



ISO 9001 : 2008

Indag Rubber Limited

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August 21, 2018

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

(Company code-1321)
(Scrip code-509162)


Sub: Investor Presentation of Q1 FY2019

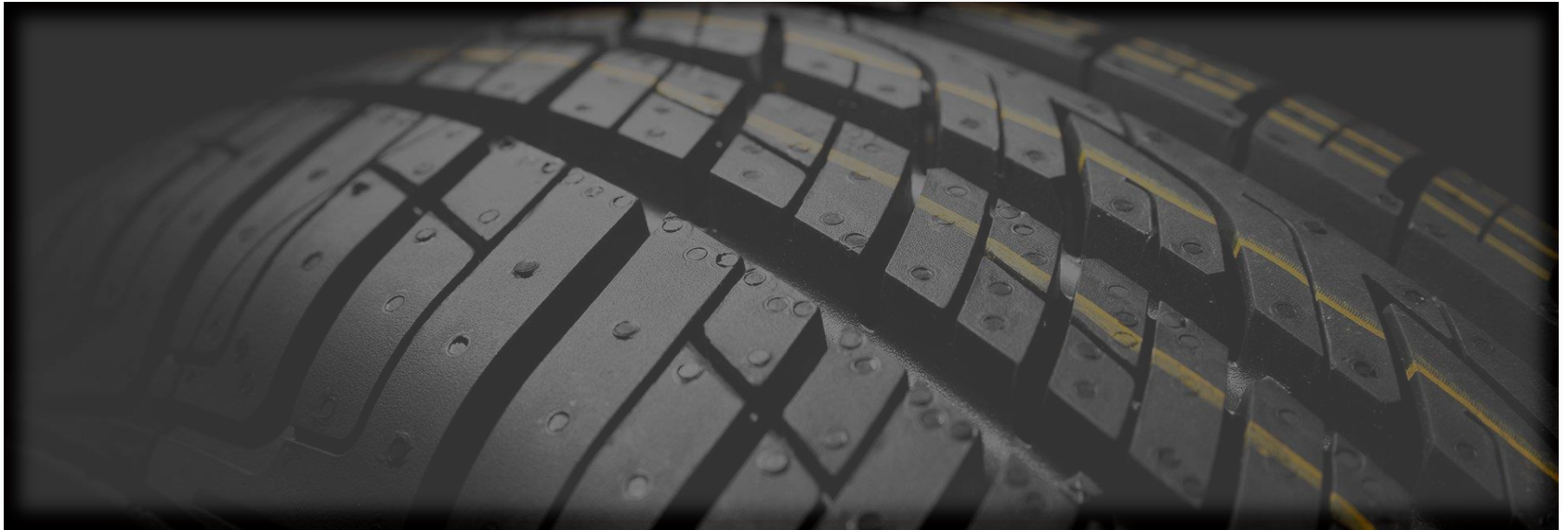
Dear Sir,

Enclosed please find the Investor Presentation of Q1 FY2019 for the information of the investors and public at large.

Thanking you.

For Indag Rubber Limited


Manali D. Bijlani
Company Secretary



INDAG RUBBER LIMITED

Safety & Reliability Mile After Mile.....

Investor Presentation – Q1 FY19

August 2018

Safe harbor



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INDIA'S MOST TRUSTED RETREAD



THE ONLY ALTERNATIVE TO NEW TYRES

About Retreading

Retreading



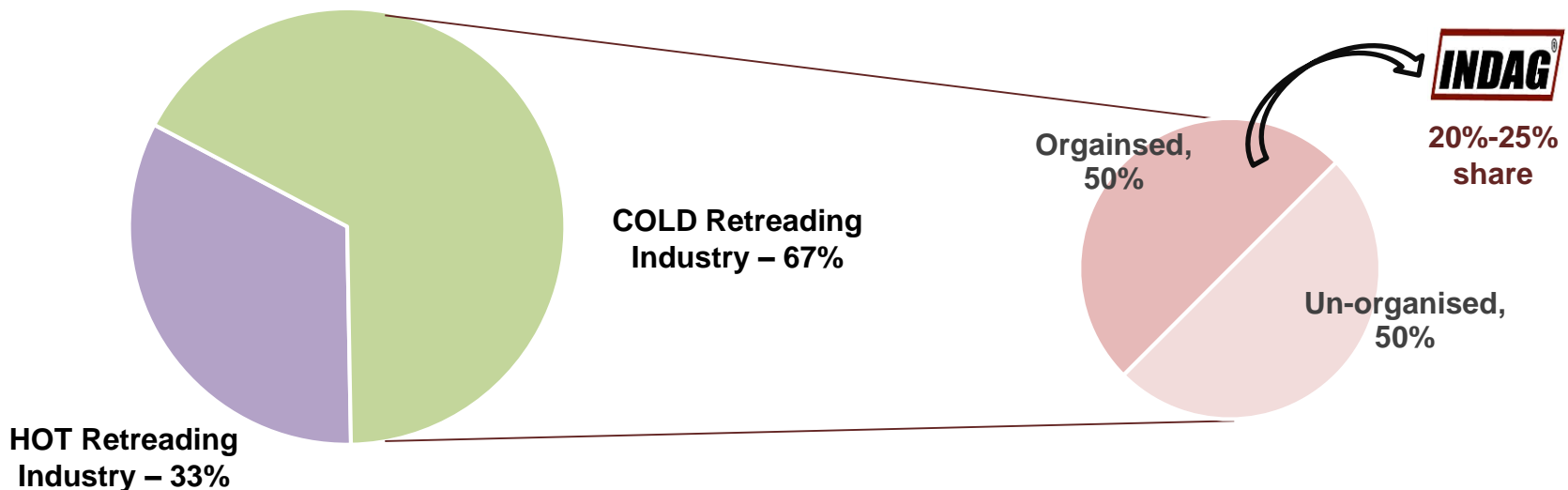
Retreading is a technology where the old tyres are made serviceable by removing worn out and damaged treads and replacing it with new treads

