

Dated, 23 June, 2021

REF: ETL/BSE/AFR/FY2021/21-22

Scrip Code : 531346

The Corporate Relationship Department,
BSE Limited,
Floor 25, PJ Towers,
Dalal Street, Mumbai – 400001.

Dear Sir,

Sub:- Audited Financial Results as on 31 March 2021

We submit herewith the Audited Standalone and Consolidated Financial Statements and Auditors Report on financial results for the quarter and year ended 31 **March 2021** pursuant to the listing agreement read with Regulation 33 of SEBI (LODR) Regulations, 2015.

The Meeting of the Board of Directors of the Company held today, 23 June 2021 at 2.30 PM at the registered office of the company and approved the audited financial results for the quarter and year ended 31 March, 2021.

The meeting concluded at 5.40 PM.

Kindly take the information in your records.

Thanking you,

Yours faithfully,
For EASTERN TREADS LIMITED

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BAIJU.T
Company Secretary

Eastern Treads Ltd.

CIN : L25119KL1993PLC007213

Reg. Office: 3 A, 3rd Floor, Eastern
Corporate Office, 34/137 E, N H Bye-Pass,
Edappally P. O., Kochi, Kerala - 682 024, India.

Factory : Oonnukal P.O, Kothamangalam
Ernakulam, Kerala - 686 693.

Phone : +91 484 7161 100
E-mail : treads@eastern.in
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Phone : +91 485 2855 448



EASTERN TREADS LIMITED

CIN: L25119KL1993PLC007213

Regd. Off: 3A, 3rd floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024

(₹ in lakhs, except earnings per equity share)

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021						
Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Unaudited (Refer Note 2)	Unaudited	Unaudited (Refer Note 2)	Audited	Audited
I	Income					
	(a) Revenue from operations	1,889.37	1,902.81	1,520.77	6,659.57	7,745.32
	(b) Other income	15.28	18.64	11.95	49.28	32.66
	Total income	1,904.65	1,921.45	1,532.72	6,708.85	7,777.98
II	Expenses					
	(a) Cost of materials consumed	1,370.47	1,233.17	1,072.98	4,252.04	5,243.89
	(b) Purchases of stock-in-trade	14.30	0.68	0.90	20.23	41.81
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(113.96)	(27.85)	(116.06)	96.14	(163.66)
	(d) Employee benefits expense	234.24	213.04	251.60	810.32	982.16
	(e) Finance costs	80.82	65.13	85.78	331.41	323.40
	(f) Depreciation and amortisation expense	51.18	42.57	57.13	212.22	247.18
	(g) Other expenses	314.40	306.25	242.71	1,075.92	1,213.06
	Total expenses	1,951.45	1,832.99	1,595.04	6,798.28	7,887.84
III	Profit / (Loss) before exceptional items and tax (I-II)	(46.80)	88.46	(62.32)	(89.43)	(109.86)
IV	Exceptional items	-	-	-	-	-
V	Profit / (Loss) before tax (III-IV)	(46.80)	88.46	(62.32)	(89.43)	(109.86)
VI	Tax expenses:					
	- Current tax	-	-	-	-	-
	- Deferred tax (credit) / charge	(16.12)	(5.40)	17.06	(32.02)	2.61
VII	Profit / (Loss) for the period / year (V-VI)	(30.68)	93.86	(79.38)	(57.41)	(112.47)
VIII	Other comprehensive income / (loss)					
	(a) Items that will not be reclassified to profit / (loss)	9.50	(1.93)	12.91	3.72	(7.71)
	(b) Income tax relating to items that will not be reclassified to profit / (loss)	(2.39)	0.48	(3.34)	(0.94)	1.94
IX	Total comprehensive income / (loss) for the period / year (VII+VIII)	(23.57)	92.41	(69.81)	(54.63)	(118.24)
X	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20	523.20
XI	Other equity				85.50	140.14
XII	Earnings / (Loss) per equity share:					
	(a) Basic: (₹)	(0.59)	1.79	(1.52)	(1.10)	(2.15)
	(b) Diluted: (₹)	(0.59)	1.79	(1.52)	(1.10)	(2.15)
not annualised						

