Indag Rubber Limited
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Phone : 26963172-73, 26961211, 26863310, 41664818, 41664043, Fax : 011- 26856350
E-mail : info@indagrubber.com, Website: www.indagrubber.com, **CIN-L74899DL1978PLC009038**

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

ISO 9001:2015
ISO 14001:2015

February 15, 2021

BSE Limited (Company code-1321)
Phiroze Jeejeebhoy Towers, (Scrip code-509162)
Dalal Street, Mumbai-400001

Sub: Investor Presentation - Q3 & 9M FY21

Dear Sir,

Enclosed please find the Investor Presentation of Q3 & 9M FY21, 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

SINCE 1978

INDAG RUBBER LIMITED

The only alternative to new tyres….since 1978

Investor Presentation – Q3 & 9M FY21

February 2021

Safe Harbor

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Q3 & 9M FY21 FINANCIAL HIGHLIGHTS

CEO’s Message

Commenting on the Result, Mr. K. K. Kapur CEO, Indag Rubber Limited said,

“We are happy to report a strong recovery in our performance in Q3 FY21. We have recorded high quarterly revenue, with a sequential revenue growth of 11% QoQ and 3% YoY.

There has been a sharp improvement across all vehicle segments on the back of pent-up demand and buoyed further by the festive season. The M&HCV segment has seen an uptick, driven by higher demand from road construction, mining and e-commerce segments leading to improved utilisations of fleet operators. The momentum during the festive season appears to be sustaining, due to strong consumer sentiment and liquidity from rural and semi urban markets.

We have delivered a healthy performance this quarter. We expect the momentum to sustain going forward. Indag is persistently striving to create value for fleet owners and operators by reducing their cost per km, improving on-road reliability and safety – by delivering superior products, technical services and trained personnel to retreaders.”

Q3 FY21 Financial Highlights

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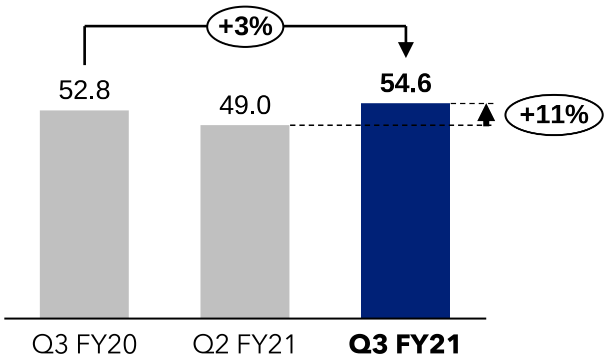
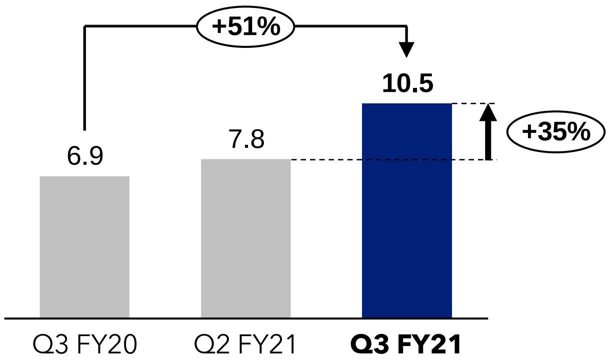
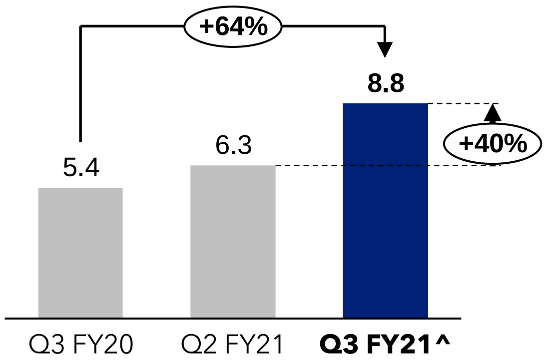
Revenue*



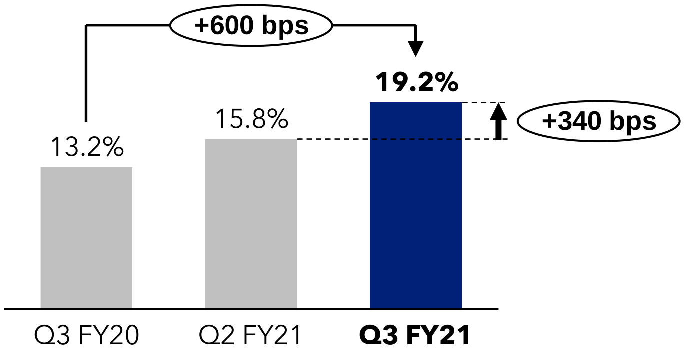
EBITDA*



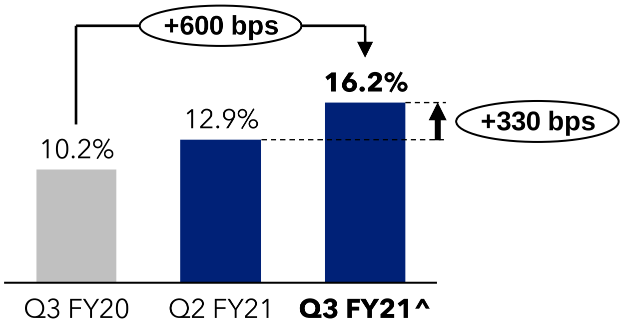
Profit before Tax^



EBITDA Margin* (%)



