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Indag Rubber Limited

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Works : Village Jhiriwala, Tehsil, Nalagarh, Distt. Solan, Himachal Pradesh - 174101, India
Phone : 09736000123

May 10, 2022

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001.

(Company code-1321)

(Scrip code-509162)

Sub: Investor Presentation- Q4 & FY22.

Dear Sir,

Enclosed please find the Investor Presentation of Q4 & FY22, for the information of the investors and public at large.

Kindly take the same on records.

Yours faithfully,

For **Indag Rubber Limited**

Manali D. Bijlani
Company Secretary

THE ONLY ALTERNATIVE TO NEW TYRES

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Investor Presentation - Q4 & FY22

April 2022



Safe Harbor

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Q4 & FY22 FINANCIAL HIGHLIGHTS



CEO's Message

Commenting on the result:



Mr. Vijay Shrinivas
CEO & Whole Time Director,
Indag Rubber Ltd.

"In FY22, the tyre retreading industry witnessed a slowdown in economic activities due to localized lockdowns amid the successive Covid-19 pandemic. Covid further strained the finances of fleet operators who were already facing headwinds due to poor fleet utilization levels, increased fuel prices and consequent cash flow issues. Hence, they were more likely to consider retreading solutions over new tyres. Consequently, we witnessed stable demand during February & March 2022.

In these unprecedented times, our company continues to take corrective measures to optimize costs, improve quality and focus on increasing outreach to enhance brand presence by strengthening organized retreaders and focusing on fleets. Thus, creating value for fleet owners & operators by bringing down tyre costs and reducing cost per km.

For CY'21, replacement market MHCV Truck & Bus tyre production was 154 Lacs. Most of these tyres would be coming for retreading in FY'23 & FY'24, signaling a positive outlook for the retreading industry in the coming years. The key drivers for long term growth would be strong demand for new tyre replacement, increased investments in road infrastructure by the government & formalization of business in the retreading industry.

We are pleased to inform you that the Board of Directors have recommended a Final Dividend of Rs. 1.5 per share, taking the total dividend to Rs. 2.4 per share for the Financial Year 2021-2022."



Consolidated Financials - Q4 & FY22

| Particulars (Rs. In Crs.) | Q4 FY22 | Q4 FY21 | Q3 FY22 | FY22 | FY21 |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue from Operations | 44.2 | 45.7 | 45.9 | 166.9 | 169.8 |
| Other Income | 1.7 | 0.2 | 3.6 | 6.5 | 4.0 |
| Total Revenue (incl Other Income) | 45.9 | 45.9 | 49.6 | 173.4 | 173.9 |
| Total Raw Material | 31.8 | 29.8 | 34.4 | 120.2 | 107.6 |
| Gross Profit | 14.1 | 16.1 | 15.2 | 53.2 | 66.3 |
| Gross Profit (%) | 30.7% | 35.2% | 30.7% | 30.7% | 38.1% |
| Employee Expenses | 5.3 | 5.5 | 5.0 | 20.7 | 21.0 |
| Other Expenses | 6.9 | 7.6 | 6.5 | 25.5 | 25.1 |
| EBITDA | 1.9 | 3.1 | 3.7 | 7.1 | 20.3 |
| EBITDA (%) | 4.0% | 6.7% | 7.4% | 4.1% | 11.7% |
| Depreciation | 1.0 | 0.8 | 1.6 | 4.2 | 3.3 |
| EBIT | 0.8 | 2.2 | 2.1 | 2.9 | 17.0 |
| EBIT (%) | 1.8% | 4.9% | 4.3% | 1.7% | 9.8% |
| Finance Cost | - | 0.1 | 0.0 | 0.2 | 0.3 |
| Share of loss of joint venture | - | 0.1 | 0.0 | 0.5 | 0.5 |
| Profit before exceptional items and tax | 0.8 | 2.0 | 2.1 | 2.3 | 16.2 |
| Exceptional Items | - | - | - | - | 13.2* |
| Profit before Tax | 0.8 | 2.0 | 2.1 | 2.3 | 3.0 |
| Tax | 0.2 | 0.6 | 0.2 | 0.5 | 0.8 |
| Profit/loss after tax from continuing operations | 0.6 | 1.5 | 1.9 | 1.8 | 2.2 |
| Discontinued operations | | | | | |
| Profit before tax | 0.0 | 0.3 | 0.0 | 0.3 | 0.7 |
| Current tax expense | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Profit after Tax | 0.6 | 1.7 | 1.9 | 2.1 | 2.8 |
| PAT % | 1.3% | 3.7% | 3.8% | 1.2% | 1.6% |
| EPS | 0.23 | 0.56 | 0.71 | 0.74 | 0.85 |

