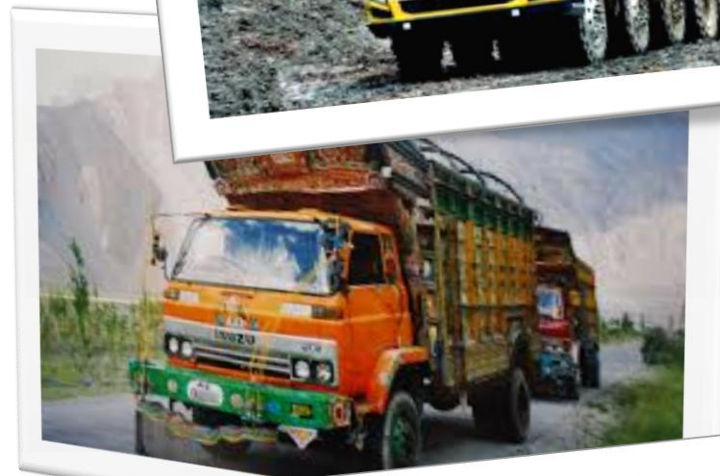

INDAG RUBBER LTD

Safety & Reliability Mile After Mile.....

Safe Harbour

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Content

Retreading Industry

Retreading, A Large Opportunities..

- ✓ **Increase in Commercial Vehicles population**
- ✓ **Growth and Increased Share of Multi-axle Trucks**
- ✓ **India - Under penetrated market in Retreading as compared to the western economies**
- ✓ **Focus on Quality increases as Heavy Trucks cursing expressways at high speeds require proper retreading**
- ✓ **Tax Reform is also a big opportunity. GST will also shift the terms in favour of the Organized Players.**

Retreading

Retreading

Hot-cure Process

Cold-cure Process

Hot-cure Process

- ✓ Un-vulcanized rubber strip along with bonding gum is applied on the buffed casing of the tyre.
- ✓ This strip takes the pattern of the mould during the process of vulcanization

Cold-cure Process

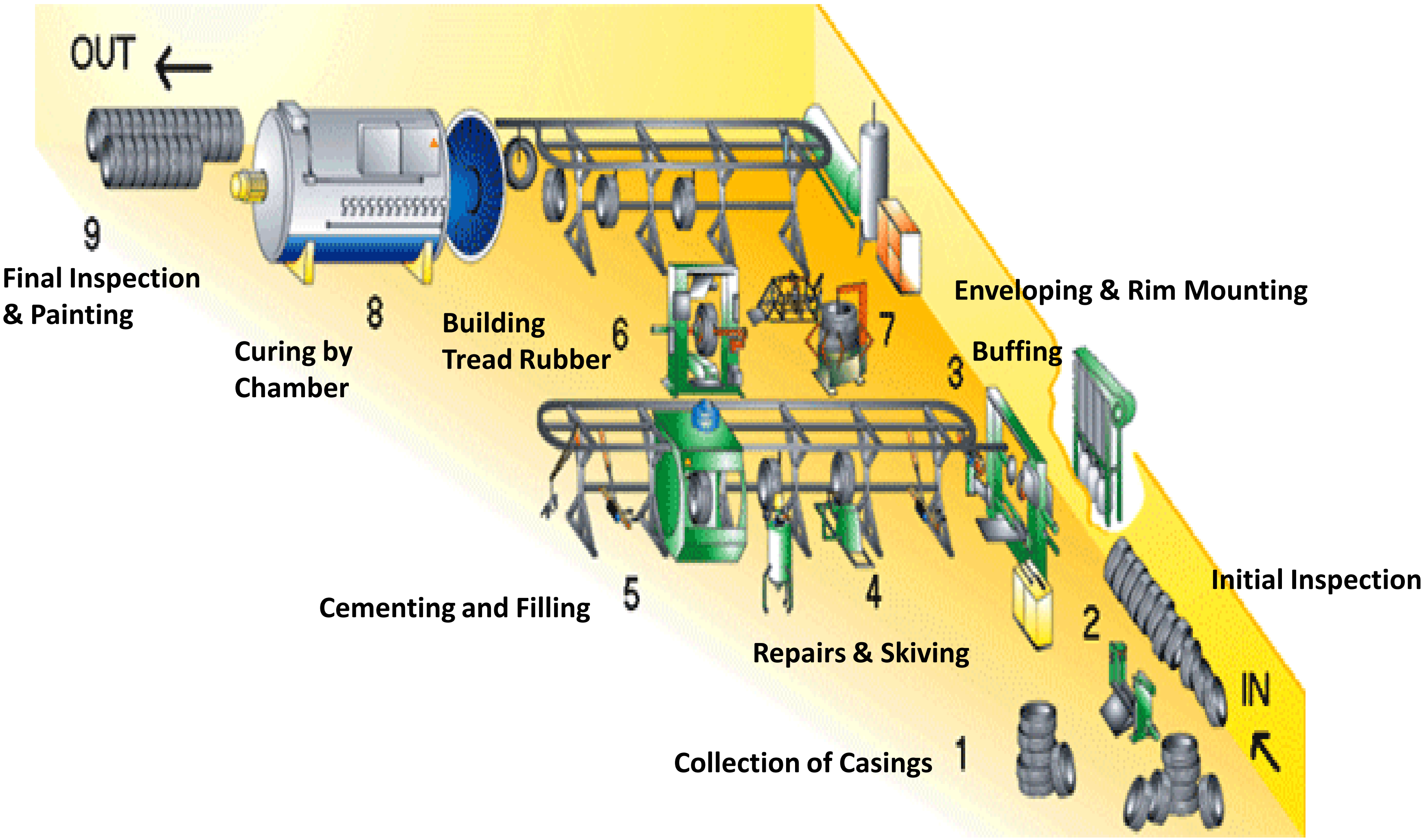
- ✓ A tread strip, where the pattern is already pressed and precure tread is applied to the casing.
- ✓ Bonded to the casing by bonding gum which is vulcanized by the application of heat, pressure and time.

