



RAJRATAN
OUTPERFORM

Outperform!

HOW TIMELESS VALUES ARE TRANSLATING INTO BUSINESS VALUE

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INTEGRATED ANNUAL REPORT 2018-19
RAJRATAN GLOBAL WIRE LIMITED



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rform!

At Rajratan, we are driven by the need to outperform.

We focus on continuously outperforming our retrospective achievements and the sectoral average.

With the objective to produce more, moderate costs, enhance quality and delight customers.

This explains the theme – Outperform!
- of the annual report.



At Rajratan,
'Outperform!'
is not about the
competition.

It is about oneself.



The need to keep raising the bar.

The need to march to the sound of a different drummer.

The need to pursue perfection and catch excellence along the way.

The need to keep believing that the only limits are in the mind.



At Rajratan, our 'Outperform!' mantra is not just something we frame on the wall.

It is something that we live.

We are one of the largest bead wire manufacturers in Asia (excluding China).

We are the only bead wire manufacturer in Thailand.

We are a globally competitive bead wire manufacturer.

We are growing faster than the industry average.

We enjoy multi-year relationships with Indian and multi-national customers.

We are virtually debt-free (for long-term debt before the capacity expansion capex).

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11 things you need to know about Rajratan Global Wire Limited

OUR INDIAN OPERATIONS

THIS IS WHERE WE WERE,
YEAR-START 2018-19

36,000 TPA
Installed capacity

THIS IS WHERE WE EXPECT TO BE,
2019-20 (SECOND QUARTER)

72,000 TPA
Installed capacity

OUR THAILAND OPERATIONS

THIS IS WHERE WE WERE,
YEAR-START 2018-19

26,000 TPA
Installed capacity

THIS IS WHERE WE FINISHED,
YEAR-END 2018-19

34,800 TPA
Installed capacity



VISION

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



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.



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.



LOCATIONS

The Company's manufacturing operations are located in India and Thailand.

India: Located in Pithampur Industrial Area near Indore. The city is the commercial centre of Madhya Pradesh, India's second largest state. The city is centrally located in India, making it possible to reach pan-India customers with speed.

Thailand: Located in Ratchaburi, the facility is close to the port and customers.



CUSTOMERS

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



BACKGROUND

The Company was formed as Rajratan Wires Pvt. Ltd. in 1989 by family members engaged in the iron and steel trading business. Commercial production commenced in 1991 with the production of pre-stressed concrete wires and stands. The name of the Company was changed to Rajratan Wires Ltd. following an IPO of equity shares in 1995 when the Company commenced the production of bead wire.

Rajratan entered into a technical collaboration and joint venture with Gustav Wolf Group of Germany following which the name of the Company was changed to Rajratan Gustav Wolf Ltd. in 1998. Following the joint venture for five years, the Indian promoters bought back equity held by Gustav Wolf after which the name of the Company was changed to Rajratan Global Wire Ltd. in 2004.

The Company extended to the launch of operations in Thailand in 2006, resulting in the commissioning of Rajratan Thai Wire Co. Ltd. The Thailand operations of the Company commenced commercial production in 2008.

Mr. Sunil Chordia and his family members account for promoter interests in the Company with 63.5% equity ownership.



PRODUCTS

The Company is an attractive proxy of the special steel wires industry, manufacturing products addressing the value-added segment of the segment's pyramid.

Tyre bead wire: Used in all kinds of automobile tyres, tyres of earth moving equipment and aircraft. Its function is to hold the tyre on the rim and resist the action of the inflated pressure, which constantly tries to force it off. Bead wire is the crucial link through which the vehicle load is transferred from rim to tyre, preventing vibration during driving. The product enhances tyre safety, strength and durability. The Company specialises in bead wire of customised tensile grades as per requirements.

High carbon steel wire: This is drawn steel wire (also popularly known as black wire) manufactured from quality wire rods with high carbon content. The product plays a vital role in many industries (automobile and construction to engineering). At Rajratan, we manufacture high carbon steel wire in our state-of-the-art plants and employ world-class patented heat treatment processes.



RESEARCH

The Company manufactures bead wire conforming with the most stringent international standards. The Company invested in Rajratan Technical Centre to engage in continuous research and development. The Company invested in the best Quality Management tools to enhance processes and product integrity, strengthening the Company's respect as one of the most preferred bead wire manufacturers by some of the most demanding global clients.

The Company also received a certification of recognition for in-house R&D from the Department of Scientific and Industrial Research (DSIR).



CAPACITIES

The Company possessed an installed aggregate manufacturing capacity of 62,000 TPA across both products in its Indian and Thailand facilities. The Company is among the largest bead wire manufacturers in India and the only such manufacturing facility in Thailand.



