



Indag Rubber Limited

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

February 28, 2022

BSE Limited

(Company code-1321)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

(Scrip code-509162)

Sub: Investor Presentation – Q3 & 9M FY22.

Dear Sir,

Enclosed please find the Investor Presentation of Q3 & 9M FY22, for the information of the investors and public at large.

Thanking you.

Yours faithfully,

For Indag Rubber Limited

Manali D. Bijlani

Company Secretary

THE ONLY ALTERNATIVE TO NEW TYRES



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Investor Presentation - Q3 & 9M FY22

February 2022



Safe Harbor

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Q3 & 9M FY22 FINANCIAL HIGHLIGHTS



CEO's Message



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

Commenting on the result:

“With the normalization in business environment post the 2nd wave of covid, we have started seeing gradual recovery in demand in the auto industry. Large scale vaccination drive in India progressed well and touched 1.5 billion shots by January 2022. Demand momentum has sustained following Q2, which has led to a total income of Rs.49.6 crores in Q3 FY22.

All tyre companies have faced inflationary trends in raw material prices. We were no exception to this and increased prices of raw materials led to pressure on our margins and profitability during Q3 FY22. We have been able to pass on price increase partially with the prevailing market situation and we expect to pass through in the coming quarter as well. We are continuously working towards controlling costs and improving our efficiencies.

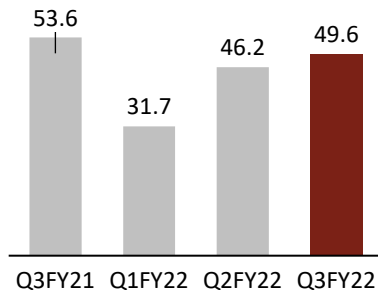
The slowdown in transport segment was present on back of cash pressure faced by truck and fleet owners due to the end of moratorium of loans. Economic unlocking, pick up in construction activities, government's thrust towards Infrastructure development and increasing demand for e-commerce and last-mile delivery should support CV demand going forward.

We are cautiously optimistic on the outlook of the tyre industry and expect there will be steady momentum in demand with the expected economic activity and the diminishing effect of the pandemic. With our unique range of products, varied tread design patterns, pan India distribution network and advanced technical solutions package, we are well poised to provide economical and sustainable tyre solutions to fleet owners.“

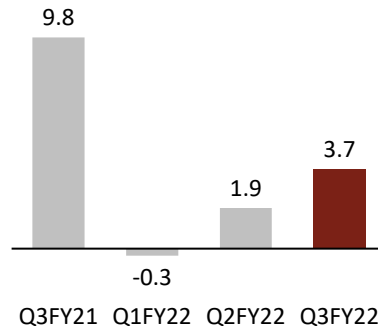


Q3 & 9M FY22 Financial Highlights

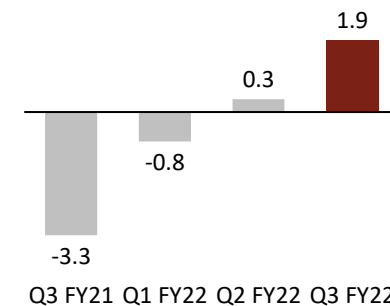
Revenue*



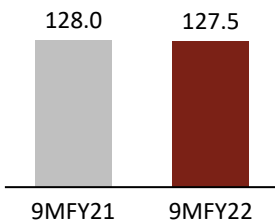
EBITDA*



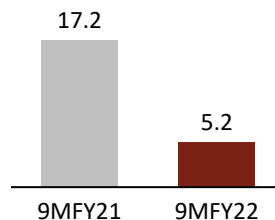
Profit After Tax



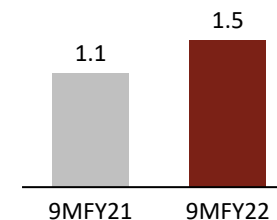
Revenue*



EBITDA*



Profit After Tax



- ✓ Demand has gradually started picking up post Q1 FY22 onwards with normalization of economic activities
- ✓ Inflationary trend in Raw Material prices have impacted margins and profitability



