

ISO 9001 : 2008

Indag Rubber Limited

Regd. Office : Khemka House, 11, Community Centre, Saket, New Delhi - 110017, India
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 : 09318757174.

February 11, 2016

The Bombay Stock Exchange
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001

Ref. File No- (Comp. Code. 509162)

Sub: Presentation on Q3 FY16

Dear Sir,

Enclosed please find the Investor Presentation and press release of Q3 and 9M FY16 for the information of the investors and public at large.

Thanking you.

For Indag Rubber Limited

Manali D. Bijlani
Company Secretary



Indag Rubber Limited

9M FY16 Audited Financial Results

Revenue at Rs. 201crs; growth of 12% y-o-y

EBITDA at Rs. 39crs; growth of 21% y-o-y

PBT of Rs. 37crs; growth of 20% y-o-y

Release: 10th February 2016, Delhi

Indag Rubber Limited, one of the India's leading Tread Manufacturing Company, has declared Audited Results for the quarter and nine months ended December 31, 2015.

Financials at a Glance:

Rs. Crores	Q3FY16	Q3FY15	Y-o-Y	9MFY16	9MFY15	Y-o-Y
Revenue (incl. other income)	63.1	60.2	5%	200.9	178.9	12%
EBITDA	12.4	10.2	22%	38.9	32.1	21%
EBITDA Margin (%)	20%	17%		19%	18%	
Profit Before Tax	11.5	9.6	20%	36.6	30.6	20%
Profit After Tax	7.7	7.4	3%	24.3	23.1	5%
PAT Margin (%)	12%	12%		12%	13%	

Key Highlights:

- The Company recorded Revenue (incl. Other Income) of Rs. 200.9crs during the period compared to Rs. 178.9crs a growth of 12% y-o-y
 - Although the volumes have improved, the revenue for 9MFY16 has been impacted due to lower rubber prices
- The EBITDA for the period is Rs. 38.9crs as against Rs. 32.1crs during the same period previous year
- The Net Profit for the period is Rs. 24.3crs registering growth of 5%
 - Lower growth in PAT is due to full tax payment from this year compared to same period last year





Update on Capacity Expansion

The Company is in the process of expanding its Precured Tread Rubber capacity from 13,800MT p.a. to 20,000MT p.a. at its existing plant in Nalagarh, Himachal Pradesh.

The work on site is progressing as per the schedule. The estimated project cost is Rs. 7crs which is funded through internal accruals.

The expansion is likely to be completed by April 2016.

Update on Excise duty Exemption

Company's manufacturing facility is located in the excise free zone at Nalagarh in Himachal Pradesh. Being in excise free zone, company had enjoyed Excise Exemption on the production.

This benefit has now ended from 16th of January 2016, thus excise duty of 12.5% is applicable on the production going ahead.

However Economic pick up and company's continuous focus on innovation will enable it to lessen the impact of loss of excise benefit.

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

"It gives me great pleasure to share with you Q3 & 9 month ending FY16 Results. We have continued to showcase a positive growth momentum in the 9 months of FY16. Our Revenue grew by 12% and PBT has registered a growth of 20% in 9MFY16.





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 13,800 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 "Low 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.

For more Information, please contact:

Indag Rubber Limited

CIN: L74899DL1978PLC009038

Mr. Anil Bhardwaj, Sr. Dy. G.M. (Finance)

Email: anil@indagrubber.com

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Ms. Neha Shroff

Email: sneha@sgapl.net





INDAG[®]

INDAG RUBBER LTD

Safety & Reliability Mile After Mile....

Q3 FY16 Investor Presentation



Safe Harbor



This presentation and the accompanying slides (the "Presentation"), which have been prepared by Indag Rubber Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.



Content



S. No	Particulars	Page
1	Result Highlights	4
2	Retreading Industry	7
3	Indag Rubber – Corporate Overview	12
4	Financial Highlights	30





