

INDAG[®]



INDAG RUBBER LTD

Safety & Reliability Mile After Mile.....

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Retreading Industry



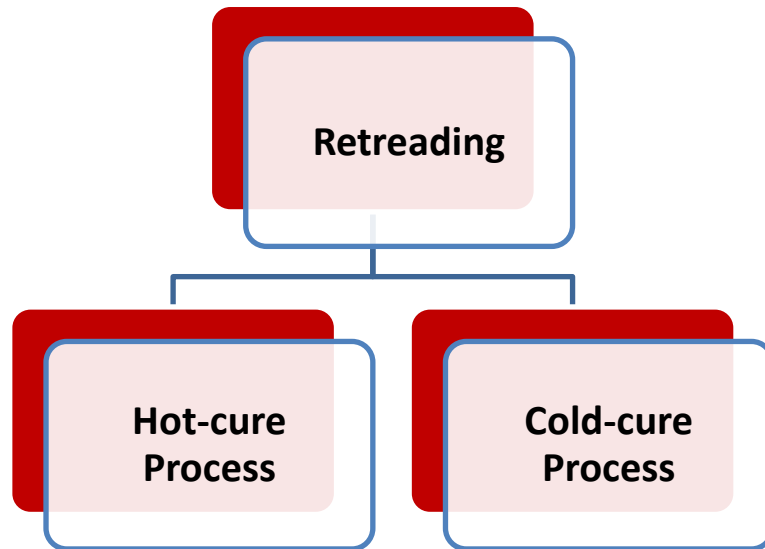
Retreading, A Large Opportunities..



- ✓ 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



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

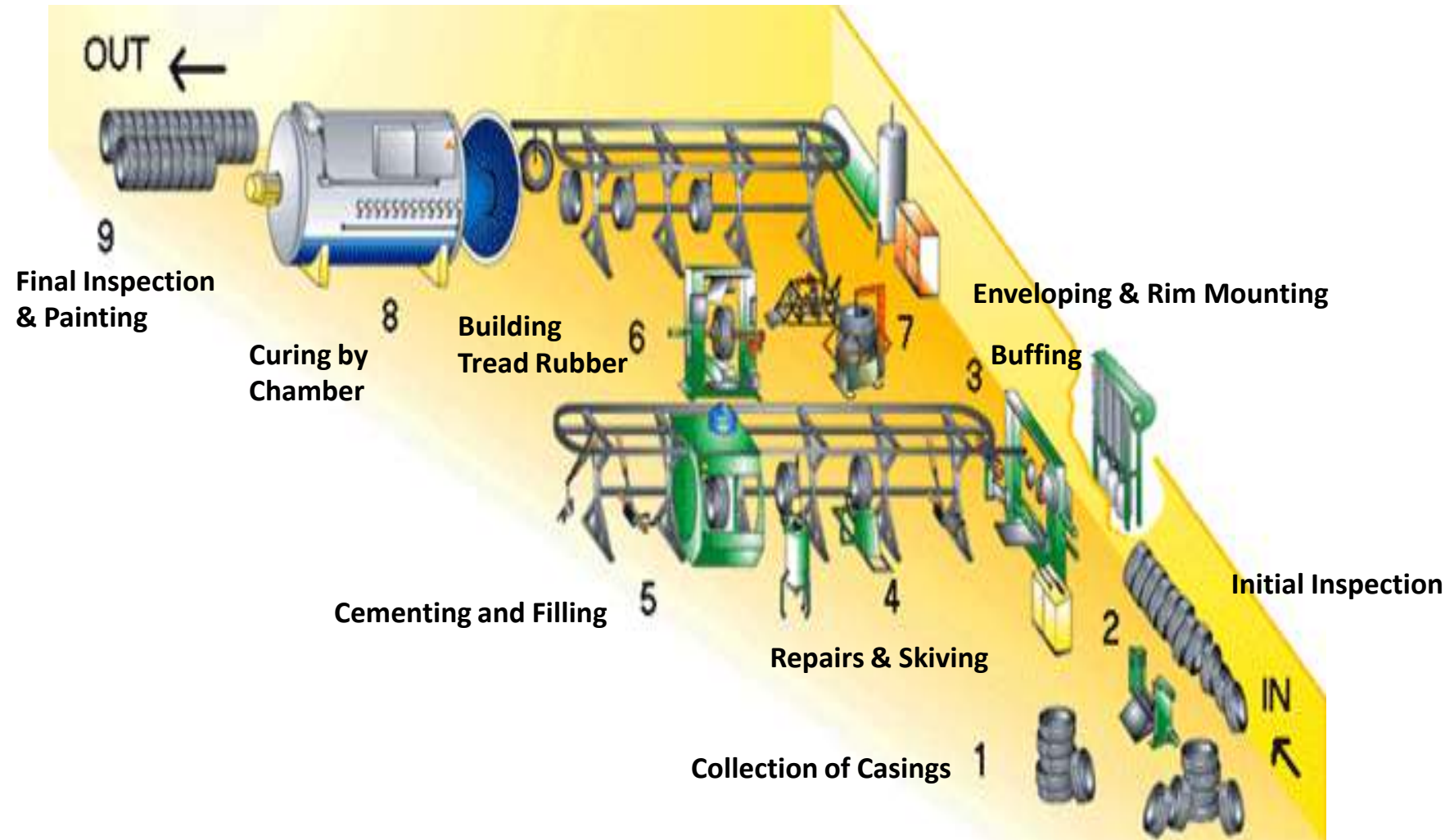
Generally, Retreading Done on tyres of :

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

- ✓ 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

- ✓ 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.