Consolidated Financials - Q3 & 9M FY22

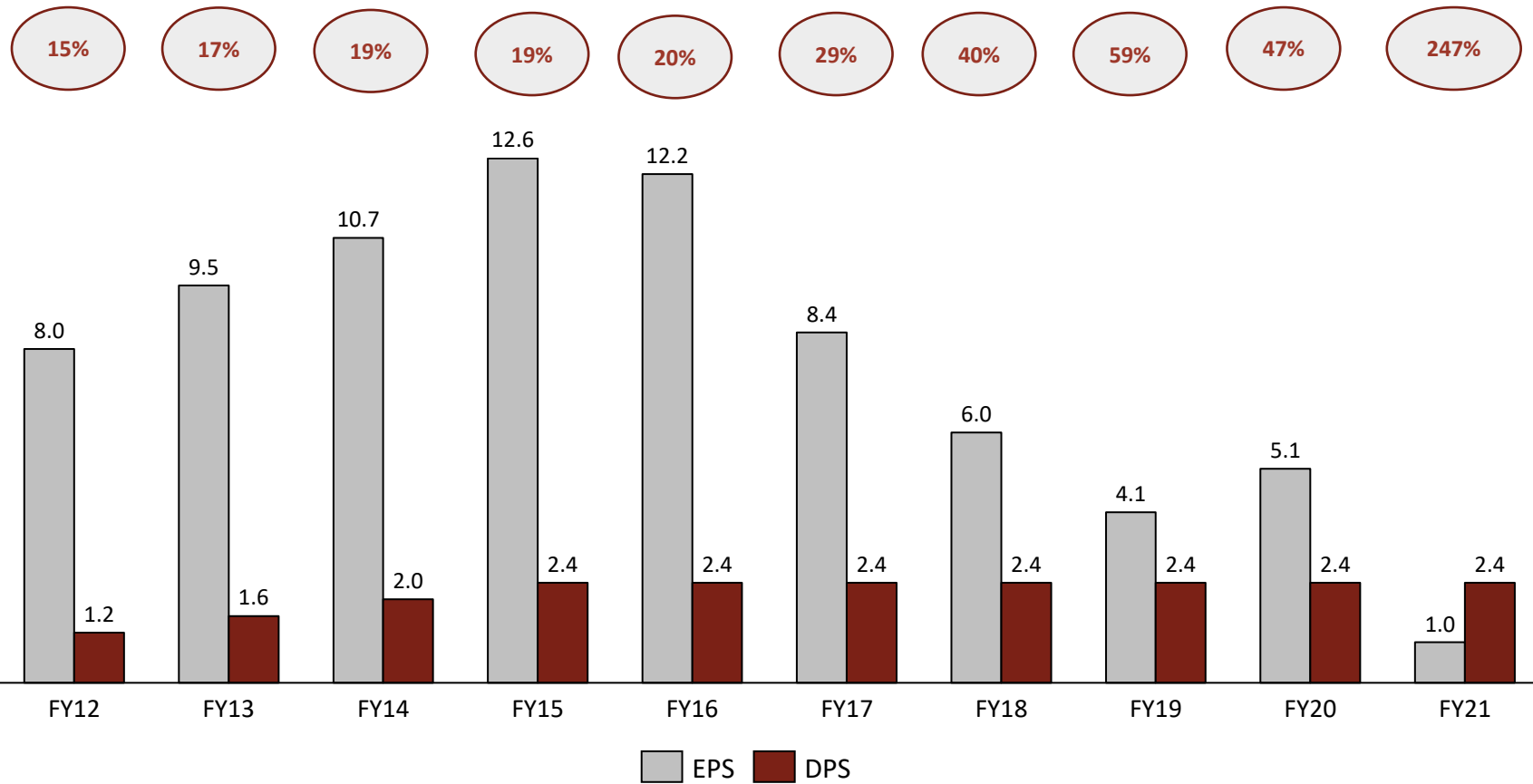
Particulars (Rs. In Crs.)	Q3 FY22	Q3 FY21	Q2 FY22	9M FY22	9M FY21
Revenue from Operations	45.9	52.6	45.5	122.7	124.1
Other Income	3.6	1.0	0.8	4.8	3.9
Total Revenue (incl Other Income)	49.6	53.6	46.2	127.5	128.0
Total Raw Material	34.4	30.9	32.5	88.3	77.8
Gross Profit	15.2	22.7	13.7	39.2	50.1
Gross Profit (%)	30.7%	42.3%	29.7%	30.7%	39.2%
Employee Expenses	5.0	5.4	5.0	15.4	15.4
Other Expenses	6.5	7.4	6.8	18.6	17.5
EBITDA	3.7	9.8	1.9	5.2	17.2
EBITDA (%)	7.4%	18.3%	4.1%	4.1%	13.5%
Depreciation	1.6	0.9	0.8	3.2	2.5
EBIT	2.1	8.9	1.1	2.1	14.8
EBIT (%)	4.3%	16.7%	2.3%	1.6%	11.5%
Finance Cost	0.0	0.1	0.0	0.1	0.2
Share of loss of joint venture	0.0	0.2	0.3	0.5	0.4
Profit before exceptional items and tax	2.1	8.7	0.8	1.5	14.2
Exceptional Items	0.0	13.2*	0.0	0.0	13.2*
Profit before Tax	2.1	-4.6	0.8	1.5	0.9
Tax	0.2	-1.2	0.5	0.3	0.2
Profit/loss after tax from continuing operations	1.9	-3.4	0.3	1.2	0.8
Discontinued operations					
Profit before tax	0.0	0.2	0.0	0.3	0.4
Current tax expense	0.0	0.0	0.0	0.0	0.1
Profit after Tax	1.9	-3.3	0.3	1.5	1.1
PAT %	3.8%	-6.1%	0.7%	1.1%	0.9%
EPS	0.71	-1.30	0.18	0.51	0.29