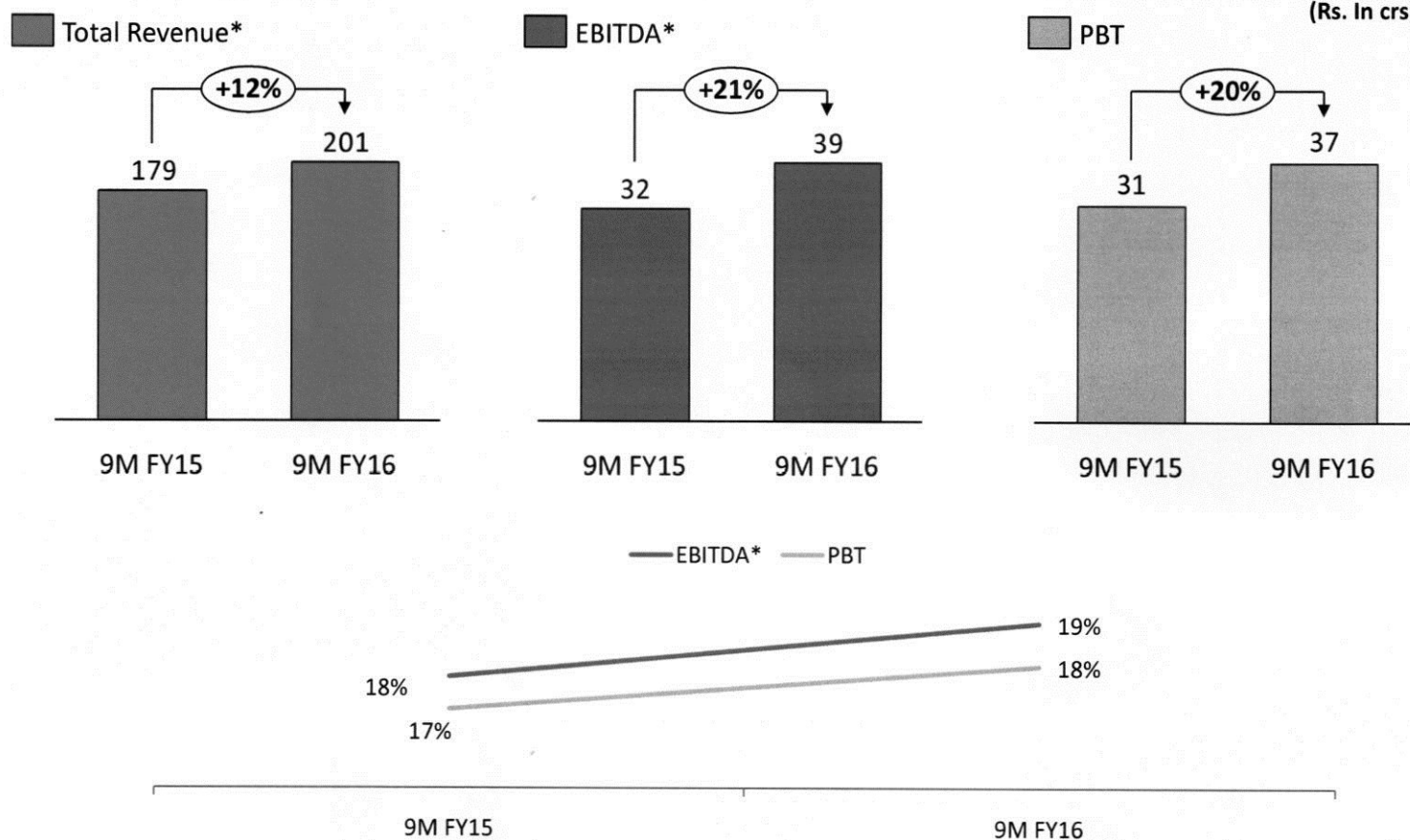
4



Financial Highlights – 9 Months



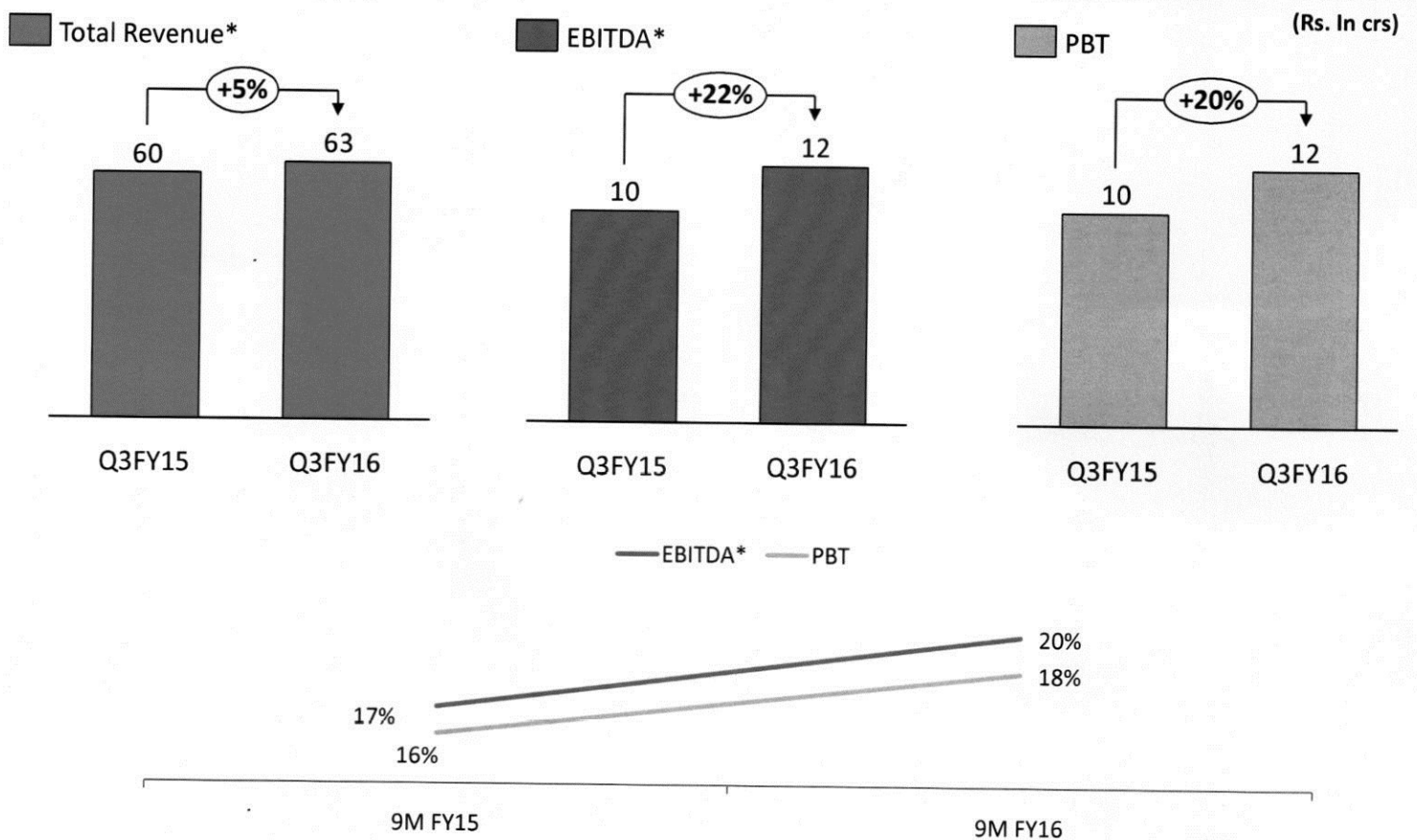
(Rs. In crs)



* incl. Other Income



Financial Highlights – Q3FY16



* incl. Other Income





Retreading Industry



Retreading?



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

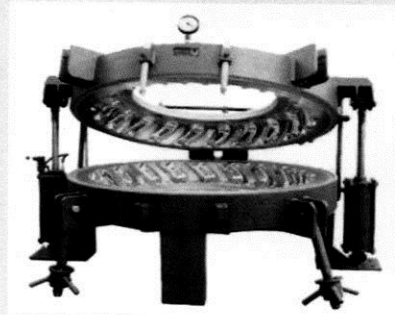
Methods of Retreading

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

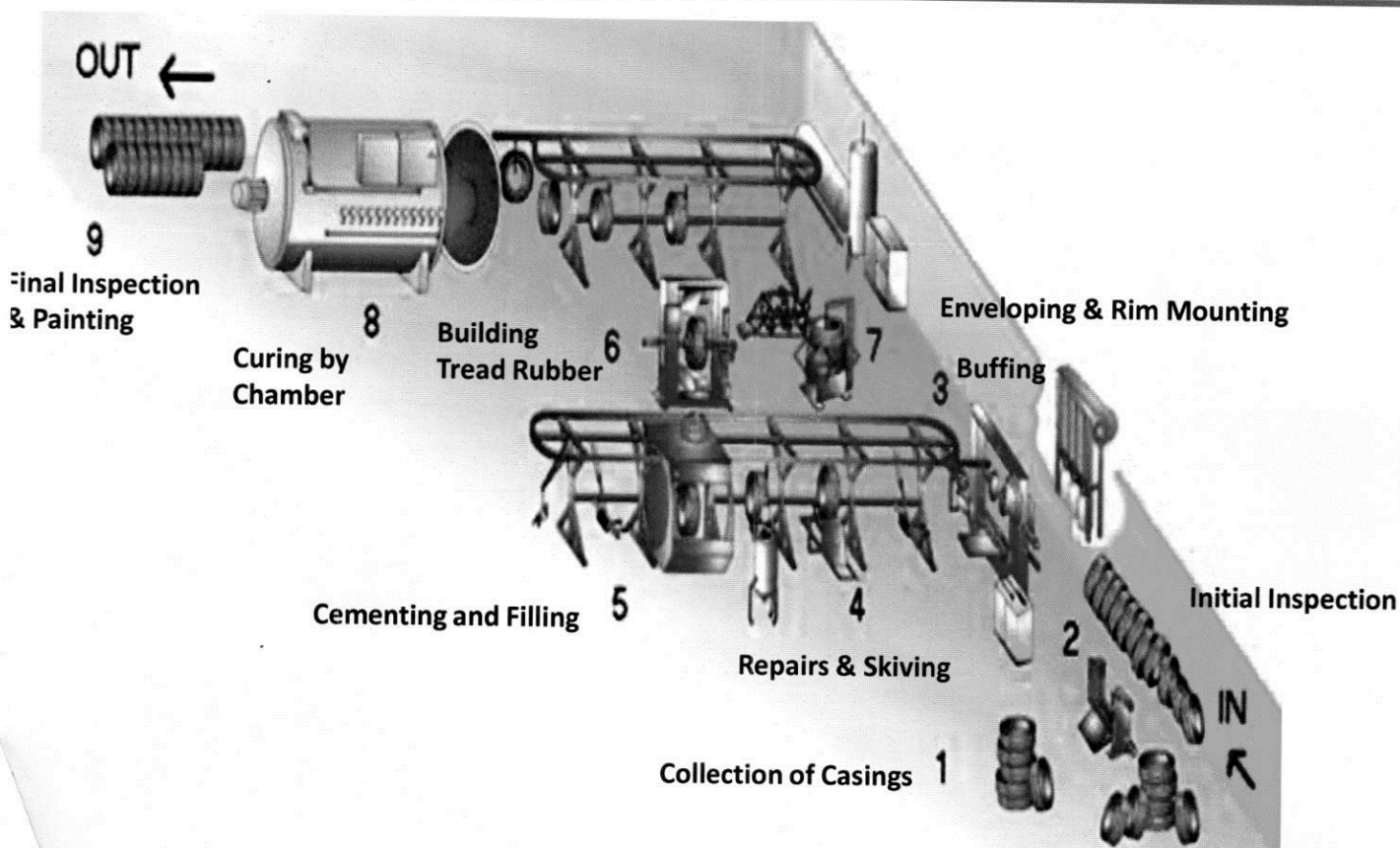
Hot Process



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



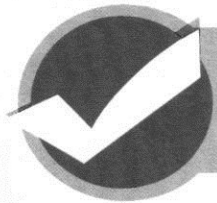
Retreading Process



9



Benefits of Retreading



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



Less investment: required on the part of the retreading plant (no expensive moulds)



