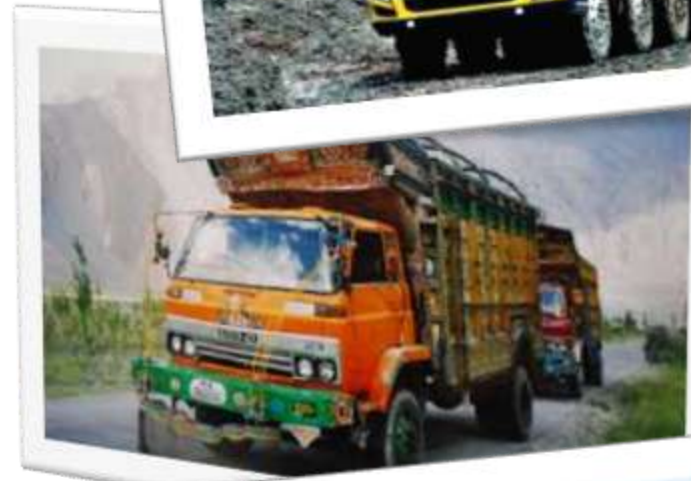


INDAG[®]



INDAG RUBBER LTD

Safety & Reliability Mile After Mile.....

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Retreading Industry



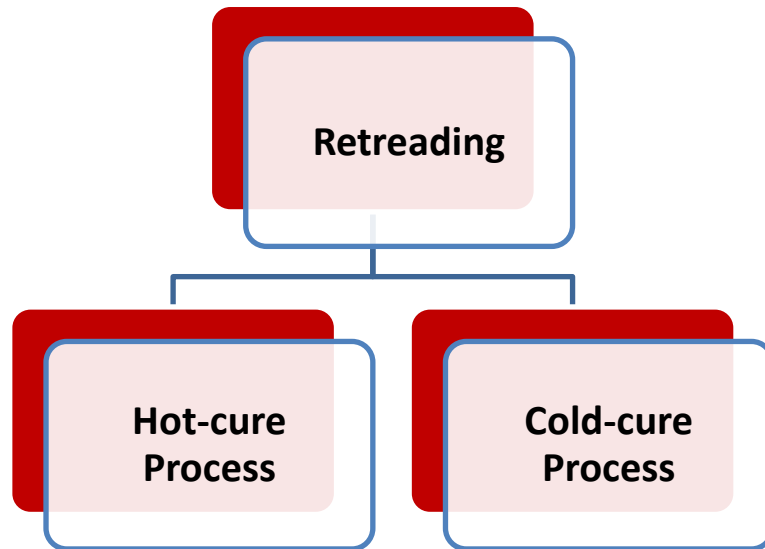
Retreading, A Large Opportunities..



- ✓ 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”

