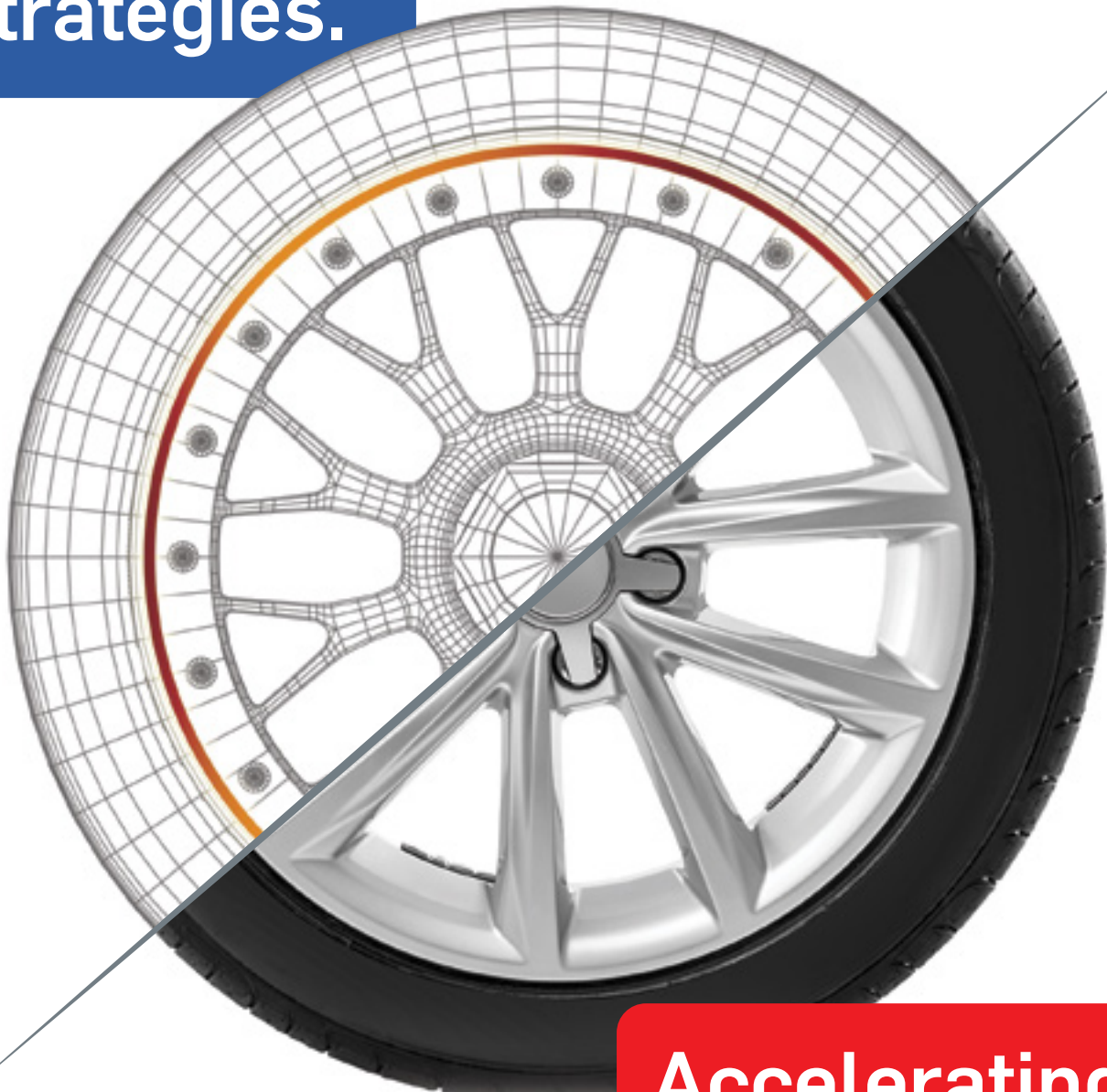


**Rethinking
Strategies.**



**Accelerating
Sustainable
Growth.**

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For more information visit



<https://rajratan.co.in/>



or scan QR code



"Sustainability is deeply embedded in our processes, products and business strategy."