"Process of Re-manufacturing and extending the life of worn tires simply by replacing the tread Rubber"

Generally, Retreading Done on tyres of :

1. Trucks
2. Buses
3. Aircrafts
4. OTR Segment
5. Light Commercial Vehicles
6. Tractors

Retreading Process

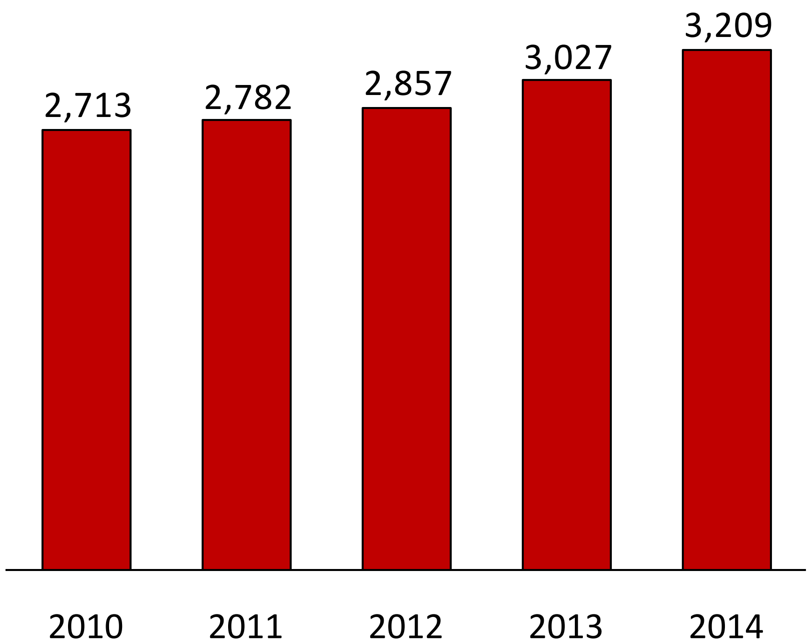


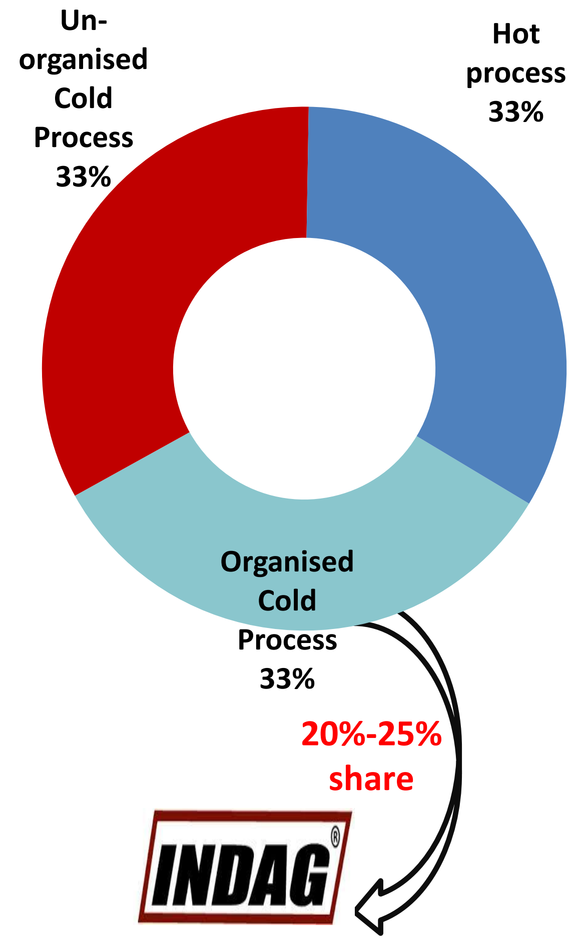
Benefits of Retreading

- ✓ **Safety:** Tested to same stringent performance criteria as new tyre
- ✓ **Durable:** Last nearly the same as new tyre
- ✓ **Flexible Production Process:** Made-to-order for specific vehicles or road conditions. Varied tread compound and patterns
- ✓ **Lower cost of production:** Consumes lower Rubber compared to New Tyre. In retread tyre only 25% Natural rubber is used whereas; in new tyre around 80% of Natural rubber is required. Rubber being volatile commodity cost of production is lower
- ✓ **Saving Money**: 30%-50% of the price of new tyre. Savings of up to 50% each time with life nearly the same as new tyre. Hence, the additional cost-per-mile benefits
- ✓ **Recycling:** Retreading can be done at least twice. Extends the life of used tyres thus reducing the number of tyres sent to waste disposal. saving even more energy ,CO_2 and raw materials with each product cycle
- ✓ **Environmental friendly:** Requires approximately 7 gallons of crude oil to produce a retread as opposed to 22 gallons of oil to manufacture a new tyre

Tread Manufacturing Industry

Market size (Rs.in crs)





Corporate Overview

Company Overview

INDAG®

India's Most **Trusted Tread Manufacturing** Company

Pioneered **Cold Retreading** technology in India

Presence in **All** type of **Commercial Segments**

Best Quality with Reasonable Pricing

"Lowest Cost Per Kilometer"

Distributing through **25 Depots** across Country

Evolution

INDAG®

- 1978- Incoporated as JV between Khemka Group & M/s Bandag Inc,(USA)
- 1979- Set up plant at Bhiwadi (Rajasthan)
- 1984- Listed on BSE

1978-1984

- 2006- JV was terminated with Bandag
- Khemka Group took over 38.3% share
- 2006- Set up plant at Nalagarh (Himachal Pradesh)

1985-2006

- Increased capacity at Nalagarh plant from6000 MT to 13800 MT
- Foray into Foreign market with launch of “Zoma” Brand

2007-2012

- Introduced Max Mile Brand in Indian Market
- Included as one of the best “Under 1Bn” company by Forbes Asia
- Certificate of Excellence from Inc 500 in 2012 & 2013

2012-2014

Manufacturing Facilities

- ✓ **State of the art manufacturing unit Located at Nalagarh Industrial Estate in Himachal Pradesh**
- ✓ **Advanced Technology in terms of machinery and equipments .**
- ✓ **Modern Retreading Cum-Training centre to impart high quality**
- ✓ **Brand – Indag, Zoma & Maxmile**
- ✓ **Use superior raw material and pressed at a very high pressure that gives high performance product both in term of mileage and tread life**
- ✓ **Continuously R&D to develop superior compounds & enhance operational efficiencies**

Only company who uses curing temperature of 99°C than others who cures at higher temperature

Products

Pre-cured
Tread Rubber

- ✓ Capacity of13,800 MT
- ✓ Radial and Bias Range
- ✓ Range from Passenger to Truck/Bus Tyre
- ✓ OTR & Tractor

Unvulcanised rubber strip gum

- ✓ Capacity of 1800MT
- ✓ Bonding gum for curing process
- ✓ Specifically manufactured to provide longer shelf life