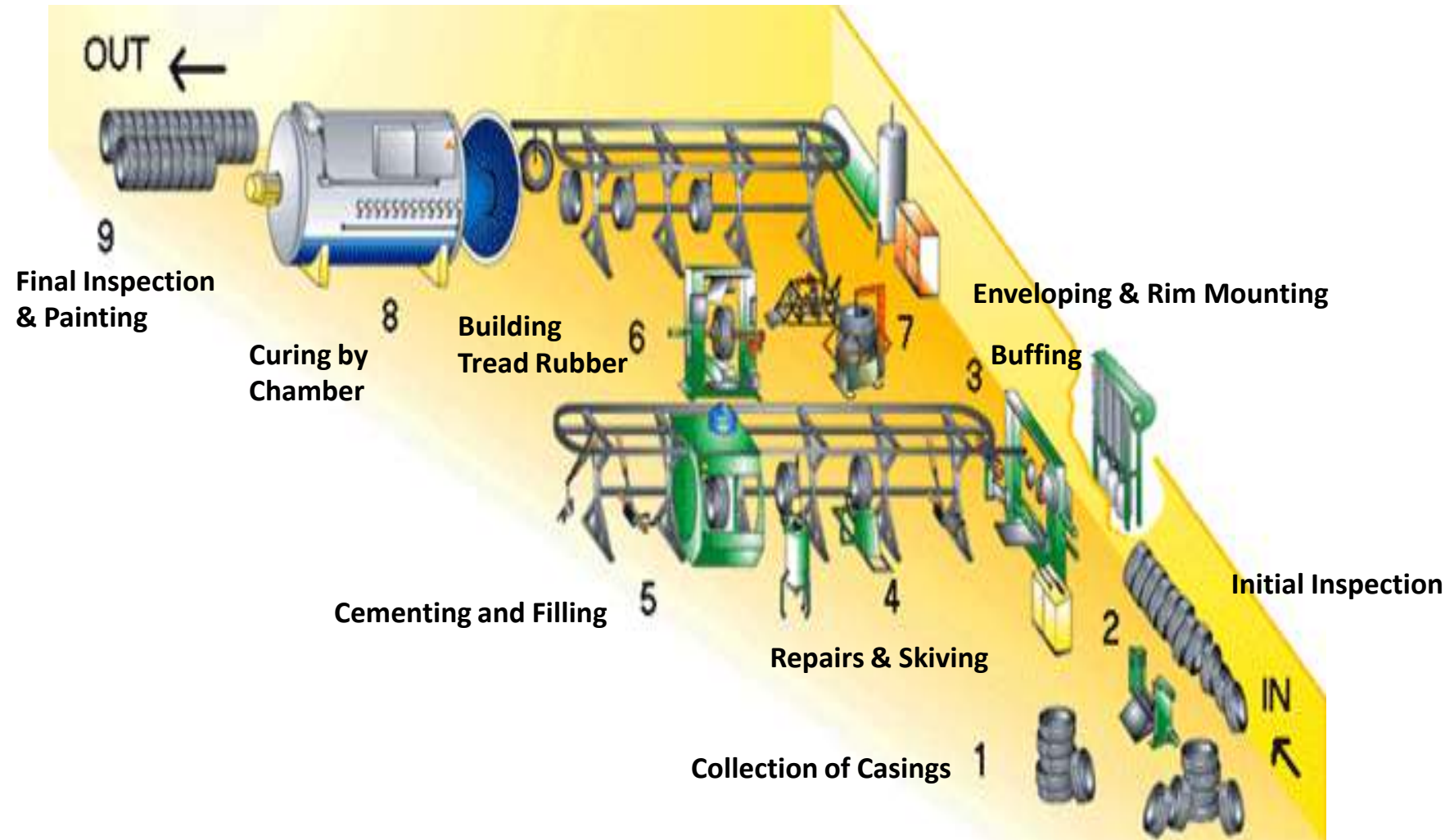
Generally, Retreading Done on tyres of :

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

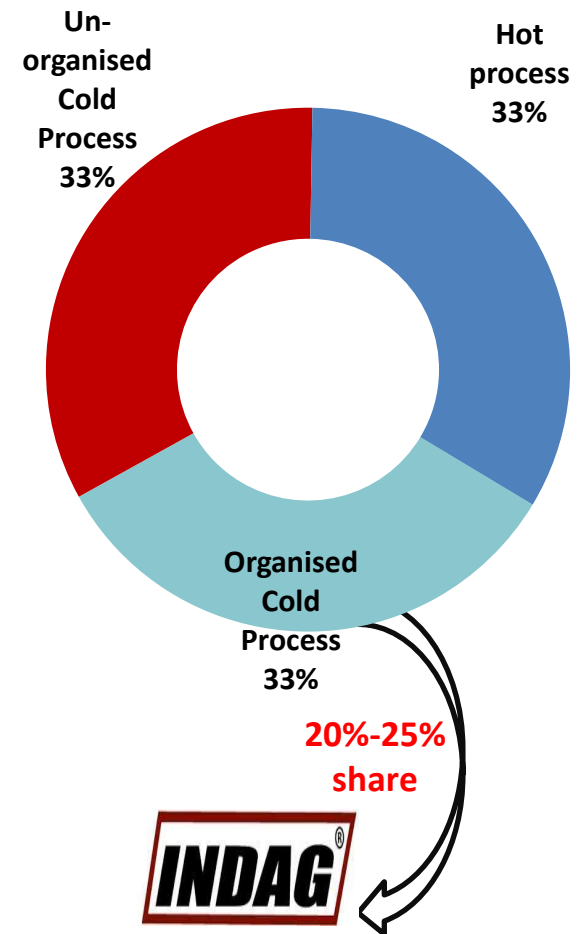
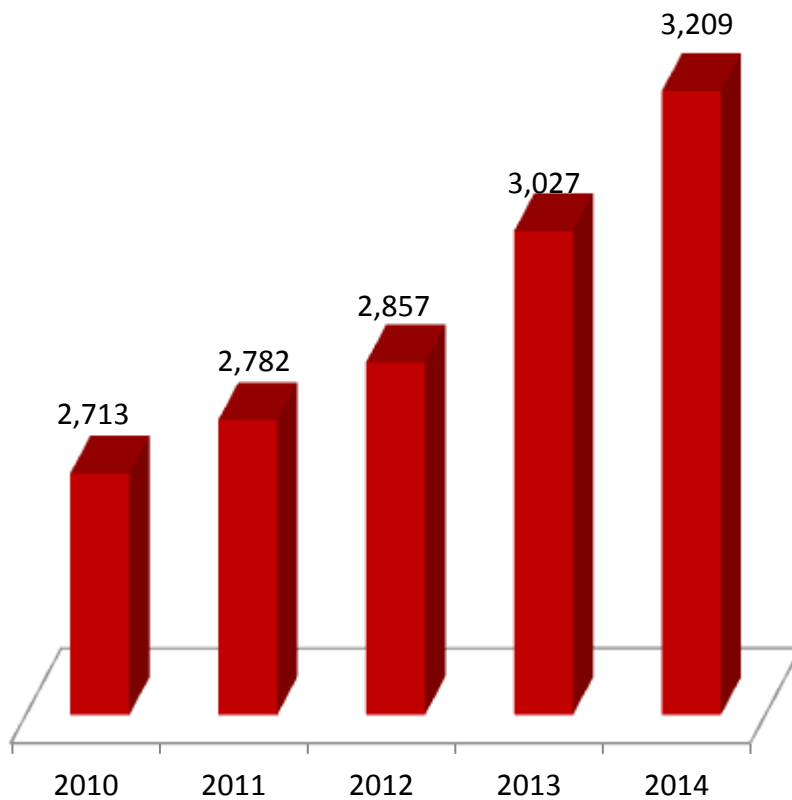


