



RAJRATAN
OUTPERFORM

Navigating challenges. Staying resilient.

Integrated Report
2022-23



Resilience, constant evolution and outperformance are the distinct hallmarks of Rajratan ever since inception. Our core belief is that the broad economic and industry realities may change at a rapid pace, but we need to adapt to changing times with flexibility and determination, which is the true spirit of Rajratan.

Sunil Chordia
Chairman and
Managing Director

→ About the report

This is Rajratan's second Integrated Annual Report for the year ended March 31, 2023. 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.

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 1st April, 2022 to 31st March, 2023. 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.

The report discusses six capitals

 Financial Capital	 Intellectual Capital
 Manufactured Capital	 Human Capital
 Natural Capital	 Social & Relationship Capital

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information visit



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



or scan QR code

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.

Challenges

often carve
the path to **success.**

At Rajratan, we strongly believe in the value of prudence and resilience to proactively overcome hurdles and embark on a growth journey.

Over the years, we have accomplished remarkable milestones, endured hardships and constantly evolved with changing market dynamics. Our ability to defy odds has provided us the necessary strength to embrace new methods of digitalisation, innovation and process improvements that today, define our onward trajectory.

With a constant emphasis on excellence, we upgraded our manufacturing facilities, initiated advanced operations at our plants in India and Thailand and streamlined R&D efforts to enhance revenues and stakeholder return.

We believe there are immense opportunities to leverage, provided we have the right scale, technology and talent pool. The scale of our tech-enabled operations across geographies, along with the dynamism of our people reflect our ambition and courage to embrace change.

Alongside, we have remained undeterred in our commitment to sustainability and continue to adopt initiatives that empower us to keep robust value creation at the core of our efforts. With a strong determination to make a difference to lives, we are going beyond profitability metrics to support a sustainable momentum that is dedicated to people and the planet – qualities that make us resilient and enable us to navigate challenges with ease.



Largest

Bead Wire manufacturing line

Only

Manufacturer of bead wire in Thailand

3,772

Market Capitalisation as on 31.03.2023
(₹ in crore)

#1

Ranked in India's bead wire Industry

895.3

Consolidated Revenue
(₹ in crore)

Rajratan at a Glance

65.1%

Promoter Shareholding

1.86X

Increase in Production Capacity in last 5 years

1.018

Net Debt/EBITDA

132000

TPA Consolidated Capacity in India and Thailand

81%

Capacity Utilisation

60000

TPA Capacity at Green Field Project, Chennai

650

Employees

120+

Clients





Who we are

Nurturing a commitment to excellence

We are a leading manufacturer of high quality bead wire and high carbon steel wire. Our manufacturing operations span across India and Thailand, establishing our prominence as a major player in the industry.

As one of the largest 'pure play' tyre bead wire manufacturers in Asia excluding China. We have earned a sterling reputation for excellence in the industry. Our impressive clientele includes nearly every major tyre company in India, and we are the sole manufacturer of bead wire in Thailand. We are sustaining our margins by consistently increasing our capacity utilisation and upgrading our manufacturing setup to world-class standards, ably supported by a highly skilled workforce.

Our commitment to excellence is reflected in our consistent quality benchmarks, customer relations and service turnaround time. With the capacity expansion at our facilities in Chennai and Thailand, we equipped ourselves to meet the evolving demands of 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.



Expansion of production capacity

We have consistently and strategically increased our manufacturing capabilities to meet the demands of the tyre industry.



Unwavering commitment to quality

Renowned as a trusted global supplier of bead wire to discerning tyre manufacturing companies, we prioritise uncompromising quality standards.



Exemplary expertise

With decades of accumulated knowledge and experience, we maintain a distinct edge over our competitors.

Our core advantages



Cost leadership

Leveraging our expansive operations in India and Thailand, we are able to optimise economies of scale and maintain a competitive cost advantage.



Enduring client relationships

We have fostered enduring partnerships with a significant percentage of our customers, spanning over five years or more.



