

**Transcript of 46th Annual General Meeting
Indag Rubber Limited
August 12, 2025, 03:00 P.M. (IST)**

Company Secretary: Good afternoon Ladies & Gentlemen! I, Sonal Garg, Company Secretary, have joined the 46th AGM through video conferencing from New Delhi on 12th August, 2025 at 03:00 PM. Before I hand over the proceedings to the Chairman, I would like to highlight following points:

1. Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice of this AGM. Members who have not cast their votes electronically and who are participating in this meeting are given opportunity to cast their votes during the meeting, details of which are already shared in the Notice.
2. We have received requests from some Members for registration as a speaker shareholder in the AGM today. Such Members shall be allowed to speak once the Chairman directs the same. We request speakers to limit their speech to 2 minutes to give opportunity to other Members.
3. Register of Directors' and Key Managerial Personnel and their shareholding and Register of Contracts are available for inspection during the meeting, as uploaded on website of the Company at the link provided in the Notice.
4. The proceedings of this meeting are being recorded for compliance purposes.

I hereby confirm that requisite quorum is present. Before the Chairman starts the meeting, may I request all other Directors and KMPs present in the meeting to kindly state their name and confirm their location.

Company Secretary: Mr. Raj Agrawal

Mr. Raj Agrawal: Good afternoon, everyone! I'm attending this meeting from New Delhi.

Company Secretary: Ms. Ranjana Agarwal

Ms. Ranjana Agarwal: Good afternoon everybody. I'm attending this meeting from New Delhi.

Company Secretary: Mr. Sushil Kumar Dalmia.

Mr. Sushil Kumar Dalmia: Good afternoon. This is Sushil Kumar Dalmia, the Independent Director. I have joined the meeting from my office in New Delhi. Thank you.

Company Secretary: Mr. Uday Khemka.

Mr. Uday Khemka: Good afternoon everyone! I am Uday Khemka and I am attending this meeting from New Delhi.

Company Secretary: Mr. Vijay Shrinivas.

Mr. Vijay Shrinivas: Good afternoon everybody. My name is Vijay Shrinivas and I'm attending this meeting from Indag Rubber Limited's Registered office at Saket, New Delhi.

Company Secretary: Mr. Anil Bhardwaj.

Mr. Anil Bhardwaj: Good afternoon everyone. I am Anil Bhardwaj and I'm attending this meeting from Saket office, New Delhi.

Company Secretary: Thank you very much everyone. Mr. Nikhil Khanna, Director, is also attending the meeting from New Delhi.

Authorised Representatives of Khanna & Annadhanam, Statutory Auditors and RMG & Associates, Secretarial Auditors, are also present in the meeting from New Delhi.

Pursuant to Article 66 of the Articles of Association of the Company, I now request Mr. Nand Khemka, Chairman cum Managing Director of the Company to kindly take the Chair and commence the meeting.

Chairman: Good afternoon Members, a very warm welcome to you at 46th Annual General Meeting of Indag Rubber Limited, being virtually held. I, Nand Khemka, Chairman cum Managing Director of your Company have joined this AGM from New Delhi.

As the requisite quorum is present, I declare the meeting open.

This AGM has been convened through video conferencing in compliance with the circulars issued by Ministry of Corporate Affairs and SEBI, which exempt physical attendance of the Members to the AGM venue.

As you are aware, Mr. Nikhil Khanna, Chairman of Nomination & Remuneration Committee; Mr. Raj Kumar Agrawal, Chairman of Audit Committee and Stakeholders' Relationship Committee; Mr. Uday Khemka, Chairman of Corporate Social Responsibility Committee; and authorized representatives of Auditors are present at the meeting.

Due to prior commitments, Mr. Shiv Khemka, Director of the Company, could not attend the meeting.

Company's accounts for year ended March 31, 2025, along with Directors' and Auditors' reports, Report on Corporate Governance and Management Discussion & Analysis, have already been circulated electronically. There is no qualification, reservation or remarks in the Statutory Auditors' Report and Secretarial Auditors' Report. With the concurrence of all the Members present, I take them as read.

During the year, your Company had total revenue of approx. Rs. 237 crores as against Rs. 261 crores in previous year. The profit before finance cost and depreciation amounted to Rs. 16 Crores 48 lacs against Rs. 27 crores 73 lacs in the previous year.

Profit after tax in FY 2025 was Rs. 8 crores 41 lakhs against Rs. 16 crores 75 lacs in FY 2024.

This is mainly due to reduced volumes from the State Transport Undertakings (STUs) business which is a tender based public sector business and is dependent on the quantity of orders/tenders placed by state transport undertakings. During FY 2024-25, the industry faced abnormal increases in rubber prices which has led to softer margins.