Retreading Process



Benefits of Retreading

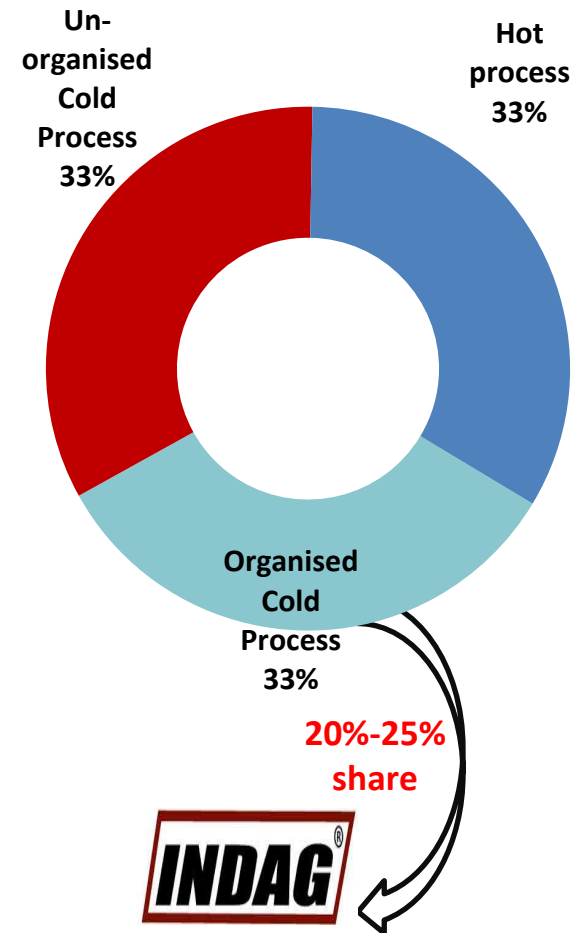
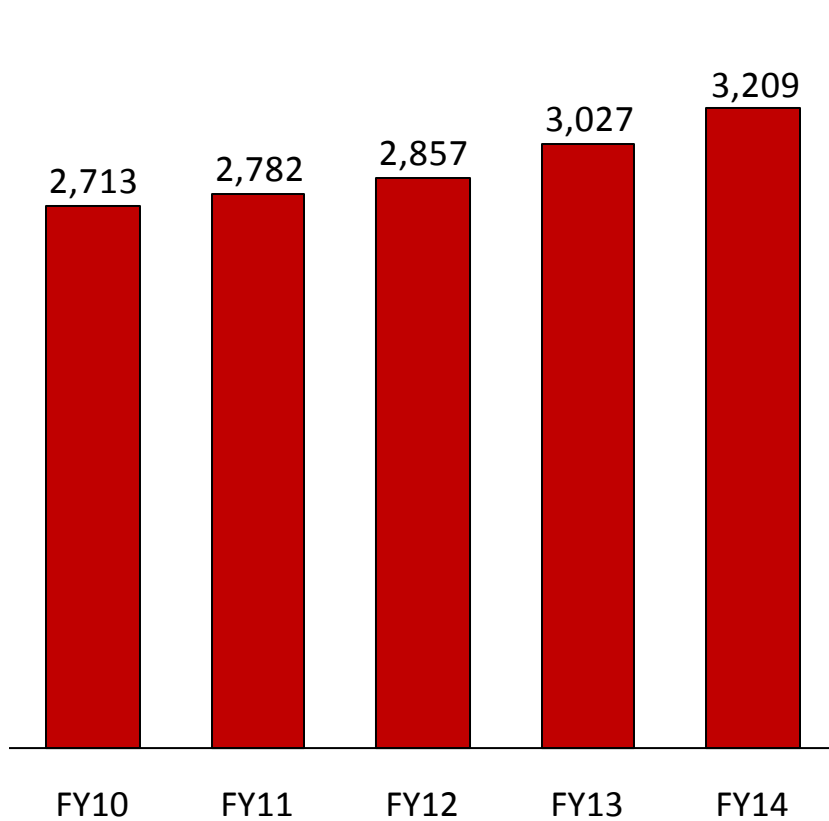


- ✓ **Safety:** Tested to same stringent performance criteria as new tyre
- ✓ **Durable:** Last nearly the same as new tyre
- ✓ **Flexible Production Process:** Made-to-order for specific vehicles or road conditions. Varied tread compound and patterns
- ✓ **Lower cost of production:** Consumes lower 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 ,CO2 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