Sustainability-driven operations

As a responsible corporate entity, we actively engage in various sustainability initiatives that align with global best practices.

→ Key milestones

Navigating hurdles to set new benchmarks

1989

- Rajratan Wires Pvt. Ltd was incorporated

1995

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

2004

- Bought back equity held by Gustav Wolf and changed the Company's name to Rajratan Global Wire Ltd.

2008

- Started commercial production at the plant in Thailand

2022

- Production capacity expansion of Thailand plant to 60,000 tonnes annually. The Chennai facility is ready to be commissioned

1991

- Started commercial production of prestressed concrete wires and strands

1998

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

2006

- Incorporated Rajratan Thai Wire Co. Ltd. in Thailand

2019

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

→ Our offerings

A portfolio of specialised products

At Rajratan, we specialise in manufacturing high-quality steel wire products that are essential to many industries. Our focus on employing world-class manufacturing processes ensures that our products meet and exceed the expectations of our customers.

Tyre bead wire

We offer tyre bead wire that serves a crucial role in ensuring a safe and seamless driving experience. Made from high-carbon steel, our tyre bead wire is meticulously drawn and coated with bronze to ensure optimal adhesion with the rubber compound used in tyres, customising to the requirement of tyre companies. This enables the wire to firmly secure the tyre onto the rim and withstand the pressure exerted by an inflated tyre, preventing any mishaps while driving.

It plays a pivotal role in transferring the vehicle load from the rim to the tyre, minimising any vibrations during driving. The quality and strength of our tyre bead wire have a significant impact on the safety, durability, and strength of tyres, making it a critical component in the automotive industry. Bead Wire today ranks third in criticality and safety standards for OEM manufacturers.