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EASTERN TREADS LIMITED

CIN: L25119KL1993PLC007213

Regd. Off: 3A, 3rd floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024

Standalone audited balance sheet as at 31 March 2021

Particulars	(₹ in Lakhs)	
	As at	As at
	31-Mar-21	31-Mar-20
	Audited	Audited
A ASSETS		
1 Non-current assets		
(a) Property plant and equipment	1,194.89	1,426.02
(b) Capital work-in-progress	23.91	16.04
(c) Intangible assets	5.46	7.37
(d) Financial assets		
(i) Investments	2.59	2.59
(ii) Trade receivables	0.35	0.29
(iii) Loans	-	-
(iv) Other financial assets	51.52	53.02
(e) Other non-current assets	5.45	33.91
Total non-current assets	1,284.17	1,539.24
2 Current assets		
(a) Inventories	1,042.52	1,050.25
(b) Financial assets		
(i) Trade receivables	2,557.67	2,574.23
(ii) Cash and cash equivalents	44.23	19.10
(iii) Other bank balances	79.92	59.60
(iv) Loans	230.62	149.41
(v) Other financial assets	13.79	7.14
(c) Current tax asset (net)	33.44	30.08
(d) Other current assets	15.40	18.32
Total current assets	4,017.59	3,908.13
Total assets	5,301.76	5,447.37
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	541.18	541.18
(b) Other equity	85.50	140.14
Total equity	626.68	681.32
2 Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	788.63	519.90
(ii) Other financial liabilities	-	6.68
(b) Provisions	115.59	108.37
(c) Deferred tax liabilities (net)	100.99	132.07
(d) Other non-current liabilities	0.03	1.51
Total non-current liabilities	1,005.24	768.53
3 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,347.49	2,718.55
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	0.47	0.31
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	916.35	892.12
(iii) Other financial liabilities	314.70	301.39
(b) Provisions	29.76	27.18
(c) Other current liabilities	61.07	57.97
Total current liabilities	3,669.84	3,997.52
Total liabilities	4,675.08	4,766.05
Total equity and liabilities	5,301.76	5,447.37



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Statement of audited standalone cash flows for the year ended 31 March 2021		
Particular	₹ in lakhs	
	Year ended 31 March 2021 Audited	Year ended 31 March 2020 Audited
A Cash flow from operating activities		
Net loss before tax	(89.43)	(109.86)
Adjustments for:		
Depreciation and amortisation expense	212.22	247.18
Finance costs	331.41	323.40
Bad debts written off	4.21	0.03
Provision for doubtful debts	42.18	-
Profit on sale of asset	(10.56)	(2.92)
Provision on employee benefits	13.52	19.28
Interest income	(20.80)	(14.73)
Operating profit before working capital changes	482.75	462.38
Adjustments for working capital changes:		
Decrease / (Increase) in inventories	7.73	(189.36)
Decrease / (Increase) in trade receivables	(29.89)	80.62
Decrease in other receivables	24.80	52.65
Decrease in trade and other payables	(36.11)	(536.48)
Cash (used in) / generated from operations	449.28	(130.19)
Direct taxes paid	(3.36)	(2.01)
Net cash (used in) / generated from operating activities (A)	445.92	(132.20)
B Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital advances)	(19.90)	(24.65)
Proceeds from sale of property plant and equipment	44.88	35.86
Movement in other bank balances	(20.32)	(38.06)
Loan given to subsidiary	(83.93)	(119.41)
Repayment of loan given to others	2.72	-
Interest received	20.91	14.84
Net cash used in investing activities (B)	(55.64)	(131.42)
C Cash flow from financing activities		
Proceeds from long term borrowings	559.68	100.00
Repayment of long term borrowings	(174.90)	(115.97)
Short term borrowings (net of repayments)	(471.06)	471.52
Interest paid	(278.87)	(268.12)
Dividend paid including dividend distribution tax	-	(0.06)
Net cash generated from / (used in) financing activities (C)	(365.15)	187.37
Net increase / (decrease) in cash and cash equivalents (A+B+C)	25.13	(76.25)
Cash and cash equivalents at the beginning of the year	19.10	95.35
Cash and cash equivalents at the end of the year	44.23	19.10
Components of cash and cash equivalents	As at 31 March 2021 Audited	As at 31 March 2020 Audited
a) Cash on hand	2.45	2.75
b) Balances with bank in current accounts	41.78	16.35
Cash and cash equivalents	44.23	19.10