PBT Margin^ (%)



Strong Recovery in Performance; Sales momentum to Sustain Going Forward

*Note 1: Revenue and EBITDA are including other income
^Note2: PBT is excluding exceptional items (details on slide 6)

Note 3: All numbers are on consolidated basis (in Rs crore)

Consolidated Financials – Q3 & 9M FY21

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Particulars (Rs. In Crs.)	Q3 FY21	Q3 FY20	Y-o-Y	Q2 FY21	Q-o-Q	9M FY21*	9M FY20	Y-o-Y
Total Revenue from Operations	**53.6**	**52.2**		**46.8**		**127.0**	**154.4**	
Other Income	1.1	0.6		2.3		4.0	3.2	
Total Revenue (incl. Other Income)	***54.6***	***52.8***	***3%***	***49.0***	***11%***	***131.0***	***157.6***	***-17%***
Raw Material	**30.9**	**33.0**		**28.5**		**77.8**	**99.8**	
Gross Profit	***23.7***	***19.8***	***20%***	***20.5***	***15%***	***53.2***	***57.8***	***-8%***
Gross Profit %	***43.4%***	***37.4%***		***41.9%***		***40.6%***	***36.7%***	
Employee Expenses	5.4	5.3		5.6		15.4	15.6	
Other Expenses	7.8	7.5		7.1		18.6	22.9	
EBITDA	***10.5***	***6.9***	***51%***	***7.8***	***35%***	***19.1***	***19.3***	***-1%***
EBITDA %	***19.2%***	***13.2%***		***15.8%***		***14.6%***	***12.3%***	
Depreciation	1.1	1.1		1.0		3.0	3.4	
EBIT	***9.4***	***5.8***	***62%***	***6.7***	***40%***	***16.1***	***15.9***	***1%***
EBIT %	***17.3%***	***11.0%***		***13.7%***		***12.3%***	***10.1%***	
Finance Cost	0.4	0.4		0.4		1.1	1.2	
Share of loss of joint venture	0.2	0.1		0.1		0.4	0.1	
Profit before exceptional item & Tax	**8.8**	**5.4**	**64%**	**6.3**	**40%**	**14.6**	**14.7**	**-1%**
Exceptional Items	13.2^	0.0		0.0		13.2^	0.0	
Profit before Tax	***-4.4***	***5.4***	**-**	***6.3***	**-**	***1.4***	***14.7***	***-91%***
Tax	-1.1	1.3		1.6		0.3	3.2	
Profit after Tax	***-3.3***	***4.1***	**-**	***4.7***	**-**	***1.1***	***11.6***	***-90%***
PAT %	***-6.0%***	***7.8%***		***9.7%***		***0.9%***	***7.3%***	
EPS	***-1.27***	***1.55***		***1.8***		***0.36***	***4.37***	

^ 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. Accordingly, an amount of Rs.12.45 cr which was treated as a contingent liability till the quarter and six months ended 30th September 2020 and settlement fee of Rs.0.79 cr has been charged off as expense and treated Rs. 13.24 cr as exceptional item in Q3 & 9M FY21 Results

* Q1 FY21 performance impacted on account of shutdown of operations due to CoVID-19

Consolidated Balance Sheet

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Liabilities (Rs. In Crs.)	Sep-20	Mar-20
Equity		
Share Capital	5.3	5.3
Other Equity	189.9	182.0
Equity attributable to the shareholders of the Company	195.2	187.3
Non-Controlling Interest	3.5	3.4
Total Equity	**198.7**	**190.6**
Non Current Liabilities		
Financial Liabilities		
Borrowings	9.4	9.9
Provisions	0.8	0.7
Deferred Tax Liabilities (Net)	2.1	2.5
Total Non Current Liabilities	**12.4**	**13.1**
Current Liabilities		
Financial Liabilities		
Borrowings	0.0	0.0
Trade Payables	16.0	15.8
Other Financial Liabilities	4.7	4.1
Provisions	0.3	0.3
Current Income Tax Liabilities(Net)	0.0	0.0
Other Current Liabilities	2.6	1.9
Total Current Liabilities	**23.5**	**22.0**
Total Equity and Liabilities	**234.5**	**225.8**