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

Pioneered **Cold Retreading** technology in India

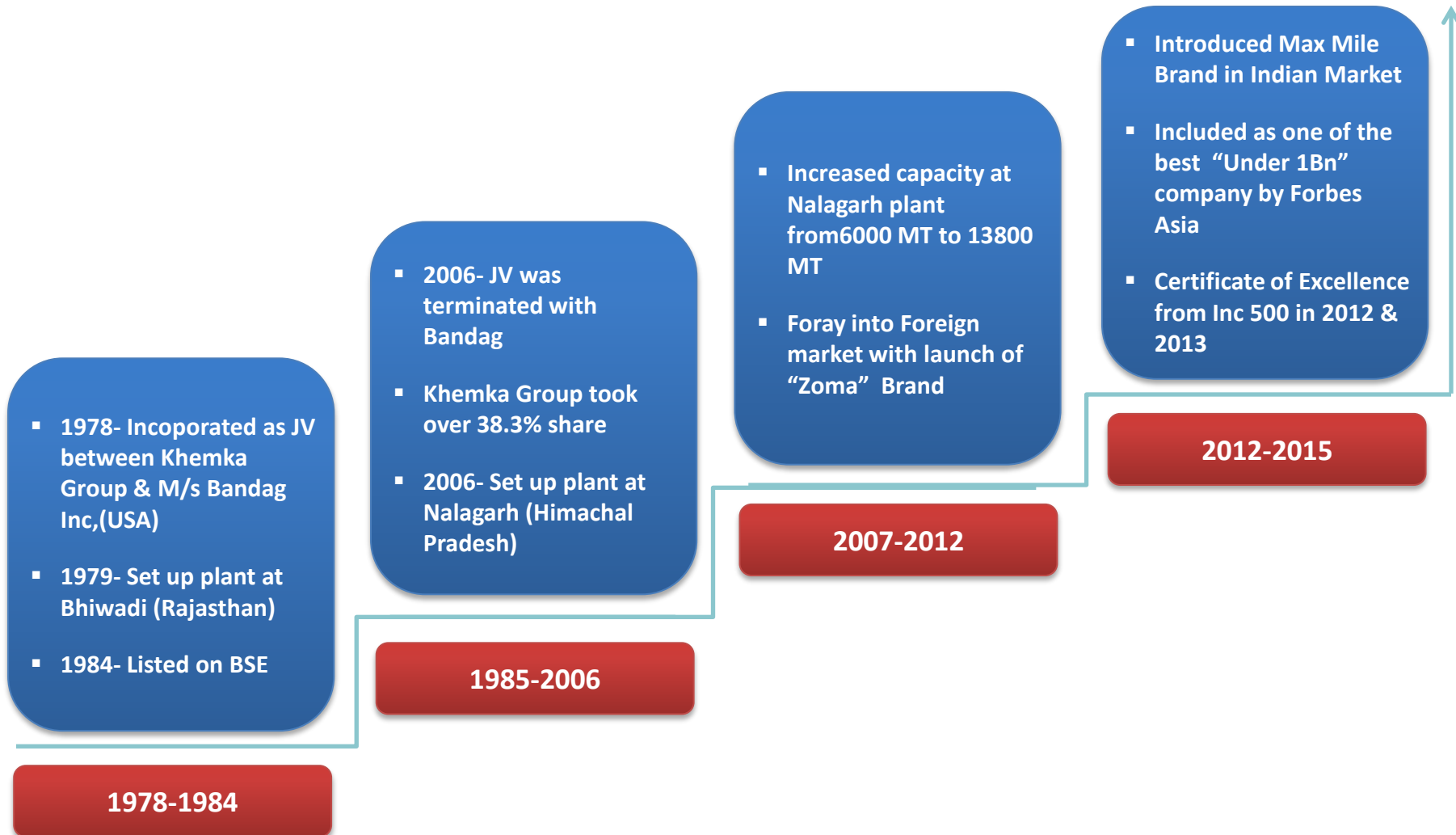
Presence in **All** type of **Commercial Segments**

Best **Quality** with Reasonable **Pricing**

"Lowest Cost Per Kilometer"

Distributing through **25 Depots** across Country

Evolution



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 of 13,800 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