Fleet owners and operators are operating in an environment of increasing MHCVs cost, fuel and toll costs. In this context, Indag's strategy is to:

1. Engage & Educate fleets on economic and environmental benefits of Retreading through our extensive field data on cost per kilometer.
2. Enhance reach and penetration of our retreader network PAN India. Enhance quality and reliability through training.
3. Enhance our brand image through focused campaigns and market visibility.
4. Gain product leadership through our sophisticated R&D which enables industry leading products through cutting edge research and collaboration with vendor partners.
5. Drive Operational Excellence and Digitalization.

These steps will help us support fleets better, grow our business and strengthen our market leadership.

During the year, the Board of Directors of your Company declared an interim dividend of Rs. 0.90/- per equity share and a Final Dividend of Rs. 1.50/- has been recommended for approval of the Members in this AGM; thus, making a total Dividend of Rs. 2.40/- per Equity Share having face value of Rs. 2/- each for Financial Year 2024-2025.

In addition to the ordinary businesses, Board recommends the ratification of remuneration of Shome & Banerjee, Cost Auditors of the Company for FY 2025-26 and appointment of RMG & Associates as the Secretarial Auditor of the Company for a period of five financial years from April 1, 2025 to March 31, 2030.

The Board recommends all the resolutions as set forth in Notice for e-voting.

Remote electronic voting facility was provided to Members which was open from 9th to 11th August. Members, who have not cast their vote through remote e-voting, may cast their vote during the AGM. Voting results will be announced on website of the Company and Stock Exchange on receipt of consolidated report from Scrutinizer.

Members, who have already registered themselves, may now speak one by one.

Company Secretary: Thank you so much sir. I would now request the moderator, Skyline, to please unmute Mr. Gagan Kumar.

Mr. Gagan Kumar (Shareholder 1): acknowledged that he had received physical copy of Annual Report in time and enquired about the Company's value creation roadmap for the next two years, future strategies to enhance investors' confidence in our Company and the strategy to enhance/ maintain margins.

He also praised the Management team for maintaining high standards of corporate governance.

CEO thanked Mr. Gagan Kumar for his comments and replied referring to the Chairman's speech highlighting Company's growth strategy by reaching out to large fleet owners and operators who are operating under tremendous challenging environment in terms of fuel cost, operating cost, toll cost, driver shortages - by educating them on environmental and economic benefits of retreading.

He apprised that tyre replacement cost is the second largest cost after the fuel and Indag is committed to helping them reduce these costs through retreading solutions. Our Company's primary objective is to engage with these operators, educate them on cost-saving opportunities and demonstrate measurable benefits by analysing cost per kilometre (CPK) using our advanced analytics capabilities.

He further informed that the Company is continuously working to enhance the reach and penetration of its authorized retailers and branded franchise network across the country. As a result, the company has successfully connected with over 3,000 retreaders, registering them under its loyalty programs. He highlighted that Indag is actively focused on strengthening its brand image through targeted below-the-line (BTL) engagement initiatives with fleet owners, drivers, and retreaders. He added that the Company's advanced R&D capabilities have enabled the development of superior products, reinforcing its aspiration to be the product leader in this category. He also shared that a key strategic focus is driving operational excellence and digitalization—an area where significant progress has already been made.

He further informed that Indag remains the only Company in the retreading business offering a full spectrum of commercial and technical services to retreaders, fleet owners, and operators. This comprehensive offering forms a compelling value proposition for customers. With approximately 15 depots nationwide, the Company ensures wide product availability. Its sales and technical service teams, including qualified engineers, are deployed across the country to support partners. Due to its differentiated offerings, Indag enjoys a slight pricing premium and operates in the more discerning segments of the market—where unit margins are relatively higher compared to industry averages. The second driver of profitability is Indag's data-centric procurement strategy for key raw materials such as natural rubber, synthetic rubber, and carbon black. The third lever is improved working capital management. Over the past five years, the company has reduced its working capital cycle from 120 days to around 70 days. This has been achieved by lowering finished goods inventory through strict forecasting and indenting practices. Additionally, the Company has strengthened vendor negotiations and improved collections, reducing Days Sales Outstanding (DSO) from 70 to 35 days.

CEO thanked Mr. Gagan for asking these questions.

Company Secretary: Thanked Mr. Gagan and asked moderator to unmute Mr. Surender Kumar Arora.

Moderator: He is not present, ma'am.

Company Secretary: Moderator please unmute Mr. Amit Kumar.