- *Delta variant in the month of April & May'21 followed by Omicron in December'21 & January'22 impacted the volumes in the FY22 and Q4 FY22*
- *Input cost inflation has impacted margins and raw material prices have continued to remain on high elevated levels*
- *The Company could partially pass on the price increase to the customers due to market competition*

* Exceptional Item of Rs 13.24 cr as the Company opted for the Himachal Pradesh (Legacy Cases Resolution) Scheme, 2019 on January 21, 2021 for settlement of Entry Tax matter of earlier years which was pending decision before Honorable High Court of Himachal Pradesh.



Consolidated Balance Sheet

| Liabilities (Rs. In Crs.) | Mar-22 | Mar-21 |
|--|--------------|--------------|
| Equity | | |
| Share Capital | 5.3 | 5.3 |
| Other Equity | 201.3 | 192.5 |
| Equity attributable to the shareholders of the Company | 206.5 | 197.7 |
| Non-Controlling Interest | - | 3.7 |
| Total Equity | 206.5 | 201.4 |
| Non Current Liabilities | | |
| Financial Liabilities | | |
| Borrowings | - | - |
| Provisions | 0.9 | 0.9 |
| Deferred Tax Liabilities (Net) | 3.5 | 2.8 |
| Total Non Current Liabilities | 4.4 | 3.7 |
| Current Liabilities | | |
| Financial Liabilities | | |
| Borrowings | - | - |
| Trade Payables | 18.3 | 15.2 |
| Other Financial Liabilities | 2.7 | 3.3 |
| Provisions | 0.1 | 0.5 |
| Current Income Tax Liabilities(Net) | 0.0 | 0.0 |
| Other Current Liabilities | 1.8 | 2.3 |
| Total Current Liabilities | 22.9 | 21.3 |
| Liabilities directly associated with asset/disposal group held for sale | - | 10.2 |
| Total Equity and Liabilities | 233.8 | 236.6 |

| Assets (Rs. In Crs.) | Mar-22 | Mar-21 |
|---|--------------|--------------|
| Non Current assets | | |
| Property, Plant and Equipments | 23.3 | 25.0 |
| Capital Work-In-Progress | 1.0 | 19.3 |
| Investment Property | 21.6 | - |
| Goodwill | 0.0 | 0.4 |
| Other Intangible Assets | 0.2 | 0.1 |
| Financial Assets | | |
| Investments | 85.7 | 83.6 |
| Loans | 0.0 | 0.0 |
| Other Financial Assets | 0.5 | 1.0 |
| Income Tax Assets (net) | 2.3 | 2.8 |
| Other Non-Current Assets | 0.2 | 2.3 |
| Total Non Current Assets | 134.8 | 134.6 |
| Current Assets | | |
| Inventories | 39.2 | 36.0 |
| Financial Assets | | |
| Investments | 26.7 | 7.3 |
| Trade Receivables | 22.6 | 29.5 |
| Cash and Cash Equivalents | 0.7 | 1.8 |
| Other Bank Balances | 1.7 | 1.9 |
| Loans | 0.2 | 0.2 |
| Other Financial Assets | 1.5 | 1.5 |
| Income Tax Assets (net) | 0.0 | 0.0 |
| Other Current Assets | 6.3 | 6.2 |
| Total Current Assets | 99.0 | 84.3 |
| Asset/Disposal group held for sale | - | 17.6 |
| Total Assets | 233.8 | 236.6 |