COLD PROCESS

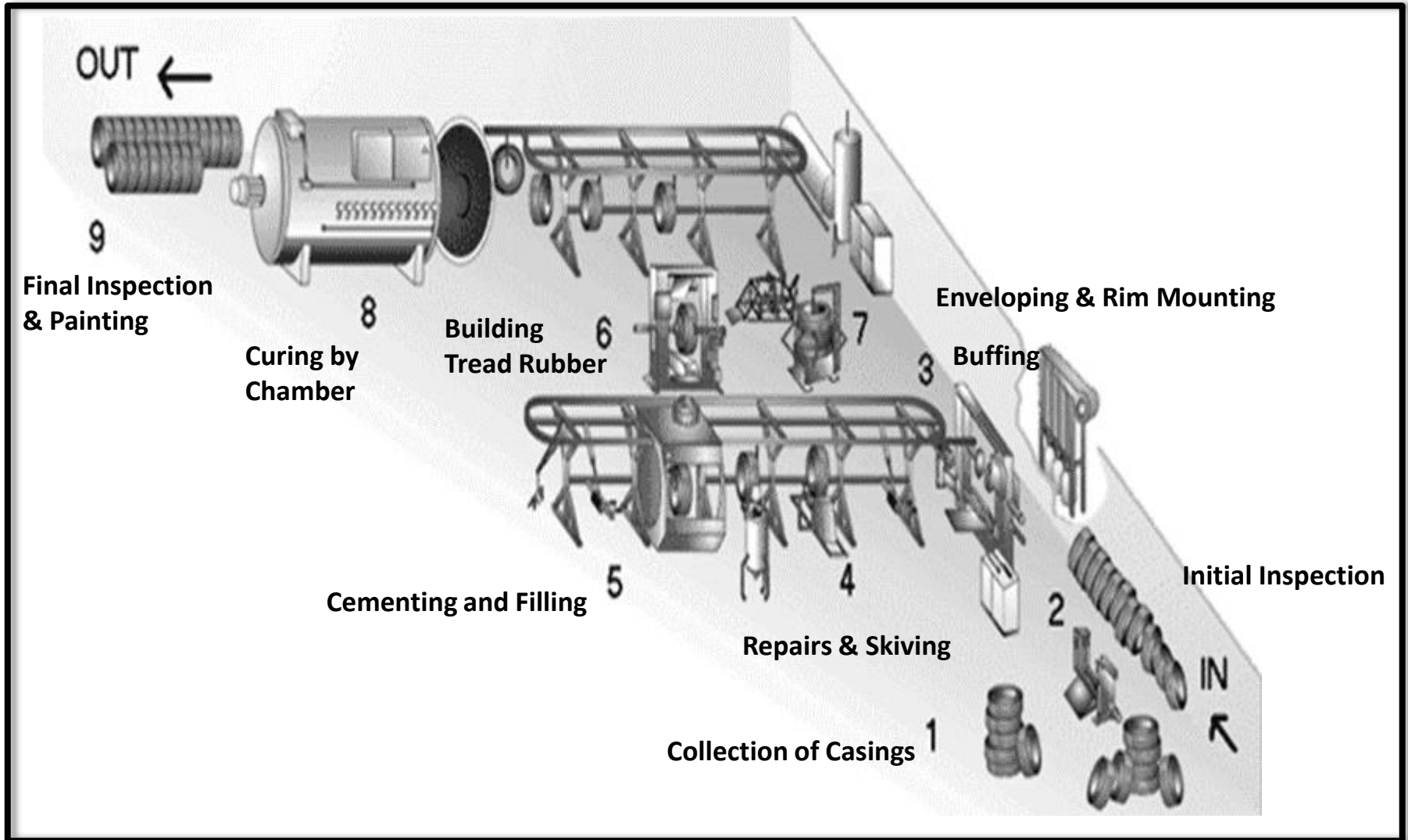
- Precured rubber of high density & available in various tread designs is lined with cushion gum before applying to a buffed casing
- Curing is done in a pressure chamber at low temperature 100°C & pressure

