spike in the other income as compared to last year. Could you just shed some light? Is it like a one off?
- Sunil Chordia:** Other income is gain on foreign currency fluctuation, foreign currency appreciation. So dollar has appreciated as we have a bigger export, we gained on dollar and Thai Baht has also become strong. So there is a growth, there is an appreciation of Thai Baht which has reflected in the balance sheet.
- Vinit Thakur:** Okay, sir. Thank you so much for answering the questions. All the best sir.
- Vinit Thakur:** Thank you so much for answering the questions. All the best sir.
- Moderator:** Thank you. We have next question from Mr. Bhargav Buddhadev from Ambit.
- Bhargav Buddhadev:** Good afternoon sir and congratulations on a good performance in a tough market. Sir, is it possible to share what is the exports from India which we have done in FY26?
- Sunil Chordia:** Total volume I can tell you from India we have done I think close to 9,000 tons this year. I can give you that number separately also. Yashovardhan, you remember?
- Yashovardhan Chordia:** It is little more than 9,000 tons volume. Balance is from Thailand.
- Bhargav Buddhadev:** Okay, so in FY26, the exports from India was about 9000 odd tons, more than 9000 tons?
- Management:** Yes.
- Bhargav Buddhadev:** And next year what are we planning? This number can increase to how much in FY27 from India?
- Yashovardhan Chordia:** Next year probably we are expecting to touch about 15,000 tons of export from India.
- Bhargav Buddhadev:** And this will be mainly from Chennai I presume?
- Yashovardhan Chordia:** No again. Specific things are very difficult to commit today. Wherever we get a container, wherever we have capacity.

- Bhargav Buddhadev:** Secondly sir, you mentioned INR25 crores of capex at Chennai for 30,000 tons. So assuming that you are able to ramp it up in a year's time, then that INR25 crores can be recovered in a year's time. Is it fair to assume?
- Yashovardhan Chordia:** No, I think the plan is not to ramp up so fast. The decision is to invest and keep the capacity ready, but the volumes will increase gradually only and I think the plant will also develop capability to increase volume gradually. So I think it will be wrong to estimate 60,000 figure and then calculate that next year's production will be that much.
- Bhargav Buddhadev:** Okay. And lastly sir, on the Chennai location being very close to your South Indian clients, is it fair to assume that there could be some savings in terms of freight expenses? Have they started realizing or it will take some time?
- Sunil Chordia:** Look, some will be realized, some will have to be given.
- Bhargav Buddhadev:** So you should not count on any margin increase from freight cost savings?
- Sunil Chordia:** It will have to be passed on somewhere, some shared with customer. We are very conscious that we are in a competitive market. Competition will also play the moment we pass on some benefits. Very difficult to pinpoint.
- Bhargav Buddhadev:** And sir, lastly, what has been our peak market share in history? I mean, what was our highest market share?
- Sunil Chordia:** 43% to 44%.
- Bhargav Buddhadev:** So we have reached there. I mean, we are back to...
- Sunil Chordia:** Close to that. Exact numbers are difficult. But our monthly data collection shows that we are back at 42%, 43% kind of market share in India.
- Bhargav Buddhadev:** Also sir, you mentioned that there are some challenges in terms of raw material procurement. So you being a market leader if you are facing challenges, is it fair to say that your competition would face far more challenges given the inflation and also the issues in terms of availability?
- Sunil Chordia:** I heard that everybody in the wire industry is having raw material issue.
- Bhargav Buddhadev:** Great sir. Thank you very much and all the very best.
- Moderator:** Thank you. We have next question from Ajit Sethi from Eiko Quantum Solutions.
- Ajit Sethi:** Thank you for the opportunity. Sir, what is the capex amount we are spending on steel cord wire?
- Sunil Chordia:** Close to INR70 crores.