Assets (Rs. In Crs.)	Sep-20	Mar-20
Non Current assets		
Property, Plant and Equipments	41.5	40.8
Capital Work-In-Progress	13.1	10.1
Goodwill	0.4	0.4
Other Intangible Assets	0.1	0.2
Financial Assets		
Investments	77.0	73.9
Loans	0.0	0.0
Other Financial Assets	0.5	0.6
Income Tax Assets (net)	0.2	0.8
Other Non-Current Assets	2.4	2.1
Total Non Current Assets	**135.2**	**129.0**
Current Assets		
Inventories	27.1	36.9
Financial Assets		
Investments	20.2	5.3
Trade Receivables	34.0	37.6
Cash and Cash Equivalents	3.0	1.3
Other Bank Balances	4.2	3.5
Loans	0.2	0.2
Other Financial Assets	5.7	5.4
Income Tax Assets (net)	0.0	0.0
Other Current Assets	5.0	6.4
Total Current Assets	**99.3**	**96.7**
Total Assets	**234.5**	**225.8**

On Consolidated Basis

Consolidated Cashflow Statement

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Particulars (Rs. In Crs.)	Sep-20	Sep-19
Net Profit Before Tax	**5.8**	**9.3**
Adjustments for: Non Cash / Other Items	0.3	0.7
Operating profit before working capital changes	**6.0**	**10.0**
Changes in working capital	15.8	-1.8
Cash generated from operations	**21.8**	**8.2**
Direct taxes paid	-1.2	-1.9
Net Cash from Operating Activities	**20.7**	**6.3**
Net Cash from Investing Activities	**-17.8**	**-0.7**
Net Cash from Financing Activities	**-1.2**	**-6.2**
Net Decrease in cash and cash equivalents	**1.7**	**-0.6**
Add: Cash & Cash equivalents at the beginning of the period	1.3	3.0
Cash & Cash equivalents at the end of the period	**3.0**	**2.4**

Consistent Dividend Pay-out

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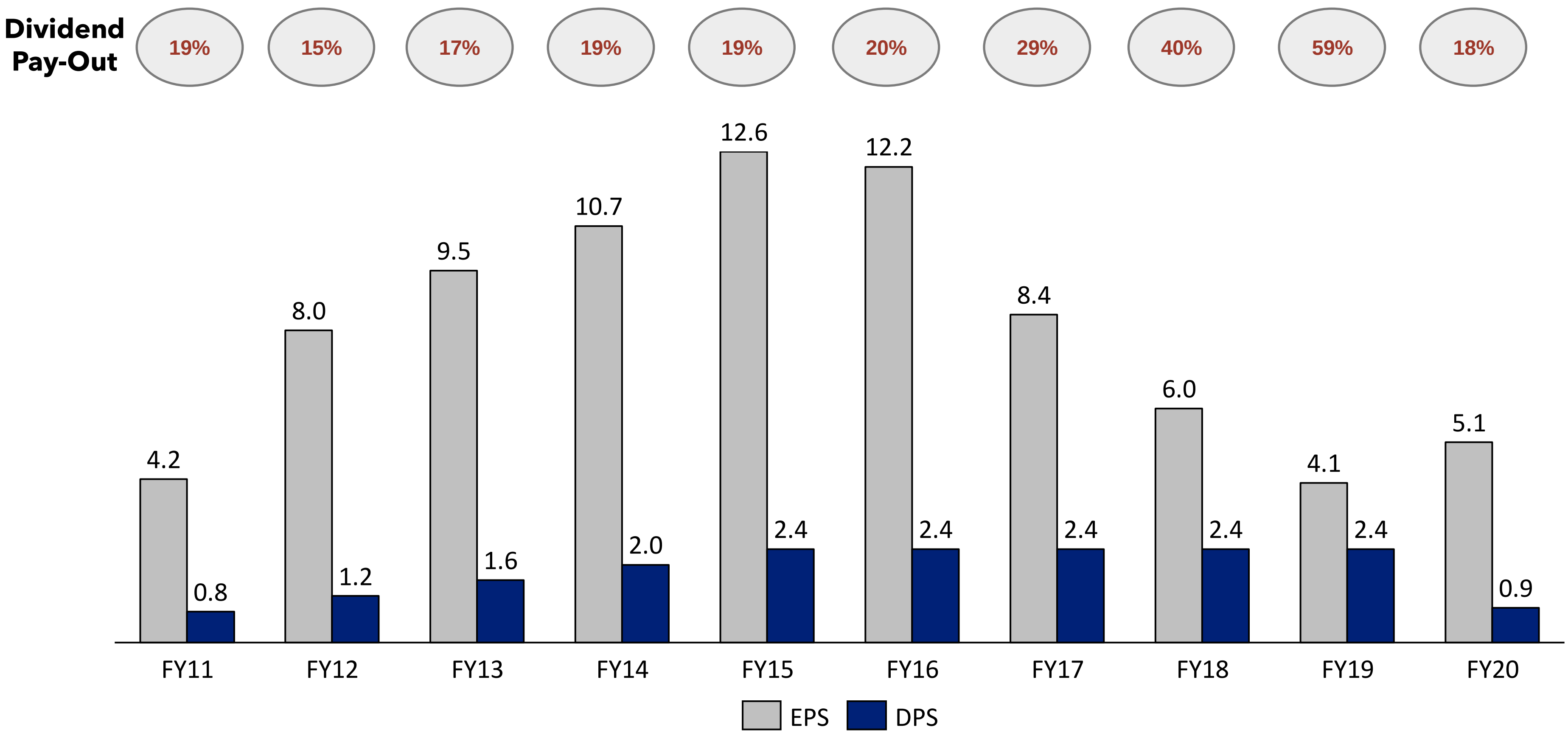