HOT PROCESS

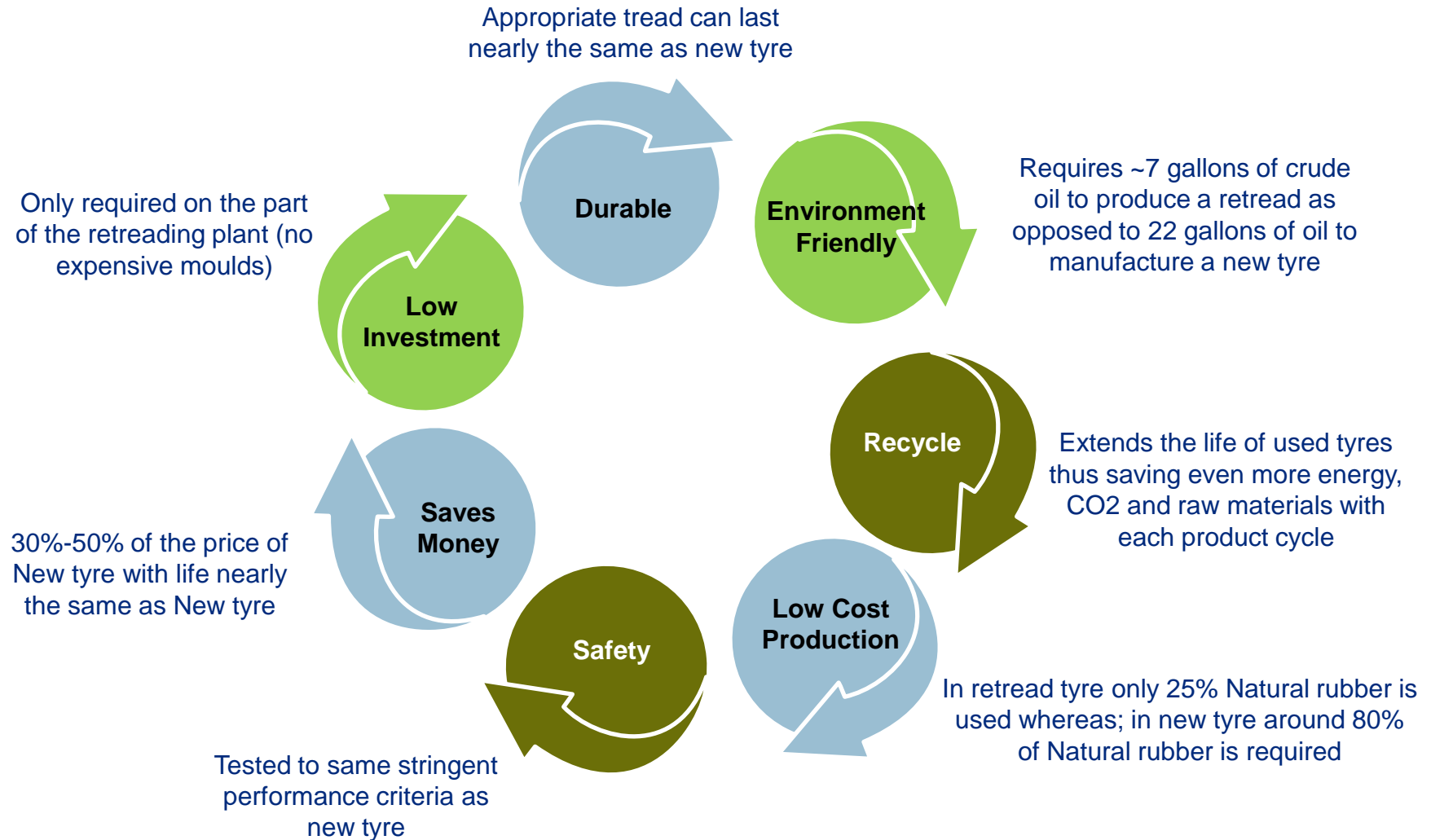
- Uncured rubber is added to a buffed casing & cured in the mold at temperatures of approximately 150°C-160°C
- This temperature allows uncured rubber to flow in the matrix forming the tread design during vulcanization



Retreading Process



Benefits of Retreading



INDIA'S MOST TRUSTED RETREAD



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Business Overview

Company Overview



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

***Pioneered Cold Retreading
technology in India***

***Presence in All types of
Commercial Segments***

***Best Quality with
Reasonable Pricing***

***"Lowest Cost Per
Kilometre"***

***Distributing through 25
Depots across Country***

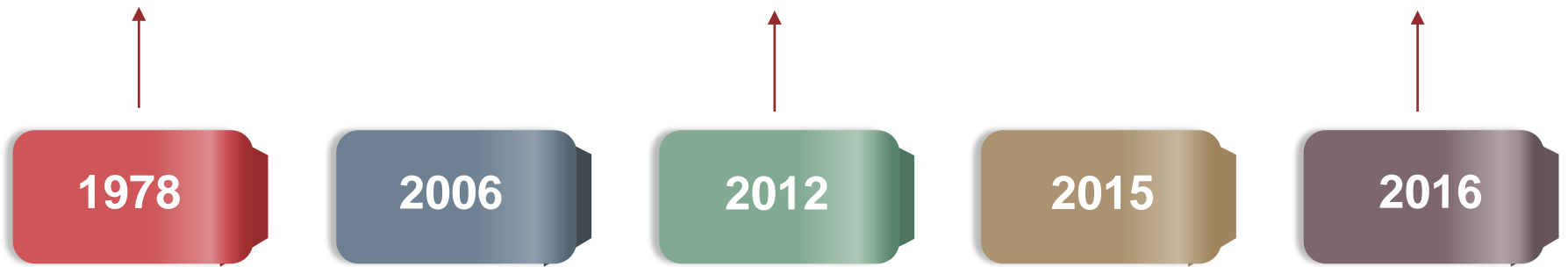
History



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

- Increased capacity at Nalagarh plant from 6000 MT to 13800 MT
- Foray into Foreign market with launch of “Zoma” Brand

- Expanded Capacity from 13,800 MT to 20,000 MT



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

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

Products



PRECURED TREAD RUBBER



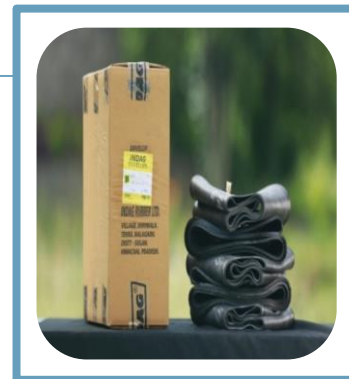
- Capacity of 20,000 MT
- Radial and Bias Range
- Range from Passenger to Truck/Bus Tyre
- OTR & Tractor

UN – VUNCUNIZED RUBBER STRIP GUM



- Capacity of 1,800MT
- Bonding gum for curing process
- Specifically manufactured to provide longer shelf life

ENVELOPE



- Capacity of 20,000 MT
- Radial and Bias Range
- Range from Passenger to Truck/Bus Tyre
- OTR & Tractor

UNIVERSAL SPRAY CEMENT



- Capacity of 20,000 MT
- Radial and Bias Range
- Range from Passenger to Truck/Bus Tyre
- OTR & Tractor

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 CMD of GAIL & MD of 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
Non Executive Director
(Independent)



Mr. P R Khanna
Non Executive Director
(Independent)



Mr. R Parameswar
Non Executive Director
(Independent)



Mr. Harjiv Singh
Non Executive Director
(Independent)



Mr. J K Jain
Chief Finance Officer



Mrs. Manali D Bijlani
Company Secretary

Manufacturing Facilities



*State of the art
manufacturing unit Located
at Nalagarh Industrial Estate
in Himachal Pradesh*

**Advanced Technology in terms
of machinery and equipment**

**Modern Retreading Cum-
Training centre to impart high
quality of training**



Brand – Indag & Zoma

**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**

Flow of Business



Fleet Owners Run the Vehicles

Treads get Worn after certain Usage



Buy new Tire

OR

Retread the same Old Tire



If Cost of New Tyre is

Rs. 100



Savings
50-70%

Cost of Retreaded Tyre

Rs. 30-50



INDAG RUBBER LTD.