- ✓ **Safety:** Tested to same stringent performance criteria as new tyre
- ✓ **Durable:** Last nearly the same as new tyre
- ✓ **Flexible Production Process:** Made-to-order for specific vehicles or road conditions. Varied tread compound and patterns
- ✓ **Lower cost of production:** Consumes lower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

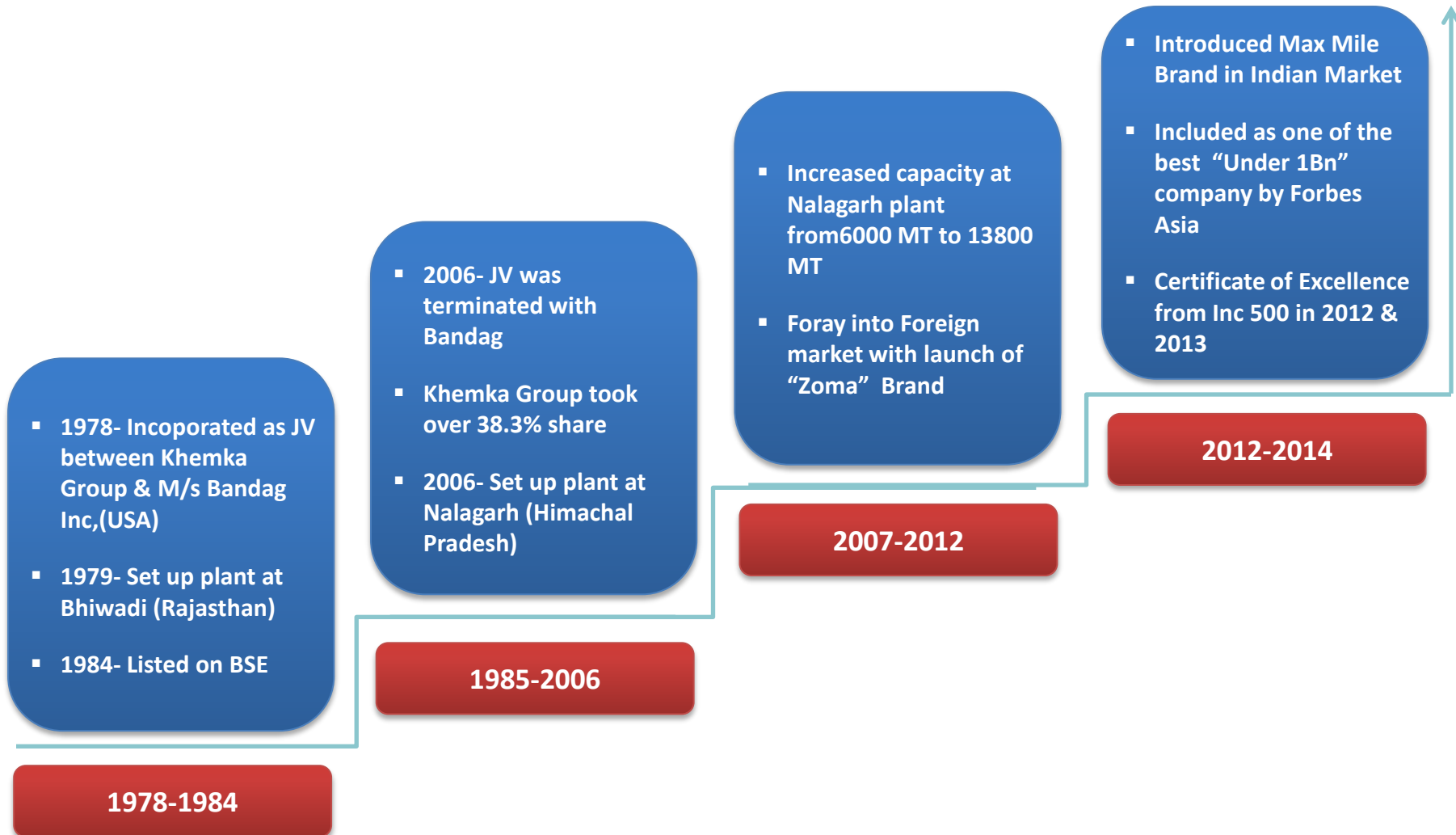
Presence in **All** type of **Commercial Segments**