Sunil Chordia
Chairman and Managing Director

About the report

This is Rajratan's first Integrated Annual Report for the year ended March 31, 2022. Our aim in producing this report is to provide a comprehensive and detailed overview of the Company's operations, strategy, and performance. In this report, we look at the trends and challenges in our business, at our strategies, and at how we create value through a responsible approach towards business.

Integrated & Sustainable Thinking

Integrated and sustainable thinking is intrinsic to how we manage our business and create value for our stakeholders. Our six strategic pillars ensure that we manage our resources and relationships in such a manner that they create value over time. A consolidated assessment of the six capitals (as per the International Integrated Reporting Council, or IIRC, framework) provide both our strategy as well as the internal materiality process we have used to determine the content and structure of this report. In addition, our activities also contribute to the United Nations Sustainable Development Goals (SDGs) covering a range of multi-stakeholder goals that we aspire to achieve.

Reporting Frameworks

The present report follows the IIRC framework, which allows us to tell our members and other stakeholders how we create value for them.



Scan this QR code to know more about the IIRC: www.integratedreporting.org/

The financial and statutory data presented in this report are in line with the requirements of the Companies Act, 2013 and rules notified thereunder, the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards.

Reporting Period

This integrated report primarily covers the 12-month period from April 1, 2021 to March 31, 2022. However, certain sections of this report represent facts and figures of the previous years as well. The details and information in the Integrated Report pertain to Rajratan Global Wire Limited on a standalone basis, unless otherwise specified. Both the financial and non-financial aspects are in accordance with the applicable laws, regulations and standards of the Republic of India.

Forward-looking Statements

We have exercised utmost care in the preparation of this report. It might include forecasts and/ or information relating to forecasts. Facts, expectations, and past data are typically the basis of forecasts. As with all forward looking statements, the actual result may deviate from the forecast. As a result, we can provide no assurance on the correctness, completeness, and up-to-date nature of the information for our forward-looking statements, as well as for those declared as taken from third parties. Reader discretion is advised. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Assurance

To ensure the integrity of facts and information, the Management have reviewed the facts and qualitative statements in the Annual Report.

The statutory auditors M/s D.S. Mulchandani & Co. Chartered Accountants have provided an unmodified opinion on the financial statements and the 'Independent Auditor's Report' has been duly incorporated as a part of this report.

The report discusses 6 capitals



Financial Capital



Manufacturing Capital



Intellectual Capital



Human Capital



Natural Capital



Social & Relationship Capital

The story of Rajratan is a tale of evolution and outperformance, backed by an appropriate evaluation of macro tailwinds and constant refining of strategies to capitalise on available opportunities to gain market share.

Quality team inspecting the raw material at Pithampur plant

Our proactive building of scale and competencies in India and Thailand have provided us the right foundation to emerge as one of the major global players with undisputed leadership in India and Thailand.

At the other end of the spectrum is our consistent focus on sustainability, with emphasis on innovation, safety measures and responsible use of resources.

We will continue to rethink our strategies with the support of all our stakeholders to accelerate sustainable growth.

About us

Emerging as a strong, resilient global player

One of the world’s leading and trusted bead wire manufacturers, Rajratan Global Wire Ltd (Rajratan) supplies bead wire to marquee and discerning customers across geographies. Commencing its journey in early 1990s, Rajratan today enjoys approximately 42% market share in India and 28% market share in Thailand, with growing exports to other parts of the world.

Headquartered at Indore, India, we now possess manufacturing facilities at Pithampur Industrial Area (near Indore), Madhya Pradesh, India and Ratchaburi, Thailand.

Founded by Mr. Sunil Chordia and family, over three decades ago, we have steadily evolved a business model that is resilient enough to withstand industry challenges, and take advantage of the positive macro demand scenario.

We continue to invest aggressively in capacity expansion, upgradation in technology, quality assurance and building a formidable talent pool to deliver best-in-class products to our customers.

Vision

To become the leading and most preferred bead wire manufacturer & 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.



