Safety & Reliability Mile After Mile…….

Indag Rubber Limited

Q1 FY8 Unaudited Financial Results

Net Revenue at Rs. 36.8 crs

EBITDA at Rs. 3.0 crs

PAT of Rs. 1.5 crs

Release: 16th August 2017, Delhi

Indag Rubber Limited, one of the India's leading Tread Manufacturing Company, has declared Unaudited Results for the quarter ended June 30, 2017. The Results for the Quarter are in accordance with the Indian Accounting Standards (Ind AS)

Financials at a Glance:

Particulars (Rs. In Crs)	Q1 FY18	Q1 FY17
Net Revenue*	36.8	50.0
EBITDA	3.0	10.1
Profit after Tax	1.5	6.4

**Includes Other Income*

Key Highlights:

- Revenue of Rs. 37 crs. during Q1 FY18
  - There was some volume de-growth on account of destocking by dealers due to GST
- EBITDA for the quarter stood at Rs. 3 crs. EBITDA Margins for Q1 FY18 stood at 8.2%
  - The Raw Material prices had increased significantly in the last six months, but have peaked out lately. This will help improve Margins going ahead
- Net Profit After Tax for the quarter stood at Rs. 1.5 crs. PAT Margin for Q1 FY18 stood at 4.1%

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

"There has been a change in the taxation policies of the country with the advent of GST. We have been impacted from mid- May 17 due to the then prevailing uncertainties. The quarter results saw a de-growth due to the same. However, we are witnessing traction in demand since last few weeks.

Tyre volume demand is expected to grow by 7-8% during FY18 and FY19, boosted by higher OEM demand and stable replacement demand. Demand for the truck and buses tyres is likely to pick up in FY18 following the decline witnessed in FY17. Though demand in Q1 FY18 suffered due to destocking by dealers before GST rollout, this is a short-term aberration and volumes should recover in H2 FY18.

As per the Ministry of Commerce & Industry, imposition of anti-dumping duty on import of truck and bus radial tyres is under process with Directorate General of Anti-Dumping and Allied Duties and is most likely to be levied soon. When the duty is imposed, there would be sharp reduction in tyre imports from China, thus enhancing the demand of domestic tyres leading to an increased demand of retreading too.

The business is coming back to normalcy and we expect higher revenues going ahead."

About Indag Rubber Limited

Indag Rubber Limited (IRL) is founded by Khemka Group during the early 80's. IRL pioneered the introduction of Cold Retreading Technology in India. Since then the company has provided Retreading material to customers ranging from Pre-cure Tread Rubber to Envelopes. IRL has state-of-the-art manufacturing unit established at Nalagarh Industrial Estate in Himachal Pradesh with an Annual Capacity to manufacture 20,000 tons of Precured Tread Rubber (PTR) along with allied items. With the Best Quality product and reasonable pricing with wide distribution network, Company provides Tread which gives "Lowest Cost per Kilometre" for tyres to the end users.

Safe harbor statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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