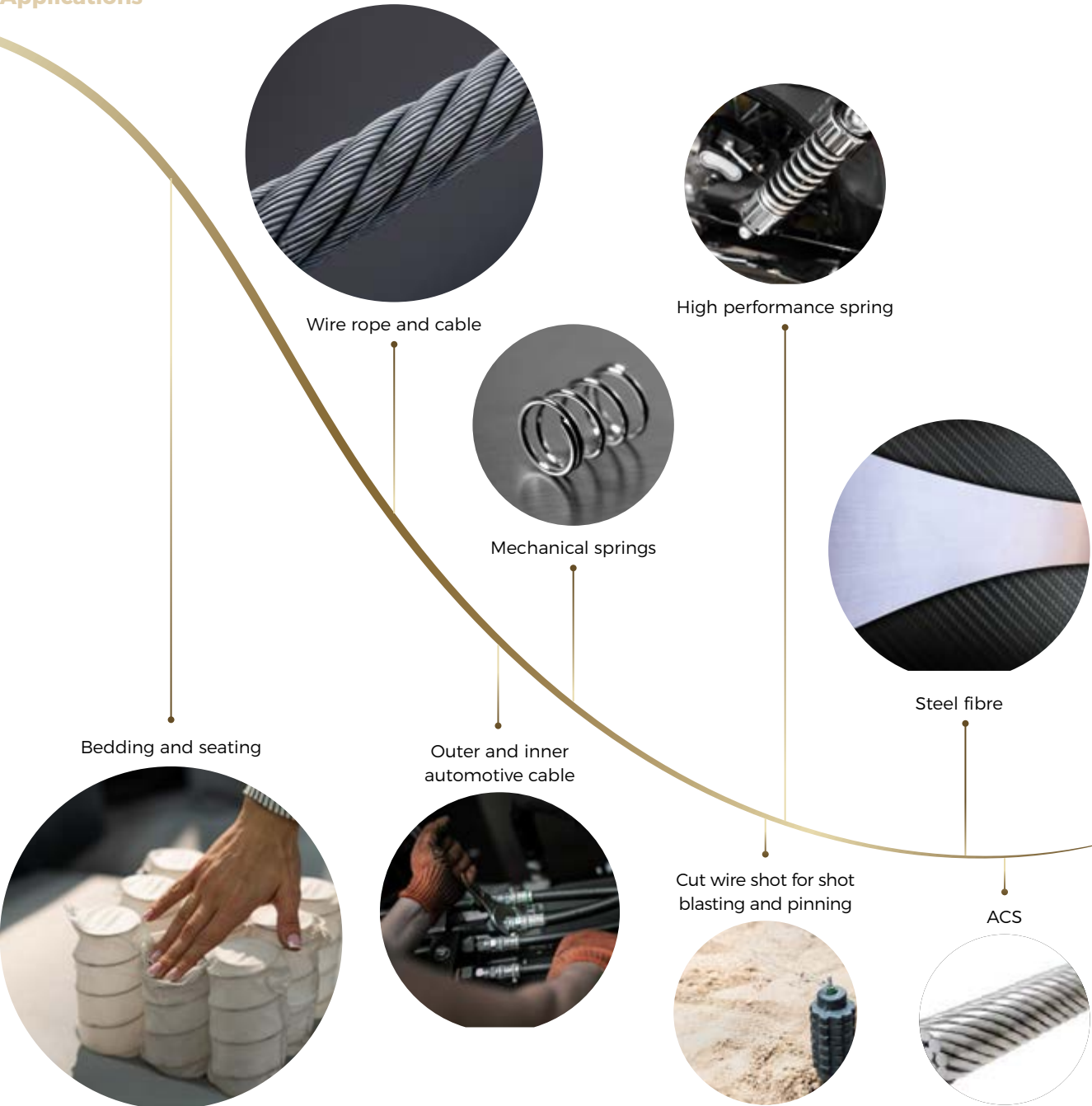
Applications



High carbon steel wire

We also offer high carbon steel wire, a versatile material used in various industries including construction, engineering, and automobile. Our high carbon steel wire is manufactured from quality wire rods with a high carbon content, and we use world-class patented heat treatment processes in our state-of-the-art facilities to ensure its exceptional quality. We offer two grades of high carbon steel wire: spring/rope grade conforming to Grade I, II & III, and rolling quality/flattening quality grade.

Applications



➔ Message from Chairman and MD

Adapting to change with flexibility and focus



We are continuously investing in capacity building across our facilities to stay ahead of competition when global growth revives.

Sunil Chordia

Chairman and Managing Director

Dear Shareholders,

Resilience, constant evolution and outperformance are the distinct hallmarks of Rajratan ever since inception. Our core belief is that the broad economic and industry realities may change at a rapid pace, but we need to adapt to changing times with flexibility and determination, which is the true spirit of Rajratan.

The global industry landscape for bead wires was challenging in FY22-23 owing to sluggish economic activity and muted consumer demand in many parts of the world. Primary reasons were the continued geopolitical conflicts in Europe disrupting supply channels; volatility in commodity prices stoking inflation; Covid resurgence in China and financial instability in the US. Further, with China coming out of its continued Covid clampdowns, there was a supply glut of bead wire for Chinese tyre manufacturers.

India remained the lone oasis of sustainable growth among major economies. India's economic outlook is positive with the government's

enhanced allocation in capital expenditure, reviving manufacturing and services sectors and moderating inflation trajectory.

Mobility has also picked up pace, which is reflected in the growing demand for tyres for passenger vehicles and commercial vehicles. We expect this trend to continue and what is even more encouraging is that the market is shifting towards green mobility solutions. Such a shift will lead to enhanced demand for electric four wheelers, three wheelers and two wheelers in the coming years. The tyre industry worldwide has a huge growth potential and we are proud to be an integral part of that growth. The export of tyres from India is also estimated to have grown by 15% in FY23 according to the Automotive Tyre Manufacturers' Association. This growth will continue over the medium term, providing us a huge opportunity to grow.