Lower cost of production: In retread tyre only 25% Natural rubber is used whereas; in new tyre around 80% of Natural rubber is required



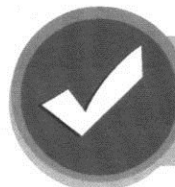
Safety: Tested to same stringent performance criteria as new tyre



Recycling: Extends the life of used tyres thus saving even more energy, CO₂ and raw materials with each product cycle



Durable: Appropriate tread can last nearly the same as new tyre



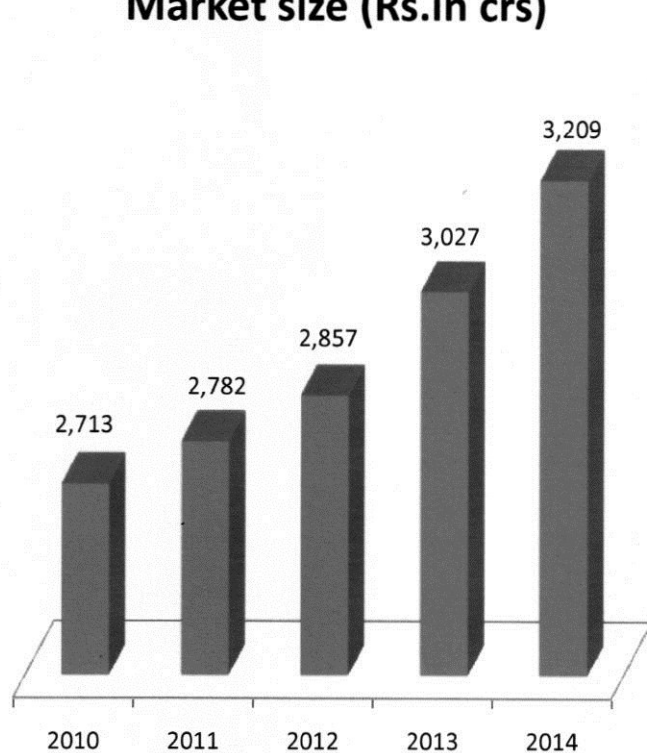
Environmental friendly: Requires ~7 gallons of crude oil to produce a retread as opposed to 22 gallons of oil to manufacture a new tyre



Indian Tread Manufacturing Industry

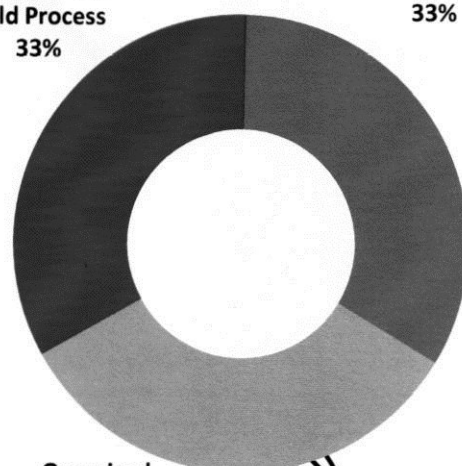


Market size (Rs.in crs)



Un-organised
Cold Process
33%

Hot process
33%



Organised
Cold Process
33%

20%-25%
share





Corporate Overview



Company Overview



India's Most Trusted Tread Manufacturing Company

Pioneered Cold Retreading technology in India

Presence in All type of Commercial Segments

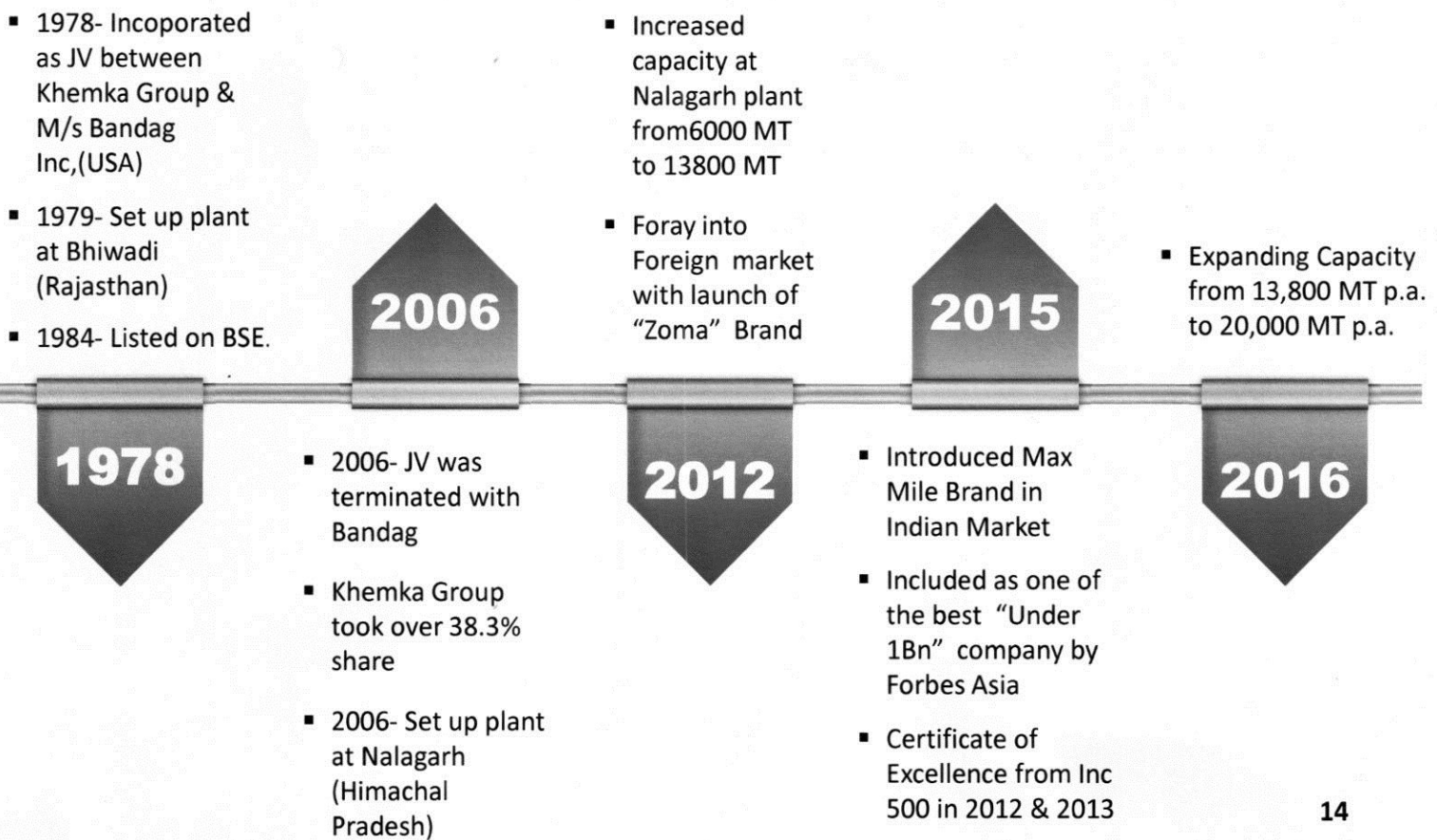
Best Quality with Reasonable Pricing

"Lowest Cost Per Kilometer"