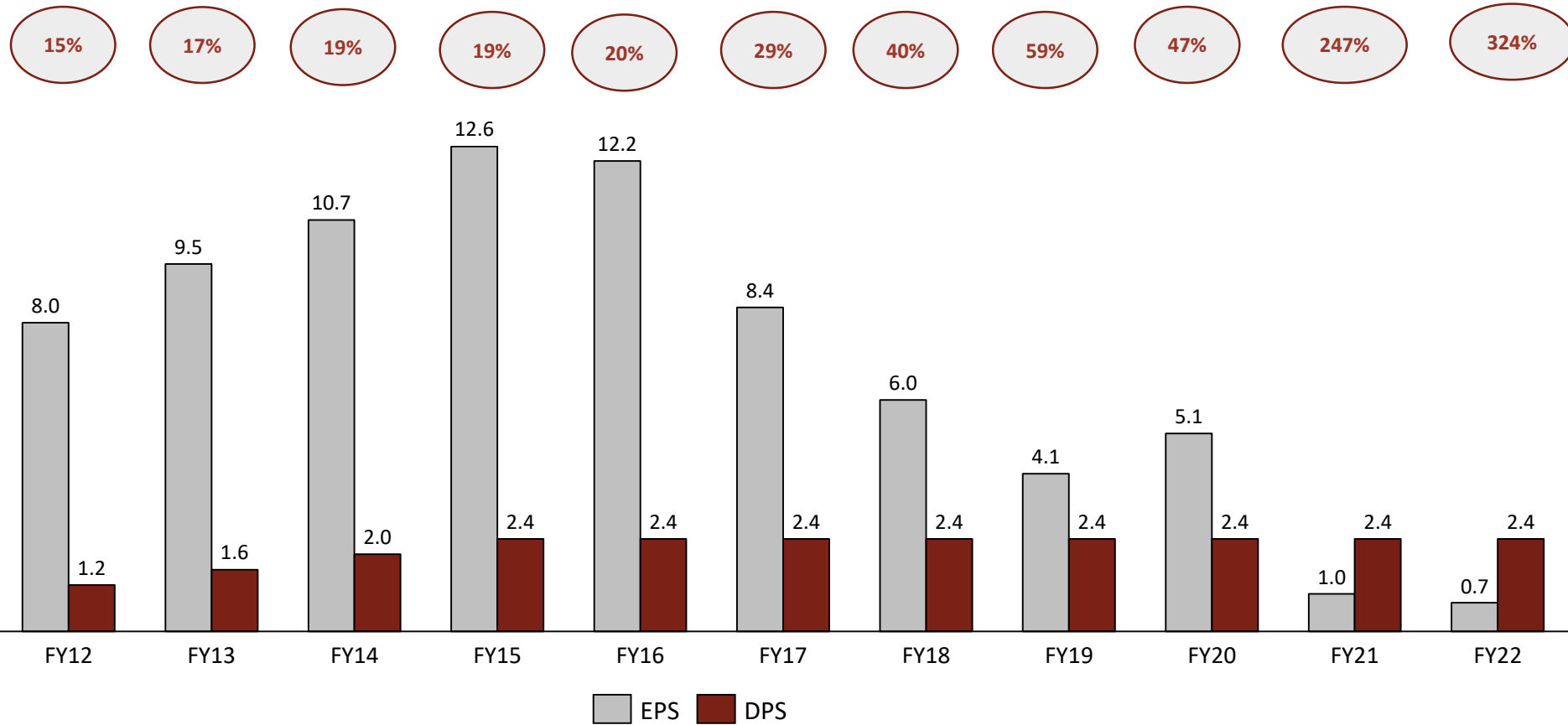
Consolidated Cashflow Statement

| Particulars (Rs. In Crs.) | Mar-22 | Mar-21 |
|---|-------------|-------------|
| Net Profit Before Tax | 2.3 | 3.7 |
| Adjustments for: Non Cash / Other Items | 1.1 | 15.4 |
| Operating profit before working capital changes | 3.3 | 19.1 |
| Changes in working capital | 6.0 | 7.8 |
| Cash generated from operations | 9.4 | 26.8 |
| Direct taxes paid | -1.3 | -11.8 |
| Net Cash from Operating Activities | 8.1 | 15.0 |
| Net Cash from Investing Activities | -2.6 | -9.2 |
| Net Cash from Financing Activities | -6.5 | -4.7 |
| Net Decrease in cash and cash equivalents | -1.1 | 1.1 |
| Add: Cash & Cash equivalents at the beginning of the period | 1.8 | 1.3 |
| Cash & Cash equivalents at the end of the period | 0.7 | 2.4 |



Consistent Dividend Pay-out

Dividend Pay-Out



The Board has recommended Final Dividend of Rs. 1.50 per equity share in addition to interim dividend of Rs.0.90 per equity share paid in November 2021, thereby giving total dividend of Rs. 2.4 per equity share for the Financial Year 2021-2022



Key Updates

SUN-AMP Solar India Pvt. Ltd.

