

June 05, 2026

## Rajratan Global Wire Limited: [ICRA]A+ (Stable) / [ICRA] A1; assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based – Cash credit	45.25	[ICRA]A+ (Stable); assigned
Long term/Short term – Unallocated limits	4.75	[ICRA]A+ (Stable)/ [ICRA] A1; assigned
<b>Total</b>	<b>50.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The assigned ratings factor in Rajratan Global Wire Limited’s (RGWL) established market position in the tyre bead wire (TBW) segment, supported by its strong relationships with leading domestic and global tyre manufacturers, high entry barriers in the business and a demonstrated ability to scale volumes across geographies. The company continues to be a market leader in India with a 42–43% market share, while its Thailand subsidiary has a significant regional presence as the country’s sole TBW manufacturing unit, along with high utilisation and acceptance among global original equipment manufacturers (OEMs). The critical nature of TBW in tyre manufacturing, long approval cycles with tyre OEMs and elevated switching costs support business stability and revenue visibility and provide comfort.

The ratings positively consider the company’s strong volume growth trajectory, with consolidated volumes increasing to 1.34 lakh tonnes in FY2026 and the expectation of a healthy pace of growth in FY2027, driven by ramp-up of the Chennai facility and sustained demand across domestic and export markets. Revenues increased to around Rs. 1,150 crore in FY2026 (24% year-over-year growth), driven largely by volume expansion despite moderation in realisations post the FY2023 peak. The healthy demand outlook for the tyre industry, particularly the resilience of the replacement segment, is expected to support steady revenue growth over the medium term. The company’s profitability remains moderate but stable, with EBITDA margins dipping from peak levels of around 20% in FY2022 to 12.1% in FY2026. This was due to a combination of external pressures including decline in realisations owing to intense competition from Chinese suppliers, increased domestic competition and the cost burden of the Chennai greenfield expansion. However, the FY2026 performance was better, aided by stabilisation in realisations, improving utilisation and easing competitive pressures. Margins are expected to range from 13–14% over the medium term, supported by operating leverage, better customer mix and pass-through of input cost increases.

The ratings also factor in the comfortable financial risk profile, with total debt of Rs. 324 crore as of March 31, 2026 (increasing from Rs. 237 crore as on March 31, FY2025). An increase in debt in FY2026 caused moderation in leverage and coverage indicators (Total Debt/OPBITDA at 2.3 times and interest coverage at 4.9 times in FY2026) and was largely attributable to ongoing capital expenditure (capex) and working capital requirements. Nevertheless, the capital structure remains conservative, and with major capex plans nearing completion, the company is expected to witness gradual deleveraging, supported by increasing earnings and moderation in capex intensity.

The ratings are constrained by the company’s high dependence on the TBW segment (89.9% of FY2026 revenues), exposing it to cyclicity in the tyre and automobile sectors. This risk is partly mitigated by the stable replacement demand segment and its strong customer relationships. Additionally, the company remains exposed to raw material price fluctuations, which can impact margins, particularly during periods of heightened competition or excess supply. Further, RGWL’s operations, especially in Thailand and exports to the U.S. and other geographies, continue to be vulnerable to changes in global trade policies, tariff structures and protectionist measures, which can influence competitiveness and demand across markets. Past instances such

as Chinese dumping and changes in export incentives highlight the sensitivity of the business to global trade dynamics, which remain a monitorable.

Going forward, the company's ability to successfully ramp up its Chennai operations, execute ongoing capacity expansions in time and under the budgeted cost and diversify into higher value-added segments such as steel cord for conveyor belts, while maintaining pricing discipline and managing working capital intensity, will remain critical.

The Stable outlook reflects ICRA's expectation that RGWL is likely to maintain steady revenue growth driven by volume expansion, while profitability is anticipated to stabilise at moderate levels. The financial risk profile is likely to remain at levels commensurate to the rating level, supported by increasing earnings despite moderate capex plans.

## Key rating drivers and their description

### Credit strengths

**Leading TBW manufacturer, with an established track record** – RGWL is one of the largest Indian TBW manufacturers, with a domestic market share of 42–43%, supported by long-standing relationships with leading tyre OEMs and demonstrated execution capabilities over multiple cycles. The company also has a well-established presence in Thailand, where it services a diversified base of global customers and operates at high utilisation levels. Over the years, RGWL has built a strong operating track record, characterised by consistent volume growth, successful scale-up across geographies and the ability to navigate industry cyclicalities while retaining market share, reflecting its robust competitive positioning in the TBW segment.