- Ajit Sethi:** Okay. Sir, in FY27 we had given a guidance of 37,000 from Chennai plant, which comes around 60% utilization. So it is fair to assume that we can achieve a peak utilization from Chennai plant in FY28?
- Sunil Chordia:** 28, 29 as Yashovardhan said earlier, it takes time to build capability. It is a question of our capability, customer approval, customer confidence, a lot of things are involved.
- Management:** But let me clarify, I think it's not fair to assume peak utilization so soon.
- Moderator:** Thank you. We have next question from Preet Pitani from InCred AMC.
- Preet Pitani:** Sir, this quarter tax rate was very low. Any specific reason?
- Sunil Chordia:** Yes, it was low on a consolidated basis because -- Pranay, will you answer?
- Pranay Jain:** Yes. So in Thailand we are getting exemption on income tax after sales of 36,000 tons. And we are a BOI privileged company, so the base tax rate is 20% for the normal companies and privileged companies the effective tax rate comes to be 13.9%.
- Preet Pitani:** After volume of 36,000 on an annualized basis?
- Pranay Jain:** Yes, yes.
- Preet Pitani:** So this 13% is on entire profit or whole 36,000 tons whatever we are making?
- Pranay Jain:** Entire profit, 13% because it is prorated. I am telling you effective tax rate. So up to 36,000, the income is taxed up to 20% and beyond sales of 36,000 there is no tax. It's exempted.
- Preet Pitani:** Okay, okay. That's why we have seen a lower tax rate. Okay. And sir on the PLI upfront? Thank you, thank you. Sir, on the PLI upfront, last year we did not get the PLI because we were not able to produce in Chennai, but this year we have done so and we are expecting FY27 as well. So will PLI benefits flow? What is the status?
- Sunil Chordia:** Yes. As I said, we are knocking the doors of Steel Ministry. We are also making representations to Commerce Ministry who is overall in charge of the PLI. They all hear us, but nobody is giving assurance. I think it will take some time before I can confidently say that we are getting PLI. But we could not achieve first year target -- targeted production as committed to them and second year targeted production was also not achieved because first year was missed. Second year was also missed.
- So we have requested for change in the ladder. If that is approved, we'll get PLI. Otherwise as of today, the question mark is there on the PLI. And in all our projection discussion we are not including PLI as a benefit, okay.
- Preet Pitani:** If it gets approved how much would be the PLI percentage?
- Sunil Chordia:** 8% on sales, incremental sales every year. 8% from Chennai. Total quantum will be INR40 crores to INR50 crores in 5 years' time.

- Preet Pitani:** Okay, got it. And sir, I see every year we get around INR3 crores of state investment subsidy. I think it would be because of Chennai plant. How many years still we will be getting more subsidy?
- Sunil Chordia:** No, it is not Chennai, it is Indore. We had done investment in 2020. So we were getting 30% of the capital subsidy. So whatever we had invested that year, every year we get in 7 years that disbursement happens, okay. So I think some INR24 crores, INR25 crores was sanctioned and every year we get INR3.5 crores, INR4 crores. So it is that money coming to balance sheet from MP state government. We'll get similar subsidy for our steel cord investment.
- Preet Pitani:** Okay. And is this subsidy shown in the P&L or is it directly knocking off the capital?
- Sunil Chordia:** No, it is knocking off from the investment.
- Preet Pitani:** Got it. And sir, for this year what would be our wire rope volume?
- Sunil Chordia:** We are not assuming any volume this year. Maximum it will be 2,000 to 3,000, okay. But right now we are not talking of numbers.
- Preet Pitani:** In FY26. I am asking about the year which has just passed?
- Sunil Chordia:** There was nothing from wire rope.
- Preet Pitani:** Okay. So there was some other wire also we do which contributed around...
- Sunil Chordia:** Which is 14,000 tons, which was 14,000 tons in Indore factory.
- Preet Pitani:** 14,000 tons for FY26?
- Sunil Chordia:** Yes.
- Preet Pitani:** Okay. And our 17% to 18% growth projection and 1,55,000 volume projection includes these 14,000, right?
- Sunil Chordia:** Yes, yes.
- Preet Pitani:** Got it. And then last on the competitor upfront, like we have been hearing that competitor has done excess capacity and there is the pressure on pricing. So what makes us different with respect to competitors? And will we be able to maintain this 13% to 14% margin if their excess supply comes off on the road or do we have to reduce the price and take a hit on margin to preserve our market share? What would be our strategy?
- Sunil Chordia:** If competition decides to further reduce the price, to our understanding they are already losing heavily at this price. If they decide to lose further, okay, I don't know. So very difficult to predict. Okay. But we are surviving and making this kind of margin in last 4 years at least. So competition is not new.

