

THE ONLY ALTERNATIVE TO NEW TYRES



SINCE 1978



Investor Presentation - Q1FY24
August 2023



Safe Harbor

THE ONLY ALTERNATIVE TO NEW TYRES



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Q1FY24 FINANCIAL HIGHLIGHTS



CEO's Message



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

Commenting on the result:

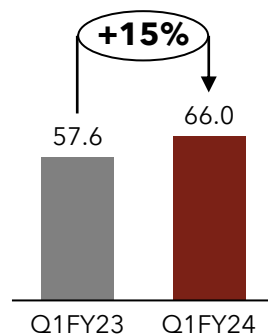
“We have started Q1FY24 with excellent results, with a strong sales performance and profitability. The Company has reported a 15% YoY growth in topline in Q1FY24, reaching Rs 66 crores. On the profitability front, EBITDA has surged by 151% to Rs. 7.5 crores and PAT has increased by 220% to Rs. 4.7 crores. On a YOY basis, our volumes have increased, supported by a healthy macroeconomic environment in Q1FY24, while our EBITDA margins have demonstrated substantial improvement, standing at 11.4%, while PAT is at 7.2%. This margin enhancement is primarily attributed to stable input costs compared to the abnormal input costs experienced during H1FY23.

We firmly believe that India's growth trajectory will present us with remarkable opportunities, and we are actively shaping our strategies to facilitate accelerated progress in the coming years”.

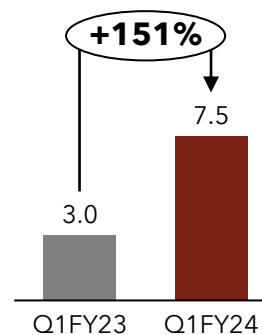


Standalone Financials - Q1FY24

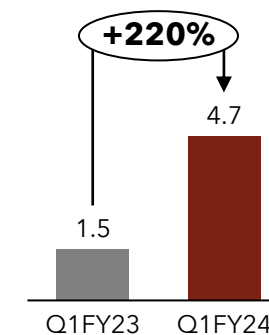
Total Revenue*



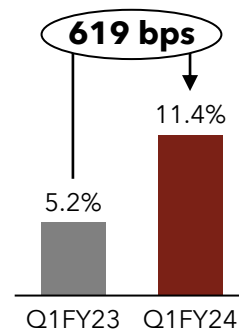
EBITDA*



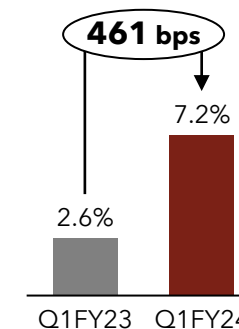
Profit After Tax*



EBITDA Margin*



PAT Margin*



(Rs. In Crs.)

*Includes Other Income, On Standalone Basis



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Standalone Financials - Q1FY24

Particulars (Rs. In Crs)	Q1FY24	Q1FY23	Y-o-Y
Revenue from Operations	63.4	56.1	13%
Other Income	2.7	1.5	
Total Revenue (incl Other Income)	66.0	57.6	15%
Total Raw Material	42.9	41.4	
Gross Profit	23.1	16.2	43%
Gross Profit %	35.1%	28.1%	
Employee Expenses	5.9	5.3	
Other Expenses	9.7	7.9	
EBITDA	7.5	3.0	151%
EBITDA %	11.4%	5.2%	
Depreciation	1.3	1.0	
EBIT	6.2	2.0	217%
EBIT (%)	9.5%	3.4%	
Finance Cost	0.1	0.0	
Profit before Tax	6.1	1.9	
Tax	1.4	0.5	
Profit after Tax	4.7	1.5	220%
PAT %	7.2%	2.6%	
EPS	1.81	0.56	



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ABOUT THE COMPANY



THE ONLY ALTERNATIVE TO NEW TYRES



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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
- Educated at Eton College, he received his undergraduate and Master's degrees at Cambridge University and received an MBA with distinction from Harvard Business School (Baker Scholar)



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. Sushil Kumar Dalmia
Non-Executive Director
(Independent)