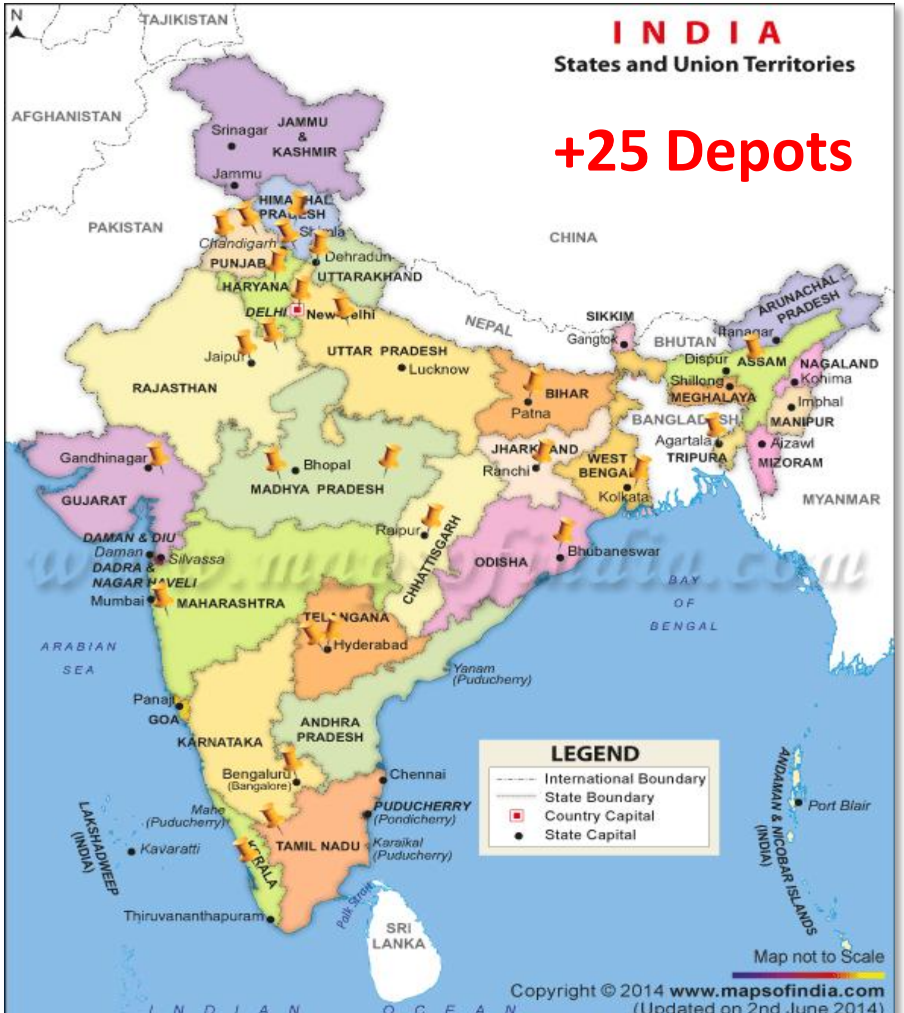
Universal Spray Cement

- ✓ Capacity of 1800KL
- ✓ Solution available in Ready to use and Thick forms

Envelope

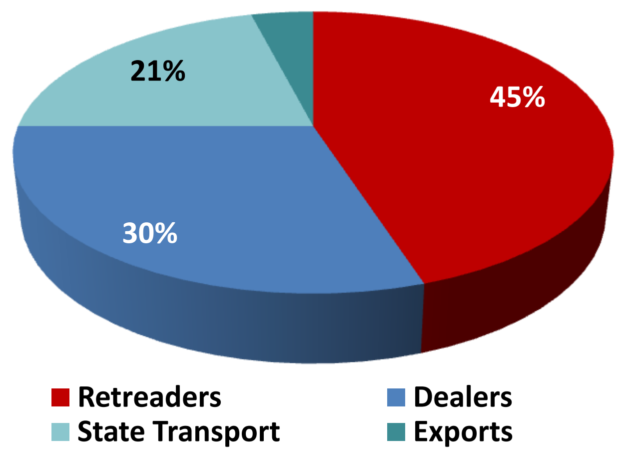
- ✓ Various allied products and spare tools used in retreading units/shops

Distribution Network



- ✓ For speedy delivery of products
- ✓ Pan India Presence
- ✓ 500-600 Retreaders
- ✓ 100-150 Dealers
- ✓ 25 Depots PAN India basis

Revenue Breakup (Rs. 232crs)



Focused Management

Mr. Nand Khemka – Chairman & Managing Director

- M.S. in Foreign Trade and 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- Chief Executive Officer & Whole Time Director

- Over 47 years of experience served as the MD of GAIL & Enron India (NG) until 1998