- The Board of Directors had approved Voluntary winding up of Sun-amp Solar India Pvt. Ltd. on 10th February 2022 and the liquidator for the same had been appointed on 28th March 2022
- The investment in Sun Amp has been valued at fair value amounting to Rs. 474.46 lakhs resulting in an appreciation of Rs. 179.11 lakhs which has been accounted for as other comprehensive income for the quarter and year ended 31st March 2022. We will get the amount once the liquidation process gets completed

MRO Facility at Bhiwadi, Rajasthan

- MRO Facility at Bhiwadi, Rajasthan has been commissioned with effect from 1st September 2021 and the Company has started receiving the lease charges from the MRO project since the last quarter

Exit from JV - SUN Mobility EV Infra Pvt. Ltd

- The Company transferred equity shares to Joint Venture Partner and the preference shares were redeemed by call option in October 2021
- Money has been received and gain of Rs.626.67 lakhs on standalone and Rs.745.97 lakhs on consolidated basis has been shown in other comprehensive income for the year ended 31st March, 2022



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ABOUT THE COMPANY



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About the Company



THE ONLY ALTERNATIVE TO NEW TYRES

VISION & MISSION

To be No.1 company in every market served, by offering best-in-class tyre Retreading products and services through largest network of trained Channel partners committed to offer most reliable, economical and sustainable tyre solutions for commercial transport industry.

VALUES

- Excellence
- Customer Satisfaction
- Commitment
- Social Responsiveness
- Creativity
- Openness and Diversity



Premium Retreading Solution Since 1978

*AN EXCELLENT
HISTORY OF PROVIDING
**BEST-IN-CLASS
RETREADING
MATERIALS &
SERVICES***



**One Stop
Solution for
Retreading**



**Experience in
Excellence**



**Cutting Edge
Technology**



**Highly Certified
Products**



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Our Journey



1978 - Incorporated as JV between Khemka Group & M/s Bandag Inc, (USA)

1979 - Set up plant at Bhiwadi (Rajasthan)

1984 - Listed on BSE

1978

JV was terminated with Bandag

Khemka Group took over 38.3% share

Set up plant at Nalagarh (Himachal Pradesh)

2006

Increased capacity at Nalagarh plant from 6,000 MT to 13,800 MT

Foray into Foreign market with launch of "Zoma" Brand

2012

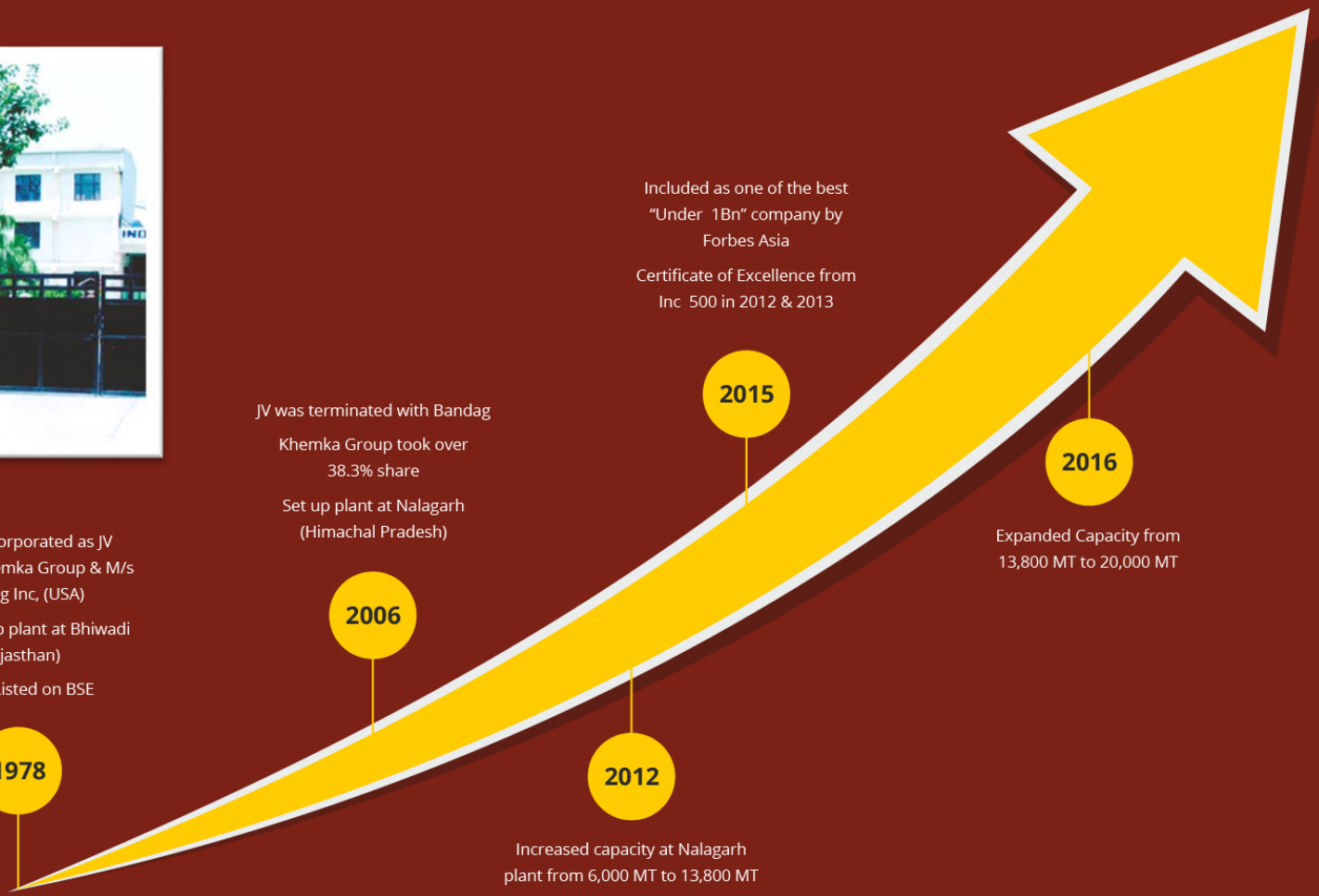
Included as one of the best "Under 1Bn" company by Forbes Asia