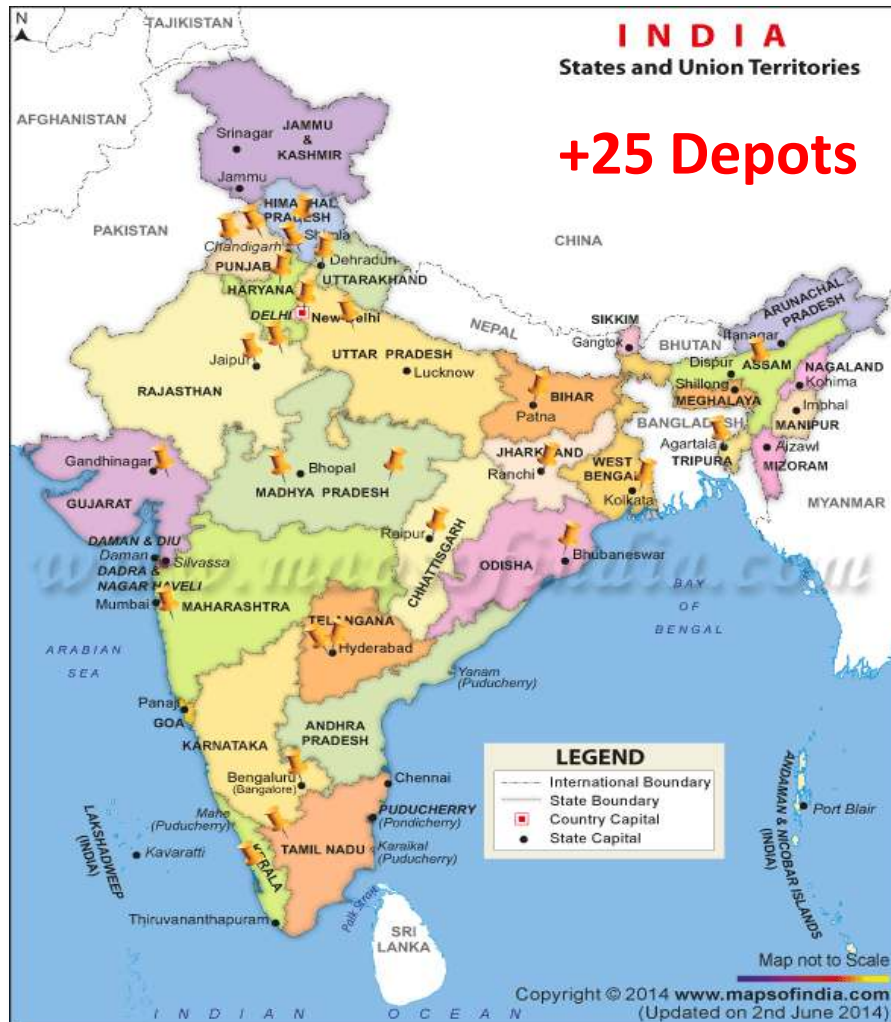
- ✓ Capacity of 1800KL
- ✓ Solution available in Ready to use and Thick forms



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

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



Mr. Nirmal Chaturvedi
Chief Operating Officer

Training Retreaders ensure Quality



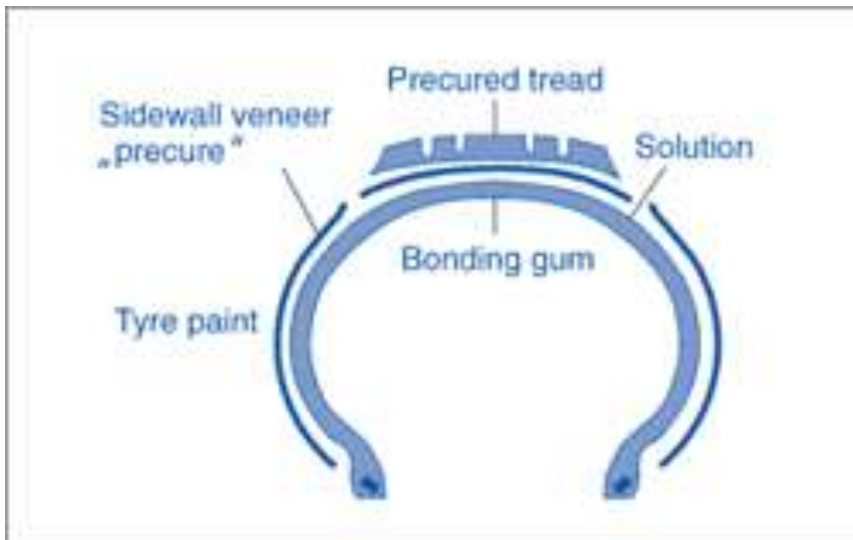
Training imparted by Engineers who has unique qualifications of Retreading

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

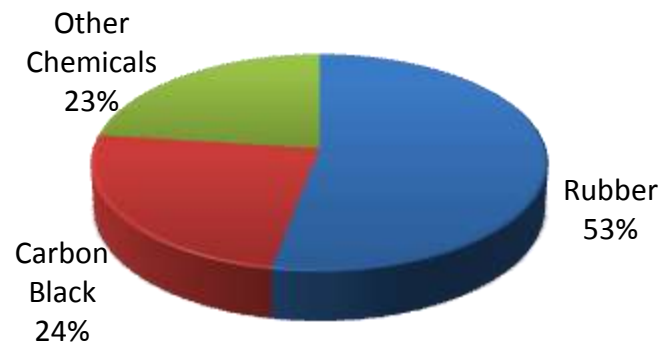


- ✓ **Retreading operation carried out by Retreaders**
- ✓ **Retreaders also gets after sales and support services**
- ✓ **Problem solving and helping with the machinery issues**
- ✓ **Logistic & warehouse support**