Manufactures & Supplies the

Best Quality with
Reasonable Pricing

Retreading Products to
Retreaders

INDIA'S MOST TRUSTED RETREAD



THE ONLY ALTERNATIVE TO NEW TYRES

Key Strengths & Opportunities

Our Key Strengths



We have a PAN India Presence with over 25 depots

STRONG DISTRIBUTION NETWORK

Training imparted by Engineers who has unique qualifications of Retreading to achieve Highest standards of Quality while re-treading

TRAINING IMPARTED

INNOVATION

Innovations & Invention of Different Recipes & Patterns

Cost Efficiencies have been maintained throughout thereby improving our Margins .

COST EFFICIENCIES

STRONG FINANCIALS

We have a Strong Balance Sheet with zero Debt having High ROCE

EXPANDED CAPACITIES

We expanded our capacities from 13,800 tonnes to 20,000 tonnes. This helps us to be ahead of the curve

Retreaders get after-sales and support services with regards to machinery issues

AFTER SALE SERVICES

We also provide Logistic & warehouse support

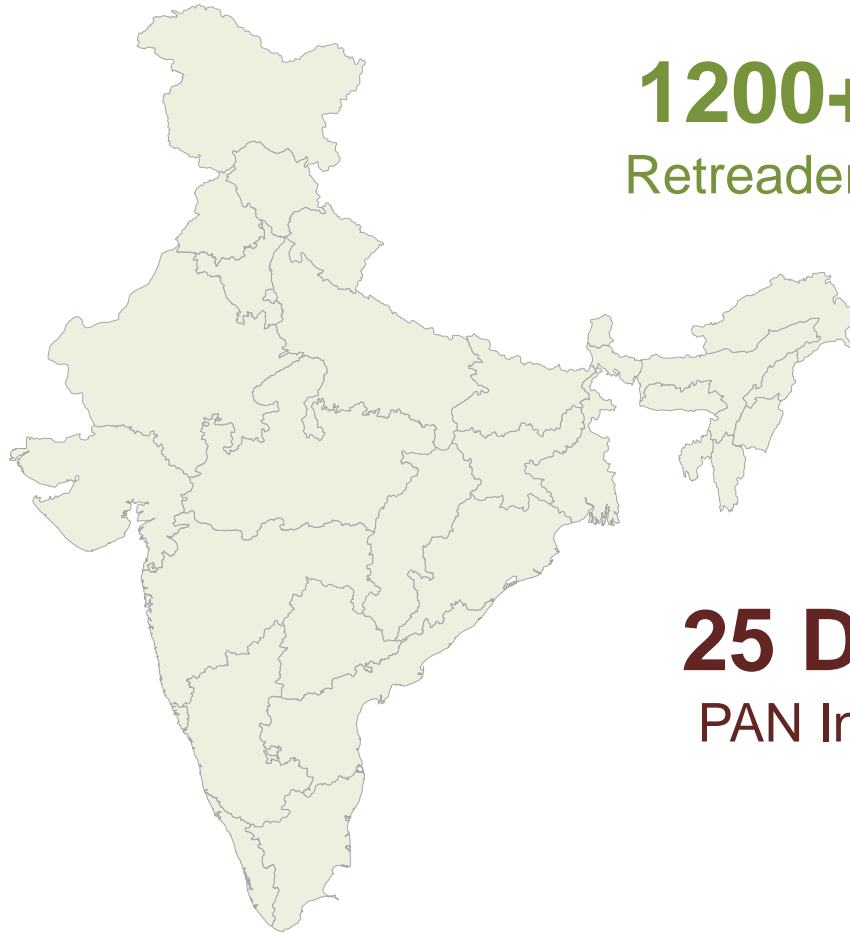
Strong Distribution Network



PAN India
Presence

1200+
Retreaders

150 +
Dealers