- Whole-time Director of Indag Rubber Ltd. Since 2001
- Post-graduate in Mathematics and a member of the Institute of Cost and Works Accountants of India.

Mr. Uday Khemka –Director

- He is son of Mr. Nand Khemka having more than 24 years of investment, investment banking and entrepreneurial experience in emerging markets
- He is Vice-Chairman of the SUN Group of companies

Ms. Bindu Saxena – Director

- Senior lawyer and partner of M/s. Swaroop & Co
- Has experience of 25 years in Merger & Acquisition, Restructuring and Corporate Advisory.

Focused Management

Mr. R Parameswar -
Non Executive Director
(Independent)

Mr. P R Khanna -
Non Executive
Director
(Independent)

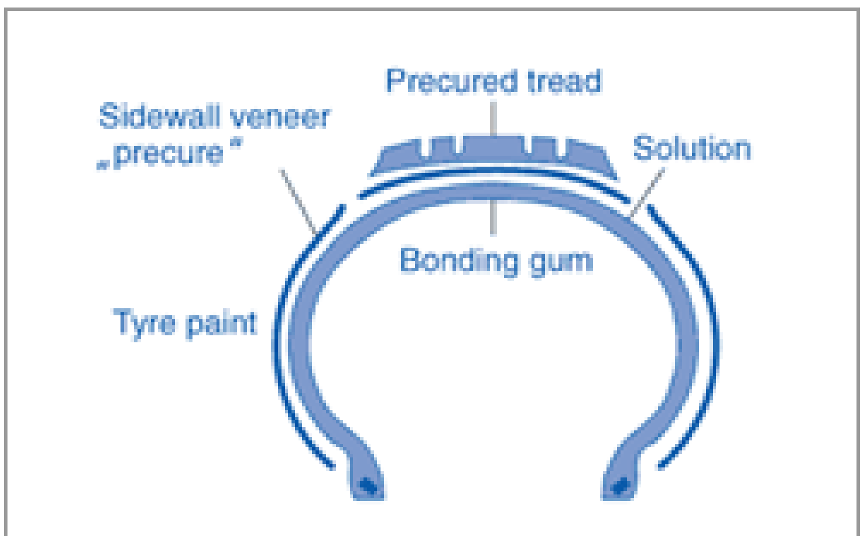
Mr. K M S Ahluwalia-
Non Executive Director
(Independent)