- Preet Pitani:** And what would be the price difference between our product and their product? Is there any difference or we are at the same level?
- Sunil Chordia:** Sorry?
- Preet Pitani:** We and our competitor realization.
- Sunil Chordia:** No, no, there is a big, big difference.
- Preet Pitani:** We are at on the higher end or we are on the lower end?
- Sunil Chordia:** We are at higher end definitely. Any new entrant has to enter with a price cut, okay.
- Preet Pitani:** Yes. So what makes us different that it's our relationship with the clients or what is the difference that they are purchasing...?
- Sunil Chordia:** 30 years of hard work and knowledge of this product and relationship everything. Yes.
- Moderator:** Thank you. We have next question from Saloni Arya from Molecule Ventures.
- Saloni Arya:** Good evening sir.
- Sunil Chordia:** Yes, Saloni.
- Saloni Arya:** Yes, good evening, sir. Thank you for taking my questions. I want to basically get a bit more understanding on the new verticals that we are trying to do pilot project, that is wire rope and steel cord. If I am right we have already spent around INR70 crores in the wire rope pilot project, right?
- Sunil Chordia:** We have invested INR50 crores, balance will be invested in current year.
- Saloni Arya:** Okay, okay. And how much are we expecting to do in terms of revenue from wire rope alone?
- Sunil Chordia:** Peak revenue will be INR150 crores which will take at least 2 years to reach.
- Saloni Arya:** That is just for wire rope, sir?
- Sunil Chordia:** Wire rope, steel cord, whatever you say. Yes.
- Saloni Arya:** It's the same thing?
- Sunil Chordia:** Yes, Yes. Same thing.
- Saloni Arya:** So sir, what first of all led us to venture into this segment because it is completely new for us, it's like a niche segment as usual?
- Sunil Chordia:** I'll say it is not completely new. It is a wire drawing product and it goes into rubber application. So 70% to 80% we know the business and we wanted to identify one more product for growth in Rajratan. So we choose to do that. It's not a very big investment anyway we are

making. We'll wait and watch the performance of this investment and then we may decide to go in a big way. But right now it is a pilot project I am saying.

**Saloni Arya:** But sir, the end user industries in this segment would be different if I am right the conveyor belts, so it would not be existing clientele at all?

**Sunil Chordia:** Definitely it is not existing client, but there is a limited growth you can achieve in the existing client and in one product. You can't expect every customer to buy more than 40%, 50% from one supplier. So if we expect a growth in our business, how much can we grow in one product? So we are also trying to identify areas of growth. So this was an effort to achieve that.

**Saloni Arya:** If you could give me rough idea about the potential market size of this product and if this luckily works out for us how much are we targeting?

**Sunil Chordia:** It is a niche product, not a very global market itself will be some 70,000 to 80,000 tons. But this will also teach us how to make wire ropes so next project might be wire ropes, which are similar in nature and similar in properties and manufacturing process.

**Saloni Arya:** So this is not just an experiment for us we are trying to basically venture into this because we want to create a new segment and potentially getting to the wire rope, so am I correct in understanding that?

**Sunil Chordia:** Yes.

**Saloni Arya:** All right. Thank you so much. That is it. Wish you best of luck.

**Moderator:** Thank you. We have next question from Shashank Kanodia from ICICI Securities.

**Shashank Kanodia:** Good evening team. Sir, thanks for the opportunity. Sunil just wanted to check that you have given a guidance of 13.5% to 14% sustainable margins for us as a console basis. Sir, are there any drivers for margin improvement organically given that we have been ramping up new capacities and optimizing the product portfolio?

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

**Shashank Kanodia:** Sir you have guided that the sustainable margin for us is 13.5% to 14% at the consolidated level. So are they are drivers to margin improvement given that you are ramping up new capacities, you are working at the product portfolio. So is it a case that we can improve it to erstwhile 18% to 20% that we had in the past or 15% to 16% as a best case?