CERTIFICATIONS

1. ISO/TS 16949:2009
2. ISO 14001:2004
3. OHSAS 18001:2007



EXPORTS

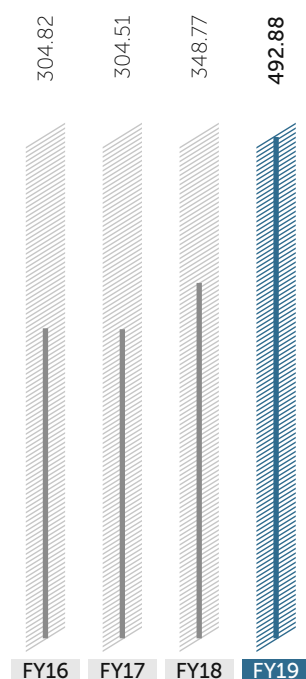
Rajratan is a dependable global supplier of bead wire to renowned quality-demanding tyre manufacturing companies. In addition to marketing products within India and Thailand where our manufacturing facilities are based, Rajratan also services customers in Italy, USA, The Czech Republic, South Korea, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, UAE, Pakistan, Bangladesh and other countries. Rajratan strategically shifted the demanding needs arising out of major export contracts to the Thailand plant. Exports accounted for around 19.15% of total revenues; exports from Thailand accounted for around 40% of revenues from that country.

How Rajratan has enhanced value across the years

HIGHER REVENUES

(Rs. /crore)

+144.11 (Rs. crores)



Definition

Sales growth without deducting excise duties.

Why we measure

This measure reflects the result of our ability to understand market trends and service customers in a timely manner with corresponding products marked by superior quality.

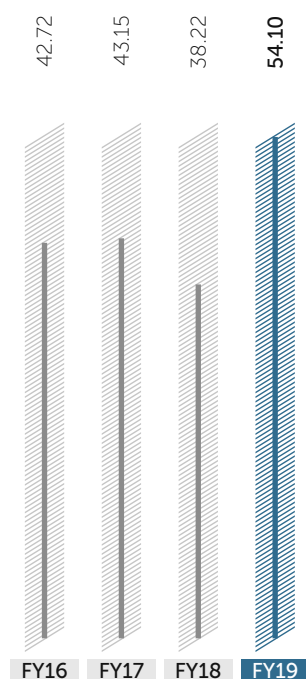
Performance

Our aggregate sales increased 41.32% to Rs. 492.88 crore in FY19, which compared favourably with the growth of the sector and economy.

EBIDTA

(Rs. /crores)

+15.88 (Rs. crores)



Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why we measure

It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

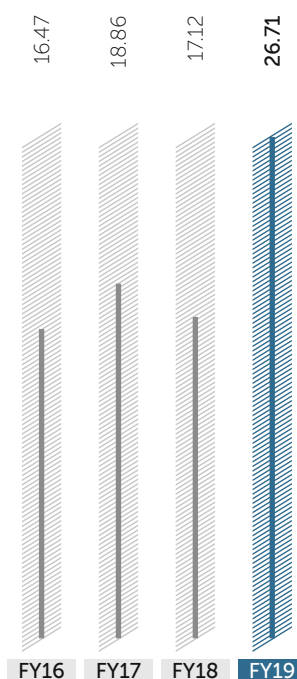
Performance

The Company's EBITDA increased during the year under review following an increase in revenues and ongoing cost management.

NET PROFIT*

(Rs. /crores)

+9.59 (Rs. crores)



Definition

Profit earned during the year after deducting all expenses and provisions and before Other Comprehensive Income.

Why we measure

It highlights the strength of the Company's business model in generating value for shareholders.

Performance

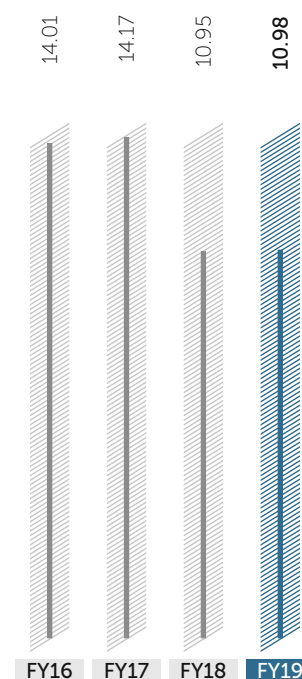
The Company's net profit strengthened during the last financial year following increased revenues and a superior amortisation of fixed costs.

* Before Other Comprehensive Income

EBIDTA MARGIN

(%)

+3 (bps)



Definition

EBIDTA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. The higher the operating margin, the better for the Company.

Why we measure

The EBITDA margin provides an understanding of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

Performance

The Company reported a strengthening of EBITDA margin following an increase in revenues and superior amortisation of fixed expenses.