Distributing through 25 Depots across Country



History

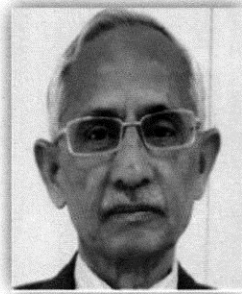


Focused Management



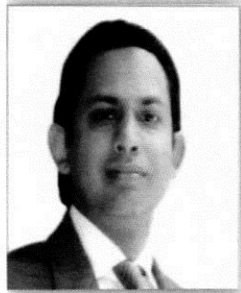
**Mr. Nand Khemka -
Chairman &
Managing Director**

- 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 MD of GAIL & 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
Director



Mr. P R Khanna
Non Executive Director
(Independent)



Mr. R Parameswar
Non Executive Director
(Independent)



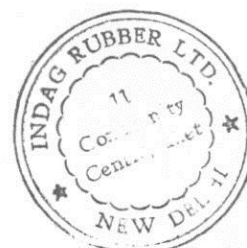
Mr. J K Jain
Chief Finance Officer



Mr. Nirmal Chaturvedi
Chief Operating Officer



Mrs. Manali D Bijlani
Company Secretary



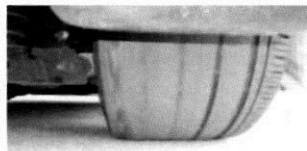
Flow of Business



Fleet Owners Run
the Vehicles



Treads get Worn
after certain Usage



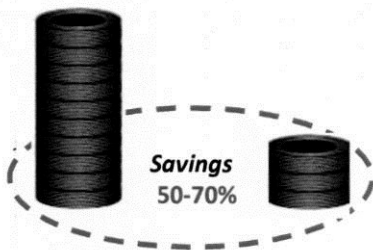
Buy new Tire

OR

Retread the same Old
Tire



Cost of
New Tyres
100%



Cost of Retreaded
Tyres
30-50%



INDAG RUBBER LTD.

Manufactures & Supplies the

Best Quality with
Reasonable Pricing

Retreading Products to
Retreaders



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 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 cure at **higher temperature of 125 - 150°C**

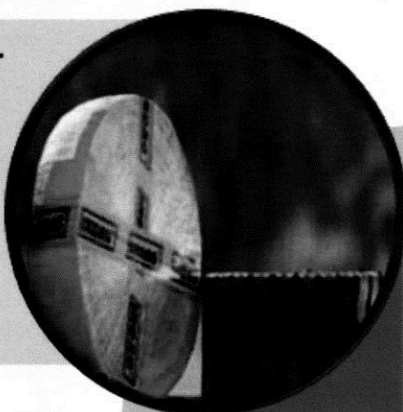


Products



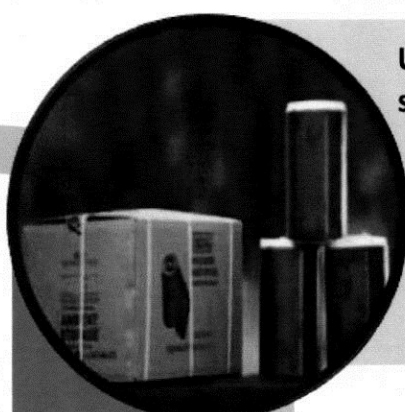
Precured Tread Rubber

- Capacity of 13,800 MT
- Radial and Bias Range
- Range from Passenger to Truck/Bus Tyre
- OTR & Tractor



Un vulcanised Rubber strip gum

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



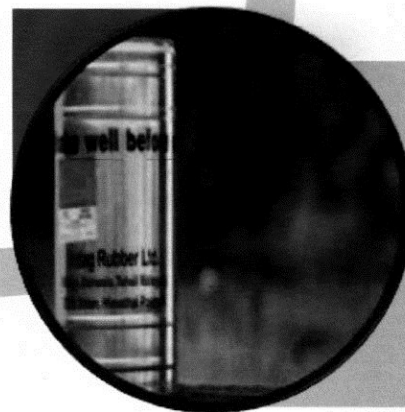
Envelope

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

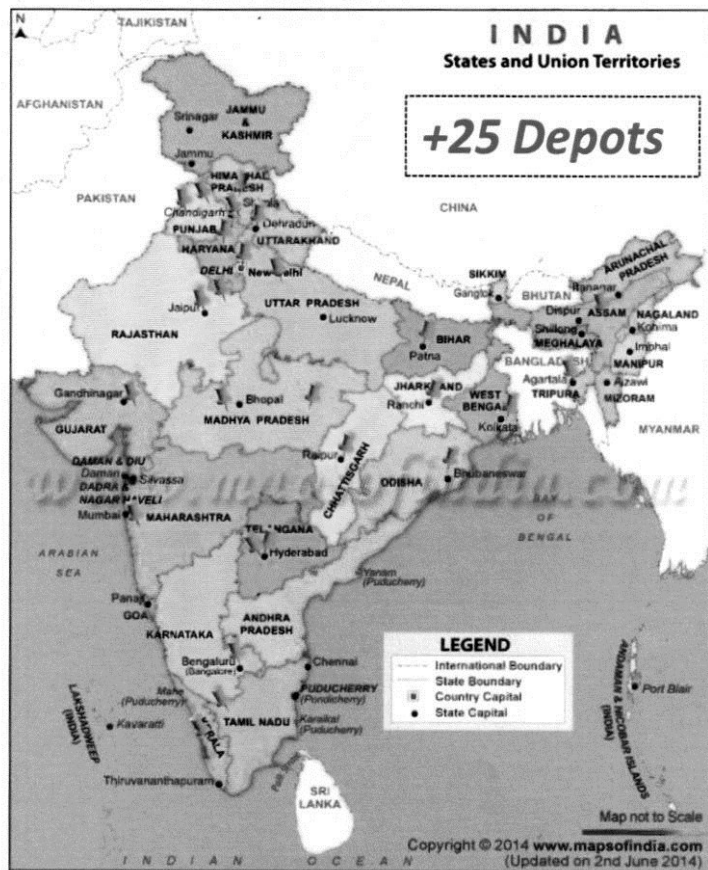


Universal Spray Cement

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



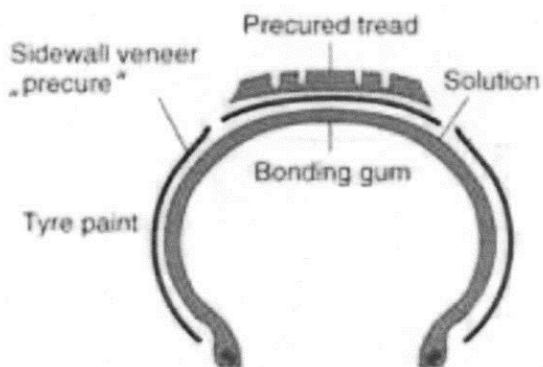
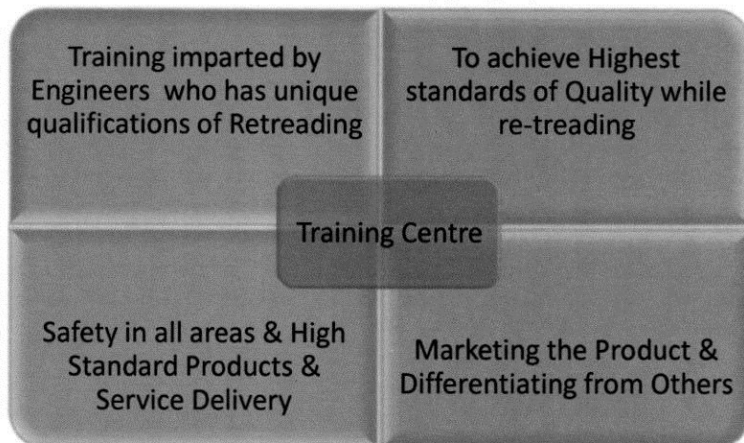
Distribution Network