Largest Only 60%

Bead wire manufacturing line in the world at Pithampur plant

Manufacturer of bead wire in Thailand

Revenue share from India operations in FY 21-22

#1 Growing 40%

Ranked in India’s bead wire industry

Market share of bead wire industry in Thailand and India

Revenue share from Thailand operations in FY 21-22

65% Rs. 2,635*

Promoter Shareholding as on March 31, 2022

Market capitalisation as on March 31, 2022 (Rs. in Crores)

*Source (BSE Website)



Our journey

Prudent strategies helped us evolve sustainably

- Started commercial production of pre-stressed concrete wires and stands

1991

- Entered into a joint venture and technical collaboration agreement with Gustav Wolf Group of Germany and became Rajratan Gustav Wolf Ltd.

1998

- Incorporated Rajratan Thai Wire Co. Ltd. in Thailand.

2006

- Capacity expansion of Indore Plant to 72000 tonnes p.a.
- Set-up the world's largest single coating line of 5000 tonne per month capacity.

2019

- Rajratan Wires Pvt. Ltd was incorporated

1989

- Started manufacturing of Tyre bead wire
- Company's name was changed to Rajratan Wires Ltd. following the IPO

1995

- Bought back equity held by Gustav Wolf and name of company was changed to Rajratan Global Wire Ltd

2004

- Started commercial production in Thailand plant

2008

- Expanding our Thailand plant's production capacity to 60,000 tonnes annually
- Chennai facility is ready to be commissioned

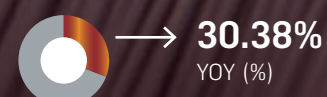
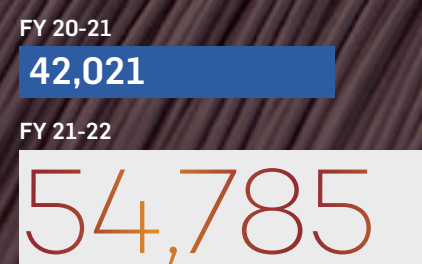
2022

A credible portrait of our best year ever

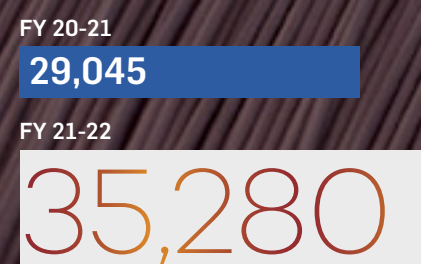
The financial year 21-22 has been an eventful year for Rajratan as a whole. We continued our outperformance on all fronts from production and sales volume, capacity utilisation, revenue growth, margins and profitability, to customer and employee satisfaction, employee productivity, plant productivity, new customer additions and increasing wallet share with all our customers.

These factors have allowed us to deliver our best performance ever in nearly all the quarters and the year as a whole. The coming years are going to be equally eventful as well.

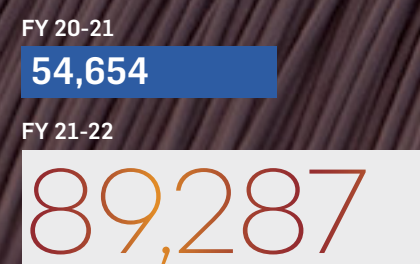
Sales volume - India (TPA)



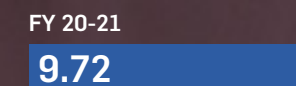
Sales volume - Thailand (TPA)



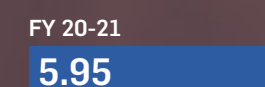
Consolidated Revenue (Rs. in Lakhs)



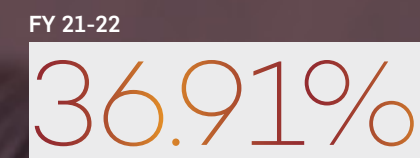
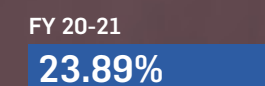
PAT margin (%)



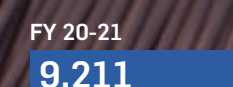
Interest cover (x)



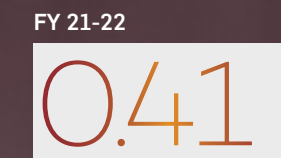
RoE (%)



EBITDA* (Rs. in Lakhs)



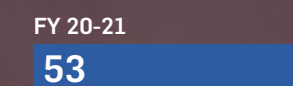
Debt equity ratio (x)