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Notes:

- 1 These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rule 2015, as amended, as specified in Section 133 of the Companies Act 2013.
- 2 Figures for the quarters ended 31 March 2021 and 31 March 2020 represent the balancing figures of between the audited figures for the full financial year and published reviewed year to date figures up to third quarter of the respective financial year.
- 3 The Company is engaged in the manufacture and trading of tyre retreading materials which form part of a single segment product group and is primarily operating in India. As the Chief Operating Decision Maker (CODM) reviews business performance at an overall company level, disclosure requirement under Ind AS 108 on "Operating Segment" is not applicable.
- 4 The spread of COVID-19 has impacted the normal operations of the company during the year. The country has witnessed several disruptions in normal operations due to lock downs / various restriction imposed by the Central Government and various State Governments. The operations of the Company were disrupted significantly during the first quarter. Though the lock down and transport movement restrictions were progressively relaxed subsequently, disruptions in operations of entities in road transport and automobile sector continued, which adversely affected Company's sales and collections during the year. These above factors have resulted in reduction in gross margin for the year and quarter ended 31 March 2021.

The extent to which the COVID - 19 pandemic, including the current "second wave" and probable "third wave", may further impact the operations and Company's results will depend on ongoing as well as future developments which are highly uncertain.

The Company has taken into account the possible impacts of COVID-19 while preparing the financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. Based on various estimates and assumptions used in business forecast and fund flow projections, management expects to recover the carrying amount of the assets and will be able to discharge the liabilities.

- 5 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.
- 6 Previous period's figures have been regrouped/reclassified wherever necessary to conform with the current period classification.
- 7 The above standalone results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 23 June 2021 and the audit of the same has been carried out by the statutory auditors.

For EASTERN TREADS LIMITED

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M.E Mohamed
Managing Director
DIN: 00129005

Place : Kochi
Date :23 June 2021



Walker Chandiok & Co LLP

6th Floor, Modayil Centre point,
Warriam Road Junction,
MG Road,
Kochi - 682016
Kerala, India
T +91 484 406 4546

Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Eastern Treads Limited

Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of Eastern Treads Limited ('the Company') for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's* Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 4 of the accompanying Statement which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of its impact on the Company's operations and accompanying statement of the Company as at the balance sheet date, the extent of which is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

12. The Statement includes the financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



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Krishnakumar Ananthasivan

Partner

Membership No. 206229

UDIN: 21206229AAAABY8950

Place: Kochi

Date: 23 June 2021



EASTERN TREADS LIMITED

CIN: L25119KL1993PLC007213

Regd. Off: 3A, 3rd floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024

(₹ in lakhs, except earnings per share)