The Board has approved Interim Dividend for the Financial Year 2020-2021 of Rs. 0.90/- per equity share of Rs. 2/- each (45 % of FV)

Adjusted EPS & DPS for the split

Indag Disinvests in Solar Business

Indag Rubber Limited has announced the disinvestment/sale of 100% shareholding in its step-down subsidiary, Samyama Jyothi Solar Energy Private Limited by SUN-AMP Solar India Private Limited (subsidiary) to NextPower III Singapore Holdco. Pte. Ltd., for a consideration of US$ 1,012,000

SUN-AMP Solar India Private Limited (SUN-AMP) is a non-material subsidiary of Indag Rubber Limited (INDAG), in which INDAG holds 51% shareholding

INDAG would receive ~Rs. 4.49 crore (amount invested Rs. 2.95 crore) at the time of distribution of funds to shareholders by SUN-AMP Solar India Private Limited, irrespective of its 51% stake in the subsidiary company

Consequent to the above transaction, SAMYAMA shall cease to be a subsidiary of SUN-AMP and step-down subsidiary of INDAG. SUN-AMP shall continue to remain a non-material subsidiary of INDAG . Announcement done as on 27th October, 2020

Indag will continue to focus on its core business of manufacturing of Precured Tread Rubber

Who we are...

THE ONLY ALTERNATIVE TO NEW TYRES
INDAG®
SINCE 1978

India's Most Trusted Tread Manufacturing Company

Pioneered Cold Retreading Technology in India

Best Quality with Reasonable Pricing

Presence in All types of Commercial Vehicle Tyre Segments

"Lowest Cost Per Kilometre"

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

1,500+
Retreaders

40+
Years in Business

18+
Depots across India

1,00,000+
Satisfied Customers

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ABOUT RETREADING

What is Retreading

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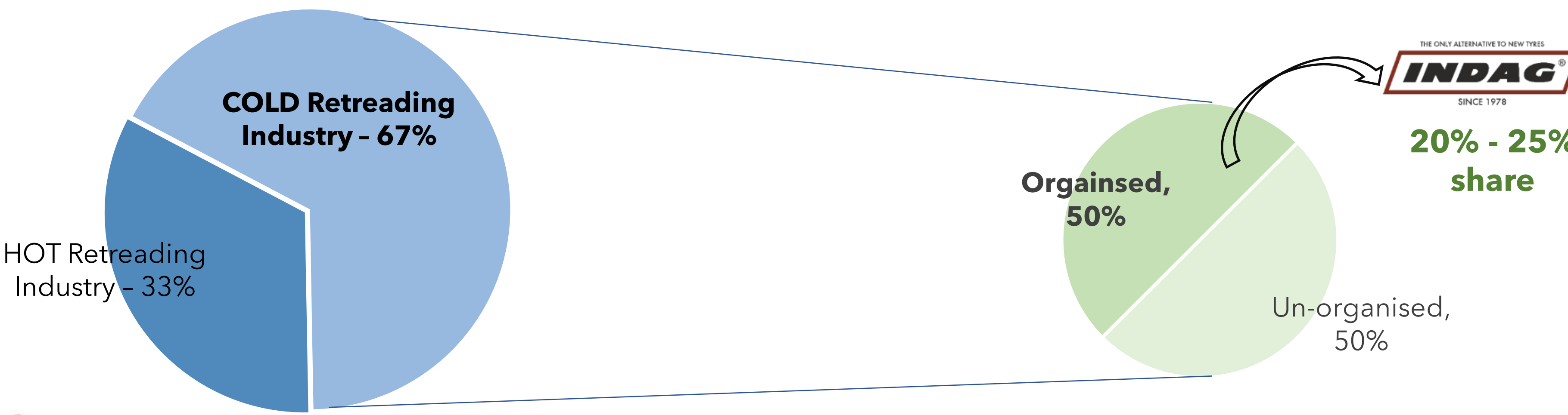
COLD PROCESS

- Precured rubber of high density & available in various tread designs is lined with cushion gum before applying to a buffed casing
- Curing is done in a pressure chamber at low temperature 100°C & pressure