Mr. J K Jain
Chief Finance Officer

Mrs. Manali D Bijlani
Company Secretary

Mr. Nirmal Chaturvedi
Chief Operating Officer

Training Retreaders ensure Quality



Training imparted by Engineers who has unique qualifications of Retreading

To achieve Highest standards of Quality while re-treading

Training Centre

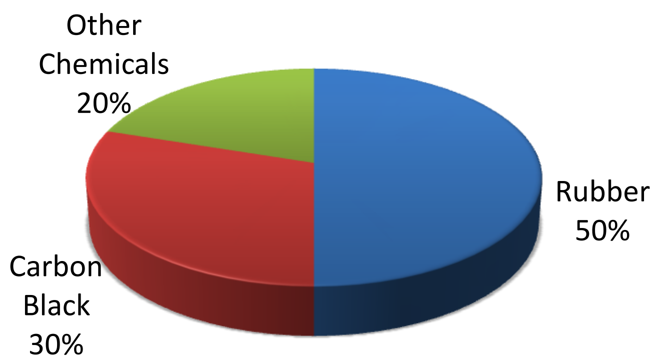
Safety in all areas & High Standard Products & Service Delivery

Marketing the Product & Differentiating from Others

- ✓ **Retreading operation carried out by Retreaders**
- ✓ **Retreaders also gets after sales and support services**
- ✓ **Problem solving and helping with the machinery issues**
- ✓ **Logistic & warehouse support**

Key Raw materials

Raw material composition



- ✓ **Main vendors for Natural Rubber are located at South region (Kerala)/North East**
- ✓ **Takes minimum 7 days to reach the material from south region to Nalagarh plant**
- ✓ **Maintain minimum 7-8 days stock at plant and the same quantity in transit**

Raw Material Vendors

Our Key Strengths

1. Cost Effective
2. Quality through Training
3. Innovations & Invention of Different Recipes & Patterns
4. *Strong Balance Sheet*
5. *High RoCE*

Financial Highlights

Corporate Actions

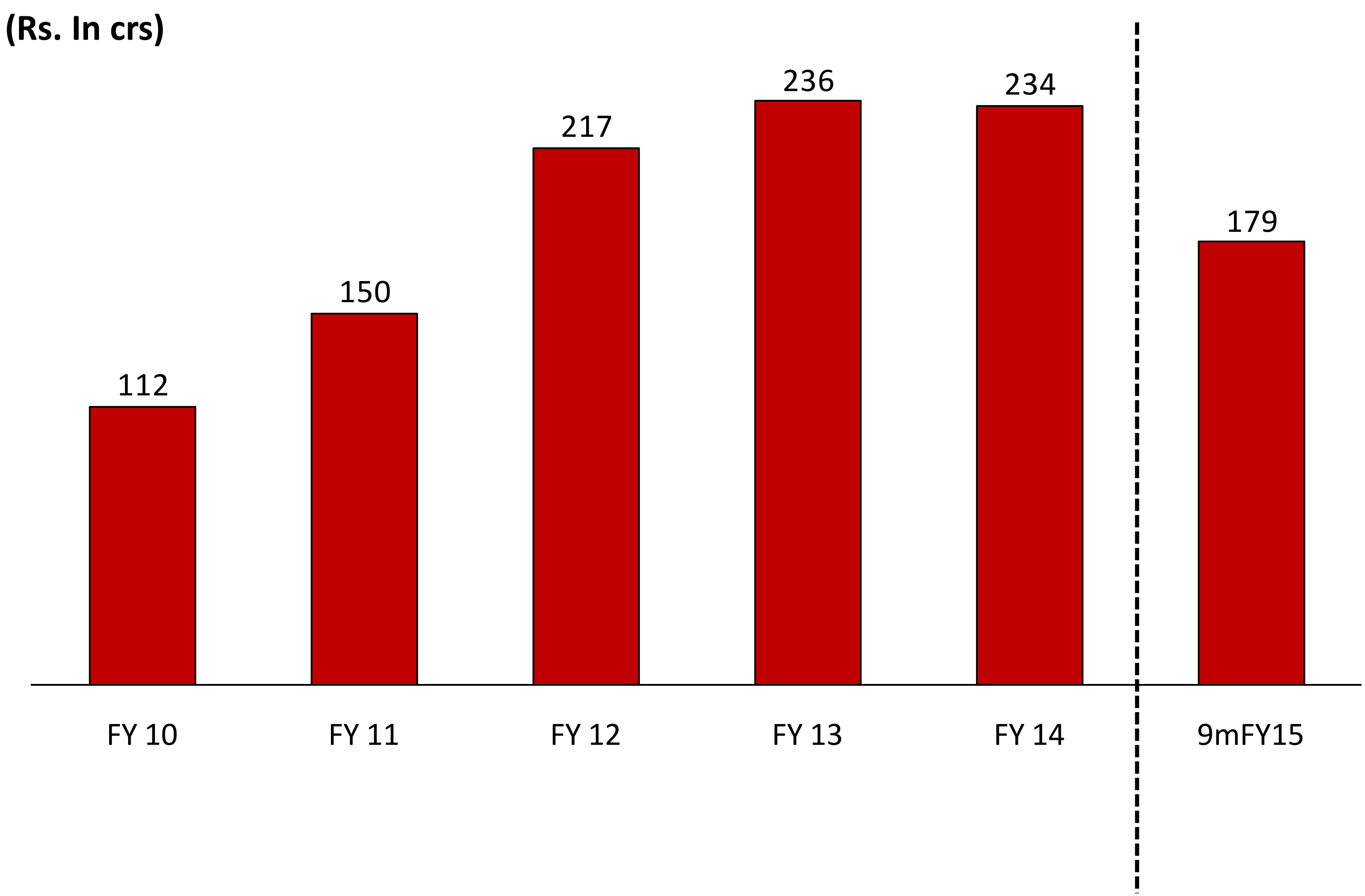
- **10th January 2015 : Sub-division of Equity Shares**