**Diversified customer profile; high barriers to entry aid earning visibility** – RGWL benefits from a diversified and established customer base comprising leading domestic and global tyre manufacturers, including Apollo Tyres, CEAT, MRF, Bridgestone, Continental and Balkrishna Industries. While customer concentration remains moderate, the associated risks are mitigated by the long tenure of relationships, high switching costs and criticality of the product, which support repeat business and stable offtake.

The TBW segment is characterised by stringent qualification processes, long approval cycles and high technical requirements, creating significant entry barriers and limiting the number of approved suppliers. This, coupled with the company's strong process capabilities and consistent quality track record, supports sustained customer relationships and earnings visibility over the medium term.

**Comfortable financial risk profile** – RGWL's financial risk profile remains comfortable, supported by adequate capitalisation, which moderated in the recent past due to the ongoing capex cycle and margin compression. The company's total debt increased to around Rs. 324 crore in FY2026 (Rs. 237 crore in FY20235), resulting in a reduction in coverage metrics, with Total Debt/OPBITDA at around 2.3x and interest coverage at around 4.9x. Nevertheless, the capital structure remains moderate with Total Debt/TNW at around 0.5x, supported by a healthy net worth base (around Rs. 650 crore) and improving accruals (around Rs. 96 crore in FY2026).

Going forward, the financial profile is expected to improve gradually, supported by stabilisation in margins (supported by scale-up at the Chennai plant and increase in realisation), scale-up in operations and moderation in capex intensity. While incremental capex and working capital requirements may keep leverage relatively elevated in FY2027, Total Debt/OPBITDA is likely to get better over the medium term.

### Credit challenges

**Exposure to cyclicalities in automobile industry** – RGWL's revenue profile remains closely linked to the tyre industry, which in turn is dependent on the performance of the underlying automobile sector. Demand for tyres, particularly in the original equipment (OE) segment, is inherently cyclical and influenced by macroeconomic factors such as economic growth, fuel prices, interest rates and consumer sentiment. Accordingly, any slowdown in automobile production could adversely impact demand for TBW.

However, this risk is partly mitigated by the stability of the replacement segment, which accounts for a significant share of tyre demand and is supported by factors such as vehicle parc growth, replacement cycles and steady usage. Additionally, the critical nature of TBW and long-standing relationships with tyre manufacturers provide a degree of demand visibility and resilience across cycles.

**Exposure to raw material price fluctuations; mitigated to an extent by quarterly price renegotiation** – RGWL’s profitability remains exposed to volatility in raw material prices, particularly steel wire rod, which constitutes a significant portion of the cost structure. The company follows a monthly procurement cycle for raw materials, while pricing with customers is typically reset on a quarterly basis, resulting in a timing mismatch that can cause short-term margin volatility, as seen in Q4 FY2026 when a sharp increase in steel prices resulted in temporary margin compression.

However, this risk is partly mitigated by the company’s ability to pass on input cost changes to customers on a quarterly basis, supported by the critical nature of TBW, relatively low share in tyre cost and strong relationships with OEMs. While this ensures recovery of costs over time, margins may remain susceptible to interim fluctuations during periods of sharp price movements.

**Vulnerability to tariff and trade restrictions** – RGWL’s operations, particularly its Thailand operations and exports to the U.S., Europe and other geographies, expose it to risks arising from changes in global trade policies, tariff structures and protectionist measures. Any adverse changes in import duties, withdrawal of export incentives or imposition of trade barriers could impact the company’s competitiveness and demand across key markets.

Additionally, the company has historically been impacted by global trade dynamics, such as Chinese dumping in Southeast Asia and changes in export incentives, which have influenced pricing and margins. While the current tariff regime in markets such as the U.S. places the company at parity with other non-Chinese suppliers, any unfavourable policy changes or escalation in trade restrictions could adversely affect its export growth and profitability.

## Environmental and social risks

**Environmental considerations** – RGWL operates in a steel wire manufacturing segment, which entails exposure to energy consumption, emissions and waste management risks arising from metal processing and heat treatment operations. It has been gradually focussing on improving process efficiencies, reducing energy intensity and moving towards cleaner manufacturing practices, including efforts to reduce hazardous chemical usage and adopt more sustainable production technologies. However, the business remains inherently resource-intensive, and any tightening of environmental norms could necessitate incremental capex and process modifications, thereby moderating return metrics.