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021						
Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Unaudited (Refer Note 2)	Unaudited	Unaudited (Refer Note 2)	Audited	Audited
I	Income					
	(a) Revenue from operations	2,164.31	2,088.43	1,568.91	7,440.59	7,831.81
	(b) Other income	10.47	14.68	8.18	33.68	23.85
	Total income	2,174.78	2,103.11	1,577.09	7,474.27	7,855.66
II	Expenses:					
	(a) Cost of materials consumed	1,370.48	1,233.17	1,072.98	4,252.05	5,243.89
	(b) Purchases of stock-in-trade	14.30	0.68	0.90	20.23	41.81
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(113.96)	(27.85)	(116.06)	96.14	(163.66)
	(d) Employee benefits expense	247.05	222.85	256.65	841.77	999.84
	(e) Finance costs	79.49	67.16	85.67	335.64	325.24
	(f) Depreciation and amortisation expense	51.60	42.95	57.83	213.74	249.96
	(g) Other expenses	595.88	490.08	290.43	1,844.98	1,308.96
	Total expenses	2,244.84	2,029.04	1,648.40	7,604.55	8,006.04
III	(Loss) / Profit before exceptional items and taxes (I-II)	(70.06)	74.07	(71.31)	(130.28)	(150.38)
IV	Exceptional items	-	-	-	-	-
V	(Loss) / Profit before tax (III-IV)	(70.06)	74.07	(71.31)	(130.28)	(150.38)
VI	Tax expenses:					
	- Current tax	-	-	-	-	-
	- Deferred tax (credit) / charge	(16.18)	(5.39)	16.88	(32.04)	2.27
VII	(Loss) / Profit for the period / year (V-VI)	(53.88)	79.46	(88.19)	(98.24)	(152.65)
VIII	Other comprehensive income / (loss)					
	(i) items that will not be reclassified to profit / (loss)	9.50	(1.93)	12.91	3.72	(7.71)
	(ii) income tax relating to items that will not be reclassified to profit / (loss)	(2.39)	0.48	(3.34)	(0.94)	1.94
IX	Total comprehensive (loss) / income for the period / year (VII+VIII)	(46.77)	78.01	(78.62)	(95.46)	(158.42)
	Net (loss) / profit attributable to:					
	Owners of the holding company	(43.45)	85.94	(84.24)	(79.88)	(134.58)
	Non-controlling interest	(10.43)	(6.48)	(3.95)	(18.36)	(18.07)
	Other comprehensive income / (loss) attributable to:					
	Owners of the holding company	7.11	(1.45)	9.57	2.78	(5.77)
	Non-controlling interest	-	-	-	-	-
	Total comprehensive (loss) / income attributable to:					
	Owners of the holding company	(36.34)	84.49	(74.67)	(77.10)	(140.35)
	Non-controlling interest	(10.43)	(6.48)	(3.95)	(18.36)	(18.07)
X	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20	523.20
XI	Other equity				35.03	112.14
XII	(Loss) / Earnings per equity share:					
	(a) Basic: (₹)	(0.83)	1.64	(1.61)	(1.53)	(2.57)
	(b) Diluted: (₹)	(0.83)	1.64	(1.61)	(1.53)	(2.57)
Not annualised						