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

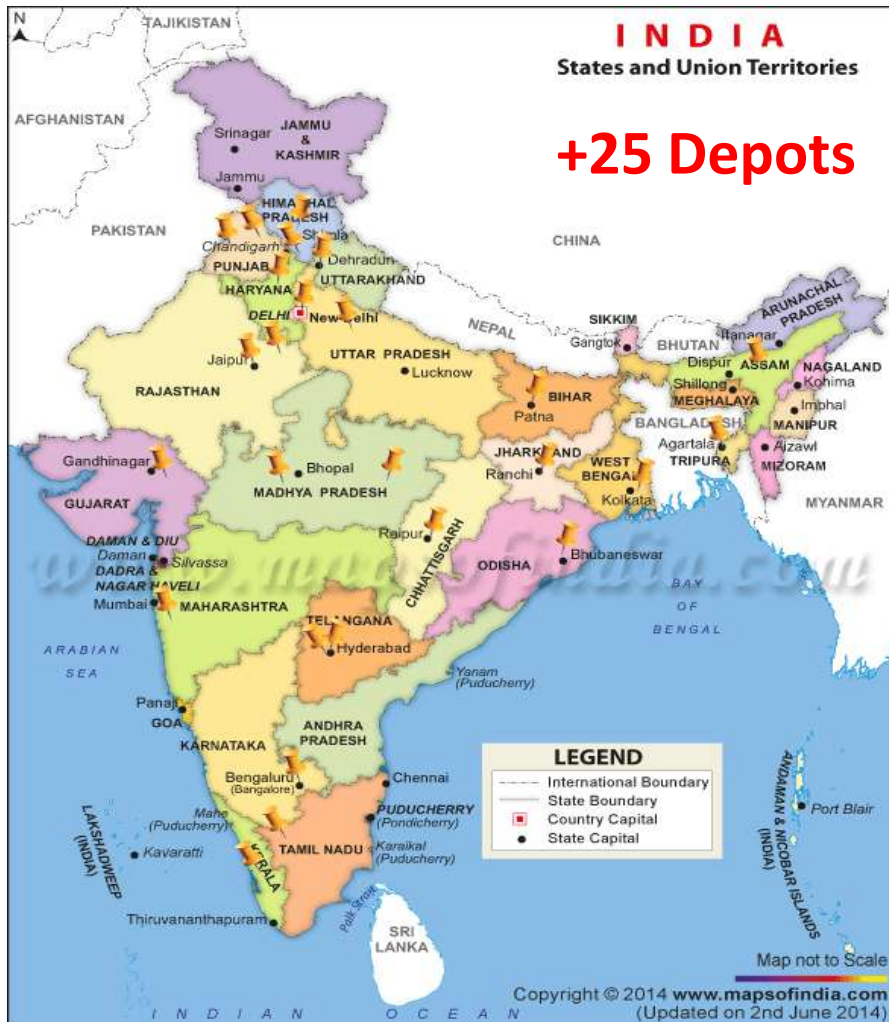
- ✓ Capacity of 1800KL
- ✓ Solution available in Ready to use and Thick forms



Envelope

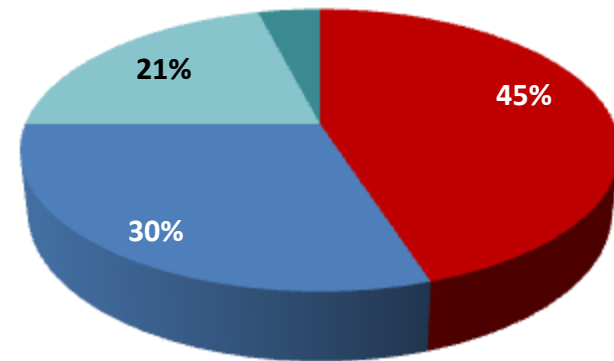
- ✓ Various allied products and spare tools used in retreading units/shops