25 Depots
PAN India basis

Training Retreaders



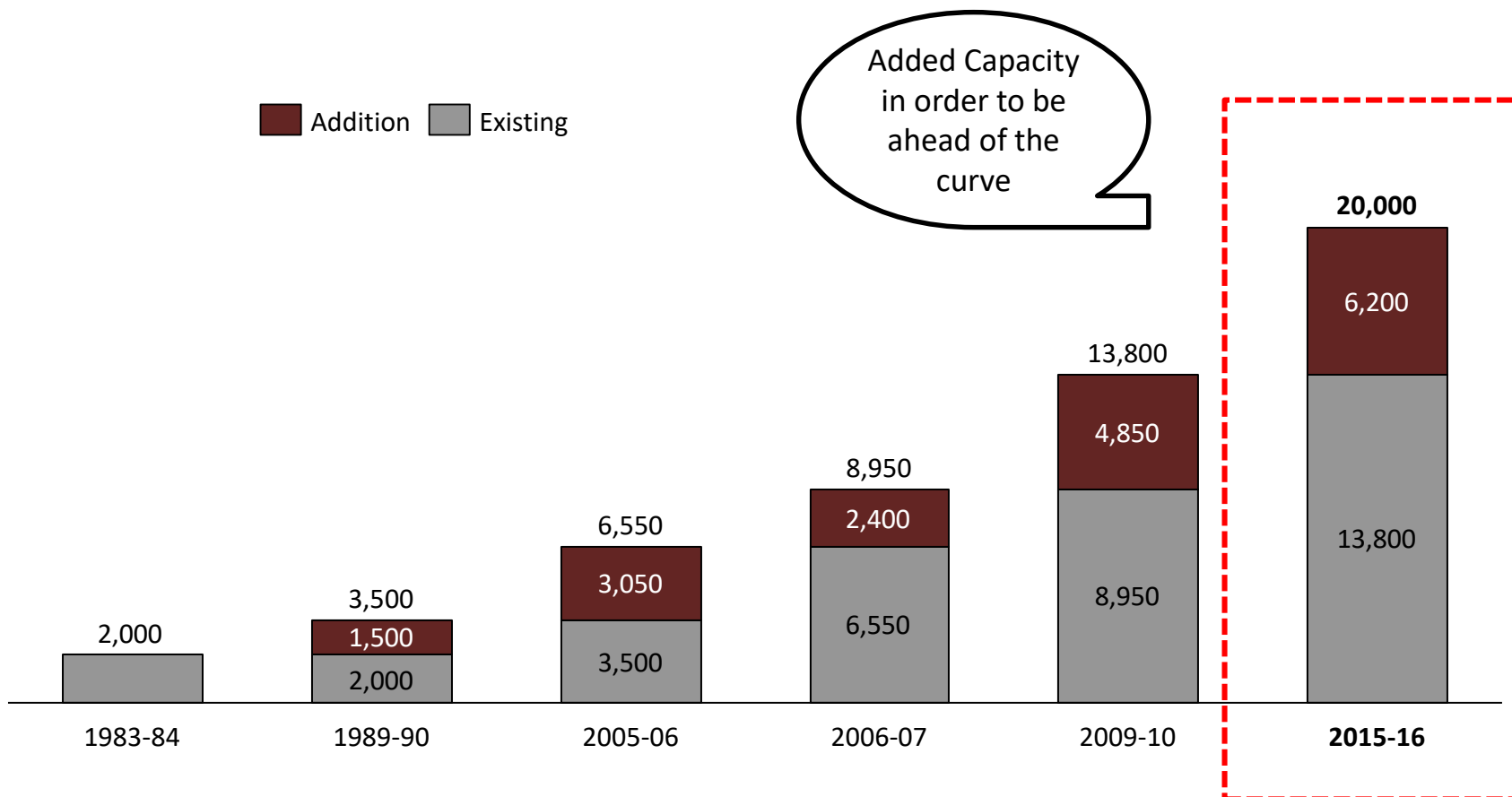
Retreaders also get after-sales and support services

Problem solving and helping with the machinery issues

Logistic & warehouse support



Capacity Expanded



- Capacity expansion of 6,200 MTPA is on stream from Q1 FY17

- Capex spent of Rs. 7 crs. on Brownfield Expansion

Opportunities



Increase in Commercial Vehicle Sales especially the MHCV segment

Improving roads and support infrastructure



Increase in Radialisation in CV segment

Implementation of GST has narrowed the pricing difference between the organised and the un-organised



Reduction in influx/dumping of Chinese tyres in India after demonetization and imposition of Anti-Dumping Duty

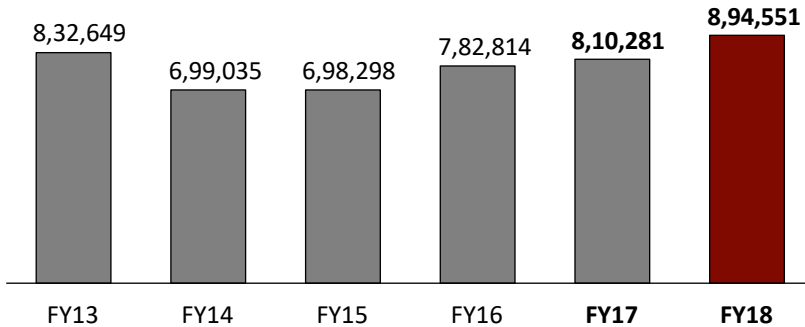
Has further reduced post GST Implementation



Increase in CV Sales

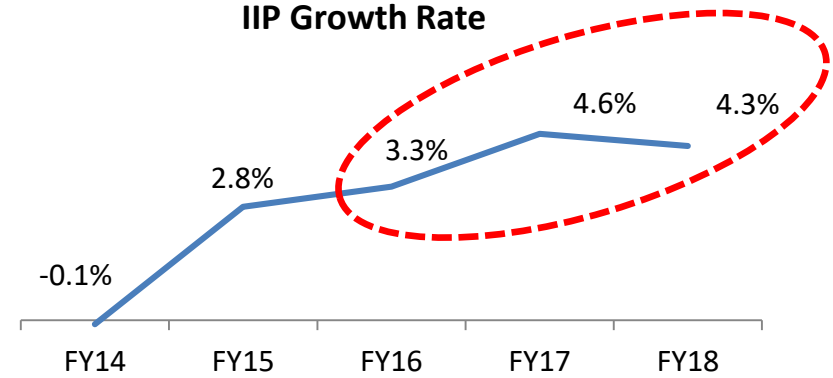


CV Production Trends

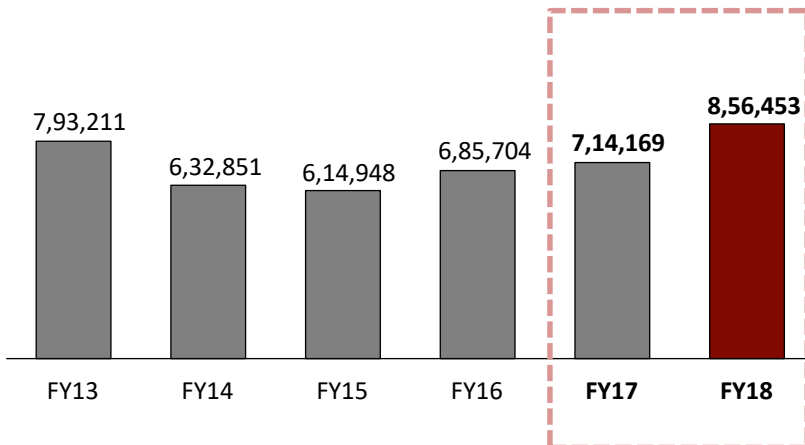


As Industrial Activity Picks up – More Demand for Commercial Vehicles for Movement of Goods – More Tires worn out – Retreading done on Tires