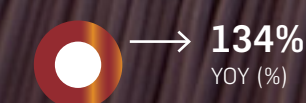
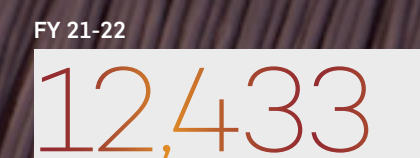
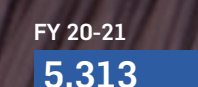
Debtor (days)



Creditor (days)



PAT (Rs. in Lakhs)



Inventory (days)



Working capital (days)



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

Our products & patrons

A closer look at our offerings and their applications

Tyre bead wire



It is also known as re-enforcement wire, and its purpose is to hold the tyre to the rim of the wheel while resisting the constant push of inflated pressure. Bead wire is the critical link that transfers the vehicle load from the rim to the tyre, preventing vibration while driving.

The product improves the safety, strength, and durability of tyres. Tyres for automobiles, earth-moving equipment, aircraft, cycles, passenger vehicles, two-wheelers, three-wheelers, and truck bus radials have bead wires, that we manufacture and supply.

We also specialise in custom designed tensile grades of bead wire, based on customer specifications.

High carbon steel wire

These are drawn steel wire (also known as black wire) made from high carbon wire rods of high quality. The product is crucial in various industries such as automotive, construction, and engineering.



Esteemed brands that rely on our products



* Arranged in alphabetical order

Strategic outlook

Refining our strategies to retain market leadership

At Rajratan, our operating landscape continues to evolve, and we change our strategies in line with the external environment. Here are our six strategic pillars which help us stay ahead of the curve:

01

Proactive building of scale



Our focus has always been on leveraging the early-mover advantage. As the global economy recovers and the demand for our product improves, that foresight has paid off attractively. We have steadily stepped up our manufacturing capacity to address the growing demand. All our manufacturing capacities are running at full capacity, and we are ramping up capacity further in Thailand and in India.

We plan to have a cumulative capacity of approximately

1,80,000

tonnes in the next two to three years.

02

Robust expertise



We focus on perfecting our expertise only on one major product, without diversifying. We customise our products to suit the needs of different customers globally. This strength further enables market leadership in India as well as in Thailand. Our decades-rich expertise helps us stay ahead of competition.

03

Quality focus for market dominance



Our stringent quality parameters create high entry barriers for other players to enter our business. We enjoy product and process approvals from discerning tyre companies, whose approvals take 2-3 years. As a result, we have emerged as a dependable global supplier of bead wire to quality-demanding tyre manufacturing companies.

With the reopening of the economy post the waning of the pandemic, the demand environment continues to be favourable for government-mandated BIS certified products in India, reducing competition from unorganised players. Rajratan, being the market leader in the country, is best positioned to take advantage of the scenario.

With the withdrawal of rebates by China, tyre companies in Thailand are turning to domestic suppliers. Rajratan, being the only manufacturer of bead wire in Thailand, will benefit significantly from such tailwinds.

04

Cost leadership



We have, over the years, reinforced our cost competitiveness, graduating from a cost-taker's position to that of a responsible price-setter through the interplay of superior product quality and timely service. Our massive scale across India and Thailand helps us leverage economies of scale. This strategy helps us sustain operating margin upwards of 20%, despite several operating challenges.

05

Loyal customers



We engage with our customers regularly to understand their expectations and concerns, and incorporate their insights into our products. Our customers trust us for our consistent quality benchmarks and timely delivery. Moreover, we have stabilised our product quality, customer relations, service turnaround time and ability to address customised needs.

As a result, we enjoy long-term relationships of over 5 years or more with over

83%

of our customers.

06

Sustainable operations



The manufacturing of bead wire requires large water quantities. Being a responsible company, we undertake various initiatives, benchmarked to global best practices, to reduce our water consumption across all our facilities. Additionally, we are reducing our carbon footprint by adopting best sustainability practices.

We have strengthened our total productive maintenance (TPM), our quality assurance and quality control reviews to match the demanding JIPM benchmarks.

Chairman and MD's Message

Leveraging opportunities to grow

“

We can see many opportunities for growth on several fronts, and our growing capacities are providing us the leverage needed to service the growing demand of our customers as well as 'economies of scale'

”


Sunil Chordia

Chairman and Managing Director

Dear Shareholders,

At Rajratan, we have steadily and meticulously built a culture of excellence and outperformance with the help and support of our teams in India and Thailand. We are committed to elevate our business to the next orbit of growth and sustainability, with the support of all our stakeholders.