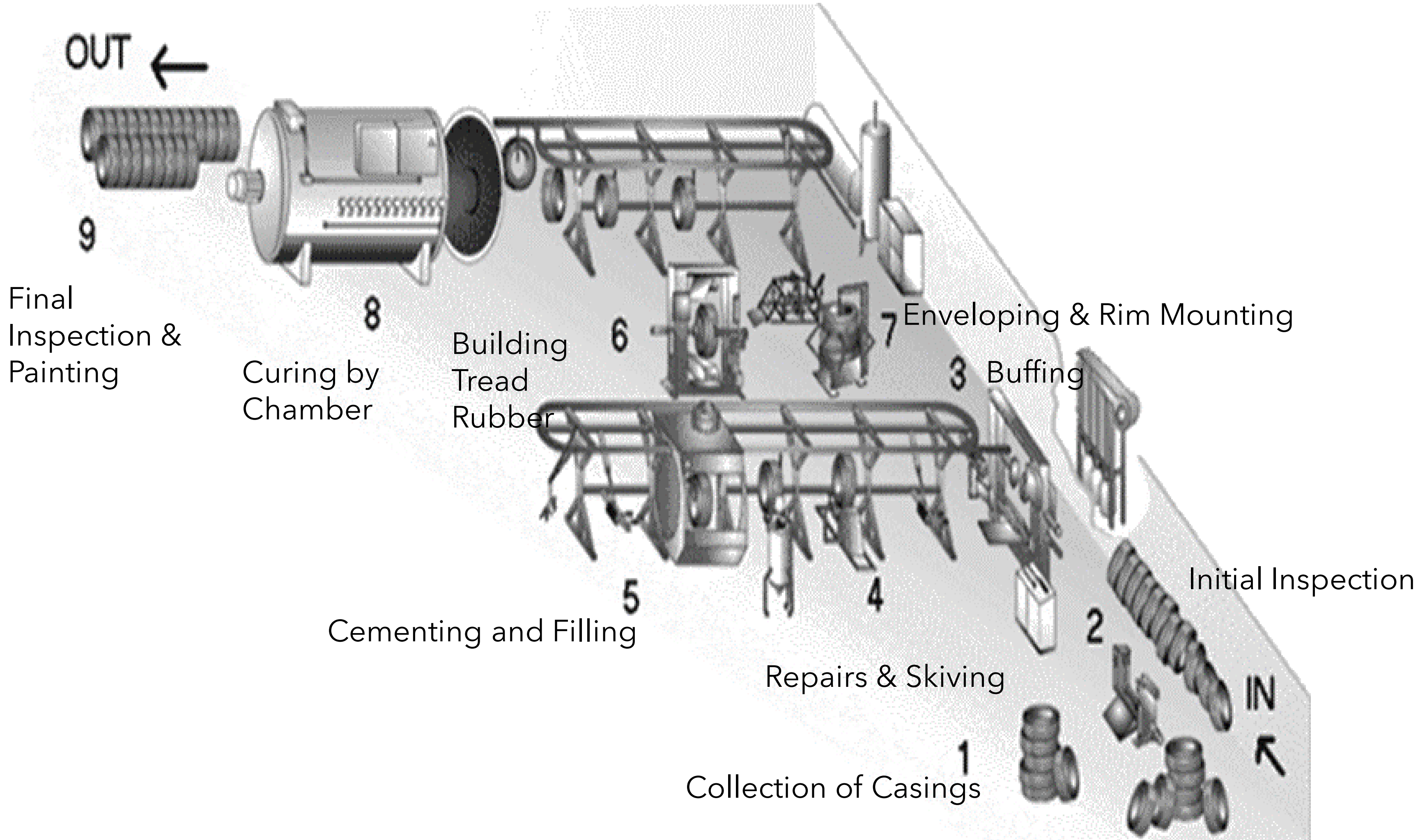
Retreading is a technology where the old tyres are made serviceable by removing worn out and damaged treads and replacing it with new treads

HOT PROCESS

- Uncured rubber is added to a buffed casing & cured in the mould at temperatures of approximately 150°C-160°C
- This temperature allows uncured rubber to flow in the matrix forming the tread design during vulcanization