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



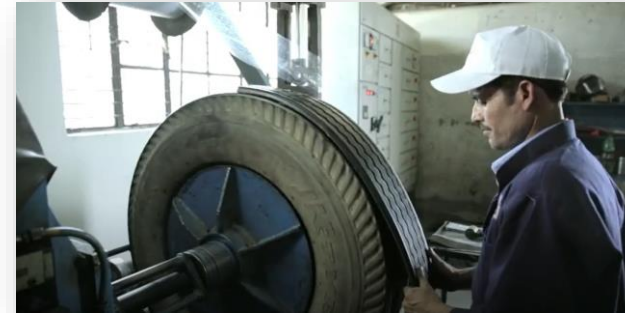
Mr. Anil Bhardwaj
G.M.(Accounts) & CFO



Mrs. Manali D Bijlani
Company Secretary



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





THE ONLY ALTERNATIVE TO NEW TYRES



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Our Presence

PAN India Presence since 1978

15
DEPOTS

200+
Dealer Network

1200+
Retreaders

1M+
tyres retreaded every year
with Indag's precured treads





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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



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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



Voice of the Customers



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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



Voice of the Customers

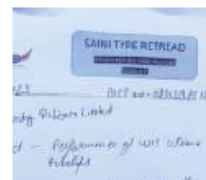


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PERFORMANCE OF 4219 ULTIMA ENVELOPE

“We are very much with performance of 4219 Ultima. We used this Envelope from August 2022. We have cured 150 tyres as on average in every month & this Envelope cured around 500 tyres. We are very much satisfied with INDAG 4219 Ultima Envelope.”

We would urge everyone to try 4219 Ultima Envelope of INDAG once.”



SAINI TYRE RETREAD
Nalagarh

REGARDING APPRECIATION FOR YOUR PRODUCT ULTIMA ENVELOPE

“We have been working with you since decade and we are happy with your quality products and service you provide. As INDAG is the only company I believe, is making IN 30 bonding gum and Ultima Envelope specially developed is really praiseworthy.”



NEW GRIP
Pune, Maharashtra

4219 ULTIMA ENVELOPE PERFORMANCE

“We are very much satisfied with the performance of 4219 Ultima Performance, till date we have taken 225 Cures without any repair and still by seeing its current condition we are expecting more cures.”



RADHA COLD RETREADS PVT. LTD.
Mehsana, Gujarat

INDAG CONSULTANCY SERVICES

“I would like to appreciate the INDAG Consultancy Services received from your Company recently. 7 Chambers, Buffers and builders are repaired properly. We are satisfied and move.”



BAWA AMBO COLD RETREADERS
Udhampur, J&K

HELPED GET PRODUCTION BACK ON TRACK

“We are very satisfied with the work done by INDAG Service Engineer Mr Manohar Lal. He inspected & repaired the chamber in a very short period of time, which helped us get the production up & running.”



J & K COLD TREADS
Jammu, J&K

EXPERT & KNOWLEDGABLE SUPPORT ENGINEER PROVIDED BY INDAG

“We had issues with the Rasper & Chamber in our plant, which was rectified by Service Engineer Mr Mohammed Haris who was very genuine & had great knowledge about all machinery. This issue was long pending and required expertise to be rectified. We appreciate INDAG & Mr Haris.”



VIGNAHAR TYRE RETREADING
Pune, Maharashtra

ALL TYRE CURING PROBLEMS SOLVED, RESULTED IN SMOOTH PRODUCTION

“I would like to thank INDAG's Technical Head Mr Mathur for sending a very technically sound Service Engineer Mr U.K. Biswas for rectifying tyre curing issues in our chamber. Now it's running very smoothly.”



AMBAY TYRE COLD RETREADS
Birgunj, Nepal

IDENTIFIED & RESOLVED ALL KINDS OF ISSUES IN PLANT MACHINERY

“Indag sent Service Engineer Mr Mohammed Haris to our plant to audit all machinery & resolve the issues. He rectified issues in Chamber Motor, Buffer Machinery & Tyre Spotter Cut Repair Machine Temperature Controller. We are fully satisfied by this service.”