**Sunil Chordia:** That is possible, but we would not like to guide you with that high number. We are conscious of the fact that we are in a competitive market. Some of the participants already asked me a question are you scared of competition, will you have to further reduce the price? So you are asking me totally opposite question. So we are projecting and we are talking in middle. We are not too optimistic about 18% to 20%, but we are also not pessimistic about 11, 12%. We should be making a decent margin of 13%, 14%. If anything better comes up, it will be a good surprise for all of us.

- Shashank Kanodia:** And sir, given the fact that you already passed on the rising metal prices to your customers, do we receive any compensation for loss of profitability for Q4? Any one-time compensation?
- Sunil Chordia:** Nobody gives.
- Shashank Kanodia:** Okay. And sir, lastly, there is a fear that the auto sales might slow down because of some supply chain issues as well as price hike from the OEMs. So any demand outlook you have been hearing from tyre players regarding how do they see the market both on the domestic and the export front?
- Sunil Chordia:** When we meet our customers everybody is keeping fingers crossed, but up till now, there is no negative impact. But all of us are expecting April end slow down, May will slow down. But up till now it has not happened. And then lot of it depends on Mr. Trump.
- Shashank Kanodia:** And sir, lastly, any take on the competitive intensity? I think currently demand supply mechanics in terms of capacities how are they domestically and globally if you can help us understanding?
- Sunil Chordia:** Currently capacity is much more than the demand. So there is a competition and some of the companies globally are also whether they will survive or not is not clear. So consolidation is also happening.
- Shashank Kanodia:** Fine sir. Thank you so much for your inputs and wish you all the best.
- Sunil Chordia:** Thank you.
- Moderator:** Thank you. We have next question from Vipul Makwana from Stylus Holdings. Please go ahead. Mr. Vipul, your line is muted.
- Vipul Makwana:** Good evening. I wanted to know the capacity utilization individually across our plants. What would be that for FY26?
- Sunil Chordia:** Chennai reached peak in the month of March, which was 85% to 90% of installed capacity. So we have decided to put in balancing machines to double the capacity. Indore continue to operate at 90% capacity utilization and so Thailand. Okay. So our capacity utilizations have been to peak level both in Thailand and Indore Pithampur and Chennai is ramping up so there will be open capacity in Chennai for the next year.
- Vipul Makwana:** Okay, okay. And the second question would be for Yashovardhan as well as you that in case of exports due to the war, was there any situation that sales got affected or are in transit or we couldn't book sales or something of that sort? Could you throw some light on it?
- Yashovardhan Chordia:** No, as of today other than shipping lead times have increased and there is congestion at Singapore port, there's congestion at the Colombo port. Other than that we have not faced any disruption.
- Vipul Makwana:** Okay. In terms of...

- Sunil Chordia:** And incidentally we don't have a customer in GCC countries where the exports are totally have come down to zero.
- Vipul Makwana:** Great, great. That's it from my side. Thank you for the clarification.
- Moderator:** Thank you. Next question from the line of Mr. Saket Kapoor from Kapoor & Co. Please go ahead.
- Sunil Chordia:** Yes, Saket.
- Saket Kapoor:** Hello, sir. Thank you for the opportunity. Sir, firstly when you mentioned that we have done some installation of finishing line at the Chennai unit and then we will have open capacity. So can you elaborate in terms of tonnage what would be the addition in the Chennai unit and what are we factoring in in terms of the tonnage for Q1 contribution from Chennai and then going ahead?
- Sunil Chordia:** As I have mentioned that Chennai we had installed 50% of the machines. So capacity was till last year was 30,000 tons per annum, which is being doubled to 60,000 tons per year by addition of some balancing equipment and it will happen in the second quarter. Some of the machines are already installed and started running. So this year we'll have a growth in the manufacturing from Chennai. And from 17,000 tons last year, we are doubling our business from Chennai.
- Saket Kapoor:** Okay. So last year tonnage was 17,000 on installed capacity of 30,000. Now this year, on installed capacity of 60, we are expecting 34?
- Sunil Chordia:** 34, 35, yes.
- Saket Kapoor:** And sir, how will this capital work in progress closing balance, how will this shape up post this commercialization? Standalone INR69 crores and consol INR88 crores.
- Sunil Chordia:** Yes, so by the second or third quarter of this year, everything will be capitalized. So you will see a very small number in WIP. All this will be capitalized and up and running.
- Saket Kapoor:** When we look at this number for say INR20 crores increase in the consol, this is pertaining to the Thailand unit, that is the debottlenecking exercise we are doing?
- Sunil Chordia:** Thailand number is very small. On consolidated basis all this is Pithampur steel cord project and Chennai balancing equipments. There is no other WIP.
- Saket Kapoor:** Okay. And in that case sir, then the INR50 crores number which you have set for the steel cord part, how much have we invested out of?
- Sunil Chordia:** Out of 70, we have invested 50 in steel cord.
- Saket Kapoor:** So out of INR88 crores closing balance, INR50 crores is of steel cord business?