IIP Growth Rate



CV Domestic Sales Trends



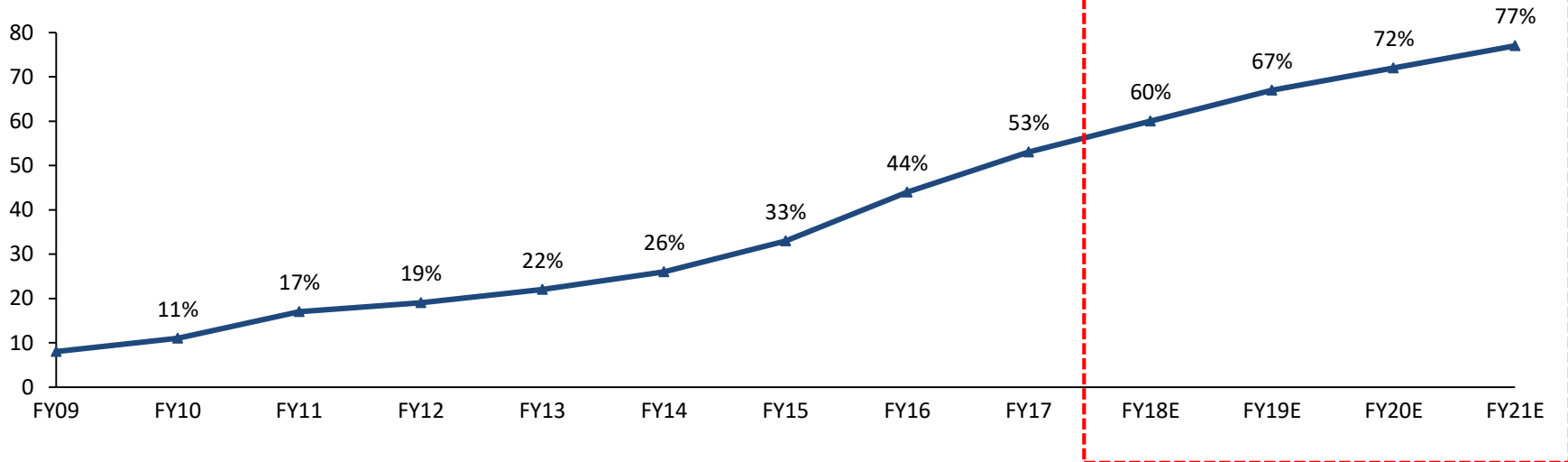
Retreading Industry Picks up with Lag effect

Large Opportunities for Retreading Business in coming years

Increase in Radialisation



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

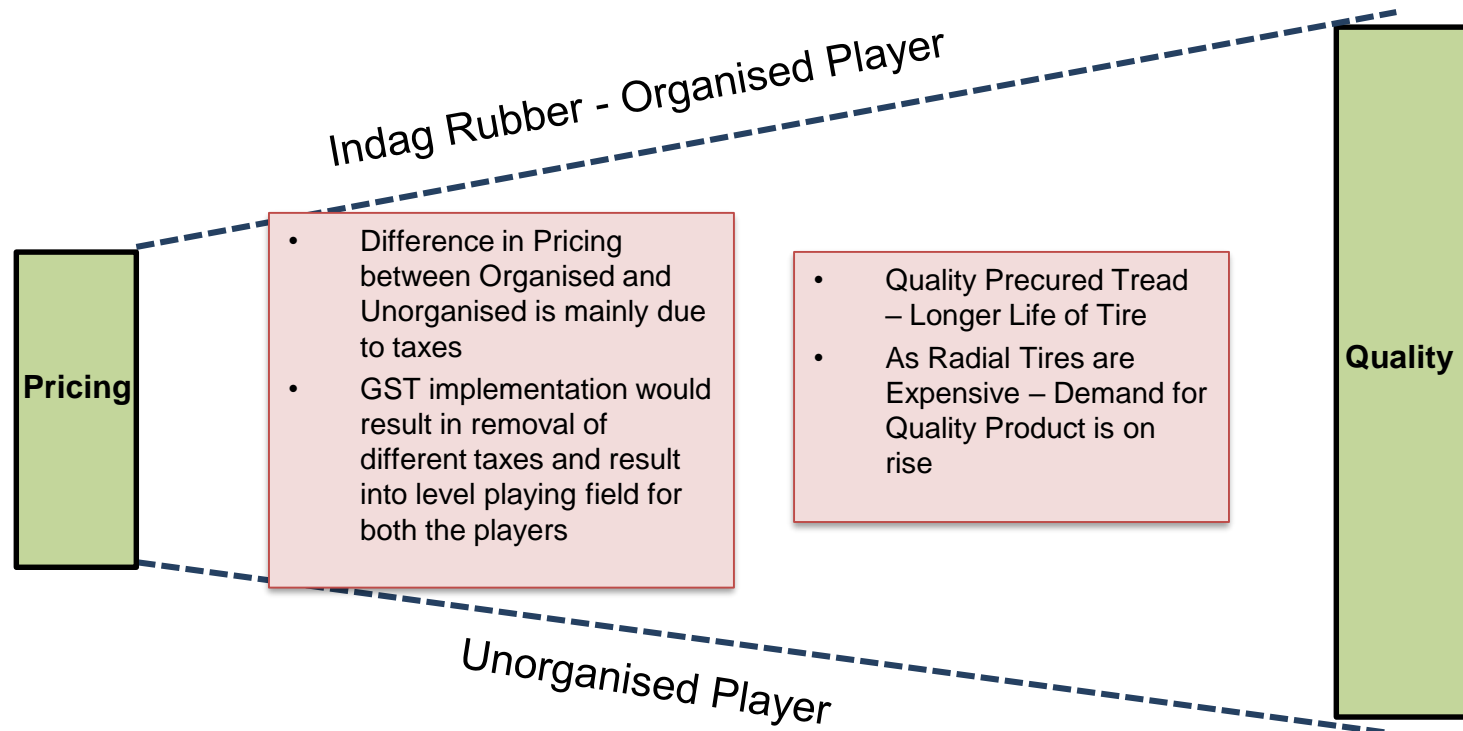
No Overloading & Proper Maintenance of Vehicles

