



**RAJRATAN**

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



**RGWL/19-20/**

**5<sup>th</sup> February, 2020**

**To,  
Bombay Stock Exchange  
Phiroze J.J. Tower  
Dalal Street, Fort  
MUMBAI – 400 001**

**Sub: Investor Presentation**

**Scrip Code: 517522**

Dear Sir,

With reference to above subject, please find attached herewith Investor Presentation.

You are requested to kindly update the same on your website.

Thanking you,  
Yours faithfully,  
For **Rajratan Global Wire Limited**

**Shubham Jain**  
**Company Secretary & Compliance Officer**



**RAJRATAN GLOBAL WIRE LIMITED**

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CIN No. L27106MP1988PLC004778

Investor  
presentation  
**Third quarter,  
2019-20**

# Outperform!

Rajratan Global Wire Limited

# Introduction

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Rajratan is among Asia's largest bead wire manufacturers.

Rajratan is uniquely placed as the only bead wire manufacturer in Thailand.

Rajratan has been growing substantially faster than the sectoral average despite challenging market scenarios.

## Performance in Q3, 2019-20

Attractive profitable growth

**EBITDA**  
increased by  
**40.32%**  
over Q3 FY19

**Profit after tax**  
increased by  
**64.24%**  
over Q3 FY19



## Vision

To become the leading and most preferred bead wire manufacturer and supplier to tyre companies globally



## Mission

- To manufacture and supply superior quality products at competitive prices and support it with excellent customer service
- To imbibe and constantly develop a culture of excellence and improvement in every aspect of the business we are in
- To ensure and enhance safe working conditions for all concerned



## Values

- Ethical business built on mutual trust
- Quality orientation and constant innovation
- Continuous learning and personal growth
- To care for and share with the society we live in



### Background

The Company was founded by Mr. Sunil Chordia and his family in 1989 as Rajratan Wires Pvt. Ltd. In 2004, the name was changed to Rajratan Global Wire Limited. The Company has emerged as one of the largest in bead wire manufacturers Asia



### Products

The Company is engaged in the production of bead wire and high carbon steel wire



### Manufacturing capacity

The Company possesses an aggregate manufacturing capacity of 1,07,000 tonnes per annum in its Indian and Thai facilities



### Promoters

Mr. Sunil Chordia and his family members account for 63.5% of equity ownership



### Locations

The Company comprises two manufacturing facilities – Pithampur Industrial Area in India and Ratchaburi in Thailand



### Exports

The Company services customers all across the globe including Italy, USA, The Czech Republic, South Korea, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, UAE and Bangladesh, among others

## Our clients

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Apollo Tyres Ltd. • Alliance Tyre • Birla Tyres Ltd. • Balakrishna Tyres Pvt. Ltd. •  
Bridgestone India Pvt. Ltd. • CEAT Ltd. • CEAT Kelania • Continental India Pvt.  
Ltd. • Casumina • CAMSO Loadstar, Sri Lanka • Camel Industries •  
Deestone International • Everthrough, Malaysia • Goodyear India Pvt. Ltd. •  
Global Rubber, Sri Lanka • Hindustan Tyres • Izumi Tyres, Philippines •  
JK Tyre & Industries Ltd. • Leo Tyres, Philippines • MRF Limited •  
Mahadeo Industries Pvt. Ltd. • ORION Ropes Pvt. Ltd. • Otani Radials, Thailand  
• Poddar Tyres • Remson Industries Ltd. • Suprajit Engineering Ltd. •  
Sumitomo, Thailand • TVS Srichakra Pvt. Ltd. • Trelleborg Wheel & Systems •  
Vikrant Ropes Pvt. Ltd. • Vee Rubber • Yokohama, Thailand

## Quarterly numbers (Rs. cr)

Parameters	Q3FY20	Q3FY19	9MFY20	9MFY19
Revenues	104.81	120.70	355.56	363.95
EBITDA	15.59	11.11	53.82	38.34
Depreciation	3.12	2.29	8.77	6.66
Interest	3.15	3.59	9.99	7.96
Profit before tax	9.32	5.23	35.06	23.72
Profit after tax	7.44	4.53	26.97	18.83
Equity* (Rs. 10 face value)	10.15	4.35	10.15	4.35



## Analysis of the quarter

Parameters	Q3FY20	Q3FY19	9MFY20	9MFY19
EBIDTA margin (%)	14.87	9.20	15.14	10.53
Net profit margin (%)	7.10	3.75	7.59	5.17
Interest cover (x)	3.96	2.46	4.51	3.98
Earnings per share (Rs)	7.33	4.46	26.56	18.55
ROCE *	15.42	12.95	18.57	15.50

\* Annualised

The Company issued 58,02,400 fully paid-up bonus shares in the ratio of 4:3 (i.e four bonus shares of Rs. 10 each to every shareholder holding three equity shares of Rs. 10 each allotted on 14.09.2019) as approved by the members through postal ballot on 28.08.2019. The basic and diluted earnings per share for all periods presented is adjusted retrospectively in view of the provisions of para 64 of IND AS 33- Earning Per Share.

# Sectoral environment

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1. India's GDP growth is pegged at 4.8% for FY20, significantly lower than the 6.8% growth in FY19, resulting in muted consumer sentiment
2. Domestic tyre demand is projected to grow at 3-4% in FY20, significantly lower than the growth rate of 6.7% in FY19
3. Increase in cost of automobile manufacturing due to the implementation of BS-VI norms
4. Automobile sales declined post festive season
5. Reduction of GST on electric vehicles expected to increase the demand

## Highlights during the quarter

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The Thailand subsidiary has become networth positive as all the carried forward losses have been absorbed.

Completed our capacity expansion

Despite most tyre plants running at 70% capacity, Rajratan maintained realisations and carved away larger wallet share from bigger customers (Apollo, MRF and CEAT, among others)

Sustained our business despite challenging market scenario

Completed the first trial of HC Wire Rod from a new vendor

Reduced nearly 7% of inward freight cost of empty spools

# Challenges addressed during the quarter

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**01**

Increased interaction with major customers to ensure that we were able to maintain our monthly volumes and fully utilise our capacity expansion

**02**

Despite challenging market scenarios, we were able to maintain prices by constant negotiations with customers

**03**


Succeeded in achieving reduced rates for Wire Rods in the third quarter



## The **messages** we wish to communicate

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1. The capacity expansion has been completed and the full benefits will translate across the coming quarters
2. The Company is attractively placed to capitalise on increased capacity and enhance global market share
3. The Company plans to add more customers following the completion of its capacity expansion
4. The Company is attractively placed to address the increasing needs of customers and ensure on-time delivery



Please contact  
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for more details

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Thank you