* 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.



Consistent Dividend Pay-out

Dividend Pay-Out



The Board has declared Interim Dividend for the Financial Year 2021-2022 of Rs. 0.90/- per equity share of Rs. 2/- each (45 % of FV)



Key Updates

SUN-AMP Solar India Pvt. Ltd.

- The Board has considered and approved to initiate the process of voluntary winding up of SUN-AMP Solar India Pvt. Ltd. for consideration of Rs.4.49 crores
- Since it is a non-material subsidiary, it will not impact consolidated financials of the Company materially

MRO Facility at Bhiwadi, Rajasthan

- MRO Facility commissioned from 1st September 2021 and income from the same has been accounted for in the 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 a consolidated basis has been shown in other comprehensive income for the quarter and nine months ended 31st December, 2021



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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



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.



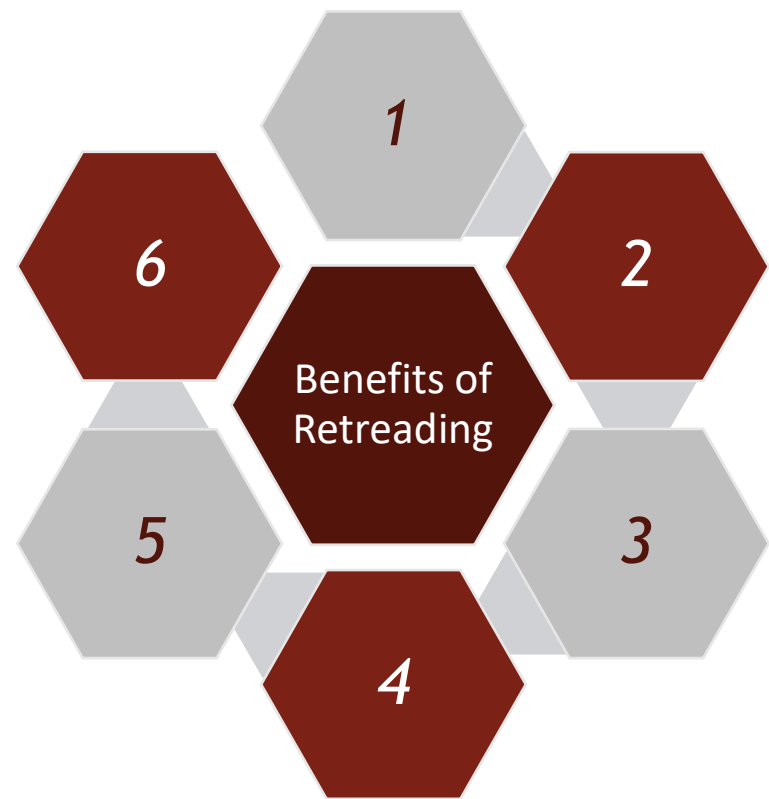


Why Retreading?

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



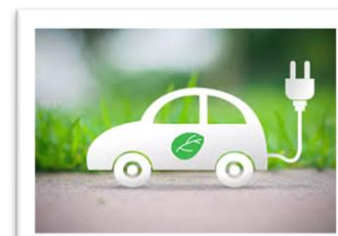
Growing Environmental consciousness

- 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

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Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

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