Mr. Amit Kumar (Shareholder 2) thanked the Management for giving him this opportunity. He enquired about the management of supply chain and pricing risk arising in the production of natural rubber and synthetic rubber along with the details on these challenges and its potential impact on the Company's operations and the profitability.

CEO replied that we have three major raw materials viz. natural rubber, synthetic rubber and carbon black. Over the years, Indag has selected vendor partners from Kerala and northeast, who are working with us for a long time. He also informed that our supply chain is very strong when it comes to natural rubber both from South and Northeast. For synthetic rubber, we have a very strong relationship with suppliers from domestic as well as international areas for a very long time hence, we are able to manage this seamlessly. For carbon black, we source it from reputed players/ vendors partners in India as there's sufficient supply available in India.

He further informed that by data centric models and monitoring all the key indicators, we are able to make a very strong procurement strategy and our prices are usually very effectively managed which are little less than the benchmark prices. Further, we do not import significant part of natural number, carbon black is fully sourced in India and PBR - part of it is sourced from outside the country. Therefore, we are not very seriously subjected to international issues like shipping shortage containers, red sea issue etc. We are relatively insulated from all of these vagaries of global supply chain.

CEO thanked him for asking these questions.

Company Secretary: Thank you Mr. Amit. Moderator, please unmute Mr. Ankit Jain.

Mr. Ankit Jain (Shareholder 3) asked about the impact of GST regime on the retreading business and what are the R&D initiatives currently being undertaken by the Company?

CEO: replied that GST and demonetization have really helped our industry to consolidate and formalize. He informed that retreading in India is a very fragmented industry. About 11 million tyres are retreaded in India by more than 10,000 retreaders (down from 13,000 earlier) as compared to United States of America, where 16 Million tyres are retreaded by about 650 retreaders. Therefore, GST and demonetization, have acted as key enablers of formalisation: Customers increasingly demand GST invoices and more businesses have registered, which is pushing the market toward organized operations with better equipment and standardized practices. This formalization trend is benefiting companies like Indag with its strong networks, advanced equipment and standardized retreading practices which are contributing significantly to the industry. Importantly, many fleet owners and operators—who had previously lost confidence in retreading due to inconsistent outcomes from smaller, inadequately equipped retreaders—are regaining trust as organized retreaders deliver more predictable and reliable performance. Overall, consolidation and stronger compliance are restoring confidence in retreading by ensuring higher quality and greater consistency across the process.

Replying to 2nd question regarding R&D initiatives, the CEO informed that a state-of-the-art, sophisticated R&D facility had been established shortly after the COVID period. Our R&D team has been conducting continuous, fundamental research on retreading materials. The Company has also collaborated with its vendor partners—including chemical companies, carbon black manufacturers and synthetic rubber producers—working closely with them on newly developed molecules and advanced types of natural and synthetic rubbers. These collaborations and continuous R&D initiatives are feeding a steady pipeline of new products. One such product, *Win Master*, was launched at Bharat Mobility in January 2025. This product is a direct outcome of our R&D initiatives and offers exceptional performance—

delivering approximately 80% to 90% of the life of a new tyre. Its effectiveness has already been successfully demonstrated across several fleet operators.

Company Secretary: Moderator please unmute Mr. Surender Kumar Arora.

Mr. Surender Kumar Arora (Shareholder 4) appreciated the Chairman for his speech and the Secretarial team for the arrangements of AGM. He asked roadmap for next two years and CSR Activities being done by the Company.

CEO mentioned that we support and carry out CSR activities through The Nabha Foundation, part of the Khemka Group, in addition to doing CSR activities in-house by the plant team. He further informed that Nabha foundation supports Navi Disha Schools and Maharani Gurcharan Kaur School in Punjab. He requested Mr. Uday Khemka, Chairman of CSR Committee of the Company, to elaborate the CSR activities.

Mr. Uday Khemka: informed that the Company runs a highly active rural education program, supporting five village schools that have significantly outperformed surrounding schools in terms of student performance. These schools have become role models for the entire region. He also highlighted the impactful community work being carried out in Nalagarh, near the plant, which plays a vital role in supporting and uplifting the local community.

CEO thanked Mr. Uday Khemka and Mr. Surender Arora for the question.

Company Secretary: Moderator, please unmute Mr. Manjit Singh.

Moderator: He is not present in the meeting, ma'am.

Company Secretary: Moderator, please unmute Mr. Adarsh Kamra.