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



Training Retreaders ensure Quality



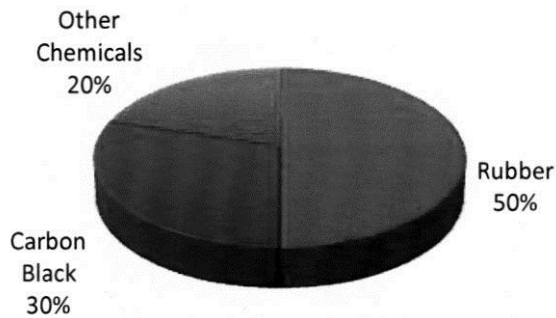
- ✓ Retreading operation carried out by Retreaders
- ✓ Retreaders also gets after sales and support services
- ✓ Problem solving and helping with the machinery issues
- ✓ Logistic & warehouse support



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



INDIAN OIL



NOCIL LIMITED

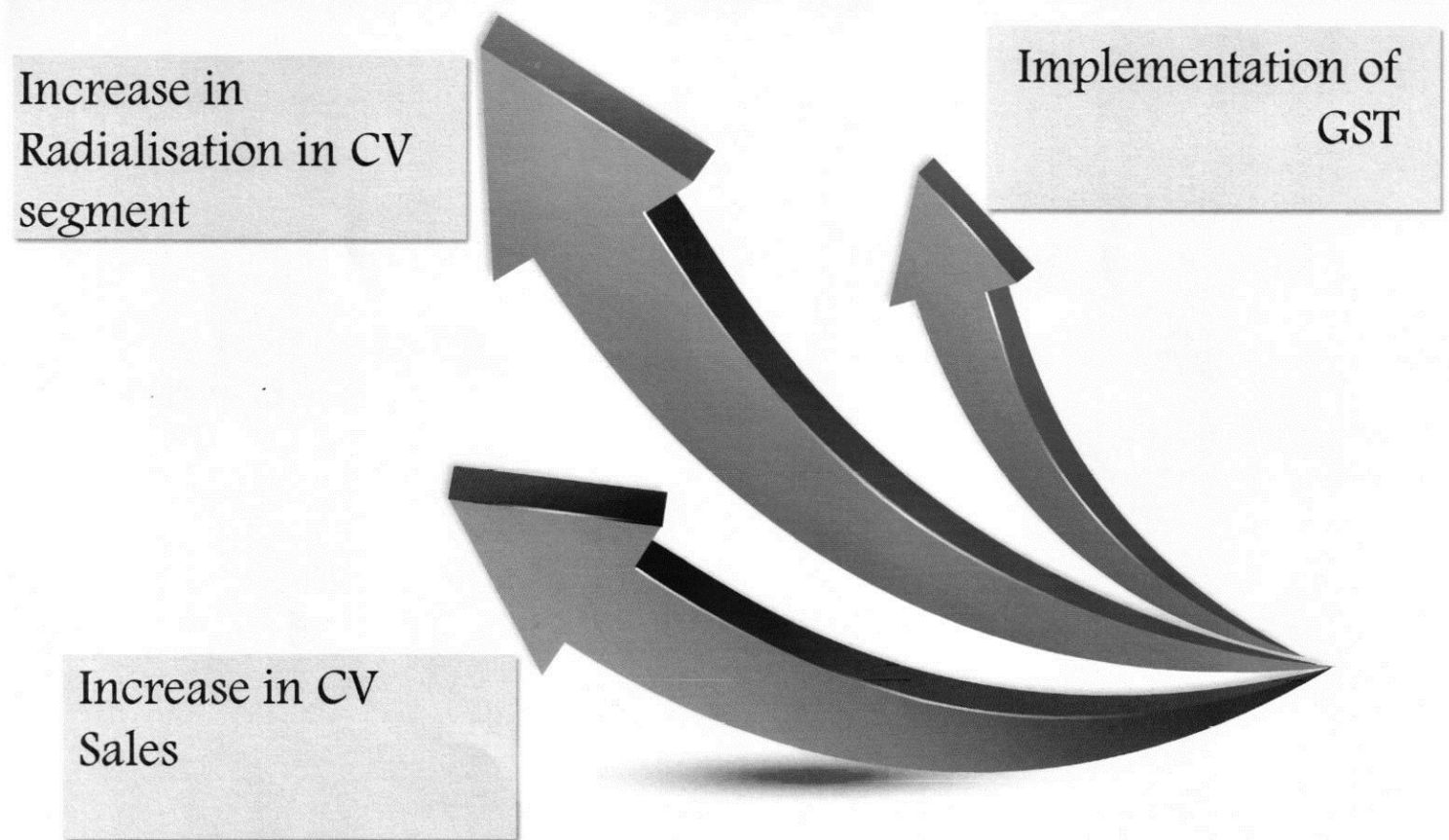
LANXESS
Energizing Chemistry



Reliance
Industries Limited



Large Opportunities

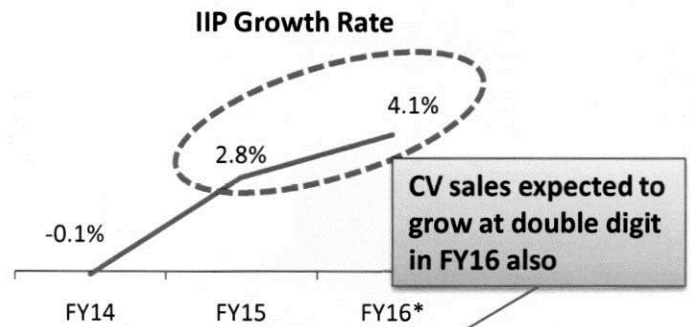
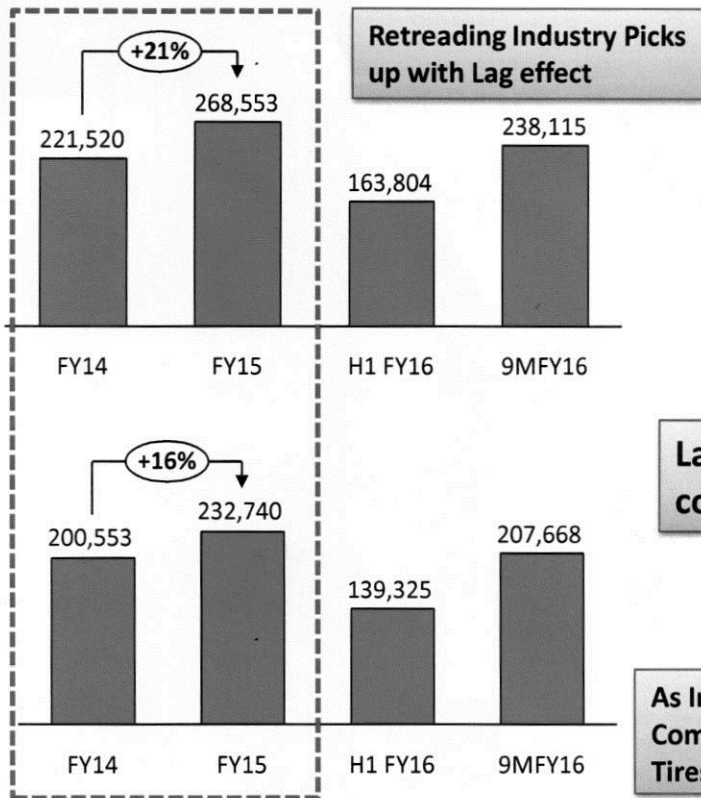