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CIN: L25119KL1993PLC007213

Regd. Off: 3A, 3rd floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024

CONSOLIDATED AUDITED BALANCE SHEET AS AT 31 MARCH 2021

Particulars	(₹ in Lakhs)	
	As at	As at
	31-Mar-21	31-Mar-20
	Audited	Audited
A ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	1,196.09	1,427.36
(b) Capital work-in-progress	23.91	16.04
(c) Goodwill	16.02	16.02
(d) Intangible assets	6.45	8.65
(e) Intangible assets under development	147.08	96.11
(f) Financial assets		
(i) Trade receivables	0.35	0.29
(ii) Other financial assets	51.52	53.02
(g) Deferred tax asset	0.36	0.34
(h) Other non-current assets	5.45	33.91
Total non-current assets	1,447.23	1,651.74
2 Current assets		
(a) Inventories	1,042.52	1,050.26
(b) Financial assets		
(i) Trade receivables	2,648.96	2,598.32
(ii) Cash and cash equivalents	52.96	20.76
(iii) Other bank balances	79.92	59.60
(iv) Loans	0.65	3.22
(v) Other financial assets	13.79	7.14
(c) Current tax asset (net)	45.16	30.08
(d) Other current assets	127.21	36.35
Total current assets	4,011.17	3,805.73
Total assets	5,458.40	5,457.47
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	541.18	541.18
(b) Other equity	35.03	112.12
(c) Non-controlling interest	(52.25)	(33.89)
Total equity	523.96	619.41
2 Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	845.96	519.90
(ii) Other financial liabilities	-	6.68
(b) Provisions	115.59	108.37
(c) Deferred tax liabilities (net)	100.99	132.07
(d) Other non-current liabilities	0.03	1.51
Total non-current liabilities	1,062.57	768.53
3 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,400.79	2,742.08
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	0.47	0.31
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,031.71	928.55
(iii) Other financial liabilities	336.09	310.47
(b) Provisions	29.76	27.18
(c) Other current liabilities	73.05	60.94
Total current liabilities	3,871.87	4,069.53
Total liabilities	4,934.44	4,838.06
Total equity and liabilities	5,458.40	5,457.47

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EASTERN TREADS LIMITED

CIN: L25119KL1993PLC007213

Regd. Off: 3A, 3rd floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024

STATEMENT OF AUDITED CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

Particulars	(₹ in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
	Audited	Audited
A Cash flow from operating activities		
Net loss before tax	(130.28)	(150.38)
Adjustments for:		
Depreciation and amortisation expense	213.74	249.96
Finance costs	335.64	325.24
Bad debts written off	4.21	0.03
Provision for doubtful debts	42.18	-
Profit on sale of asset	(10.56)	(2.92)
Provision on employee benefits	13.52	19.28
Interest income	(5.20)	(5.89)
Operating profit before working capital changes	463.25	435.32
Adjustments for working capital changes:		
Decrease / (Increase) in inventories	7.73	(189.36)
(Increase) / Decrease in trade receivables	(97.08)	56.53
(Increase) / Decrease other receivables	(80.84)	34.61
Increase / (Decrease) in trade and other payables	46.29	(503.07)
Cash generated from / (used in) operations	339.35	(165.97)
Direct taxes paid	(3.36)	(2.01)
Net cash generated from / (used in) operating activities (A)	335.99	(167.98)
B Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital advances)	(20.97)	(25.06)
Payments for purchase of intangible assets	(50.97)	(71.16)
Proceeds from sale of property, plant and equipment	44.88	35.86
Movement in other bank balances	(20.32)	(38.06)
Repayment of loan given to others	2.72	-
Interest received	5.32	14.84
Net cash used in investing activities (B)	(39.34)	(83.58)
C Cash flow from financing activities		
Proceeds from long term borrowings	648.96	100.00
Repayment of long term borrowings	(189.02)	(115.97)
Short-term borrowings (net of repayments)	(441.29)	471.68
Interest paid	(283.10)	(278.78)
Dividend paid including dividend distribution tax	-	(0.06)
Net cash (used in) / generated from financing activities (C)	(264.45)	176.87
Net increase / (decrease) in cash and cash equivalents (A+B+C)	32.20	(74.69)
Cash and cash equivalents at the beginning of the year	20.76	95.45
Cash and cash equivalents at the end of the year	52.96	20.76
Components of cash and cash equivalents	As at 31-Mar-21	As at 31-Mar-21
a) Cash on hand	2.45	2.75
b) Balances with banks		
- in current accounts	50.52	18.01
Cash and cash equivalents	52.96	20.76



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EASTERN TREADS LIMITED

CIN: L25119KL1993PLC007213

Regd. Off: 3A, 3rd floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024

Notes:

- 1 These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rule 2015, as amended, as specified in Section 133 of the Companies Act 2013.
- 2 Figures for the quarters ended 31 March 2021 and 31 March 2020 represent the balancing figures of between the audited figures for the full financial year and published reviewed year to date figures up to third quarter of the respective financial years.
- 3 The Group is engaged in the manufacture and trading of tyre retreading materials and other allied activities which form part of a single segment product group and is primarily operating in India. As the Chief Operating Decision Maker (CODM) reviews business performance at an overall group level, disclosure requirement under Ind AS 108 on "Operating Segment" is not applicable.
- 4 The spread of COVID-19 has impacted the normal operations of the Group during the year. The country has witnessed several disruptions in normal operations due to lock downs / various restriction imposed by the Central Government and various State Governments. The operations of the Group were disrupted significantly during the first quarter. Though the lock down and transport movement restrictions were progressively relaxed subsequently, disruptions in operations of entities in road transport and automobile sector continued, which adversely affected Group's sales and collections during the year. These above factors have resulted in reduction in gross margin for the year and quarter ended 31 March 2021.

The extent to which the COVID-19 pandemic, including the current "second wave" and probable "third wave", may further impact the operations and Group's results will depend on ongoing as well as future developments which are highly uncertain.

The Group has taken into account the possible impacts of COVID-19 while preparing the financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. Based on various estimates and assumptions used in business forecast and fund flow projections, management expects to recover the carrying amount of the assets and will be able to discharge the liabilities.

- 5 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.
- 6 Previous period's figures have been regrouped / reclassified wherever necessary to conform with the current period's classification / disclosure.
- 7 The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 23 June 2021 and the audit of the same has been carried out by the statutory auditors.

For EASTERN TREADS LIMITED

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Date: 2021.06.23
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M.E Mohamed
Managing Director
DIN: 00129005

Kochi
23 June 2021



Walker Chandiok & Co LLP

6th Floor, Modayil Centre point,
Warriam Road Junction,
MG Road,
Kochi - 682016
Kerala, India
T +91 484 406 4546

Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Eastern Treads Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Eastern Treads Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), for the year ended 31 March 2021, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiary as referred to in paragraph 13 below, the Statement:
 - (i) includes the annual financial results of the subsidiary, Shipnext Solutions Private Limited;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'). read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, its associates and joint ventures, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 13 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 4 of the accompanying Statement which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of its impact on the Group's operations and accompanying statement of the Group as at the balance sheet date, the extent of which is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
6. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors / management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors/ management of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group, and its associates and joint ventures, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

13. We did not audit the annual financial statements of one subsidiary included in the Statement, whose financial information reflects total assets of ₹ 373.35 lakhs as at 31 March 2021, total revenues of ₹ 782.84 lakhs, total net loss after tax of ₹ 40.81 lakhs, total comprehensive loss of ₹ 40.81 lakhs, and cash flows (net) of ₹ 7.08 lakhs for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditor whose audit report has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the audit report of such other auditors, and the procedures performed by us as stated in paragraph 12 above.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditors.

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



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Krishnakumar Ananthasivan

Partner

Membership No. 206229

UDIN: 21206229AAAABZ7930

Place: Kochi

Date: 23 June 2021

Dated, 23 June, 2021

REF: ETL/BSE/AFR/FY2021/21-22

Scrip Code : 531346

The Corporate Relationship Department,
BSE Limited,
Floor 25, PJ Towers,
Dalal Street, Mumbai – 400001.

Dear Sir,

Sub:- Declaration under regulation 33(3)(d) of SEBI (LODR) Regulations, 2015
for unmodified opinion on financial results

I, M.E Mohamed, Managing Director of Eastern Treads Limited, having registered office at 3A, 3rd Floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024, hereby declare pursuant to Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 that the independent Statutory auditors of the Company, M/s. Walker Chandio & Co LLP, Chartered Accountants, Firm Registration No.: 001076N/N500013 have issued Audit reports with unmodified opinion on financial results for the quarter and year ended 31 March 2021.

Thanking you,

Yours faithfully,

For EASTERN TREADS LIMITED

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M.E Mohamed
Managing Director

Eastern Treads Ltd.

CIN : L25119KL1993PLC007213

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