  The Board of Directors have finalized and approved the sub-division of the Equity Share of the Nominal Value of Rs. 10/- each into Equity Shares of nominal value of Rs.2 each, fully paid up and consequently, the Company is in the process of completing all requisite formalities/approvals including obtaining approval from the shareholders by means of Postal Ballot/E-Voting

- **27th September 2014:**

  Declared Interim Dividend of Rs 4.5 per share

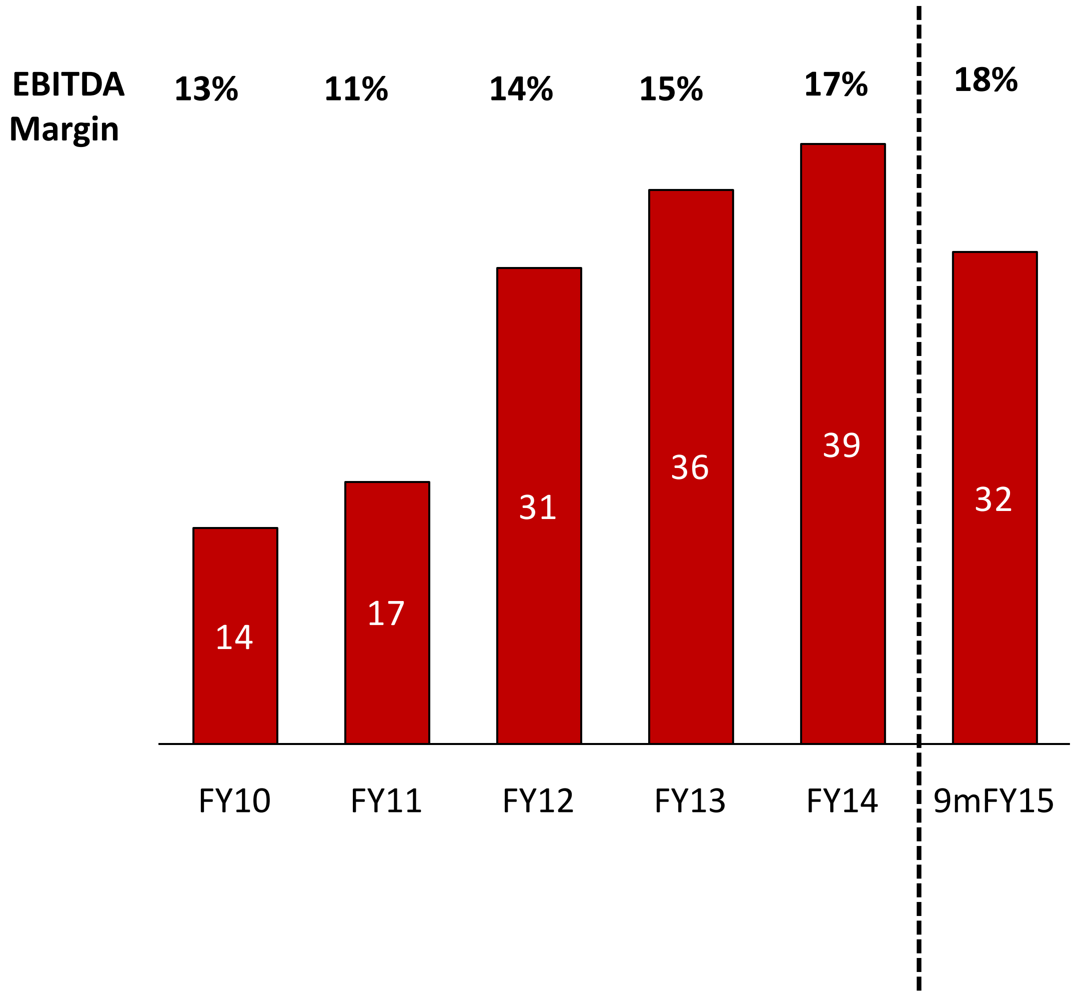
Revenue Trend



*incl. Other Income

EBITDA

(Rs. In crs)

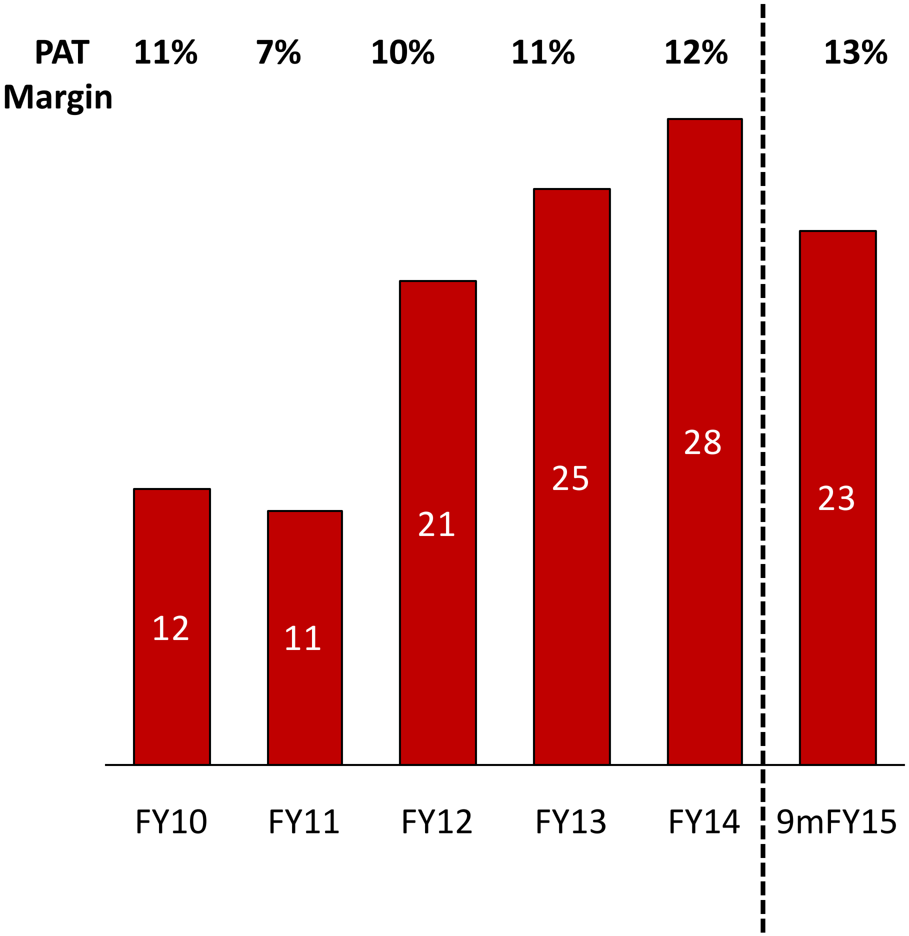


Comments on Improvement in EBITDA

- ✓ Increase in Turnover; 16% CAGR for last 5 years
- ✓ Cost savings in Raw material through R&D
- ✓ Better Operating Efficiency
- ✓ Repayment of debt led to reduce interest burden

Net Profit & High ROCE

Net Profit (Rs. In crs)



Consistently Generating High ROCE

Rs. In crs	Mar'14	Mar '13
Cash & Bank Balance	3	2
Current Investments	40	27
Gross Cash Balance	43	29
Borrowings	0	0
Net Cash	**43**	**29**
EBIT	36	33
Capital Employed	103	82
Net Worth	103	82
Borrowings	0	0
ROCE	**35%**	**41%**
EBIT excl. Interest Income	35	32
Capital Employed (excl. Cash)	60	53
ROCE (excl. Cash)	**58%**	**60%**