Distribution Network



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

Revenue Breakup (Rs. 232crs)



- Retreaders
- Dealers
- State Transport
- Exports

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. 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



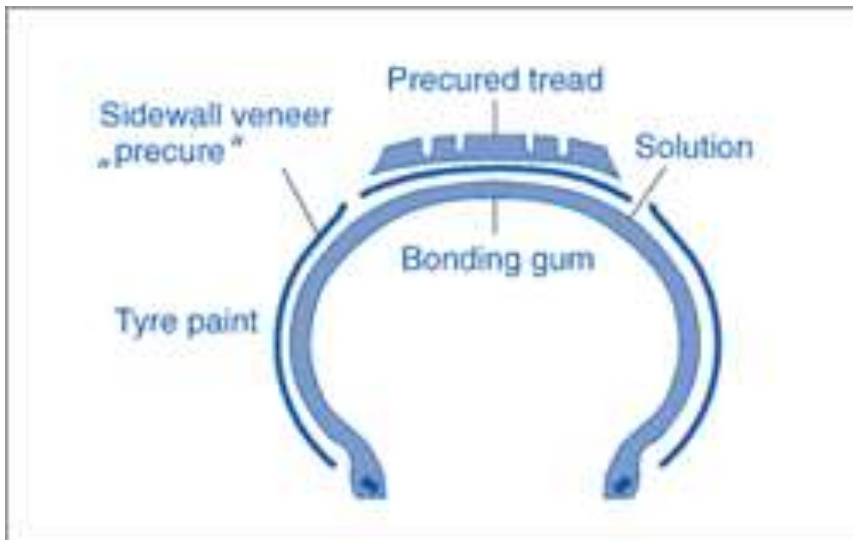
Training imparted by Engineers who has unique qualifications of Retreading

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

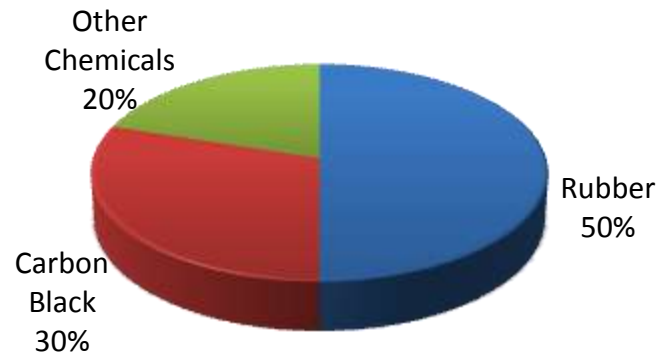


- ✓ **Retreading operation carried out by Retreaders**
- ✓ **Retreaders also gets after sales and support services**
- ✓ **Problem solving and helping with the machinery issues**
- ✓ **Logistic & warehouse support**