As economies across the world are gradually coming out of the pandemic-induced inertia, and gathering momentum, we are taking all relevant initiatives to increase production capacity and supply chain efficiency to enhance our global market share.

Our broad industry landscape may remain subdued over the medium term, because of the waning impact of the pandemic and geopolitical concerns exerting pressure on supply chains. High input cost is also putting pressure on margins, as economies worldwide continue to grapple with runaway inflation.

Resilient performance

Notwithstanding challenges, we have been able to retain operating margins at around 20% during FY 21-22 on the strength of our strong and continuous engagement with clients, efficient cost of production and focus on being a preferred supplier to customers. We expect our margins to sustain, led by an increased cost absorption per tonne of production at our plants, owing to growing capacity utilisation.

We can see many opportunities for growth on several fronts, and our growing capacities are providing us the leverage needed to service the growing demand of our customers as well as 'economies of scale'. We are working on increasing our

wallet share from domestic customers in India and Thailand, and simultaneously looking at customer acquisitions in South East Asia, Europe and North America.

Our customers are expecting sizeable, continuous and high quality supplies of bead wire from us in the coming years. Our greenfield expansion will help our customers to de-risk their dependence on any single location. This will allow us to increase our wallet share from those customers. I must also mention the fact that we have undertaken debottlenecking measures in our existing facility at Pitampur, India to ensure full utilisation of capacity.

In the preceding two years, we have proven our resilience, despite overwhelming challenges posed by the pandemic, and we are building on that foundation. We are crossing new milestones in terms of our financial and operational performance, and we will continue to deliver with renewed capabilities.

FY 21-22 saw us improve our performance across quality parameters, cost

“

We have improved our production processes on all parameters, including OEE, FTTP, MTBF, MTTR, PPK and CPK amongst others. We continue to work on our Total Productive Maintenance (TPM) Project, and aspire to accomplish higher benchmarks, going ahead.

”

leadership and volume growth in India and Thailand. We have improved our production processes on all parameters, including OEE, FTTP, MTBF, MTTR, PPK, and CPK amongst others. We continue to work on TPM and aspire to accomplish higher benchmarks in terms of overall productivity improvement, going ahead. Driven by our passion for outperformance, we made key investments during FY 21-22, and continued our efforts towards strengthening operations and reinforcing our leadership position.

Our financial performance for the year ranks amongst the best in the industry. Our key performance ratios have improved significantly, and we have significantly deleveraged our balance sheet, which will augur well for us, going forward.

Growing a sustainable business

Sustainability is deeply embedded in our processes, products and business strategy. We are implementing an elaborate environment management

plan across our plants, minimising our environmental footprint, optimising resource utilisation and making investments to adopt eco-friendly technologies.

Our teams serve as the bedrock of our organisation's success. I express my sincerest gratitude to our people for their steadfast dedication in building an outperforming enterprise, which creates consistent value for society. I am also thankful to our customers, suppliers, and other stakeholders for their continued trust in us.

We will continue to foray into new markets and geographies to emerge as a preferred manufacturer and supplier to esteemed customers in India, Thailand and globally backed by quality assurance and continuous innovation.

Sunil Chordia

Chairman and Managing Director

Rajratan Thai Wire Co. Ltd MD's Perspective

Delivering with commitment

Dear Shareholders,

During the year under review, we continued to deliver robust financial performance that enabled us to formulate effective growth plans. It has been another year of record sales and revenue for our Thailand operations. We have yet again demonstrated our ability to rise above challenges and raise the bar of value creation for our customers and all other stakeholders.

Sterling performance

Our success in meeting our target of producing 35,000+ TPA with approvals from our key customers and negligible quality complaints, validates our outperformance. In an unpredictable macroeconomic environment, Rajratan has been able to stay agile and resilient. We have also further strengthened our resolve to gain knowledge and drive implementations.

Our top line and bottom line has been improved as a result of the volume leverage. The Thailand plant operates at over 90% capacity utilisation levels that leads to low conversion cost, and low pressure on fixed costs.

