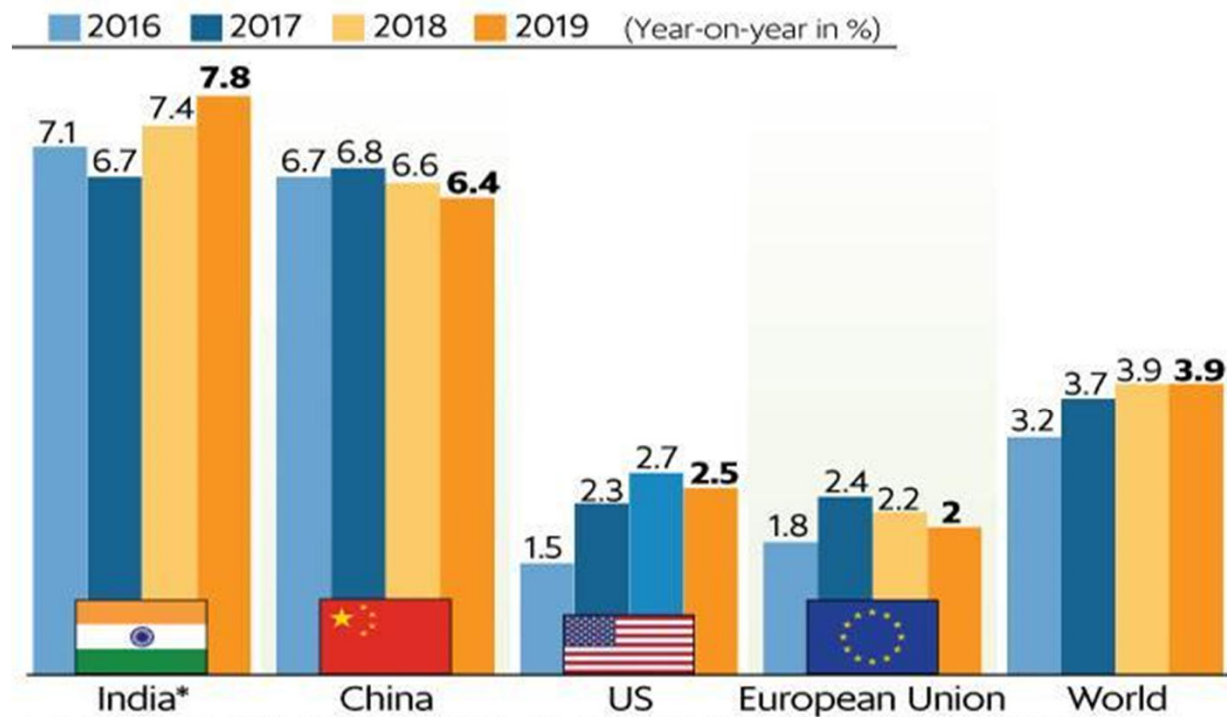


The Development of the Indian Retreading Market and its opportunities and challenges

Paulose Varughese - Midas

India's growth story



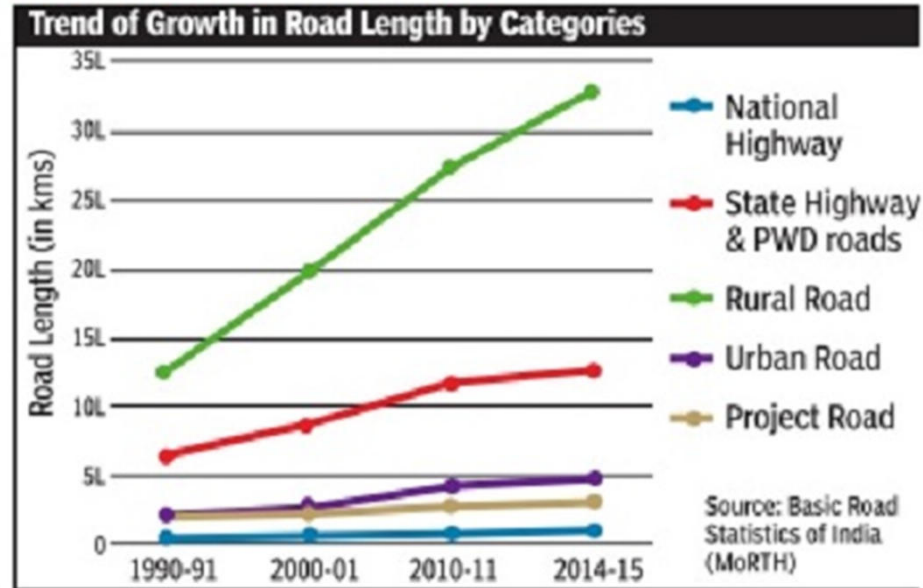
*For India, data forecasts are based on financial year (April-March) basis

Source: IMF

Roads. The future is bright.