Key Raw materials



Raw material composition

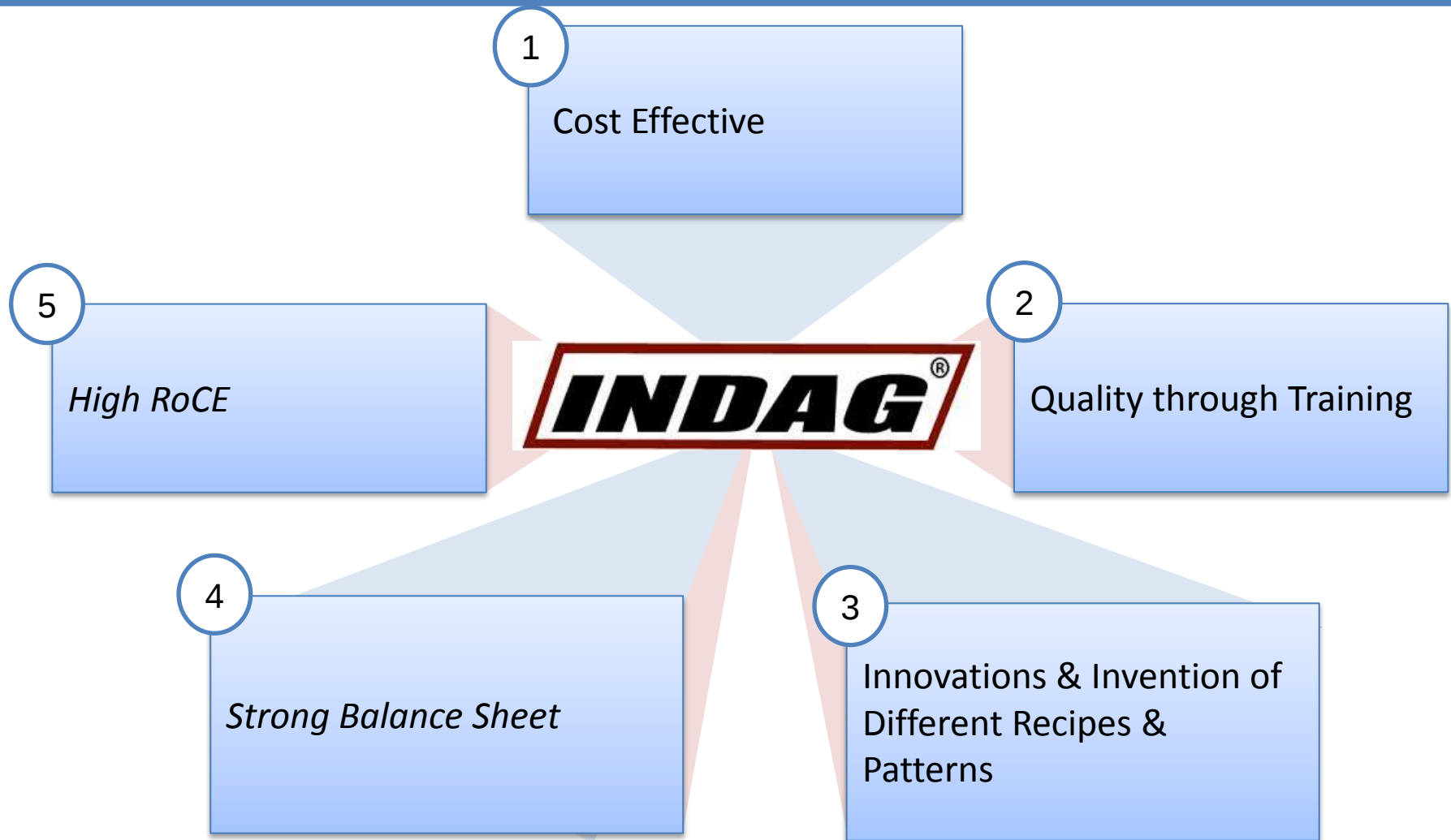


- ✓ Main vendors for Natural Rubber are located at South region (Kerala)/North East
- ✓ Takes minimum 7 days to reach the material from south region to Nalagarh plant
- ✓ Maintain minimum 7-8 days stock at plant and the same quantity in transit

