

COMPANY PROFILE



EASTERN TREADS LTD

MAKING A DIFFERENCE IN RETREADING

Globally, the retreading market is increasingly thriving than ever. In recognition of this, Eastern Treads Ltd (ETL) is firmly equipped to revolutionize the global retreading industry and is planning aggressive forays into the potential European and US markets, with the widest range of retreading solutions.

In the backdrop of tyre retreading emerging as a prohibitively potential business proposition across the globe, quality retreading solutions have been of a distant dream. Eastern Treads Ltd (ETL), a company listed in Indian Stock Market, through Mumbai Stock Exchange, and backed by the rock solid 'Eastern' brand, a household name in the country in a variety of sectors, is on a fast track of growth. The company aims to emerge as one of the world's leading one-stop high-quality retreading solution provider in the near future, catering not only to the large domestic market but also to the highly lucrative and quality-conscious European and US markets.

Under the chairmanship of a young and dynamic leader, Navas Meeran, ETL is also aiming for strategic foreign collaborations on its endeavor to attain its vision. The four decade successfully sustained Eastern Group, founded by late M E Meeran hailing from the spice and rubber-rich High Ranges of Kerala, is today one of India's largest dealers of spices and condiments, thanks to its foreign affiliations, strategic roll outs and crucial acquisitions.

The ETL edge

Eastern Treads Limited approaches both con-

ventional and pre-cured retread processes, and has equipment, enabling the retreading of virtually every tyre size and for a host of vehicles including passenger cars, light and heavy commercials and tractors, as well as OTR vehicles up to 2400x49 and 26.5R25 radials. The company produces a large range – more than one hundred and sixty designs-of pre-cure retread materials as well as the mould cure (die size and strip) tread rubber.

“With a vision to emerging as an one-stop total retreading solution provider, the company drastically expanded its dimensions from its role as a supplier of tread rubber to add on vertical including “Retreading equipment, Spares, Accessories and other retreading services” through infinity zone franchisees (premium brand treads), apart from existing verticals like open market, exports and State Road Transport Corporations (RTCs),” reports S. Rajesh, Vice President-Operations & CFO.

Perhaps today, ETL is the only company in the country who has been into all these above verticals which provides a comprehensive eco system across the retreading value chain.

We are making constant efforts to determine the likely trends in consumer demand for tread in the future and have launched new Infin-

ity quality tyre retreads for better mileage on diverse road conditions, which will give us a competitive edge in the coming years.”

Planned expansion drive

Before embarking on its current expansion drive, Rajesh with his dedicated team in ETL had executed major researches, through which they studied the challenges and prospects of the retreading market in India and abroad. A wide range of studies on “risk and rewards” of the retreading industry were conducted.. These include but not limited to the business scalability avenues, retreaders’ real front and back-end issues, and the profitability of this industry. Based on the research, we have formalized viable solutions for all the major issues, and we are inclined to become a “One-Stop Solution” for all the retreading requirements in terms of 3m’s: Manpower, Material, and Machinery.”

Invention of premium franchisee model called “Infinity Zone”, entry into supply of retreading equipment, spares and accessories and creation of a space for CPKM (Cost per KM) concept between various RTC’s, recorded the beginning of the company’s ambitious forays. The conceptualization of CPKM resulted in many RTCs accepting treads, that give more mileage per km despite its higher cost.

Another pivotal initiative in the expansion drive was starting of self-owned most modern tyre retreading centres in Chennai and Bangalore. These process evaluation centres were established with an intention to explicitly evaluate and provide solutions for the operational problems of retreaders, and to provide trainings, with a focused emphasis on “Best Manufactur-



S. Rajesh, Vice President-Operations & CFO

ing Standards”. The company aspires to launch a “Retreading Training Centre”, contiguous to the Process Evaluation Centre in Chennai, with a view to train and supply, skilled retreading technicians.

In addition, the company has started establish-



Eastern Operations Team : (Left to Right) Vibhi Bhaskar : Sr. Manager Operations, Retreading Business, Naveen Nair: Manager International Business, Muhammed Sherif Shah : Sr. DGM Commercial, S Rajesh : Vice President-Operations & CFO, Sabrainathaprasad C P : Sr . DGM Operations, Baiju T : Company Secretary

ing direct interactions with fleet owners, the end users, to make them familiarize about the need for quality treads and quality retreading. Further ETL has engaged in a campaign to convert the traditional retreading units in the organized sectors into quality retreading establishments.

The road ahead

As per the management, the near future plan is to make a decisive entry into the European and US markets. The company's strong R&D team is in the process of developing market-specific retreading solutions in these highly potential and lucrative markets. Everything is in accord for launching ETLs branded products and establishing sales offices in these markets. ETL already has its export presence in South America, African countries including Kenya, Tanzania and Uganda, Middle East, Nepal, Bhutan and Bangladesh.

Our immediate goal is to entirely focus on creating a presence in the US & European markets. It was as a part of this plan that the company has participated in Reifen Essen 2016 in Germany and remaining receptive to participate in forthcoming such expos in Malaysia

and other parts of the world. Last year, out of company's total revenue of Rs 877 million, 76% was generated from domestic sales, 20% from Government business and 4% from exports. Next year, ETL targets at least 20% of its revenues to be generated from exports.

Rajesh said adding, "Of all the manufacturing companies in Kerala, we were the first to conduct the AGM and to get the shareholders approval for FY 15-16 financials and dividend payouts. All the above efforts has been recognized and positively responded by the investor market, and our share value being hovered around Rs 140 per 10 rupee share

The term "Tyre Retreading" in the commercial vehicle segment is certainly poised for tremendous growth in the future. As the vast increasing number of vehicles on roads have driven the replacement tyre market, in which around 85% of the tyre demand is for replacements, the evolution in tyre retreading industry is more significant. In this context, the upcoming years would certainly witness ETL emerging as one of the leading global players in this segment.

Yes, ETL is no longer a tread seller, but a solution provider for the retreading fraternity . RA