Certificate of Excellence from Inc 500 in 2012 & 2013

2015

Expanded Capacity from 13,800 MT to 20,000 MT

2016





Focused Management



Mr. Nand Khemka

Chairman & Managing Director

- M.S. in Foreign Trade & MBA in Production Management from Columbia University, New York, U.S.A.
- Over 40 years of experience in promoting and running successfully various organizations



Mr. Vijay Shrinivas

CEO & Whole Time Director

- With the company since 2018. He was last working with Arvind Ltd. as Chief Sales & Marketing Officer. Prior to that, he was with E I DuPont India Pvt Ltd, Bharat Shell Ltd and Larsen & Toubro Ltd in various operating and leadership roles
- MBA in International Business from Indian Institute of Foreign Trade, New Delhi ,with 21 years of experience



Mr. Uday Khemka

Director

- Son of Mr. Nand Khemka having more than 24 years of Investment Banking & Entrepreneurial experience in Emerging markets
- Vice-Chairman of the SUN Group of companies



Mr. Shiv Khemka

Director

- Vice-Chairman of SUN Group, founded in the early 90's
- Educated at Eton College, Brown University, and the Lauder program at The Wharton School, University of Pennsylvania



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Focused Management



Ms. Bindu Saxena
Non-Executive Director
(Independent)



Mr. P R Khanna
Non-Executive Director
(Independent)



Mr. Harjiv Singh
Non-Executive Director
(Independent)



Mr. Raj Kumar Agrawal
Non-Executive Director
(Independent)



Mr. Anil Bhardwaj
G.M.(Accounts) & CFO



Mrs. Manali D Bijlani
Company Secretary



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State of the Art Manufacturing Facility



State of the art manufacturing unit Located at Nalagarh Industrial Estate in Himachal Pradesh

- Advanced Technology in terms of machinery and equipment
- Indag Training centre to impart high quality of training





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Our Presence

PAN India Presence since 1978

18+ Depots

200+ Dealers

1,200+ Retreaders

15,00,000+

Tyres Retreaded every year

50+ Team on-ground

Dedicated Sales, Service & Fleet Engagement Team





Our Products

PRECURED TREAD RUBBER



- Capacity of 20,000 MT p.a.
- Servicing different vehicle types M&HCVs, LCVs, Passenger vehicles and Off-road vehicles
- Specialized patterns for varied road applications such as highways, hills, mining, off-road