GILL TYRES RETREADING
Jaipur, Rajasthan



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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



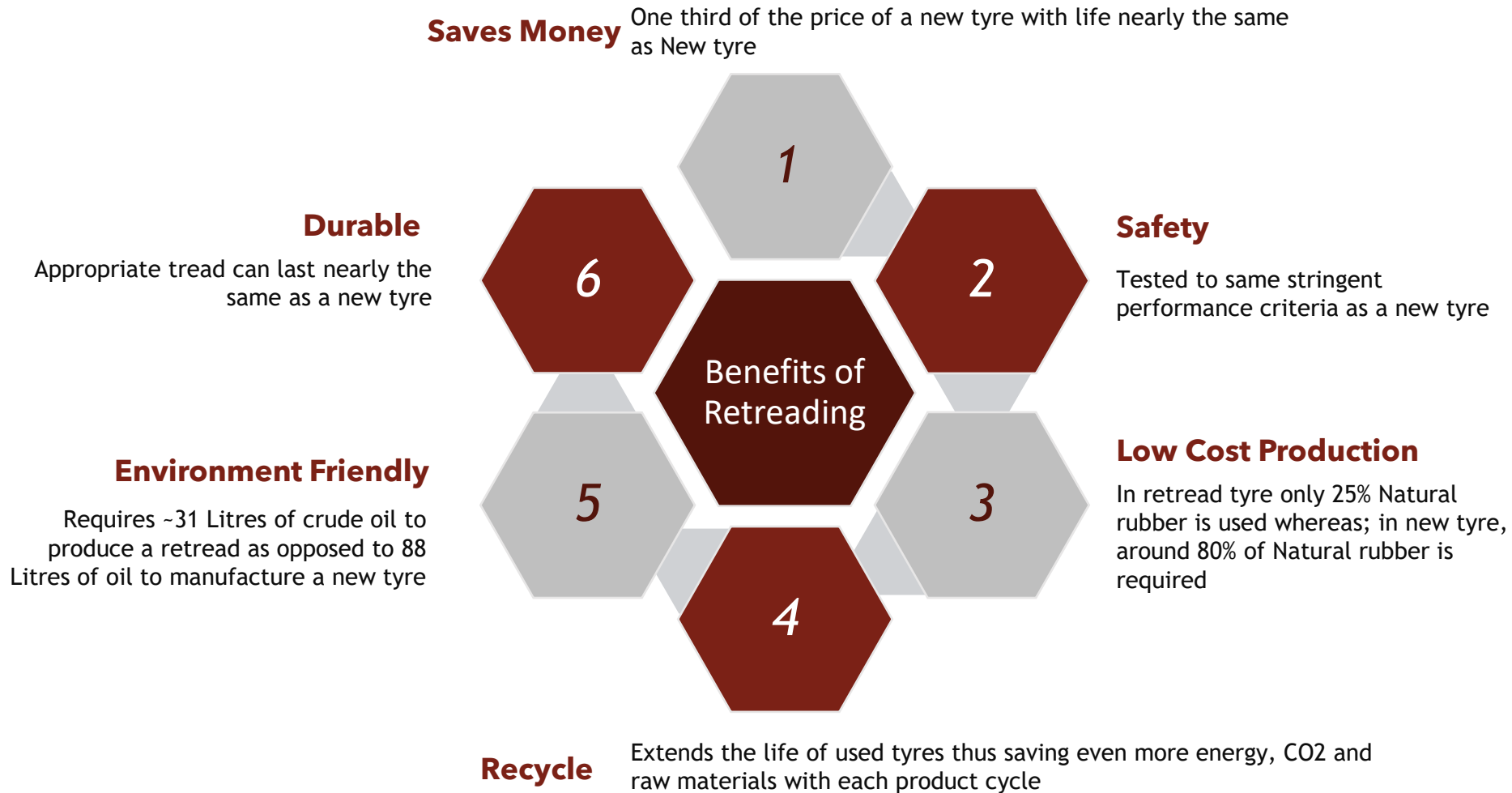
Prevents release of 182 kg of CO₂ on every tyre

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?