Key Raw materials



Raw material composition as on FY15 (In Value Terms)

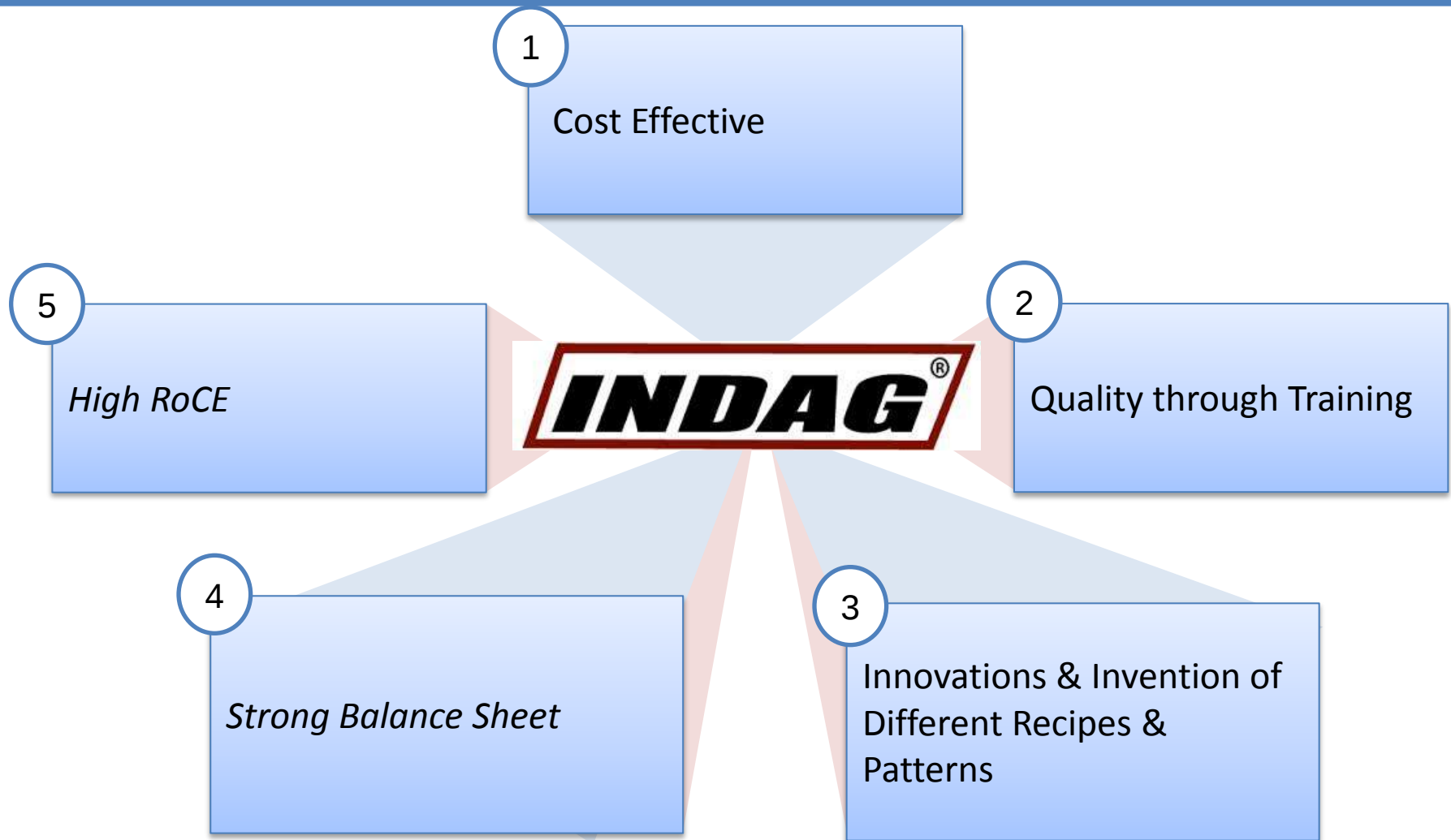


- ✓ Main vendors for Natural Rubber are located at South region (Kerala)/North East
- ✓ Takes minimum 7 days to reach the material from south region to Nalagarh plant
- ✓ Maintain minimum 7-8 days stock at plant and the same quantity in transit

Raw Material Vendors



Our Key Strengths





Financial Highlights



✓ **11th April 2015 : Dividend Declared**

- In addition to interim dividend of 45% (Rs. 4.50 per share) earlier declared by the Board and already paid, the Board has proposed final dividend at 75% of paid up capital in its meeting held on 11th April 2015 (Rs. 7.50 per equity share of Rs. 10 each).