Besides, the global transportation disruptions and rising logistics costs, which were major concerns for global businesses, worked in favour of Rajratan. Our existing local customers put their faith in us since minimal risks were involved in buying materials from us.

We continue to enjoy the trust of our customers, and we anticipate to widen our national and global footprint, following capacity expansion at the Thailand plant. We expect to enhance the wallet share with high-margin customers.

We continually modify our products as per the specific requirements of our evolving customer requirements. The year 2021-22 marks a year in which we were able to expand our footprint further in the Thailand market. Given

the fact that selling our products in the domestic market is way more profitable than pursuing exports, we have planned to quadruple our manufacturing capacity from 40,000 TPA to 60,000 TPA.

This will mark largest growth endeavour in the bead wire industry in Thailand, which will accelerate our sales, allowing us to gain a higher market share of Thailand's bead wire industry in the next few years. We are deepening the synergy between our India and Thailand facilities, and incorporating the best practices across both the units.

Moreover, we are adding capacity in line with our endeavour to meet the growing demand in Thailand market. This additional capacity will allow us to scale our operations in domestic market, optimise costs and strengthen the overall bottom line of the Company.

The proximity of our manufacturing facility to most customer touchpoints also helps us efficiently meet their requirements.

Additionally, on behalf of our customers, we store a sizeable portion of inventory at our own facility without any extra cost to them.

Focusing on ESG priorities

At Rajratan, we consider our employees to be our most important assets and we strive to provide them a conducive and safe work environment, helping them increase their productivity. We also ensure the holistic and long-term development of communities where we operate and contribute towards the sustainability of the planet.

To increase our plant's operating efficiency, we focus on minute details, and formally engage with our suppliers and customers regularly to devise new ways to make our business more sustainable. We have undertaken several measures to

reduce dust across operations, decrease the decibel levels of the machines at factory, and streamline our layout to have a better material flow. Notably, we have upgraded our pickling line for higher productivity, with better quality and minimum chemical consumption. All our upgraded process line are equipped with wet scrubbers to treat the entire fume that is generated from the plant. This is to mitigate the negative impacts of chemical usage.

We are aware that our processes emit excessive heat to the environment. To mitigate that we have taken efforts to install efficiently designed chimneys and heat exchangers to reduce the overall heat levels in the plant. We also focus on better ventilation throughout the plant.

We plan to reduce our water consumption to almost one-third of what we consume now, and will make substantial investments for this on a priority basis. To make more sustainable products, we are focussing on the usage of more recycled steel. Fortunately, in Thailand, we are already in a much better position in terms of the percentage of recycled steel used. We intend to eventually use 75% of our recycled steel to make bead wire, this is one of the major aspects to reduce our carbon footprints and work towards achieving the sustainability targets set by our customers for 2025-2030. The usage of recycled steel is an important aspect for our customers to produce green tyres.

Accelerating automation and digital initiatives

With our stepped up sustainability efforts, we are better placed to be in focus of multinational European companies who prioritise sustainability over price and quantity. To improve productivity, we are working towards the digitalisation of our manufacturing processes. In addition, most of our manufacturing processes will be digitalised in the coming years.

We are on the verge of fully automating our new line, which will help us achieve higher production with the same workforce. This would also enable operations to be controlled and reviewed from a distance.

With more customers willing to de-risk themselves by having two suppliers for the same product, and not depend on one country for it, Thailand has emerged as an attractive location to import their materials from. This trend has given us confidence that besides the local opportunities, there are more opportunities in exports.

Vote of thanks

To conclude, I would like to express my gratitude towards our team. I am deeply grateful to all the employees of Rajratan Thailand for their exceptional effort and their relentless quest for excellence. I would also like to extend my gratitude to all our customers, Board of Directors, our shareholders and vendors for their unwavering trust in our Company.

We are enhancing scale and operational efficiency to reach the next level of growth and value creation. I am confident enough to say that we have reached a stage where there is no looking back. I am optimistic that our renewed capabilities will propel us to the next orbit of growth and value creation for stakeholders.

Regards

Yashovardhan Chordia
Managing Director,
Rajratan Thai Wire Co. Ltd



Yashovardhan Chordia
Managing Director, Rajratan Thai Wire Co. Ltd