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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**HISTORICAL
FINANCIALS**



Standalone Financials

Particulars (Rs. In Crs.)	FY23	FY22	FY21	FY20
Revenue from Operations	243.9	166.9	169.8	186.8
Other Income	8.4	6.4	4.0	4.6
Total Revenue (incl Other Income)	252.2	173.3	173.9	191.4
Total Raw Material	174.3	120.2	107.6	121.1
Gross Profit	77.9	53.2	66.3	70.3
Gross Profit (%)	30.9%	30.7%	38.1%	36.7%
Employee Expenses	22.1	20.7	21.0	20.6
Other Expenses	33.8	25.3	25.0	29.0
EBITDA	22.0	7.2	20.3	20.7
EBITDA (%)	8.7%	4.2%	11.7%	10.8%
Depreciation	4.5	4.2	3.3	3.7
EBIT	17.6	3.0	17.0	17.0
EBIT (%)	7.0%	1.7%	9.8%	8.9%
Finance Cost	0.3	0.2	0.3	0.3
Profit before Tax	17.2	2.9	3.5	16.7
Tax	4.0	0.3	0.8	3.4
Profit after Tax	13.2	2.6	2.8	13.3
PAT %	5.2%	1.5%	1.6%	6.9%
EPS	5.04	0.99	1.05	5.06

* 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.



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Standalone Balance Sheet

Liabilities (Rs. In Crs.)	Mar-23	Mar-22	Mar-21	Mar-20
Equity				
Share Capital	5.3	5.3	5.3	5.3
Other Equity	206.6	201.3	191.9	181.3
Total Equity	211.8	206.5	197.2	186.6
Non Current Liabilities				
Financial Liabilities				
Lease Liabilities	5.9	-	-	-
Provisions	0.9	0.9	0.9	0.7
Deferred Tax Liabilities (Net)	3.0	3.5	2.8	2.5
Total Non Current Liabilities	9.9	4.4	3.7	3.2
Current Liabilities				
Financial Liabilities				
Lease Liabilities	0.4	-	-	-
Trade Payables	22.8	16.6	15.2	15.5
Other Financial Liabilities	3.4	4.4	3.3	3.1
Provisions	0.2	0.1	0.5	0.3
Other Current Liabilities	2.7	1.8	2.3	1.8
Total Current Liabilities	29.4	22.9	21.3	20.6
Total Equity and Liabilities	251.1	233.8	222.2	210.3

Assets (Rs. In Crs.)	Mar-23	Mar-22	Mar-21	Mar-20
Non Current assets				
Property, Plant and Equipments	24.4	23.3	25	25.2
Capital Work-In-Progress	0.4	1.0	19.3	10.1
Investment Property	21.0	21.6	-	-
Right of Use Assets	6.3	-	-	-
Other Intangible Assets	0.1	0.2	0.1	0.2
Financial Assets				
Investments	95.7	85.7	87.3	77.1
Loans	0.0	0.0	-	-
Other Financial Assets	1.3	0.5	1	0.6
Income Tax Assets (net)	0.3	2.3	2.8	0.8
Other Non-Current Assets	1.4	0.2	2.3	2.1
Total Non Current Assets	150.8	134.8	137.9	116.1
Current Assets				
Inventories	42.2	39.2	36	36.9
Financial Assets				
Investments	17.0	26.7	7.3	5.3
Trade Receivables	29.3	22.6	29.5	37.2
Cash and Cash Equivalents	1.7	0.7	1.7	1.1
Other Bank Balances	0.6	1.7	1.9	2.1
Loans	0.2	0.2	0.2	0.2
Other Financial Assets	1.8	1.5	1.5	5.4
Other Current Assets	7.5	6.3	6.2	5.9
Total Current Assets	100.3	99.0	84.3	94.2
Total Assets	251.1	233.8	222.2	210.3