Increase in CV Sales



Production

Domestic Sales

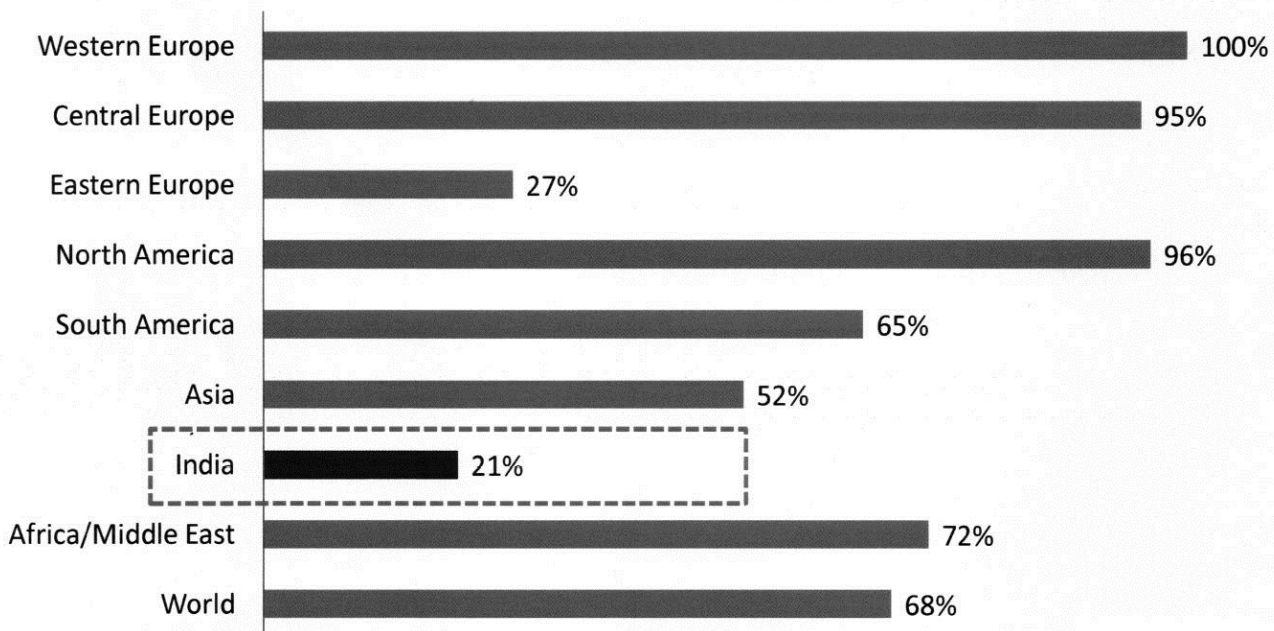


Large Opportunities for Retreading Business in coming years

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



Global Radialisation Penetration



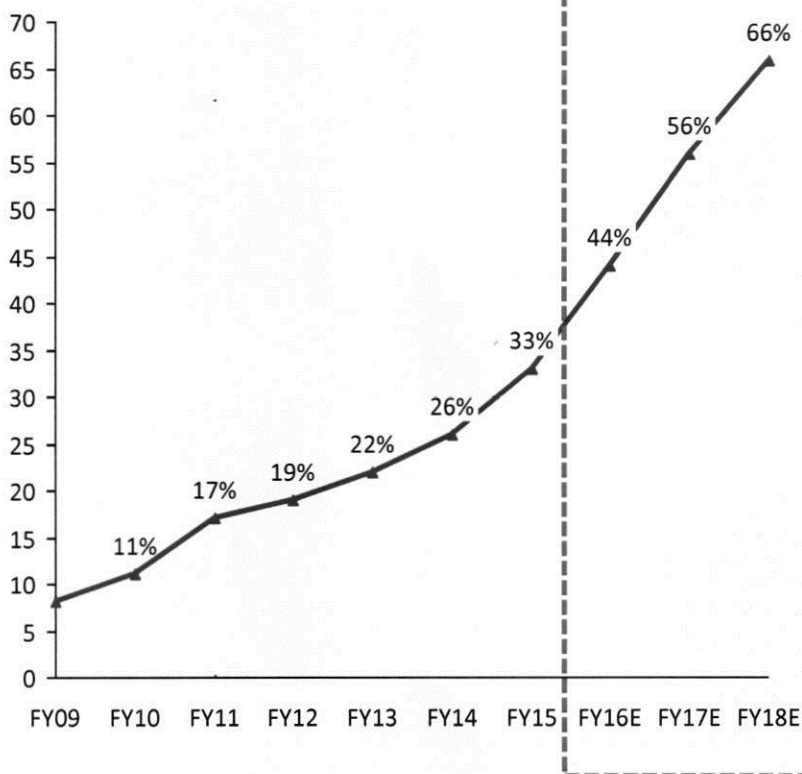
Current Radialisation in India is expected to be in the range of 28%-30% and expected to increase to **45% - 50% in next 3 years**



Increase in Radialisation in CV segment



Radialisation in Truck & Bus



Radialisation requires: Better Road conditions, No overloading & Proper Maintenance of Vehicles

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

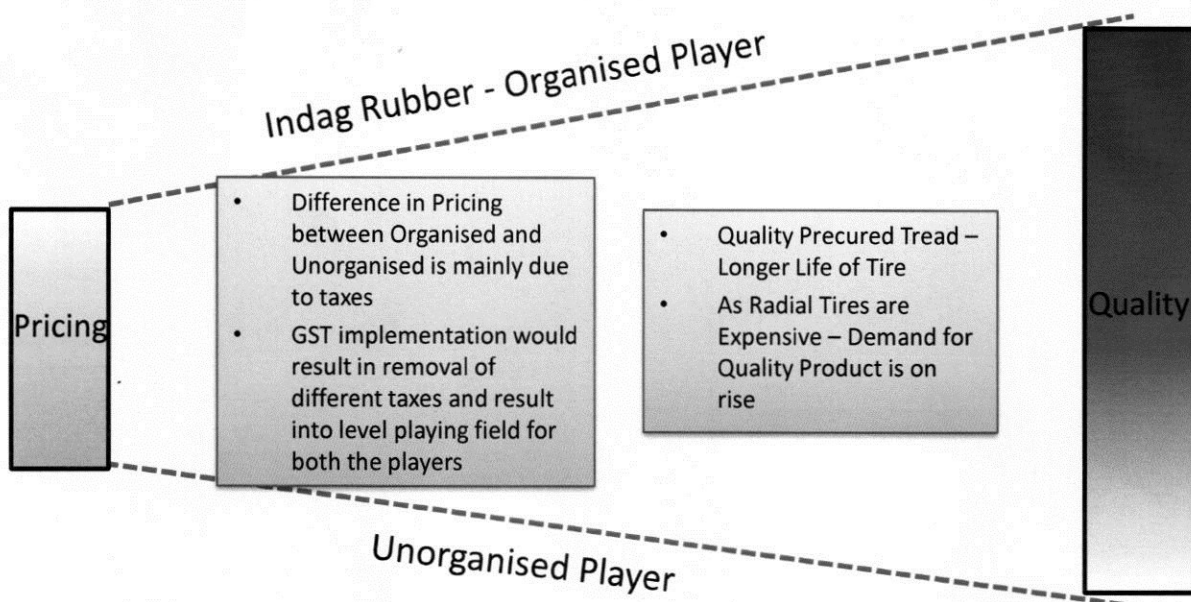
No Overloading & Proper Maintenance of Vehicles - Will help to reduce Casing Failure, which is pre-condition for Tyre Retreading