PATH TO PROGRESS



ROAD TO GROWTH

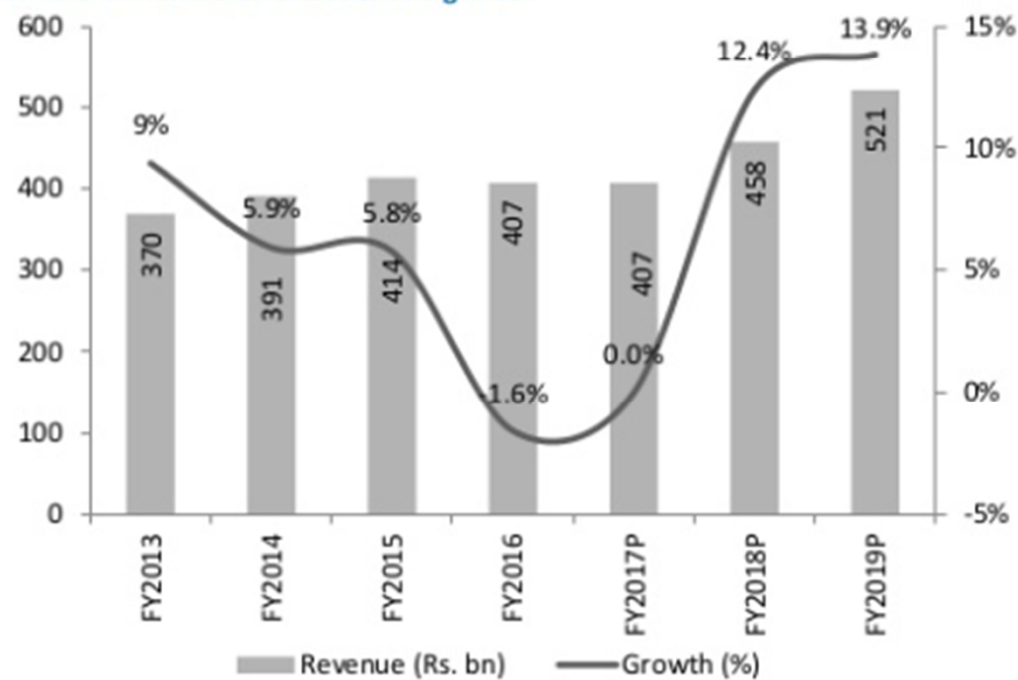
Length (km)		93,000	May 2014
19,811	1950-51	1,03,000	2015
23,798	1960-61	1,50,000	projected by mid-2016
23,838	1970-61		
31,671	1980-81		
33,650	1990-91		
57,737	2000-01		
70,934	2010-11		
79,116	2012-13		





“As goes the Indian Tyre industry,
so goes the Indian Retreading Industry.”