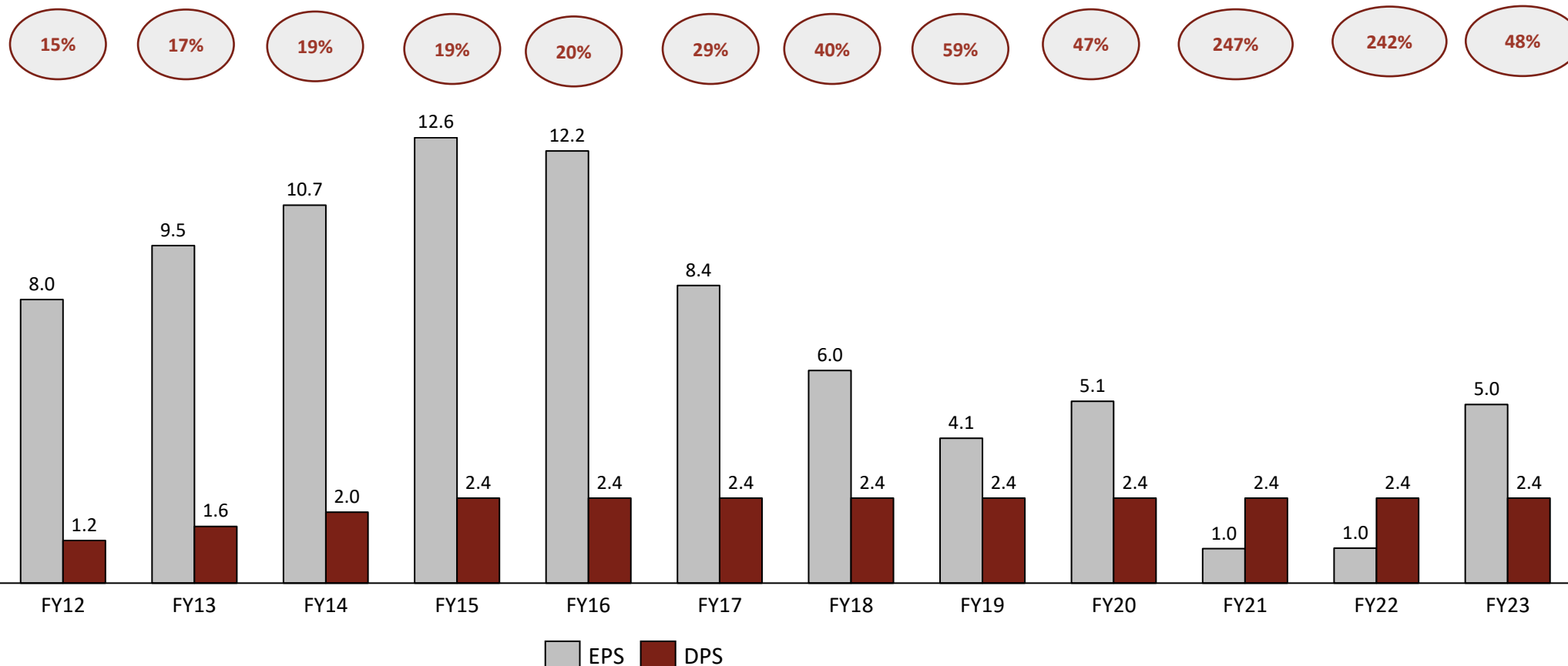
Standalone Cashflow Statement

Particulars (Rs. In Crs.)	Mar-23	Mar-22	Mar-21	Mar-20
Net Profit Before Tax	17.2	2.9	3.5	16.7
Adjustments for: Non Cash / Other Items	1.8	0.7	13.1	-0.2
Operating profit before working capital changes	19.0	3.6	16.6	16.6
Changes in working capital	-6.6	6.0	7.8	-3.6
Cash generated from operations	12.5	9.6	24.4	13.0
Direct taxes paid	-2.8	-1.1	-11.7	-4.7
Net Cash from Operating Activities	9.7	8.5	12.7	8.3
Net Cash from Investing Activities	-1.8	-3.0	-9.4	2.5
Net Cash from Financing Activities	-6.8	-6.5	-2.6	-12.2
Net Decrease in cash and cash equivalents	1.0	-1.0	0.7	-1.5
Add: Cash & Cash equivalents at the beginning of the period	0.7	1.7	1.1	2.5
Cash & Cash equivalents at the end of the period	1.7	0.7	1.7	1.1



Consistent Dividend Pay-out

**Dividend
Pay-Out**





For further information, please contact

Company :

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CIN: L74899DL1978PLC009038
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anil@indagrubber.com

www.indagrubber.com

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