Retreading Process



Benefits of Retreading

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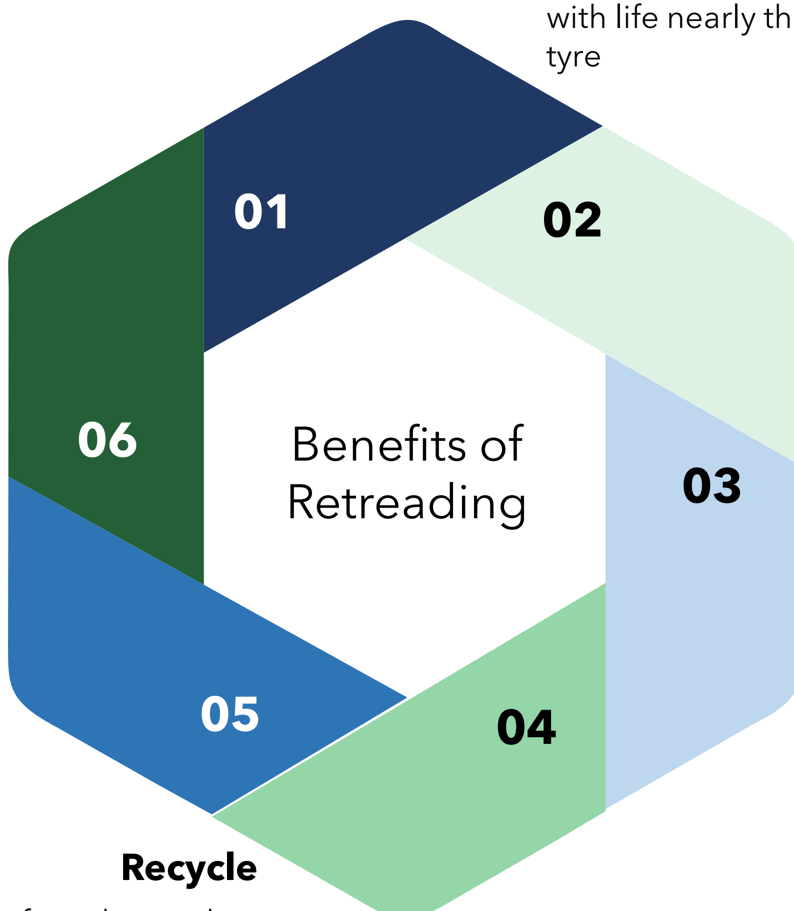

Saves Money

30%-50% of the price of New tyre with life nearly the same as New tyre

Safety

Tested to same stringent performance criteria as 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

Environment Friendly

Requires ~7 gallons of crude oil to produce a retread as opposed to 22 gallons of oil to manufacture a new tyre

Durable

Appropriate tread can last nearly the same as new tyre

Flow of Business

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Fleet Owners Run the Vehicles

Treads wear out after certain usage

Buy new Tire

OR

Retread the same Old Tire

If Cost of New Tyre is
Rs. 100

Savings
50-70%

Cost of Retreaded Tyre
Rs. 30-50

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Indag manufactures and supplies **Best Quality** retreading products to the retreaders at a **Reasonable Price**

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BUSINESS OVERVIEW

Our Journey

1978

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

1979 - Set up plant at Bhiwadi (Rajasthan)

1984 - Listed on BSE

2006

JV was terminated with Bandag

Khemka Group took over 38.3% share

Set up plant at Nalagarh (Himachal Pradesh)

2012

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

Foray into Foreign market with launch of "Zoma" Brand

2015

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

Certificate of Excellence from Inc 500 in 2012 & 2013

2016

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

Our Products

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PRECURED TREAD RUBBER

- Capacity of 20,000 MT
- Radial and Bias Range
- Range from Passenger to Truck/Bus Tyre
- OTR & Tractor

UN – VUNCUNIZED RUBBER STRIP GUM

- Capacity of 1,800MT
- Bonding gum for curing process
- Specifically manufactured to provide longer shelf life

UNIVERSAL SPRAY CEMENT

- Capacity of 1,800 KL
- Solution available in Ready to use and Thick forms

TYRE ENVELOPES

Various allied products and spare tools used in retreading units/shops

Superior Technology

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Indag uses advanced technology in terms of machinery, equipment and raw materials

Our products give mileage that result in **LOWEST COST PER KILOMETER**

Our processes have been certified as ISO 9001:2015 compliant

Continuously engaged in R&D to develop and deliver superior compounds that give higher mileage to our customers

Constant engaging in testing of compounds in the field, to ensure that our customers get a product that gives superior performance

In order to produce tread rubber, Indag blends the ingredients, and then extrude the mixture long slabs. The rubber slabs are placed in to mould that apply heat at very high pressure on rubber slab in mould. This will result in to extremely dense, pre-cured tread rubber, specially different to other tread manufacturer

State of Art Manufacturing Facilities

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

Advanced Technology in terms of machinery and equipment

Modern Retreading Cum-Training centre to impart high quality of training

Only company who uses curing temperature of 99°C than others who cure at higher temperature of 125 - 150°C

Brand – Indag & Zoma use superior raw material and pressed at a high pressure that gives high performance product both in term of mileage and tread life

Focused Management

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Mr. Nand Khemka
Chairman & Managing Director

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

Mr. K K Kapur
CEO & Whole Time Director

- With the company since 2001, served as the CMD of GAIL & MD of Enron India (NG) until 1998
- Post-graduate in Mathematics Member of the Institute of Cost and Works Accountants of India with over 47 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. R Parameswar

Non-Executive Director (Independent)

Mr. Harjiv Singh

Non-Executive Director (Independent)

Mr. Vijay Shrinivas

Chief Commercial Officer

Mrs. Manali D Bijlani

Company Secretary

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KEY STRENGTHS

Our Key Strengths

STRONG DISTRIBUTION NETWORK

We have a PAN India Presence with over 18 depots

TRAINING IMPARTED

Training imparted by Engineers who has unique qualifications of Retreading to achieve Highest standards of Quality while re-treading

INNOVATION

Innovations & Invention of Different Recipes & Patterns

STRONG FINANCIALS

We have a Strong Balance Sheet with zero Debt

COST EFFICIENCIES

Cost Efficiencies have been maintained throughout thereby improving our Margins

AFTER SALES - SERVICES

Retreaders get after-sales and support services with regards to retreading process and machinery issues.