UN-VULCANIZED RUBBER STRIP GUM



- Capacity of 1,800MT p.a.
- Strong bonding between casing and tread
- Shortest curing time
- High retreading productivity

UNIVERSAL SPRAY CEMENT



- Capacity of 1,800 KL p.a. with availability of 3 variants
- Provides protection to tyre buffed surface from oxidation
- Good cured bonding between casing and cushion

TYRE RETREADING ENVELOPES



- Heat resistive compound
- Lowest cost per cure envelopes
- Longer retreaded life



Ensuring Quality & Reliability to Fleet Operators

INDAG CONSULTANCY SERVICES

It cannot be emphasized more that retreading is a highly technical process and requires the best quality retreading materials and an impeccable retreading process. Untrained and ill equipped small and fragmented retreaders are the biggest threat to the evolving and growing Retreading Industry in India.

We have designed INDAG Consultancy Services to help our retread partners win this battle. We extend the following training and services under this program -



**RETREADING
PROCESS
CONSULTANCY**

**RETREADING
MACHINERY
CONSULTANCY**

TROUBLESHOOTING



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Voice of the Customers

R. R. LOGISTICS

Jaipur, Rajasthan



INDAG ZZYL TREAD PATTERN TO RUN 1.4 LAKH KMs

“ We are a prominent fleet with 80 vehicles primarily running on Ambala - Mumbai & Ambala-Hyderabad route. We had retreaded 88 tyres in the last 6 Months with Indag Tread (ZZYL & ZZE2 Patterns). We are using Retreaded Tyre fixed on Dummy Axle of Size: 10.00R20. We anticipate a mileage of 1.4 Lakh KM at 80% Wear, which is 32% better than competitor. I would strongly advocate the use of Indag Tread to my fellow transporters as well. ”

Application: Truck

NEW JAISHANKAR TRANSPORT COMPANY

Jaipur, Rajasthan



INDAG ZZA1 PROVIDES 14% MORE MILEAGE ON STEER AXLE

“ We are a prominent fleet of 600+ vehicles, plying on the Janagar-Uttarakhand and Nimbahera-Gujarat route. We are highly satisfied with ZZY3, ZM857 and ZZA1 Patterns, providing 14% better Mileage on Steering Axle than competition. Timely recommendations by Indag Team helped us in achieving better performance. We strongly advocate the use of Indag Treads to our fellow transporters as well. ”

Application: Multi-axle Truck Trailer

CHARTERED SPEED LTD.

Indore, Madhya Pradesh



1.25 LAKH KM MILEAGE ACHIEVED WITH ICON ZZE2 - 250 TREAD PATTERN

“ Chartered Speed Ltd. is a bus transport service and currently operating 1200+ buses in long distance high speed application. I am using Indag from last 3 years, I am very happy with the excellent performance of Indag Tread which are of Premium Quality & their retreading process is among the best in Industry. I use ICON ZZE2 - 250 which specially designed for Good Traction & Lower Resistance. I achieved an average mileage of 1.25 Lakh KM which provides the Lowest Cost per KM in the Industry ”

Application: High Speed Volvo Bus

BHAGWATI AIR EXPRESS PVT. LTD.

New Delhi



INDAG ZZYL TREAD PATTERN RUNS 1.6 LAKH KMs

“ We, M/S Bhagwati Transport have a fleet of 90 Trucks plying PAN -India, mostly in medium to long haulage catering to the e-commerce industry. We used Indag's retreaded tyres on Dummy Axle of size: 295/80R22.5 and achieved to Lakh Km Mileage at 85% Wear. After getting 100+ tyres retreaded through Indag's franchisee Haryana Cold Retreads, we are pleased to confirm that Indag's Retreads performed almost 85% of New Tyre Mileage. ”

Application: Truck

JYOTI TRANSPORT SERVICE

Mumbai, Maharashtra



INDAG TREADS PERFORM EXCEPTIONALLY WELL ON BOTH KACHA AND PAKKA ROADS

“ Our vehicles operate across India in mixed road conditions (20 % bad and 80 % good) running 61500kms per month. We face a problem of cutting and chipping in tyres leading to low mileage. Indag's offerings exceeded our expectations and provided an excellent performance of up to 85% of New Tyre Mileage. ”

Application: Truck + Trailer



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ABOUT THE RETREADING INDUSTRY



What is Retreading?