Exhibit 41: Trends in Revenues and growth

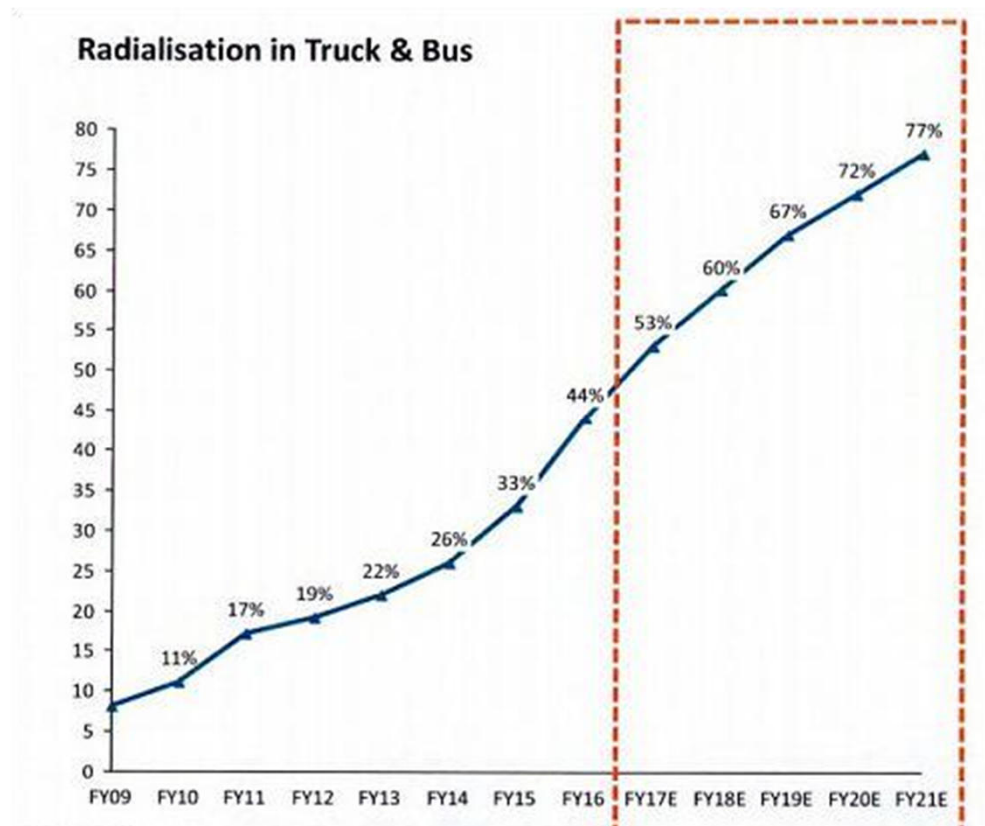


Source: ICRA research. Based on a sample of seven of the largest tyre entities in India

Changes in the Tyre Industry

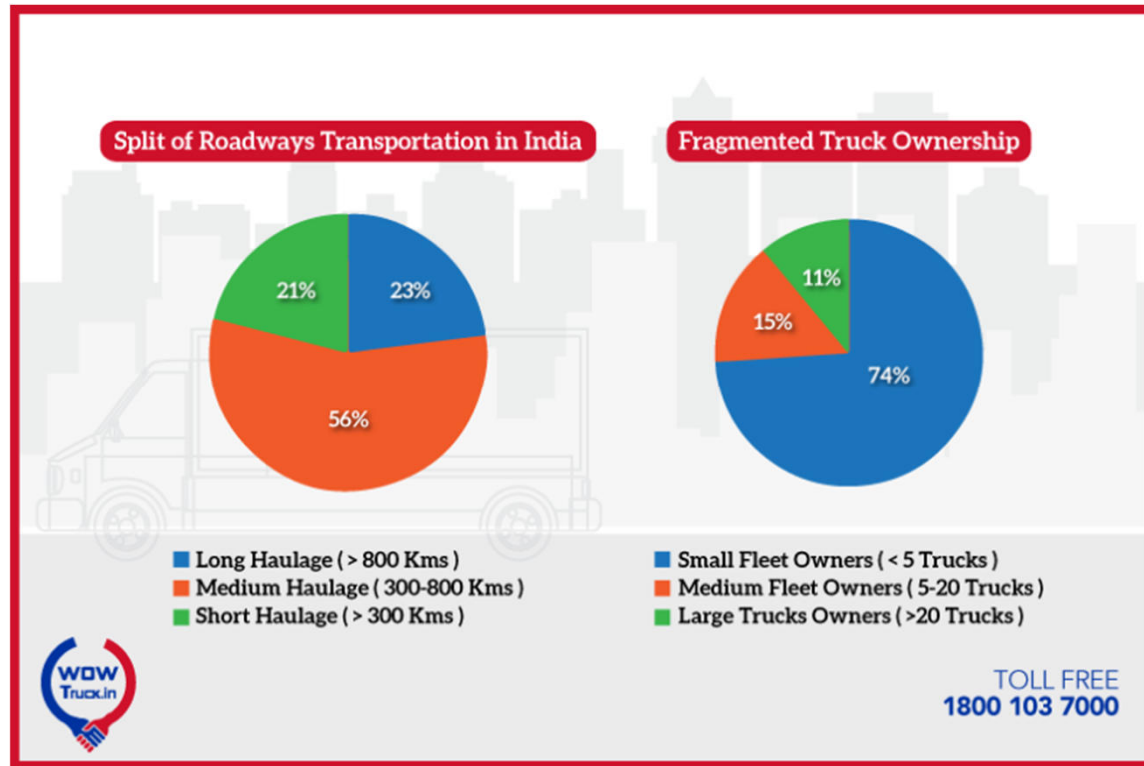


- Demonetisation in November 2016
- GST in July 2017
- Anti dumping duty on Chinese tyres
- Radialisation