Mr. Adarsh Kamra (Shareholder 5) thanked the Company Secretary for this opportunity. He reflected gratitude and thankfulness towards the Company. He admired the Company that it goes well beyond the mandatory CSR obligations, as pointed out previously by Mr. Uday Khemka and carries out CSR work with genuine commitment. This truly reflects the Company's values and sense of responsibility towards society. He further said that although the financial performance during the last year has not been very strong, it is highly commendable that the Company has still rewarded its shareholders by declaring both interim and final dividends, while also maintaining a healthy dividend pay-out ratio, which is a very thoughtful gesture that shows the management values the shareholders' trust and support.

He also appreciated the Secretarial team stating that they have always been cooperative, approachable and willing to guide shareholders patiently and clearly whenever any assistance is required.

Company Secretary: Thanked Mr. Adarsh for his kind words of appreciation.

CEO also thanked Mr. Adarsh Kamra, pointing that this as an example of the operational excellence that we, at Indag, are trying to pursue.

Company Secretary: Moderator, please unmute Mr. Tapish Garg.

Mr. Tapish Garg (Shareholder 6) inquired about the working capital cycle of the Company and how it has improved during the period. He also asked how is it vis-à-vis compared to the industry benchmark.

CEO replied that the working capital cycle has been brought down from 120 days to 70 days, achieved through a combination of reduction in finished goods inventory, work-in-progress inventory, raw material and bringing our receivables down. Our industry norm is around 100-110 days, while in some companies, it is more than that, but at Indag, we have

considerably reduced it to 70 days and we are still making efforts to continuously improve in this area.

Company Secretary: Moderator, please unmute Mr. Shivam Gupta.

Mr. Shivam Gupta (Shareholder 7): inquired about the Company's strategy in leveraging digital technologies. He noted that in the current era of digitalisation, most organisations are incorporating Artificial Intelligence (AI) and Business Intelligence (BI) into their operations. He sought to understand Indag's strategic approach to maximising the benefits of these technologies across its operational processes and product life cycles.

CEO: thanked him for asking this question and acknowledged that we are indeed in the era of digitalisation, automation, and AI. He stated that Indag has undertaken several initiatives to strengthen its digital and automation capabilities. At the plant level, a key achievement has been the complete automation of the mixing process, thereby eliminating human intervention and enhancing consistency, efficiency and quality.

He further informed about the significant breakthrough in the manufacturing process i.e. automation of the mixing capabilities which ensures maintenance of formulation integrity in the end-product.

CEO further informed that, in terms of digitalisation, the Company has made significant progress over the past three years. Indag has transitioned from a traditional ERP system to SAP, enhancing overall operational efficiency and data integration. The sales team now utilises Salesforce.com to manage customer relationships and sales processes more effectively. Additionally, the Company has implemented HRMS and an automated compliance tool to streamline regulatory adherence. At the plant level, all processes are being digitised with the aim of achieving a 100% paperless environment.

Significantly, from a customer standpoint, the CEO highlighted Indag's strategic partnership with a company called e-Fleets, which offers a comprehensive tyre management software

solution. Through this collaboration, the Company is now monitoring the real-time performance of approximately 6,000 tyres currently in use by some of its large fleet customers. He further informed that this initiative has enabled Indag to collect valuable data on tyre performance and cost per kilometre, allowing the Company to effectively demonstrate the benefits of retreading to fleet owners and operators. As a result, Indag has received numerous positive testimonials from large fleet operators, who have expressed strong appreciation for the value these data-driven initiatives bring to their operations.

CEO and **Company Secretary** thanked Mr. Shivam Gupta.

Company Secretary: Moderator, please unmute Mr. Rakesh Kumar.

Mr. Rakesh Kumar (Shareholder 8) appreciated the whole management for their efforts and healthy dividends. He raised a query regarding the export of products to the United States of America and the potential implications resulting from U.S. government-imposed tariffs.

CEO expressed gratitude for the compliments on the dividend pay-outs by the Company. He clarified that the Company currently does not export to the United States of America, and therefore, there are no implications relating to U.S. tariffs. He noted, however, that the Company does engage in modest exports to the Middle East and Africa, and it also ships goods to both Eastern and Western Europe.

Company Secretary: Moderator, please unmute Mr. Manjit Singh.

Mr. Manjit Singh (Shareholder 9): Thanked and appreciated the management and secretarial team. He asked query related to zero carbon policy, its implications on Indag and efforts the Company is making to control pollution.