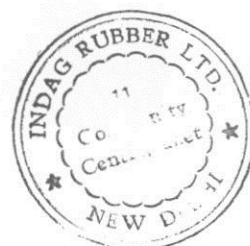
GST - A Game Changer



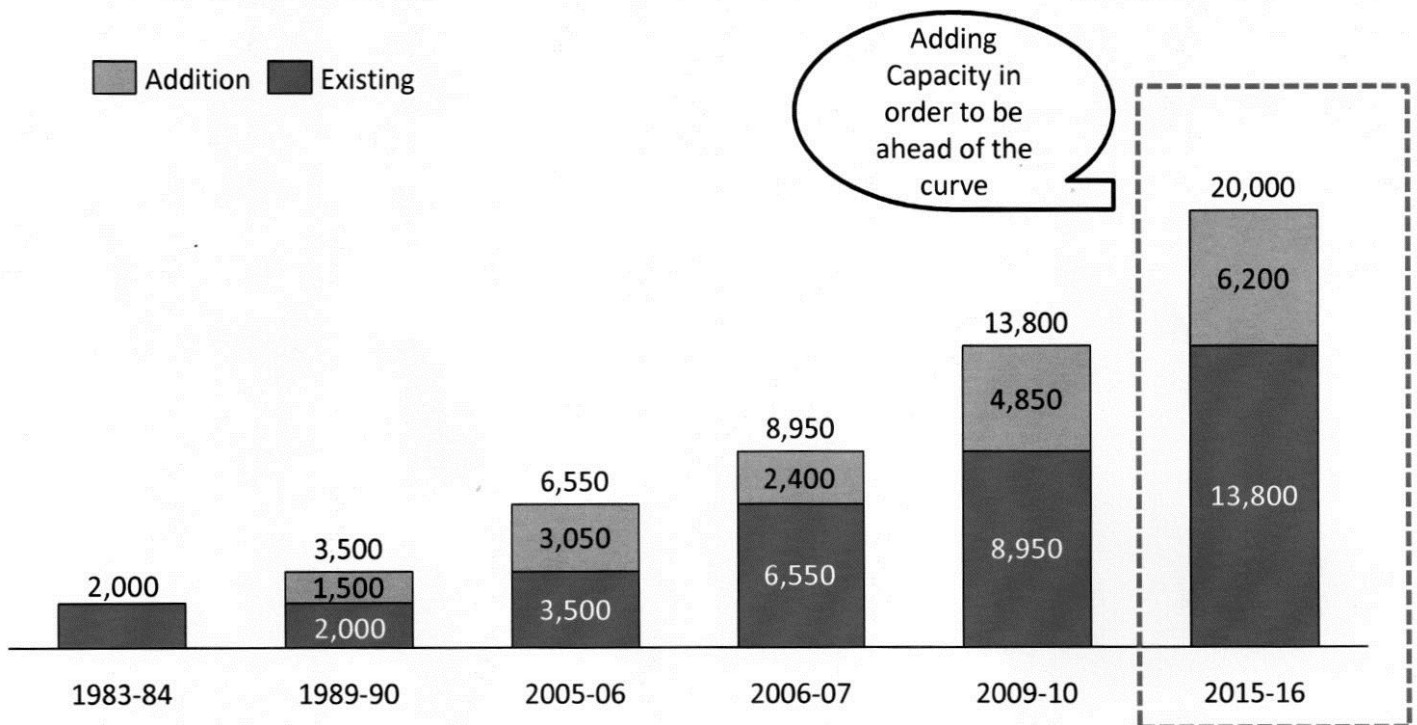
Retreading was dominated by Unorganised Players – Slow Shift towards Organised



Company Offers – Best Quality with Reasonable Pricing



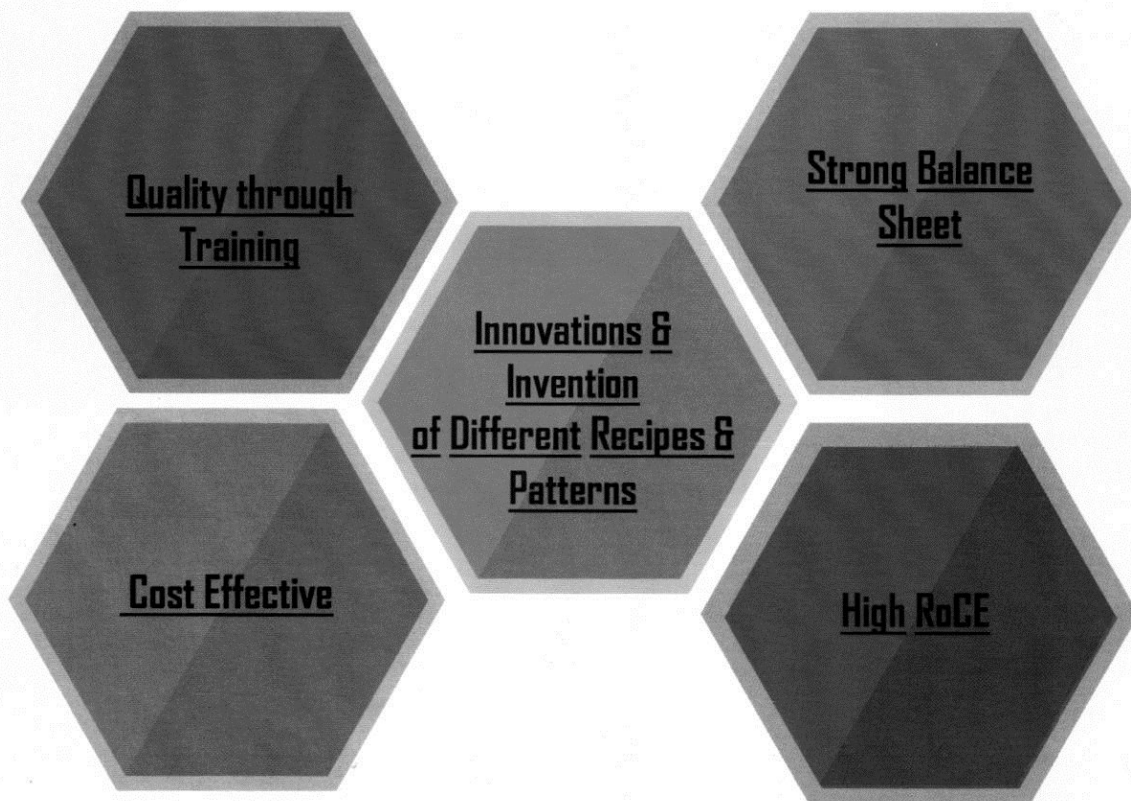
Capacity Expansion – To Grab Opportunities



- Capacity expansion of 6,200 MTPA will be completed by FY16
- Brownfield Expansion with Total Capex of Rs.7 crs