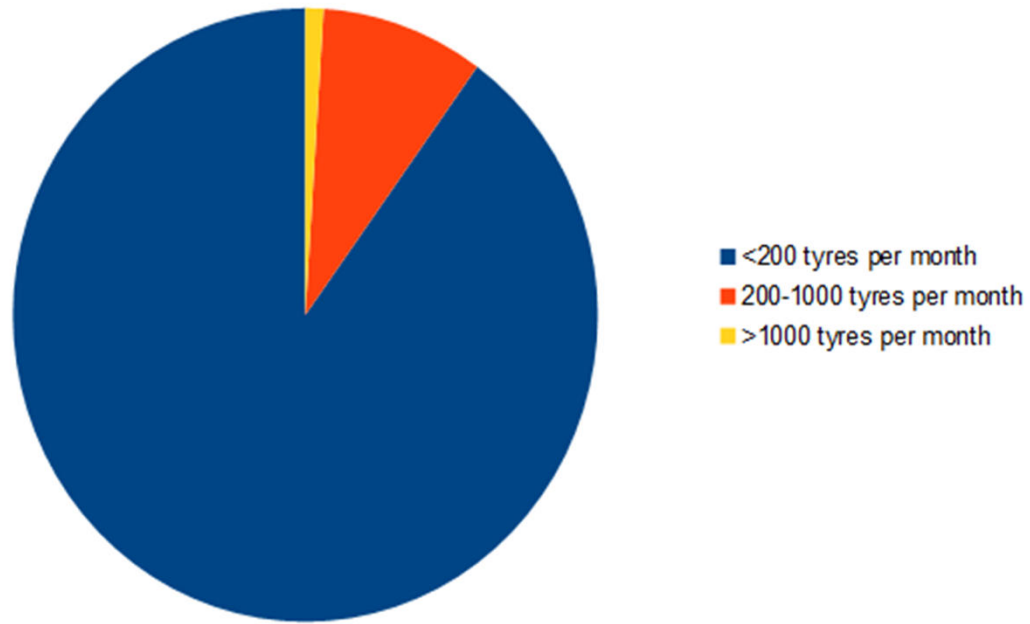


Distribution of Trucks

midas
MILEAGE



Distribution of retreaders



Details of average no of Tyres retreaded in Baroda				
		2016	2015	2014
1	Patel Tyre Retreaders	75	100	100
2	Deluxe Tyre Retreaders	130	200	200
3	Bright Cold Retreaders	300	350	400
4	Popular Tyre Retreading	100	150	150
5	Perfect Tyre Retreading	100	225	225
6	Empire Tyre (Elgi)	200	250	250
7	Paramount Tyre	140	170	150
8	Maruthi Tyre	250	375	375
9	Unity Tyre	70	125	125
10	Surat Tyre	200	350	350
11	Janatha Tyre	125	200	200
12	Satnam Cold Retreaders	60	100	100
13	Janatha Tyre	60	60	60
14	Uma Cold Retreaders	70	100	150
15	Jay Bharath Tyre	Closed	Closed	70
16	Vishvanath Tyre Service	30	70	70
17	Laxmi Tyre	20	50	50
18	S.K.Tyre	100	200	200
19	Baliyadev Tyre Retreaders	100	150	150
20	Victory Cold Retreaders	Closed	60	80
21	Precured Tyres	Closed	Closed	100
		2130	3285	3555
		-40.00%		



Types of Retreaders



- Large independents
- Franchisee's
- Franchisee owned shops
- Tyre company franchisees or own retreading
- Small to medium independents
- Tractor Tyres

State to state variation



- Mumbai
- Vijayawada
- Kerala



Manufacturers



Local manufacturers
supplying a local area.

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Midas



Largest manufacturer in Asia

Exporting all over the globe - Europe, South America, Africa,
Middle East

Products include Precured Tread Rubber, Tread Rubber,
Envelope, Inner Envelope, Curing Tube, Flap, Bonding Gum,
Vulcanising Solution



Chinese tyres and retreading

- Flood of Chinese tyres till last year.
- Demonetisation and GST
- Anti dumping duty
- The reduction has been good for retreading



Developments



- New Tread manufacturers
- Tyre companies entering the Indian retreading market
- New high tech retread companies (\$100,000 +)
- Consolidation of Tread rubber manufacturers
- Smaller retreading units closing

Taxes

- Very low compliance of taxes
- GST
- Increasing compliance
- Varies from state to state



Government Regulation



- Non existent in most places.
- State to state variation.
- Could be an important factor in the future.
- BIS and ISI.

Organisations

- Local bodies
- TREA



The future is....



- Consolidation (fleets and retreading)
- Higher standards of retreading
- Regulation