We also provide Logistic & warehouse support

Strong Distribution Network

THE ONLY ALTERNATIVE TO NEW TYRES
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PAN India
Presence

1,500+
Retreaders

200+
Dealers

18+
Depots across India

50+
Sales Team

Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

Training Retreaders

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Consultancy Services to our Retreaders:

- Retreading process consultancy
- Retreading machinery consultancy

What our Clients say

THE ONLY ALTERNATIVE TO NEW TYRES

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"Strongly recommend Indag's retreads as they perform exceptionally well, upto 85% of new tyre mileage. Extremely satisfied with Indag's ZZYL 240 RRR tread for tubeless Radial tyres."

Bhagwati Air Express Pvt. Ltd., Delhi (Fleet Owner)

"Upon using 80+ tyres of Indag ZZYL and ZZE2 Treads, we found that the Average wear rate to be 9000 km/mm; providing a 32% additional mileage perfomance compared to competitor. Thus, we are grateful to the Indag team for their recommendations and support; and are very much satisfied with Indag's offerings."

R R Logistics, Rajasthan (Fleet Owner)

"Indag Rubber is made of passionate and hardworking people who provide excellent Sales and Technical Support along wlth Marketing collaterals. This has resulted in superior quality of the product which is at par with any brand of new tyres in terms of Road Handling, Cornering Stability. Mileage Perfomance and High Cut-Chip Resistance; all leading to the successful fulfillment of Indag's promise of Lowest Cost/KM."

Sanjay Tyres , Madhya Pradesh (Retreader)

"Indag's premium quality and best-in-class retreading process has fulfilled our expectations. ZZE2 (ICON) offering is specially designed for good traction and lower resistance enabling me to achieve an extremely high mileage of 1.25 lac KM, providing the lowest cost/km in the industry."

Chartered Speed Ltd. , Madhya Pradesh (Fleet Owner)

Opportunities

01

Increase in Commercial Vehicle Sales especially the MHCV segment

Improving roads and support infrastructure

02

Increase in Radialisation in CV segment

03

Implementation of GST has narrowed the pricing difference between the organised and the un-organised

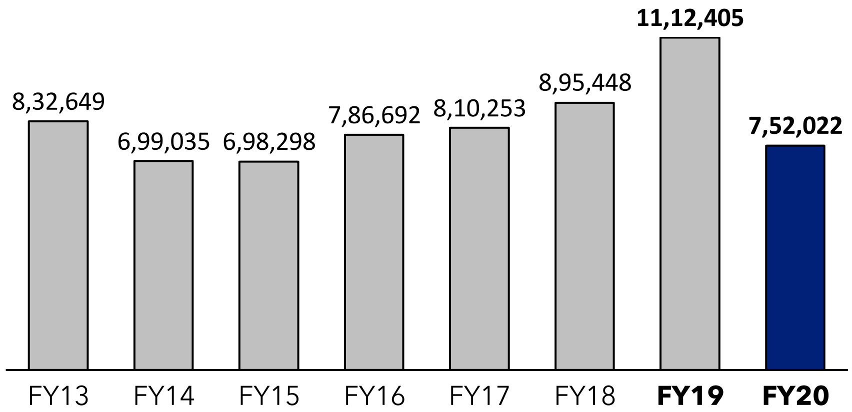
04

Reduction in influx/dumping of tyres in India after demonetization and imposition of Anti-Dumping Duty

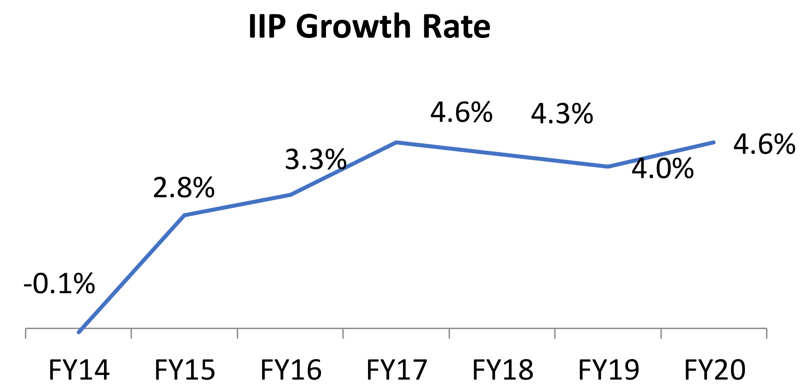
Currently, all types of tyres are banned for imports to boost local industry