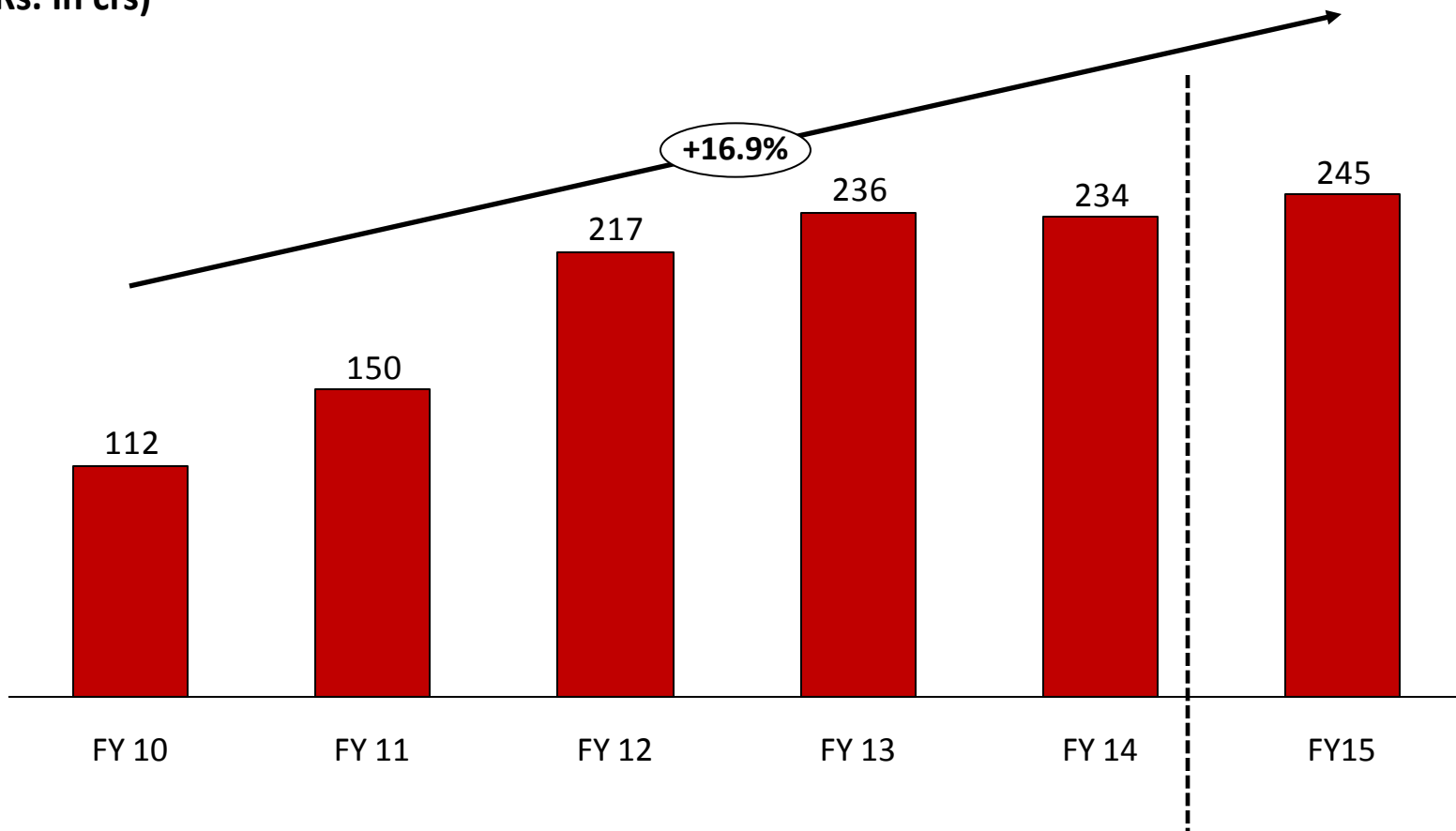
✓ **11th April 2015 : Sub-division of Equity Shares**

- 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 at its meeting held on 10th January 2015.
- Further the company has fixed a Record Date of April 24, 2015 for purpose of subdivision of equity shares of Rs. 10/- per share of the Company into the equity shares of Rs. 2/- each (fully paid up).
- The objective of this corporate action is mainly to improve liquidity in the stock.

