



**RGWL/21-22/**

**21<sup>st</sup> October, 2021**

<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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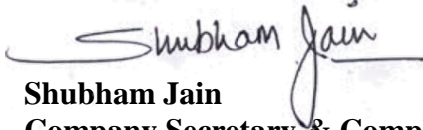
**Subject: Investor Presentation**

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**

# Outperform!

Rajratan Global Wire Limited

Investor presentation   Second quarter   2021-22



# Rajratan Global Wire at a glance

Rajratan is among one of the largest bead wire manufacturers in Asia (ex China)

Rajratan is the only company to manufacture bead wire in Thailand

## Our vision, mission and values

### Vision

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

# Overview

## Background

The Company was founded by Mr. Sunil Chordia and his family in 1989 under the name of Rajratan Wires Pvt. Ltd. The name of the Company was changed to Rajratan Gutsav Wolf Ltd. in the year 1996 and was then changed to Rajratan Global Wire Limited in 2004.

## Products

The Company has been engaged in the manufacturing of bead wire and high carbon steel carbon wires for over 25 years.

## Customers

The Company enjoys long-term relationships of five years or more with over 83% customers associated with the Company in Q2 FY 2021-22.

## Manufacturing capacity

The Company possesses an aggregate wire manufacturing capacity of 112,000 tonnes per annum (India (72,000 TPA) and Thailand (40,000 TPA)).

## Promoter's holding

Mr. Sunil Chordia and his family hold 65% equity in the Company.

## Locations

The Company has two manufacturing facilities at Pithampur (Madhya Pradesh) in India and Ratchaburi in Thailand.

## Exports

The Company exports products to customers in India (from Thailand), USA, Malaysia, Indonesia, Philippines, Vietnam, Srilanka and Finland among others.

## Our prestigious marquee customers – India



## Our prestigious marquee customers – Thailand



## Our prestigious marquee customers – International



Sri Lanka • Vietnam • Malaysia • Italy • Indonesia • Czech Republic

# Sectoral environment

## *Downstream sector performance*

- China remained conservative in exports due to internal trade restrictions.
- Domestic passenger vehicle volumes grew marginally year-over-year (2%) following decline in production due to semiconductor crisis.
- Indian commercial vehicles industry reported year-over-year 24% growth; almost reached low 2020 base; stronger growth expected in the second half on account of improving freight availability and high infrastructure spending.

## *Outlook*

Cautiously optimistic scenario following corporate initiatives to mitigate input price inflation. The price of steel and aluminium rose; the price of copper and precious metals declined in the second quarter and likely to neutralise raw material pressures going ahead.

# Company's performance, Q2 FY 2021-22

## Overview

- Customers strengthened their dependence on Rajratan; provided schedules to purchase maximum quantity.
- The Company enhanced operational equipment efficiency (OEE) on the shop floor, enhancing productivity
- The Company strengthened its working capital management; better efficiency and lower cost
- The Company capitalized on China's conservatism; deepened market outreach

## Performance improvement

- The Company maintained a balance of planning, quality, customer relations and manufacturing efficiency; enhanced customer confidence and capability
- The Company passed raw material cost increases to customers, protecting the delta.
- The Company delivered ex-factory to some customers, insulating it from freight cost changes



## Rajratan's consolidated financial highlights, Q2 FY 2021-22

The Company  
recorded its  
highest quarterly  
EBITDA

The Company  
recorded its  
highest quarterly  
revenue

The Company  
recorded its  
highest  
quarterly PBT

The Company  
recorded its  
highest  
quarterly PAT

# Rajratan's comparative performance

Rs. In lakhs

Parameters	Q2 FY22	Q1 FY22	Q2 FY21	YoY%	1HFY22	1HFY21	YoY%
<b>Sales volume (MT)</b>	<b>24,000</b>	<b>19,833</b>	<b>19,837</b>	<b>21</b>	<b>43,833</b>	<b>29,159</b>	<b>50</b>
Revenues	24,117	18,229	13,902	73	42,346	20,367	108
EBITDA	5,068	3,602	2,573	97	8,670	3,350	159
Other Income	67	9	(34)	297	76	37	105
Depreciation	387	370	347	12	757	691	10
Interest	387	366	317	22	753	619	22
Profit before tax	4,361	2,875	1,875	133	7,236	2,077	248
Profit after tax	3260	2192	1354	141	5,452	1,520	259
Equity capital (Rs. 10 face value)	1,015	1,015	1,015	-	1,015	1,015	-
Earning per share (Rs)	32.11	21.59	13.33	141	53.70	14.96	259
EBITDA margin (%)	21.01%	19.75%	18.52%	250 bps	20.47%	16.45%	402bps
PBT margin (%)	18.08%	15.77%	13.49%	459 bps	17.09%	10.20%	689 bps
PAT margin (%)	13.52%	12.02%	9.74%	377 bps	12.87%	7.46%	541bps

Other Income excluded from EBITDA and EBITDA margin calculations to show core operating metrices

# Major developments, Q2 FY22

## Rajratan India

- The Company strengthened its TPM commitment to address JIPM standards.
- The Company strengthened shop floor safety measures.
- The Company introduced an incentive scheme to enhance 5S discipline compliance
- The Company strengthened its quality assurance and quality control review phenomenon.
- The Company tightened conversion cost and general administrative expense controls.

# Major developments, Q2 FY22

## Rajratan Thailand

- The extension of the building was completed; warehouse construction neared completion
- The water treatment plant upgradation was finalised
- The pickling line upgradation reported progress
- The new coating line design and technology neared completion
- The Environment Impact Assessment progressed as per schedule

# Challenges and counter-initiatives, Q2 FY 2021-22

## Rajratan India

### **Increasing demand:**

There was an increase in customer orders



**Mitigation:** The Company appointed a dedicated individual to engage periodically with customers to ascertain stock positions and ensure timely product delivery.

# Challenges and counter-initiatives, Q2 FY 2021-22

## Rajratan Thailand

### **Availability of containers:**

There was a decline in the availability of shipping containers and corresponding increase in costs, affecting exports.

**Mitigation:** The Company focused on servicing local demand in Thailand; it changed supply terms from CIF to FOB for international customers; it strengthened planning related to container availability.

### **Volatility in prices:**

The cost of raw materials was affected volatile steel and coke prices.

**Mitigation:** The Company strengthened its raw material inventory to enhance production visibility.

### **Timely availability of raw materials:**

The Company was affected by raw material crunch due to a global shortage of shipping containers.

**Mitigation:** The Company developed local suppliers for raw materials, enhancing availability and circumventing currency fluctuations.

# Outlook, H2 FY 2021-22

Tyre (and bead wire) demand expected to sustain into the second half of FY 2021-22

The Company expects to be allotted land in Sipcot Industrial Park for its proposed third plant

The Company is engaged in discussions with 'EPC' contractors for timely plant construction

Wire rod cost expected to increase following an increase in pet coke costs

For more details please contact:

**Rajratan Global Wire Ltd**

Shubham Jain,

Company Secretary

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Thank you