Will help to reduce Casing Failure, which is pre-condition for Tire Retreading

GST - A Game Changer



Retreading was dominated by Unorganised Players
There has been a Slow Shift towards Organised Players



Company Offers - Best Quality with Reasonable Pricing

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THE ONLY ALTERNATIVE TO NEW TYRES

Financial Highlights

CEO's Message



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

*“We are pleased to announce that our Company has achieved a **Revenue of Rs. 40 crores with EBITDA and PAT of Rs. 5 and Rs. 3 crores respectively** in the first quarter of FY19.*

There was high growth in sale of commercial vehicles in the first quarter of FY19. The CV segment is expected to grow in double digits for the next few year driven by increase in infrastructure development in our country. Tyre volume demand is also expected to grow at an increased rate boosted by higher OEM demand and stable replacement demand. This augers well for the retreading industry as well.

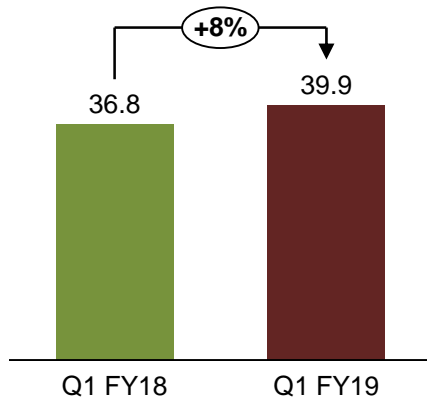
Post implementation of GST there has been a shift from the unorganized sector to the organized sector with the organized players having an upper hand.

The tyre industry continues to invest in radial tyre capacities. Increase in Radialization will have a positive impact on the retreading industry in course of time.”

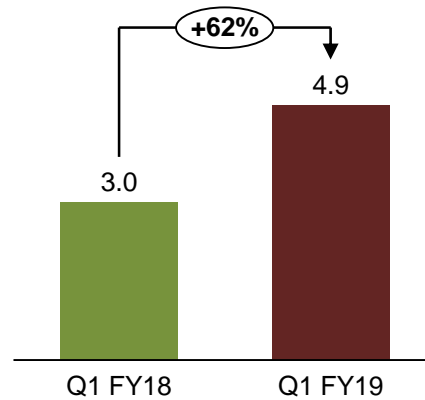
Financial Highlights – Q1 FY19



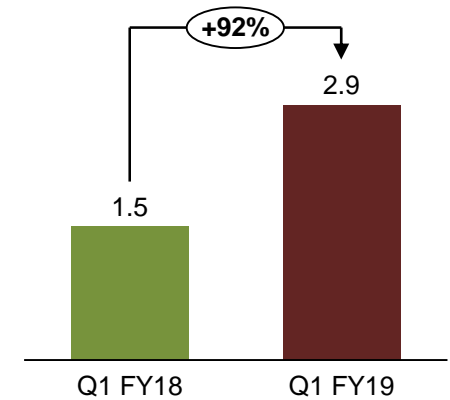
Revenue*



EBITDA*

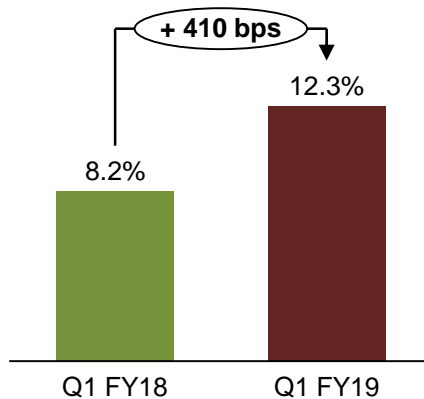


Profit after Tax

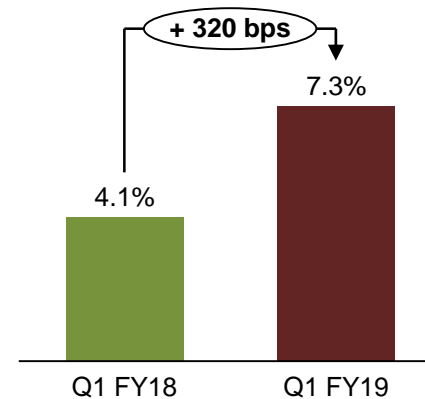


Rs. Crs.