Revenue Trend



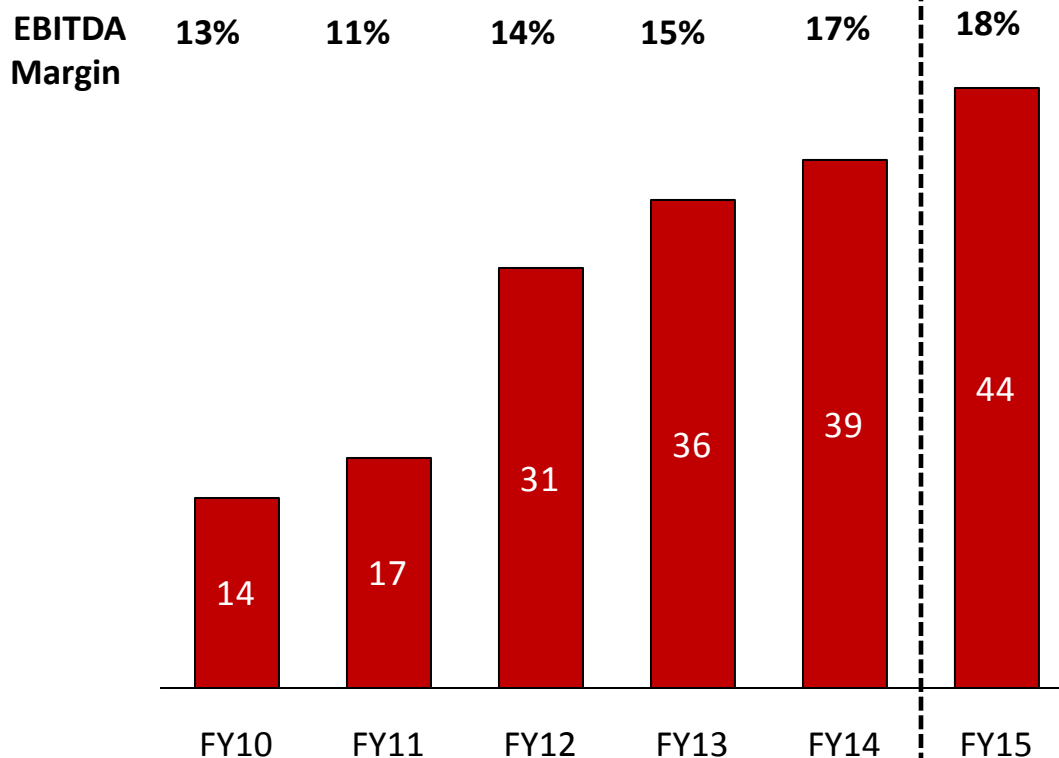
(Rs. In crs)



EBITDA



(Rs. In crs)



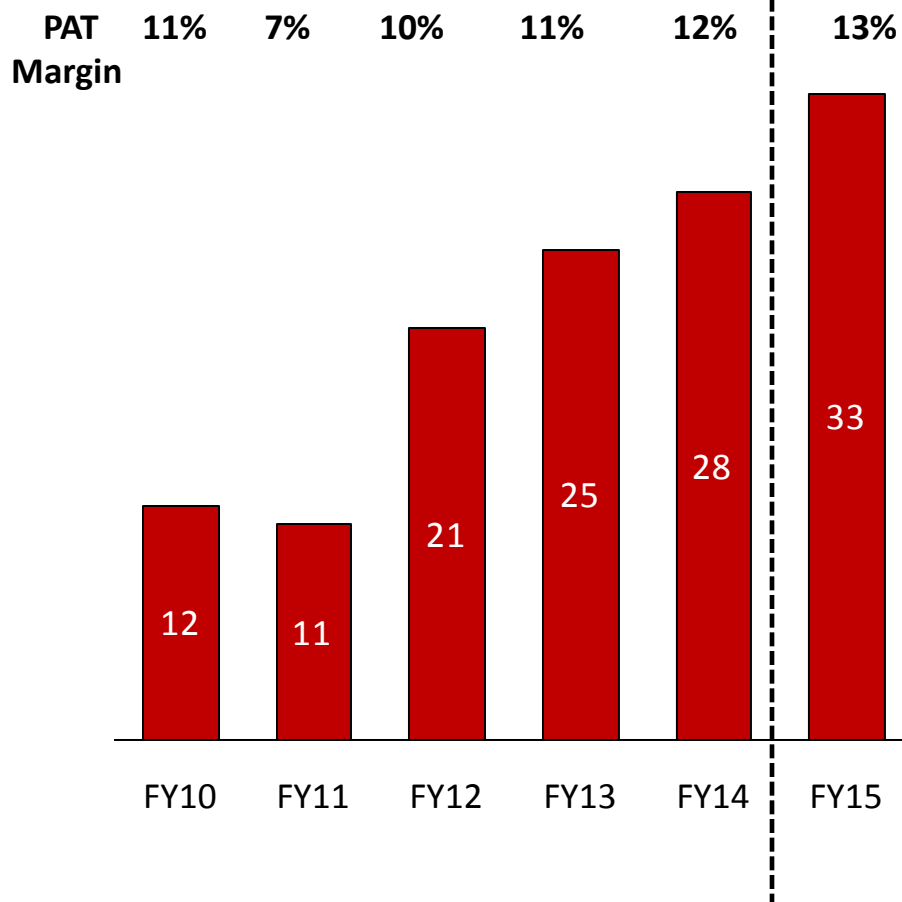
Comments on Improvement in EBITDA

- ✓ Increase in Turnover; 17%
- CAGR for last 6 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