Our Key Strengths





Financial Highlights

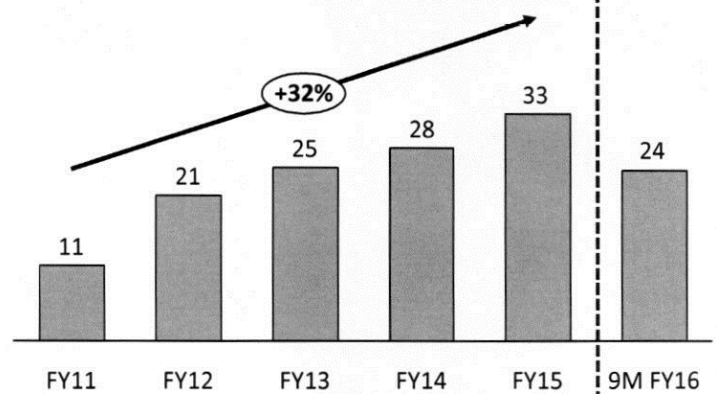
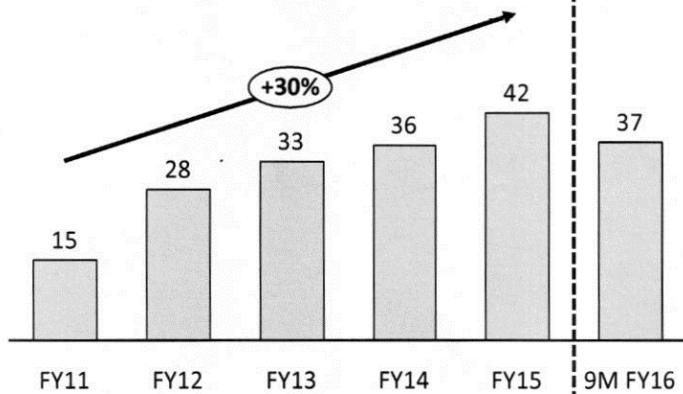
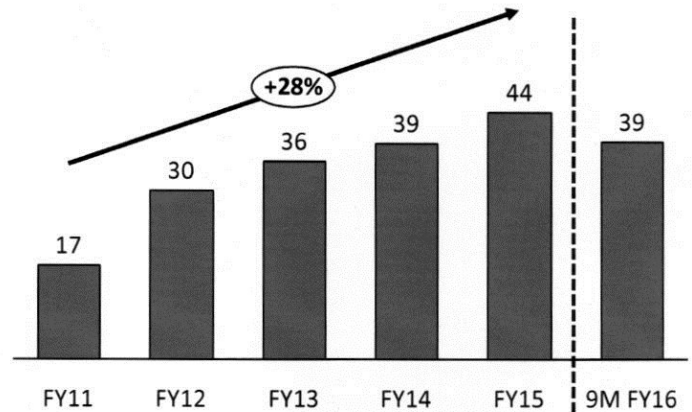
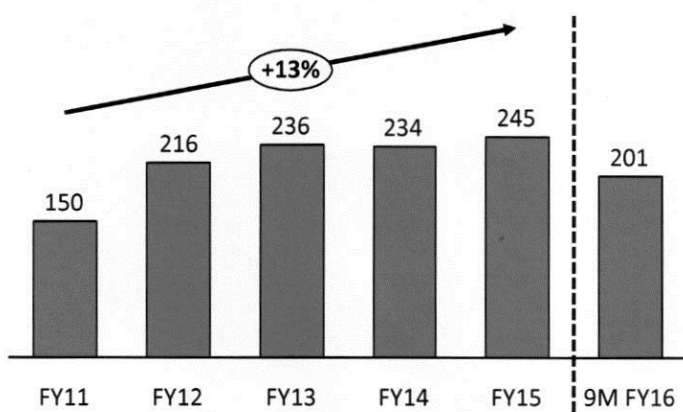


Financial Highlights – Yearly



■ Total Revenue* ■ EBITDA* ■ EBIT ■ PAT

(Rs. In crs)



CAGR (FY11 – FY15) * incl. Other Income



Financial Highlights



Particulars (Rs. In Crs)	Q3FY16	Q3FY15	Y-o-Y
Total Revenue from Operations	62.2	59.8	
Other Income	0.9	0.5	
Total Revenue	63.1	60.2	5%
Cost of Material Consumed	43.3	37.9	
Changes in Inventories	-7.5	1.2	
Employee Expenses	5.6	4.4	
Other Expenses	9.2	6.5	
EBITDA	12.4	10.2	22%
EBITDA %	20%	17%	
Depreciation	0.74	0.57	
EBIT	11.6	9.6	21%
EBIT (%)	18%	16%	
Finance Cost	0.1	0.0	
Profit before Tax	11.5	9.6	20%
Tax	3.9	2.1	
Profit after Tax	7.7	7.4	3%
PAT %	12%	12%	



Financial Highlights – 9 Month Ended



Particulars (Rs. In Crs)	9M FY16	9M FY15	Y-o-Y
Total Revenue from Operations	197.3	176.3	
Other Income	3.6	2.6	
Total Revenue	200.9	178.9	12%
Cost of Material Consumed	126.8	115.4	
Changes in Inventories	-8.2	-0.4	
Employee Expenses	16.1	12.8	
Other Expenses	27.2	18.9	
EBITDA	38.9	32.1	21%
EBITDA %	19%	18%	
Depreciation	2.07	1.39	
EBIT	36.8	30.7	20%
EBIT (%)	18%	17%	
Finance Cost	0.2	0.1	
Profit before Tax	36.6	30.6	20%
Tax	12.3	7.5	
Profit after Tax	24.3	23.1	5%
PAT %	12%	13%	



Balance Sheet

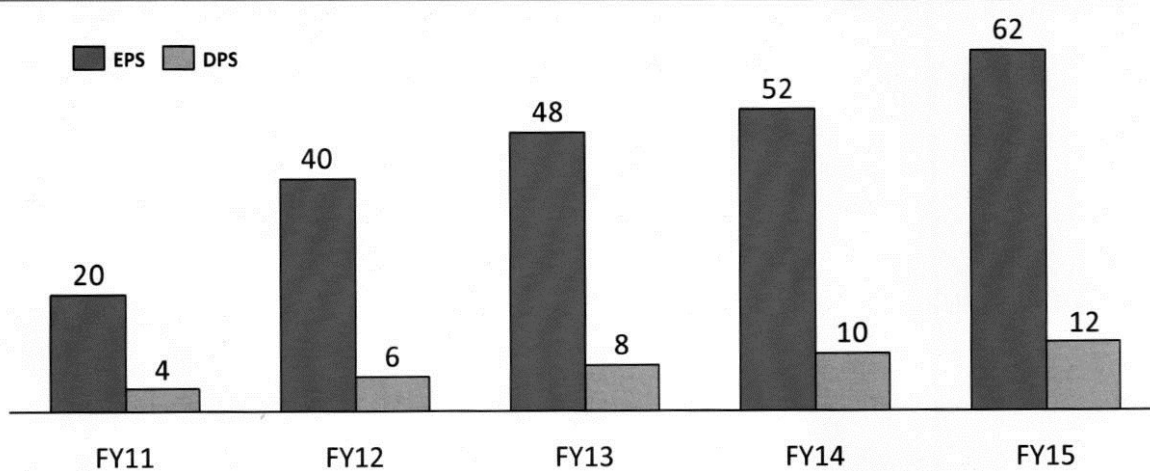


Particulars Rs. Crores	Sep-15	Mar-15
Shareholder's Fund	144.67	128.01
Share capital	5.25	5.25
Reserves & Surplus	139.42	122.76
Non-current liabilities	2.08	0.40
Deferred Tax Liabilities (Net)	1.90	0.28
Long term Provisions	0.19	0.11
Current liabilities	30.82	36.61
Trade Payables	18.12	18.83
Other Current Liabilities	11.56	11.71
Short Term Provisions	1.14	6.07
Total Liabilities	177.57	165.01

Particulars Rs. Crores	Sep-15	Mar-15
Non-current assets	73.49	42.37
Fixed assets (inc. CWIP)	28.19	26.65
Non-current Investments	42.66	13.97
Long-term loans and advances	2.36	1.63
Other Non-current assets	0.29	0.12
Current assets	104.09	122.64
Current Investments	28.37	49.50
Inventories	28.31	30.41
Trade receivables	35.55	33.80
Cash and bank balances	6.62	4.24
Short Term Loans & Advances	4.81	4.25
Other current assets	0.41	0.44
Total Assets	177.57	165.01



Dividend Pay-out



Earning Per Share (Rs.)	20	40	48	52	62
Dividend Per Share (Rs.)	4	6	8	10	12
Dividend Payout	20%	15 %	17 %	19%	19%

Declared Interim Dividend of 45% on FV of Rs. 2/- per share





For further information, please contact

Company :

Indag Rubber Ltd
CIN: L74899DL1978PLC009038
Mr. Anil Bhardwaj, Sr. Dy. G.M. (Finance)
anil@indagrubber.com

www.indagrubber.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN: U74140MH2010PTC204285
Ms. Neha Shroff / Ms. Ruchi Rudra
sneha@sgapl.net / rruchi@sgapl.net

www.sgapl.net