Raw Material Vendors



Our Key Strengths





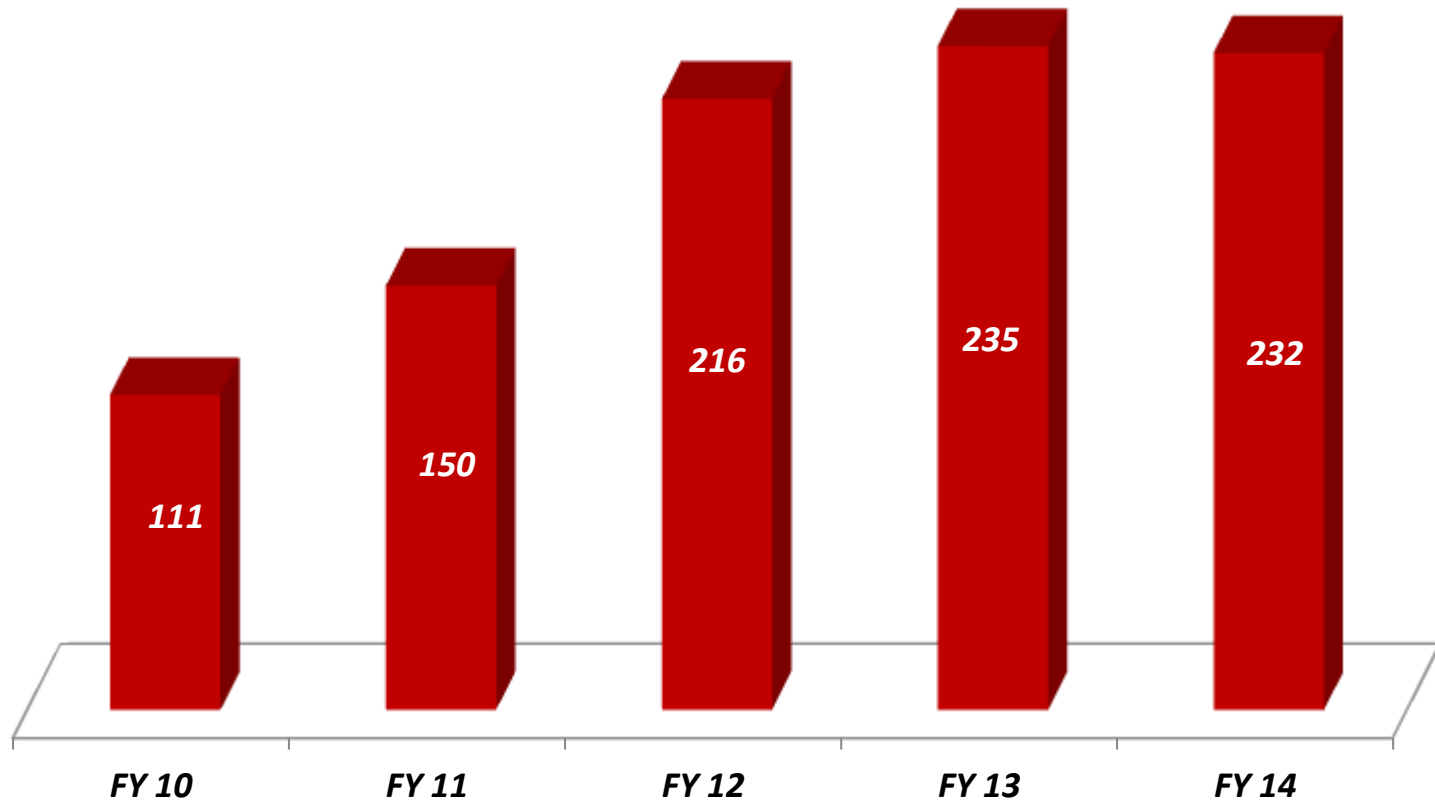
Financial Highlights



Revenue Trend



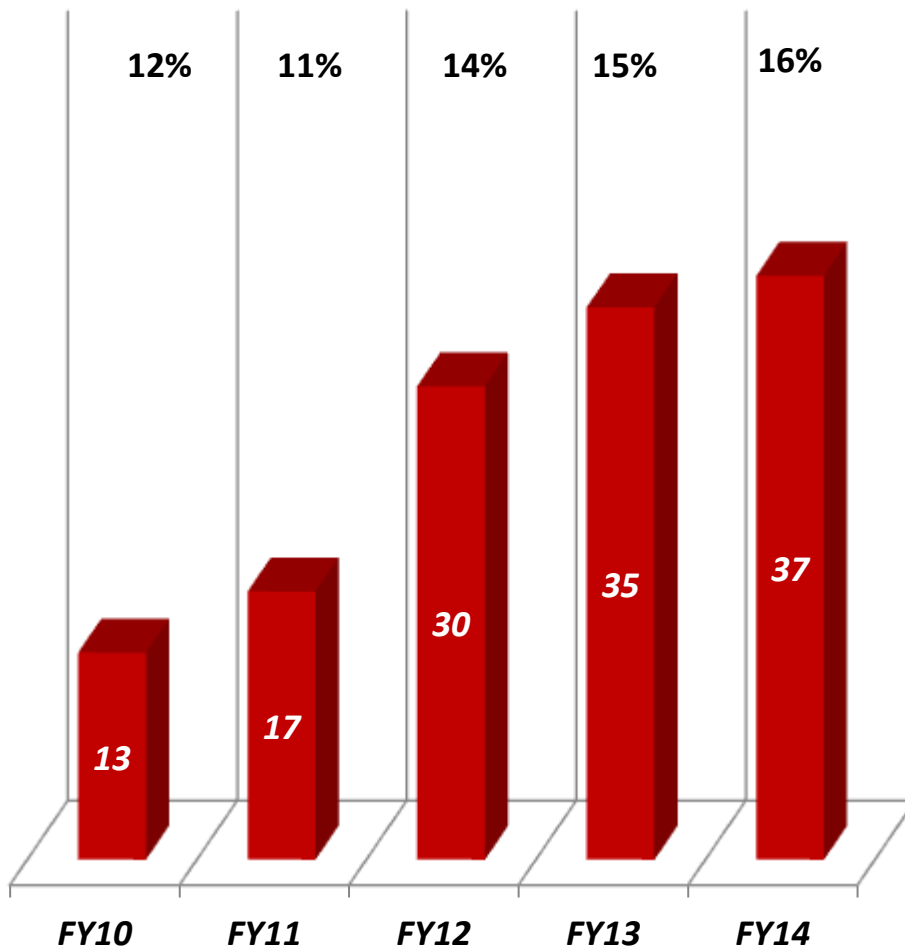
(Rs. In crs)