- Sunil Chordia:** About INR50 crores is of steel cord business, INR20 odd crores will be of Chennai, a little bit will be of Thailand.
- Saket Kapoor:** And steel cord will be commissioned, this INR50 crores project will be commissioned by?
- Sunil Chordia:** We'll start trials in second quarter, but by third quarter we should be able to capitalize everything.
- Saket Kapoor:** So, if we go by the debt number, so I think we close this year at long-term borrowing at INR130 crores and short-term including the working capital requirement at INR200 crores. So, how will this trajectory be, sir, when the INR80 crores will increase? That is the factor already there. So, how much, how will this number?
- Sunil Chordia:** Long-term loan will be less than INR50 crores this year because repayment has to be done that much. Last year also we have reduced the long-term loan to that extent. And working capital might be required because of high prices now because there is a price increase of around 10% to 15% and also the increase in volume.
- We are talking of 17% to 18% volume growth, which might require some working capital borrowing also and long lead time for exports. So all this factors put together, we don't expect any reduction in working capital requirement, rather we see some more requirement of working capital. But term loan may not be required, there will be a reduction in term loan.
- Saket Kapoor:** Just to conclude sir, in your slide you have mentioned that we have robust sales pipeline established with market client to customers. So if you could just give us some understanding, I think, sir, we were also looking for some new geographies earlier maybe with Japan if I am not wrong correct me there. What are you trying to look for new customers from that part of the globe also. So, what are you trying to explain here and then one more point was in the number we have mentioned within USA the revenue at INR118 crores. How has tariff affected this sales number to US?
- Sunil Chordia:** I think Yashovardhan will be better but we'll be giving a guarded answer. Don't expect us to tell you everything. Yashovardhan?
- Yashovardhan Chordia:** We had shared the export plan, I think every quarter we are discussing this about setting up infrastructure two years back, which has now reached at final approval from customers. Overall our efforts is not specified to any particular region. We see US as a big potential. We also see Europe as one of the largest market for bead wire and surprisingly Southeast Asia remains to be competitive but Japan is turning out to be a new opportunity.
- Now all of this is just increasing our existing customer relationship to different geographies. The set of customers in terms of name remain the same, but because they have various factories in the world we are trying to explore opportunities around the globe.
- Saket Kapoor:** Yashovardhan sir, you were mentioning that we are setting up infrastructure. So, this is including the one we have or I could not understand that.

**Yashovardhan Chordia:** No, I meant to say we've been sharing updates about this every quarter. It started with setting up marketing teams two years back, which has now reached to approvals from customers from various geographies. There is no specific region that we are targeting. US also has a good potential. Europe is one of the biggest markets for us. And Japan also is turning out to be, but it is very initial to discuss any specific development. I just wanted to explain that our efforts are all over.

**Saket Kapoor:** I'll join the queue with you on the tariff. You please answer in the follow up. How is tariff impacted INR118 crores revenue from USA, how has tariff played a part in there?