CV Sale Trends

CV Production Trends

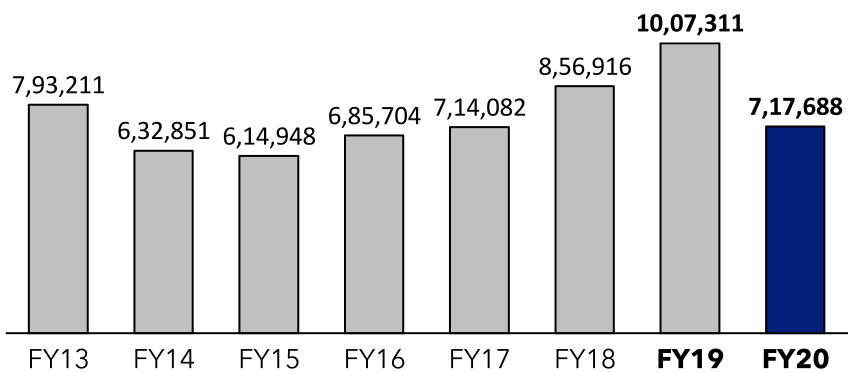


As Industrial Activity Picks up – More Demand for Commercial Vehicles for Movement of Goods – More Tires worn out – Retreading done on Tires



*FY20 – From April 2019 – Feb 2020

CV Domestic Sales Trends



Retreading Industry Picks up with Lag effect

Large Opportunities for Retreading Business in coming years

Source: SIAM

Increase in Radialisation

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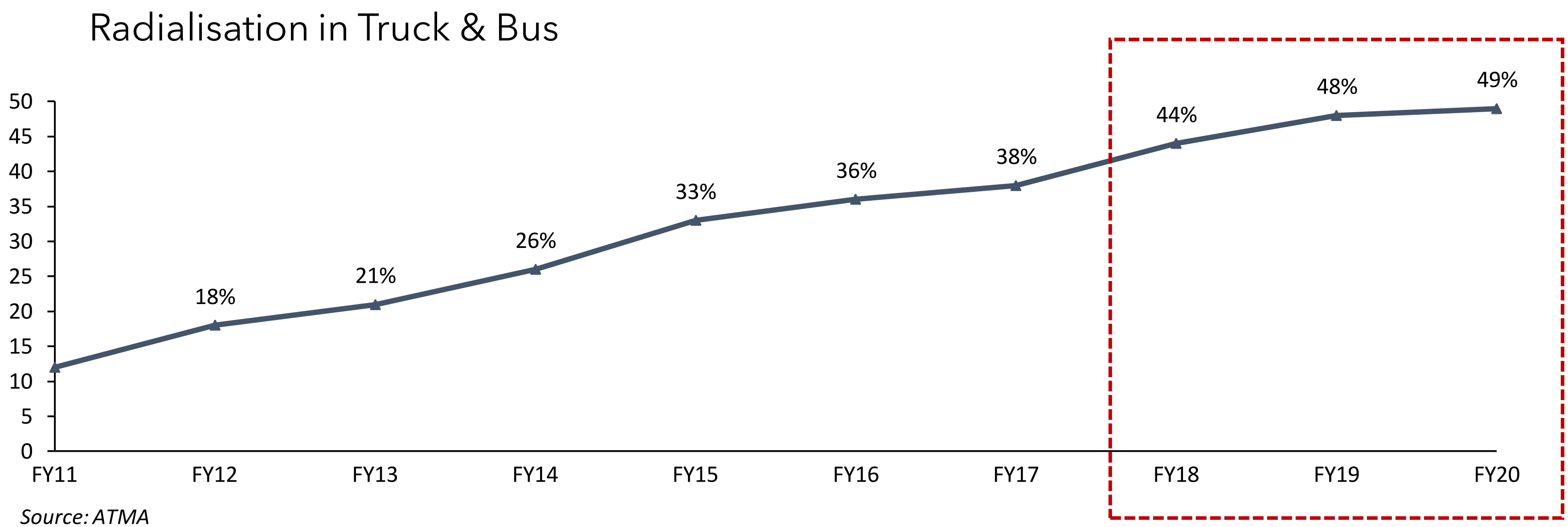

Source: ATMA

<u>Radialisation Requires</u>

Better Road conditions, No overloading & Proper Maintenance of Vehicles

<u>Better Road Conditions</u>

Faster vehicles, running on radials will consume tyres more frequently, narrowing the gap in retreading time by covering larger distances in shorter durations

<u>No Overloading & Proper Maintenance of Vehicles</u>

Will help to reduce Casing Failure , which is pre-condition for Tire Retreading

GST - A Game Changer

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Retreading was dominated by Unorganised Players

There has been a Slow Shift towards Organised Players

Indag Rubber - Organised Player

Pricing

- Difference in Pricing between Organised and Unorganised is mainly due to taxes
- GST implementation has led to removal of different taxes and resulted into level playing field for both the players

- Quality Precured Tread – Longer Life of Tire
- As Radial Tires are Expensive – Demand for Quality Product is on rise

Quality

Unorganised Player

Company Offers - Best Quality with Reasonable Pricing

THE ONLY ALTERNATIVE TO NEW TYRES

INDAG®

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For further information, please contact

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