EBITDA



(Rs. In crs)



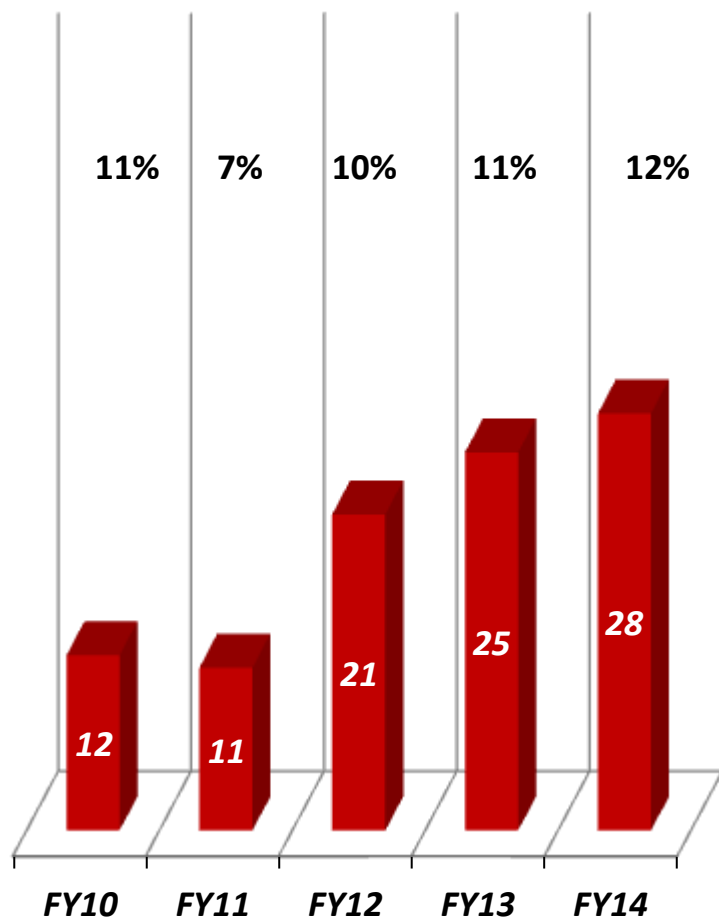
Comments on Improvement in EBITDA

- ✓ 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



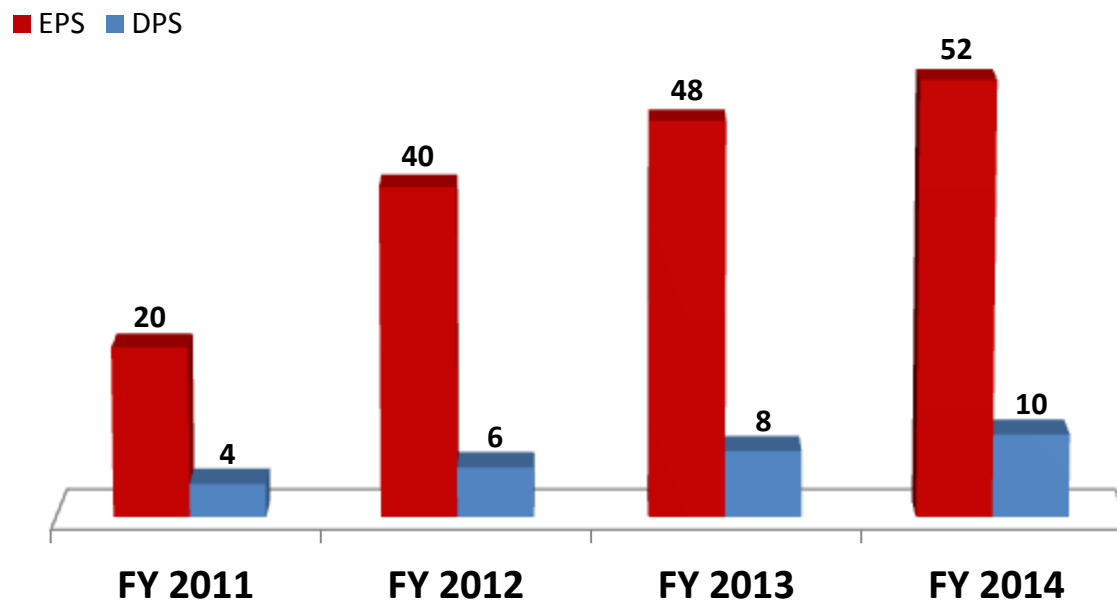
Net Profit (Rs. In crs)



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%

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

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