CEO replied that retreading is a very green business and we are proud to be in this business. Our Chairman, Mr. Nand Khemka, started this business in 1978 when the net zero or

sustainability were in a very nascent stage. He further added that we have done a lot of research and studying in this area. Every retreaded tyre saves approx. 136 kgs of carbon dioxide emission. Every retreaded tyre saves about 44 kgs of rubber, natural and synthetic put together and saves precious 57 Litres of oil. The Government of India has been actively focusing on achieving net zero emissions by the year 2070. In alignment with this goal, the Ministry of Environment has undertaken several initiatives to support the transition. One such initiative is the introduction of Extended Producer Responsibility (EPR) for tyres. Under this regulation, it is the responsibility of tyre producers to ensure that tyres are handled responsibly at the end of their life cycle. We work closely with both the Ministry and the tyre industry, and we are pleased to share that retreading has been officially recognized by the Ministry of Environment as an activity that supports the circular economy. In addition to recycling certificates, retreading certificates can now also be issued. If tyre producers provide retreading certificates, they are eligible for a one-year extension on their EPR obligations.

He further informed that the Company takes all the measures to ensure that its plant remains clean, non-polluting, and fully compliant with all environmental regulations issued by the Government from time to time. In fact, the Company goes well beyond statutory requirements in its compliance efforts. He emphasized that the Company is actively contributing to the country's net zero goal. While recycling happens at the end of a product's life cycle, reuse—such as through tyre retreading—can happen multiple times. If India is to accelerate its journey toward net zero by 2070, reuse, and in particular retreading, will play a critical role as a powerful tool in that mission.

Company Secretary: Moderator, please unmute Mr. Rohit Potty Prakash.

Moderator: He is not present in the meeting, ma'am.

Company Secretary: Moderator, please unmute Mr. Keshav Garg.

Mr. Keshav Garg (Shareholder 10): raised a query regarding the Company's growth performance. He observed that the Company's revenue had increased cumulatively by

approximately 25% since 2018, reaching around Rs. 230 Crores in FY 2025. He requested insights on when shareholders might begin to see tangible benefits from the 30% distributable reserves currently held. Additionally, he sought clarification on how the Company's cost of production compares with that of its peers and inquired about the lowest-cost producer in the industry.

CEO responded that there are only a few listed companies operating in this industry. Speaking about Indag, we have established a factory that operates at significant economies of scale. Not many companies possess the kind of sophisticated equipment, processes and facilities that we have developed.

Our business with State Transport Undertakings (STUs) is highly flexible and varies from one tender to another.

It's important to note that natural rubber, our primary raw material, is a traded commodity and is subject to market fluctuations.

PBR (Polybutadiene Rubber) operates in a highly concentrated market—it is an oligopoly and, in the Indian context, largely monopolistic, with only a few players operating internationally. As a result, prices are relatively stable and transparent, and are largely available in the public domain.

Similarly, carbon black is primarily an industrial commodity and a derivative of crude oil. Therefore, its pricing is closely linked to fluctuations in crude oil prices. Therefore, all these raw materials are commodity driven and keeps fluctuating.

He further informed that Natural rubber is an agricultural product, so its availability and quality are subject to seasonal and environmental factors. A good harvest one year may be followed by a poor one due to rainfall, pests, or other variables, all of which significantly impact the natural rubber market. In contrast, the other two key raw materials—PBR and carbon black—are industrial products with more stable, predictable supply chains. At Indag, we believe that disciplined procurement practices combined with strong economies of scale

allow us to source high-quality raw materials at competitive costs. We procure only from top-tier vendors and maintain strict quality standards. Our quality control is so rigorous that any substandard rubber is rejected and sent back—sometimes all the way to Kerala. This level of scrutiny ensures that suppliers are extremely cautious when dealing with us. As a result, we are confident that our sourcing strategy is highly competitive, both in terms of cost and quality, within the industry.

Replying to another queries regarding volumes and turnover, CEO informed that last year, the average price of natural rubber increased by approximately 40%. Similarly, PBR witnessed a price increase by about 22% compared to the previous year. This had an impact on our turnover. Since we have consistently passed on commodity price increases to our customers—and have remained disciplined in doing so—our turnover has increased accordingly.

Our primary focus is on growing the private segment of our business. The STU segment contributes a relatively small portion to our overall revenue and is subject to periodic fluctuations. We do not aim to grow in this segment aggressively, which is why there may be occasional variations in turnover.

CEO mentioned that Q&A session may now be closed. Unanswered questions may be communicated suitably through mail.

Company Secretary informed that the CEO had addressed majority of the questions received through the chatbox during the meeting. She further requested Chairman to kindly close the meeting.

Chairman: I thank all Directors and Members who have taken out their valuable time to attend the meeting. I also thank and appreciate all the participants for taking active/ keen interest in the affairs of the Company and asking very concerned questions. I declare the meeting closed. The voting shall remain open for another 15 minutes. Thank you very much.