**Moderator:** Thank you, sir. We have a next question from Maitri Shah from Sapphire Capital.

**Maitri Shah:** Good evening. Most of my questions have been answered. Again, the previous participant I think asked the question on the tariff. So if you could kind of elaborate on the impact that we had on the US side? Did we have the sales, most of the exports from India or exporting from Thailand? Any clarification on that?

**Sunil Chordia:** Tariffs have not affected the volume or the business because tariff we are under Section 232 where US has put tariff against all the imports, whether it is coming from India or Thailand or China or Mexico. So we are at par with all other countries. So it is not affected. It might have affected the customers there that they have to pay extra price for the product.

**Maitri Shah:** So we have been able to pass on the tariff...?

**Sunil Chordia:** Yes, definitely. And the sales revenue includes the tariff which comes under our USA entity which is consolidated with this. And I have answered the earlier question also with this.

**Maitri Shah:** Secondly, on the Chennai plant, sir, you previously mentioned that we are taking low margin sales on the Chennai side to fill in the capacity and you also mentioned that there has been like a disruption because there is lot more capacity than the demand currently. This has increased competition and consolidation happening, but yet we are increasing our capacity in Chennai. We are actually doubling it.

Any reason for this increase in capacity when the margins are in such a big pressure and also there is a pressure on the raw material. So I think there's also pressure on the supply from us to the customers in Europe and US. So if you could kind of give me a trajectory of why we are increasing the capacity in Chennai right now?

**Sunil Chordia:** No, it's not that we are making a big investment. And now we are not selling any customer from Chennai where we are losing money. So all the customers supplied from Chennai are profitable, one. Number two, we don't want to lose the market share. Number three, increase in production reduces our variable cost also.

And we want to be in the game in a competitive market. If we are contributing to our profitability, we do the business. So this I must have told in respect of earlier kind of margins, 18% to 20%, which are not there, but 13% to 14% is a decent margin to even plan an investment.

- Maitri Shah:** Okay. So currently, the sales from Chennai are also increasing...
- Moderator:** Ma'am, we request you to rejoin the queue.
- Maitri Shah:** Yes, so they are in the range of 13% to 14%.
- Sunil Chordia:** Yes, yes, more. Thank you.
- Moderator:** Thank you. We have next question from Preet Pitani from InCred AMC. Please go ahead.
- Preet Pitani:** Thank you for the follow-back opportunity. Sir, we have mentioned that we have raised a price or passed on the cost from Q1. So is it fair to assume that the 84,000, 85,000, 86,000 average realization would improve above 90,000 for this FY27?
- Sunil Chordia:** It has improved.
- Preet Pitani:** It has gone beyond 90,000. Is my understanding right?
- Sunil Chordia:** Yes.
- Preet Pithani:** Yes. We are taking price hike, so it applies to all across world like USA and Europe also we are would be getting better realization? How is their agreement with us? Is it same like India or is it different?
- Sunil Chordia:** It's not that big increase there, because dollar has become strong. So, we have been able to pass on little bit. Because for export we look at the international prices of raw material and we calculate from there. And there is an opportunity to import also if the prices in global market is lower, we do import raw material. So global pricing is done on the global price of wire rod. Otherwise, we can't remain competitive in the global market.
- Preet Pithani:** Yes. Sir I can see that realization for this our subsidiary, which is combined Thailand as well as US, their realization has also improved this quarter and which has help us protect gross margins there. Despite increase in realization, we have seen that the margins have declined by 400 basis point on EBITDA levels. So, is it fair to assume that in Thailand and US subsidiary combined together we would be doing EBITDA margin of around 9% - 10% only? Or what would be the levers which will improve margin there?
- Sunil Chordia:** I had in the very beginning said that the India EBITDA margin declined because of the higher price of raw material in this last quarter January, February, March, which has come back to same because we were able to pass on the price increase to our customers, our customers agreed to buy at a new price.
- Preet Pithani:** Yes. I am asking about Thailand and US subsidiary?
- Sunil Chordia:** Thailand and US subsidiary are same. There is no change in their business. No substantial change in the business.