**Social considerations** – RGWL’s operations are moderately dependent on skilled labour and technical manpower, given the precision and quality requirements of TBW manufacturing. Maintaining stable employee relations, ensuring workforce safety and retaining skilled manpower remain important for uninterrupted operations. Additionally, the company operates in a segment where product quality is critical, as TBW is a safety-related component in tyres. Any lapses in quality could result in customer claims, reputational risk and loss of approvals from OEMs, given the stringent validation requirements. Further, the company’s long-standing relationships with global tyre manufacturers and suppliers require adherence to evolving ESG standards, including responsible sourcing and compliance with global supply chain practices

## Liquidity position: Adequate

RGWL’s liquidity is Adequate, supported by a buffer of Rs. 14 crore in working capital facilities at its Indian unit in March 2026, while the Thai unit has sufficient buffer in its fund-based facilities. The company is expected to generate healthy fund flow from operations (consolidated) of Rs. 130-140 crore in FY2027, which is anticipated to grow further over the medium term. Against this, it has repayment obligations of Rs. 41 crore in FY2027 and capex projection of Rs. 90-100 crore, which are likely to be comfortably funded by internal accruals and debt.

## Rating sensitivities

**Positive factors** – ICRA may upgrade the ratings if the company achieves a meaningful growth in earnings, by way of securing recurring business from existing or new customers or by expanding into new geographies, leading to an improvement in credit metrics.

**Negative factors** – ICRA may downgrade the ratings in case a large debt-funded capex strains the balance sheet, or if a deterioration in the working capital cycle, or a decline in margins, adversely impacts the company’s credit metrics or liquidity. A specific metric that may trigger a rating downgrade includes debt service coverage ratio (DSCR) of below 2.1 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Auto Components</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of RGWL. Refer to the Annexure III for the list of entities considered for consolidation.

## About the company

RGWL, along with its wholly owned subsidiary RTWL, is engaged in the manufacture of high carbon steel wires, primarily tyre bead wire (TBW), which is a critical input for the tyre industry. TBW performs the dual function of reinforcing tyre structure and ensuring secure grip on the rim across applications such as passenger vehicles, commercial vehicles and industrial equipment. The company also manufactures drawn steel wire (black wire), catering to automobile, construction and engineering sectors, providing limited diversification.

RGWL operates manufacturing facilities at Pithampur and Thailand, along with a recently commissioned Chennai unit with ~30,000 TPA capacity, set up with an investment of around Rs. 300 crore to strengthen its presence in southern India. The Chennai plant, which initially incurred losses due to low utilisation, has recently turned profitable as volumes scale up. All facilities are approved suppliers to leading domestic and global tyre manufacturers, reflecting established process capabilities and quality standards.

The company has a diversified and established customer base comprising leading tyre manufacturers such as Apollo Tyres, MRF, CEAT, BKT, Bridgestone and others, with long-standing relationships supporting repeat business. RGWL enjoys a strong market position in India, while its Thailand subsidiary benefits from a favourable positioning in the regional market. Overall, the group’s manufacturing footprint, customer relationships and specialised product offering support its established business profile.

## Key financial indicators (audited)

RGWL (consolidated)	FY2024	FY2025	FY2026*
Operating income (OI)	890.5	935.4	1,156.5
PAT	71.8	58.8	70.1
OPBDIT/OI	14.3%	13.6%	12.1%
PAT/OI	8.1%	6.3%	6.1%
Total outside liabilities/Tangible net worth (times)	0.7	0.7	0.8
Total debt/OPBDIT (times)	1.5	1.9	2.3
Interest coverage (times)	6.5	4.5	4.9

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore; \* Provisional numbers

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

### Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Current (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	Jun 05, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash credit	Long term	45.25	[ICRA] A+ (Stable)	-	-	-	-	-	-
Unallocated limits	Long term/Short term	4.75	[ICRA]A+ (Stable) / [ICRA] A1	-	-	-	-	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various FSR as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI

2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSR other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based – Cash credit	Simple
Long term/Short term – Unallocated limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

## Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Cash credit	NA	NA	NA	45.25	[ICRA] A+ (Stable)
NA	Unallocated limits	NA	NA	NA	4.75	[ICRA]A+ (Stable) / [ICRA] A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

## Annexure III: List of entities considered for consolidated analysis

Company name	RGWL ownership	Consolidation approach
Rajratan Global Wire Limited	Rated entity	Full consolidation
Rajratan Thai Wire Company Limited	100.00%	Full consolidation
Rajratan Wire USA Inc.	100.00%	Full consolidation

Source: Company financials

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