Tyre companies in India are also in expansion mode. As per data from a recent ATMA conference, Indian tyre manufacturing is estimated to reach a turnover of ₹ 1 lakh crore in the next 3 years from ₹ 75,000 crore currently. The share of exports is also estimated to triple during the same period. This bodes well for bead wire in India and Rajratan is on the forefront of providing high quality and continuous supply of bead wire to meet the growing need of tyre companies.



Staying resilient

Against the backdrop of muted global demand, our performance was resilient. FY23 did not witness very encouraging performance at Rajratan. However, our business performance in India was better than Thailand's business. The demand in Thailand remained muted due to low uptake in the tyre industry of the US and Europe. Our India business volumes have grown from 54,785 tonnes to 59804 tonnes while the Thailand business was lower at 29481 tonnes versus 35,280 tonnes in the prior year.

We are continuously investing in capacity building across our facilities to stay ahead of competition when global growth revives. As the world is aiming at China+1 strategy, India is an obvious choice for global companies looking for an additional supply source, and we are working towards becoming a stronger player in the global markets.

Additionally, to build capability we are working on projects such as Total Productive Maintenance (TPM) and continuous improvement to reduce costs at our plants and deliver a competitive supply chain to our customers.

Our continuous efforts to improve productivity has helped us optimise costs, improve productivity and deliver quality products at affordable prices. We have always put significant emphasis

on continuous improvement and will continue to do so in the future as well.

Adapting to change and growing

We have always been a learning organisation, adapting to changing circumstances and evolving. Our teams are always curious to learn and shoulder more responsibilities. We have implemented several new techniques such as Total Productive Maintenance (TPM), Total Quality Management (TQM) and training process to ensure continuous learning. We have partnered with major players in the tyre industry to become their supply chain partners..

Building a sustainable business

Rajratan Global Wire Limited is committed to sustainability in all aspects of our business. We recognise that our operations have an impact on the environment and the communities in which we operate. We strive to minimize this impact through our sustainable practices, which include reducing energy consumption, minimizing waste, and utilizing eco-friendly materials. We aim to manufacture our products made out of steel scrap and ensure zero-liquid discharge at all our facilities. For our energy consumption we use renewable energy sources like wind energy and solar energy.

We are also committed to promoting the health and safety of our employees and partners, ensuring that they work in a safe and healthy environment. Additionally, we actively engage with our suppliers and customers to encourage sustainable practices across

the supply chain. At Rajratan, we believe that by prioritizing sustainability, we can contribute to a better future for the planet and society as a whole.

We sincerely believe that the core strategic pillars, which underpin our transformational business are consistent growth, learning culture, unwavering focus on opportunities and above all empowered teams, who travel the extra mile and accomplish new milestones of value creation for all stakeholders.

We thank you for your continued support and trust in Rajratan.

Best regards,

Sunil Chordia

Chairman and Managing Director

➔ Message from Yashovardhan Chordia, Managing Director, Rajratan Thailand and Executive Director, India

Focusing on long-term growth and sustainability



We recognise the importance of staying ahead of the curve in terms of technology and industry trends; and we are continually investing in research and development to ensure that we remain at the forefront of the industry.

Yashovardhan Chordia

Managing Director, Rajratan Thailand and Executive Director, India

We are optimistic about the volume growth at the Thailand facility in the coming year and our unwavering determination is to ensure efficient utilisation and enhancement of our capacity. We are now in a position to capitalise on the rising demand. Our incremental capacity at Thailand also became operational subsequent to the EIA approval, thereby taking our total capacity in Thailand to 60,000 tonnes per annum.

The reopening of the Chinese economy brings an add-on benefit for us, as there will be an increase in domestic demand in China, which would lead to less exports of bead wires across global markets. As a result, the international market scenario would improve and we expect to supply volumes to Europe and America. The future prospects seems promising as existing inventories of tyre companies for bead wires are depleting and we are seeing a rise in the inquiries for bead wires. As the world currently is looking at a parallel supply chain strategy to China, the focus is specifically on ASEAN countries. We see this as an opportunity with great potential and as we are placed at the right country, at the right time with a recent investment in capacity building. As there is a need in the international market for a reliable supplier, we will leverage our reputation and commitment to serve our customers as their best choice.