Financial Highlights

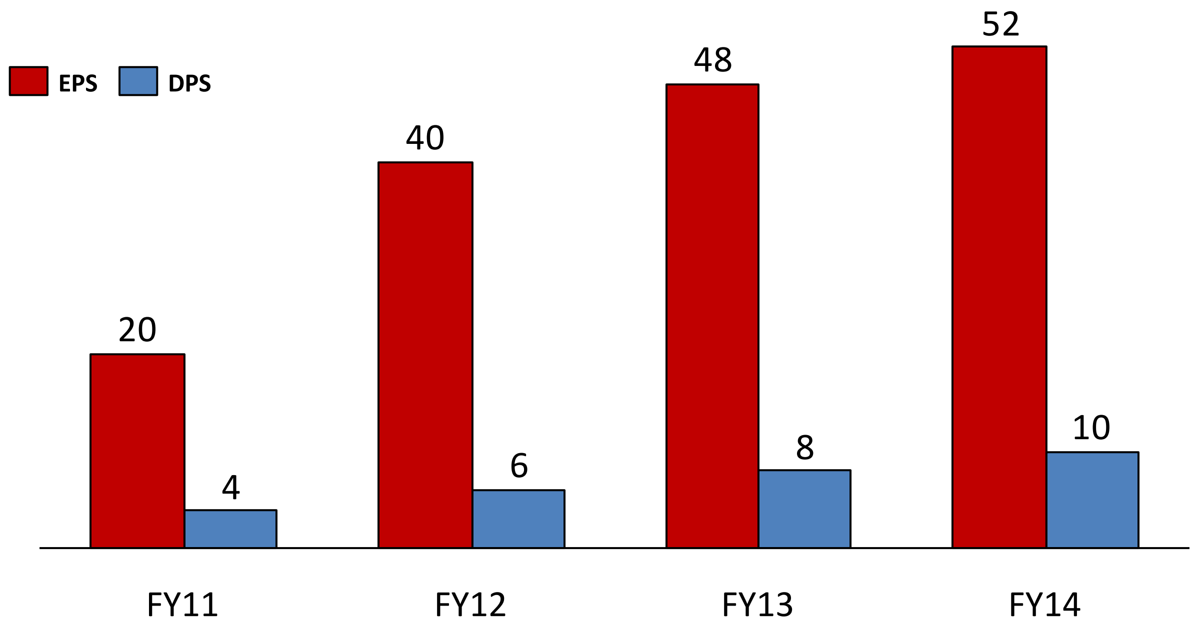
Particulars (Rs. Crores)	Q3FY15	Q3FY14	Y-o-Y	9mFY15	9mFY14	Y-o-Y	FY14
Revenue	59.66	56.88		176.09	176.60		232.24
Other Income	0.56	0.56		2.70	1.28		1.63
Total Income	60.22	57.44	5%	178.79	177.88	1%	233.87
Raw Material	39.10	38.10		115.08	116.98		154.30
Employee Cost	4.44	3.76		12.78	11.47		15.24
Other Operating Expenses	6.53	6.33		18.91	19.36		25.6
EBITDA	10.15	9.25	10%	32.02	30.07	6%	38.72
EBITDA Margin	***16.8%***	***16.1%***		***17.9%***	***16.9%***		***17.0%***
Depreciation	0.57	0.64		1.39	1.88		2.52
Interest	0.02	0.04		0.07	0.15		0.19
Tax	2.13	2.28		7.46	6.84		8.47
Net Profit	7.43	6.29	18%	23.10	21.20	9%	27.55
Net Profit Margin	***12.3%***	***10.9%***		***12.9%***	***11.9%***		***12.0%***

Balance Sheet

Rs. Crores	Sep-14	Mar-14
Shareholder's Fund	**115.82**	**103.06**
Share capital	5.25	5.25
Reserves & Surplus	110.57	97.81
Non-current liabilities	**1.84**	**1.55**
Deferred Tax Liabilities (Net)	1.82	1.40
Long term Provisions	0.02	0.15
Current liabilities	**27.83**	**28.65**
Short term borrowings	0.02	0.00
Trade payables	14.93	12.98
Other current liabilities	11.35	10.63
Short term Provisions	1.53	5.04
Total Liabilities	**145.48**	**133.26**

Rs. Crores	Sep-14	Mar-14
Non-current assets	**28.89**	**48.21**
Fixed assets (inc. CWIP)	26.87	27.13
Non-current Investments	0.00	18.52
Long-term loans and advances	2.00	2.55
Other Non-current assets	0.02	0.01
Current assets	**116.59**	**85.05**
Current Investments	50.80	21.51
Inventories	31.02	31.86
Trade receivables	25.61	25.52
Cash and bank balances	5.05	3.29
Short term loans and advances	4.06	2.77
Other current assets	0.05	0.10
Total Assets	**145.48**	**133.26**

Dividend Pay-out



Earning Per Share (Rs.)	**20**	**40**	**48**	**52**
Dividend Per Share (Rs.)	**4**	**6**	**8**	**10**
Dividend Payout	**20%**	**15 %**	**17 %**	**19%**

For further information, please contact

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