- Preet Pithani:** We are doing 9% margin there, 9% EBITDA margin for quarter 4 in our subsidiary, which was around 11.4% last quarter and 13.5% in quarter 2. So, what would be the range of margin which is fair to assume for this subsidiary?
- Sunil Chordia:** What is the -- one minute, Pranay? Thailand EBITDA margin for quarter 4?
- Pranay Jain:** Its 10% EBITDA.\*
- Sunil Chordia:** I think we'll give you this answer separately. I don't have that calculation right now.
- Moderator:** Thank you sir. We have a follow-up question from Saloni Arya. Please go ahead.
- Saloni Arya:** Sir, I just want to clear up one confusion. Basically, you said that the global market size for steel cords is 70,000 to 80,000 tons. Is this the same as the wire rope or different?
- Sunil Chordia:** Sorry, come again?
- Yashovardhan Chordia:** No. It's different than wire rope. Yes, Saloni, I will answer that. It's different than wire rope. What we tried explaining is the method to produce steel cord for conveyor belt is very similar to wire rope. So, by this project, we'll be able to also understand how do the method to make wire rope. So that will give us an experience to make wire rope.
- Saloni Arya:** Right, because earlier in the con-calls, past con-calls we mentioned that we were setting up 10,000 tons capacity for wire ropes, which now right now is for steel cords?
- Sunil Chordia:** So, wire rope and steel cord are same. We had bought the machines for making wire rope, but steel cord is one of the wire rope products you can say it. So, application of galvanized steel rope for making conveyor belt, then it is called steel cord. But in both manufacturing process and quality there is not much of the difference.
- Moderator:** Thank you. We have Mr. Saket Kapoor as a follow-up question from Kapoor & Co.
- Saket Kapoor:** Sir, only just to summarize in what you have mentioned just hear me out. Sir, firstly you mentioned about the general auto industry slowdown part. So if you could just throw some more light on what you were trying to explain that April weak or May weak? And secondly on the absolute?
- Sunil Chordia:** No, we didn't say so. And we are not expert of auto industry, but we continue to see a good demand from our customers which are tyre companies.
- Saket Kapoor:** Sir, can you give me the absolute impact on the EBITDA because of the increase in RM which we do not pass on?
- Sunil Chordia:** I told you it is about 4%, 4.5% in the EBITDA margin. If you look at our raw material consumption percentage from 57% has gone to 63% in the current quarter.
- Saket Kapoor:** And this will normalize in Q1?

*\*erroneously mentioned as 7.5% whereas correct figure is 10%*

- Moderator:** Sir one question at a time.
- Saket Kapoor:** Yes.
- Moderator:** We have next question from Preet Pitani from InCred AMC.
- Preet Pitani:** Yes. Thank you for the opportunity. Sir, you mentioned to one of the previous participant that INR88 crores capital working in progress include INR25 crores, INR30 crores of Chennai capex which we have not yet capitalized. May I know the reason why we have not yet capitalized those because plant is fully operational and quantities are already selling?
- Sunil Chordia:** Machines are currently on the way. Advanced given to machine supplier, machines are on the way. Some machines are arrived which are to be installed and put to use. So unless we put to use and start using commercial production, we cannot capitalize.
- Preet Pitani:** So these are the machines which are still on in transit and this is the reason why we will be needing only INR25 crores more for addition.
- Sunil Chordia:** Everything is included in that.
- Moderator:** Thank you. We will take that as our last question for today. I now hand the conference over to Mr. Sailesh Raja for closing comments.
- Sailesh Raja:** Thank you all. Sir, would you like to make any closing comment?
- Sunil Chordia:** Same comments, unless there is a global change in the situation or something new comes up, I think Rajratan is on a path to growth. This year we have shown a good growth last year and we are going to show a good growth next year also. So keep watching, keep in touch and keep looking at Rajratan critically and thank you for asking very critical questions.
- We would love to answer all the questions, but for the because sometimes all our answers become counter-productive for us, so we don't want to share more information than this. I think we are quite transparent and very, very transparent and straightforward with our investors. So thank you very much. Bye.
- Moderator:** Thank you, sir. On behalf of 360 One Capital Markets, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.