Navigating challenges

The performance of our Thailand business suffered because of the Ukraine-Russia war, which impacted tyre exports to Europe from Thailand, eventually impacting sales of bead wire to our customers in Thailand. Recessionary trends in the US also dented exports to that geography. China, however, has recovered from its COVID-induced challenges and the economy has opened up. We are encountering intensifying competition from China in global markets, which we are dealing with maturity and prudence. We believe that the learnings from the adversity will help us enhance our resilience and grow sustainably in future.



Expanding horizons

By expanding our capacity across all our facilities, on current market size, we will be around 15% of the global market. It will enable us to be sizeable and reliable supplier to tyre manufacturers. We believe there will be a huge market requirement from tyre companies in Europe and we have equipped ourselves with enhanced capacity and capability building. This investment would enable us to serve the international markets by meeting the incremental demand creating long-term value to our customers.

As a result of our extensive efforts to reach out to global industry players, we are in discussions with many multinational companies across Europe and Korea to take advantage of the China-plus one strategy. This makes India and other South East Asian regions an excellent alternative to China. These new collaborations would expand our footprint significantly in international markets and help us in reach out to more clients

Enhancing quality

Most of our clients are looking for a supplier who provides super tensile and semi-super tensile bead wire with higher tensile strength, which would reduce the weight of tyres and offer better quality. To cater to the needs of our clients we are supplying super tensile materials in few grades to a few new international customers, while offering it as an upgrade to our existing customers.

To enhance our product quality, we have set up the most advanced line in Thailand, which would strengthen customer loyalty, manage costs and

will help us in meeting the increased demand.

Adopting digitalisation

Our legacy Pithampur factory is now moving towards digitisation. We are focusing on becoming paperless by digitalising our shop-floor and related activities. Our digital initiatives have helped us accelerate our key decisions relating to all aspects of the business. Using dashboards has also significantly reduced our time and cost of data collection and analysis. We have also increased workforce productivity and uptime of critical workstations.

Delivering value sustainably

Sustainability is at the core of our operations. Over the years, we have implemented many initiatives to reduce our carbon footprint and energy consumption. Approximately 80% of our raw materials are made out of recycled steel and the scrap content in this raw material is around 90%, which helps in conserving vital natural resources. We are also setting up Solar Roof Top at all our facilities to ensure the adoption of renewable energy for consumption. We are constantly working towards significantly reducing water consumption.

Our priorities include recycling treated water and cost efficient solid waste management. All these efforts will help us in lowering our power consumption and operating costs.

Seeking new horizons

Businesses around the world have to face a future that is ever evolving. Therefore, our strategies are dynamic on all fronts — from the manufacturing capabilities we build, technologies we adopt, to the markets we explore or even the investments we make for our communities, environment and people. They are guided by the changing needs and priorities of our customers, partners, teams, communities and the planet that sustains us all.

This dynamism makes Rajratan a robust and resilient enterprise that is always pulsating with life and dreams.

Making significant strides

We recognise the importance of staying ahead of the curve in terms of technology and industry trends; and we are continually investing in research and development to ensure that we remain at the forefront of the industry. We are also expanding our global reach, with plans to establish a stronger presence in key markets around the world. Furthermore, we are committed to sustainability and corporate responsibility, and we will continue to make significant strides in reducing our environmental footprint.

I would like to express our sincere gratitude to all of our stakeholders for their encouragement and support. We are grateful for the trust that our customers, suppliers and investors have reposed in us, and we are committed to delivering on our promises and exceeding their expectations.

We look forward to a prosperous future together.

Best regards,

Yashovardhan Chordia

Managing Director, Rajratan Thailand and Executive Director, Rajratan India

Value creation model

Building a stronger and viable business