Particulars Rs. crores	Mar'15	Mar'14
Cash & Bank Balance	4	3
Current Investments	50	22
Gross Cash Balance	54	25
Borrowings	0	0
Net Cash	54	25
EBIT	42	36
Capital Employed	149	122
Borrowings	0	0
ROCE %	28%	30%
EBIT excl. Investment Income	39	35
Capital Employed (excl. Cash)	95	97
ROCE % (excl. Cash)	41%	36%
PAT	33	28
Networth	128	103
ROE %	25%	27%

Financial Highlights



Particulars (Rs. Crores)	Q4FY15	Q4FY14	Y-o-Y	FY15	FY14	Y-o-Y
Revenue	65.79	55.68		242.06	232.41	
Other Income	0.63	0.31		3.21	1.45	
Total Income	66.42	55.99	19%	245.27	233.87	5%
Raw Material	41.56	37.33		156.63	154.31	
Employee Cost	4.66	3.77		17.44	15.24	
Other Operating Expenses	8.04	6.24		26.95	25.60	
EBITDA	12.15	8.65	40%	44.24	38.73	14%
EBITDA Margin	18.3%	15.5%	280bps	18.0%	16.6%	140 bps
Depreciation	0.57	0.65		1.96	2.52	
Interest	0.09	0.04		0.23	0.19	
Tax	2.00	1.63		9.46	8.47	
Net Profit	9.48	6.34	50%	32.59	27.55	18%
Net Profit Margin	14.3%	11.3%	300 bps	12.9%	11.8%	150 bps

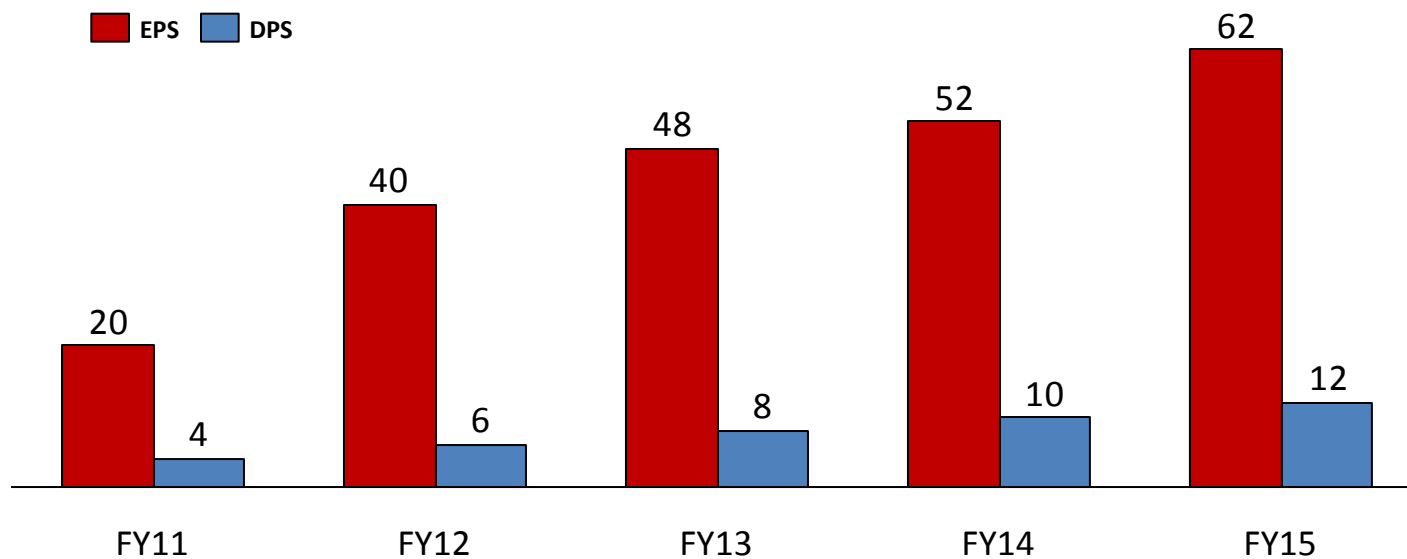
Balance Sheet



Particulars Rs. Crores	Mar-15	Mar-14
Shareholder's Fund	128.01	103.06
Share capital	5.25	5.25
Reserves & Surplus	122.76	97.81
Non-current liabilities	0.40	1.55
Deferred Tax Liabilities (Net)	0.28	1.40
Long term Provisions	0.11	0.15
Current liabilities	36.61	28.65
Short term borrowings	6.07	5.04
Trade payables	18.83	12.98
Other current liabilities	11.71	10.63
Total Liabilities	165.01	133.26

Particulars Rs. Crores	Mar-15	Mar-14
Non-current assets	42.37	48.21
Fixed assets (inc. CWIP)	26.65	27.13
Non-current Investments	13.97	18.52
Long-term loans and advances	1.63	2.55
Other Non-current assets	0.12	0.01
Current assets	122.64	85.05
Current Investments	49.50	21.51
Inventories	30.41	31.86
Trade receivables	33.80	25.52
Cash and bank balances	4.24	3.29
Other current assets	4.69	2.88
Total Assets	165.01	133.26

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%

For further information, please contact

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