EBITDA Margin* (%)



PAT Margin (%)



*incl. Other Income

Financial Highlights – Q1 FY19



Particulars (Rs. In Crs)	Q1 FY19	Q1 FY18	Y-o-Y
Total Revenue from Operations	39.1	34.4	
Other Income	0.8	2.4	
Total Revenue (incl. Other Income)	39.9	36.8	8%
Raw Material	25.4	25.6	
Gross Profit	14.5	11.2	30%
Gross Profit %	36.5%	30.4%	
Employee Expenses	4.0	3.8	
Other Expenses	5.7	4.3	
EBITDA	4.9	3.0	62%
EBITDA %	12.3%	8.2%	
Depreciation	0.8	0.7	
EBIT	4.1	2.3	77%
EBIT (%)	10.3%	6.3%	
Finance Cost	0.1	0.1	
Profit before Tax	4.1	2.3	78%
Tax	1.1	0.7	
Profit after Tax	2.9	1.5	92%
PAT %	7.3%	4.1%	
EPS	1.11	0.58	

Balance Sheet



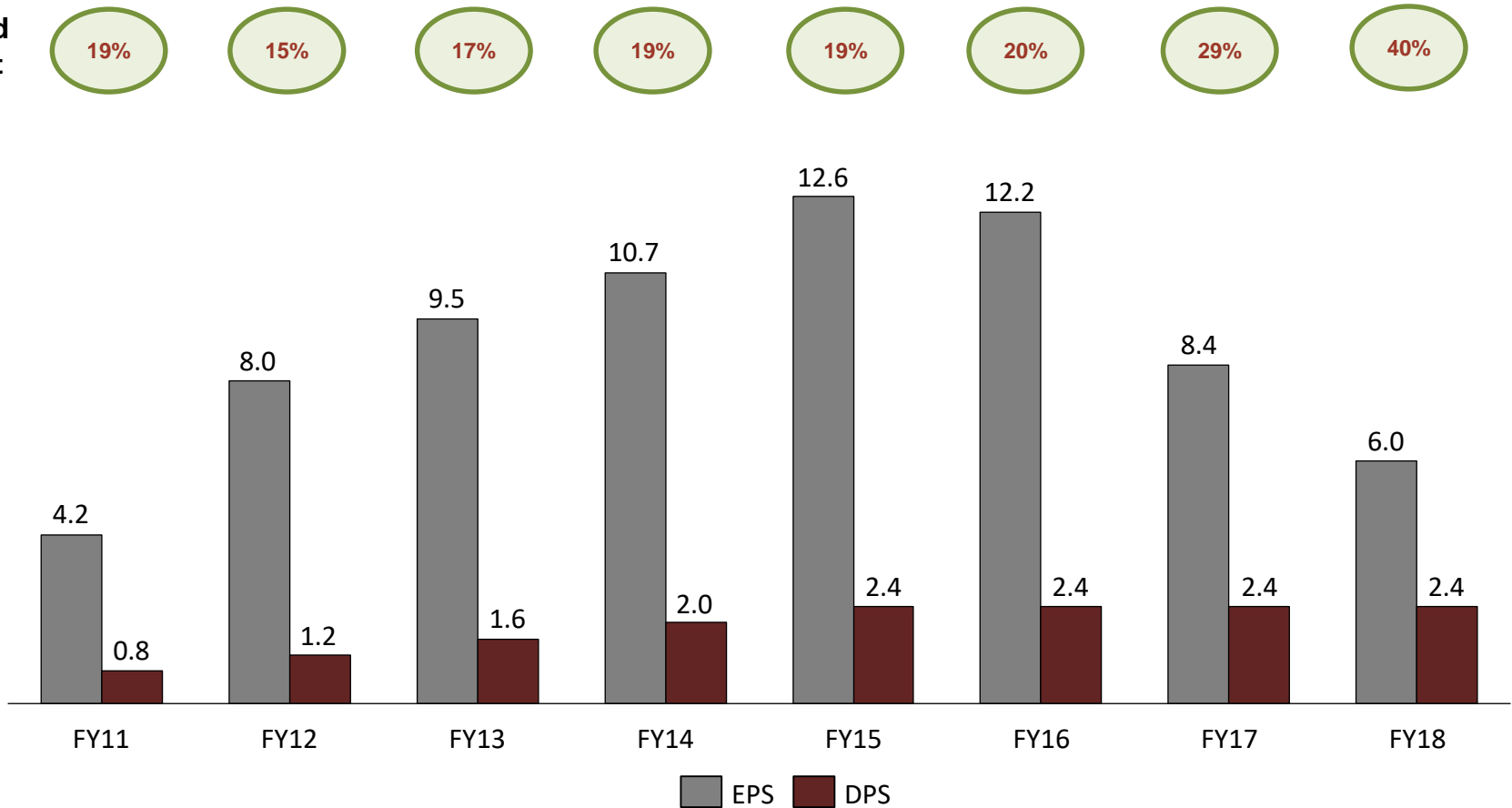
Liabilities (Rs. Crs.)	Mar - 18	Mar-17
Equity		
Share Capital	5.3	5.3
Other Equity	181.2	171.1
Total Equity	186.4	176.3
Non Current Liabilities		
Deferred Tax Liabilities (Net)	3.6	3.9
Total Non Current Liabilities	3.6	3.9
Current Liabilities		
Financial Liabilities		
Trade Payables	14.3	18.0
Other Financial Liabilities	2.6	2.4
Provisions	1.1	1.0
Current Income Tax Liabilities (Net)	0.6	0.5
Other Current Liabilities	1.7	5.1
Total Current Liabilities	20.2	27.0
Total Equity and Liabilities	210.3	207.2

Assets (Rs. Crs.)	Mar-18	Mar-17
Non Current assets		
Property, Plant and Equipments	28.4	30.6
Capital Work-In-Progress	0.2	0.2
Other Intangible Assets	0.3	0.2
Financial Assets		
Investments	101.8	63.0
Loans	0.0	0.1
Other Financial Assets	1.3	0.6
Income Tax Assets	0.2	0.2
Other Non-Current Assets	0.0	0.3
Total Non Current Assets	132.2	95.2
Current Assets		
Inventories	32.8	41.4
Financial Assets		
Investments	5.2	29.7
Trade Receivables	28.9	29.0
Cash and Cash Equivalents	3.0	3.0
Other Bank Balances	1.1	2.1
Loans	0.2	0.2
Other Financial Assets	5.4	4.9
Income Tax Assets (net)	0.0	0.1
Other Current Assets	1.5	1.7
Total Current Assets	78.1	112.0
Total Assets	210.3	207.2

Consistent Dividend Pay-out



Dividend Pay-Out





For further information, please contact

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