INDAG PIONEERED COLD RETREADING IN INDIA

RETREADING SAVES MONEY



Saves upto 70% of new tyre cost



Provides mileage similar to a new tyre



Reduces Cost-per-KM (CPKM) to 1/3rd of a new tyre

Retreading is a green and sustainable alternative to new tyres. It is a technical process of high precision and craftsmanship used to rejuvenate an old worn-out tyre into a renewed one.

RETREAD SAVES ENVIRONMENT



Saves 57 litres of oil on every tyre



Saves 44kg of rubber on every tyre



Decreases tyre waste in landfills



Prevents release of 182 kg of CO2 on every tyre



Retreading means replacing the tread of the tyre, instead of buying a completely new tyre. A tyre casing is designed for multiple retreading.



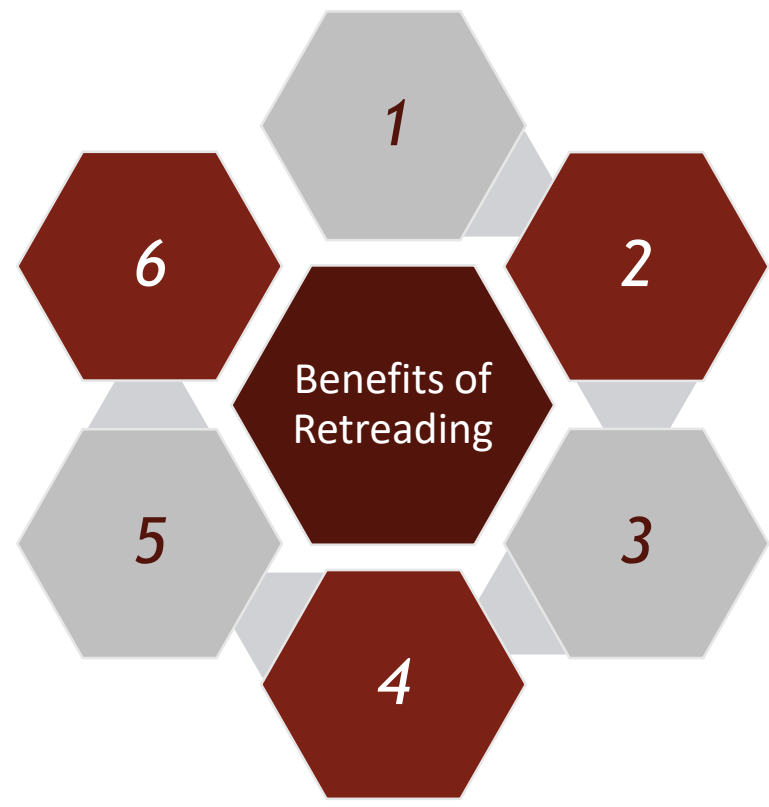


Why Retreading?

Saves Money One third of the price of a new tyre with life nearly the same as New tyre

Durable
Appropriate tread can last nearly the same as a new tyre

Environment Friendly
Requires ~31 Litres of crude oil to produce a retread as opposed to 88 Litres of oil to manufacture a new tyre



Safety
Tested to same stringent performance criteria as a new tyre

Low Cost Production
In retread tyre only 25% Natural rubber is used whereas; in new tyre, around 80% of Natural rubber is required

Recycle Extends the life of used tyres thus saving even more energy, CO2 and raw materials with each product cycle



Opportunities - Future of Retreading



Improved Road Infrastructure

- More distance travelled in lesser time
- Higher tonnage vehicles with more tyres
- Less Downtime & longer tread life
- Less Damage to vehicles & tyres



GST & Favorable Regulatory guidelines

- Fewer stopovers at check posts due to E-waybills
- Less overloading due to increasing regulations
- End of Tyre life norms and labelling norms.
- Elimination of smaller, unorganized players and formalization of value chains



Growing Environmental consciousness

- Retreading prevents landfill waste and pollution caused due to incineration of discarded tyres
- Retreading promotes sustainability and reusability, providing lesser carbon footprint



Increasing Radialization Trend

- Truck and Bus tyre segment has reached a radialization of 51% and growing continuously.
- Radial tyres are structurally stronger and supports multiple retread



Inclination to Electric Vehicles

- While IC engines will become redundant over time, tyres will not!
- Emerging tyre designs focussed on Electric Vehicles

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For further information, please contact

Company :

Indag Rubber Ltd

CIN: L74899DL1978PLC009038

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www.indagrubber.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

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