

Dated, 30 May, 2022
REF: ETL/BSE/AFR/FY2022

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 2022

Pursuant to the provisions of Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, we submit herewith the Audited Standalone and Consolidated Financial Statements, Auditors Report on financial results and Statement on Impact of Audit Quaifications for the quarter and year ended **31 March 2022**.

The Meeting of the Board of Directors of the Company held today, 30 May 2022 at 3.00 PM at the registered office of the company and approved the audited financial results for the quarter and year ended 31 March, 2022.

The meeting concluded at 8.20 PM.

Kindly take the information in your records.

Thanking you,

Yours faithfully,
For EASTERN TREADS LIMITED




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 7161100

E-mail : treads@easterntreads.com

Web : www.easterntreads.com

Phone : +91 485 2855 448

Walker Chandio & Co LLP

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6th Floor, Modayil Centre Point,
Warriam Road Junction,
MG Road,
Kochi - 682 016
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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)

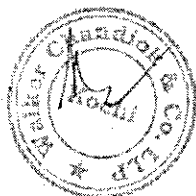
To the Board of Directors of Eastern Treads Limited

Qualified 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 2022, 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').
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, except for the possible effects of the matter described in paragraph 3 below; and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, 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 2022 except for the possible effect of the matter described in paragraph 3 below.

Basis for Qualified Opinion

3. As described in note 6 to the accompanying Statement, the Company has certain overdue trade receivables as at 31 March 2022 aggregating to Rs. 1,085.13 lakhs, (net of expected credit loss allowance of Rs. 90.64 lakhs). As further stated in the said note, the management has assessed the recoverability of all trade receivables outstanding as at year end and created an additional allowance for expected credit loss amounting to Rs. 318.96 lakhs, including on certain specific debts, during the current year. However, in absence of sufficient appropriate audit evidence to support aforesaid accounting estimate made by the management as required under the principles of expected credit loss enunciated under Ind AS 109, Financial Instruments, we are unable to comment on the adequacy of such allowance made against aforesaid overdue trade receivables as at 31 March 2022, and the consequential impact thereof on the accompanying Statement for the year ended 31 March 2022.
4. We conducted our audit in accordance with the Standards on Auditing 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



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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the ethical requirements that are relevant to our audit of the financial results 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 qualified opinion.

Emphasis of Matter – COVID-19

5. We draw attention to note 5 of the accompanying financial statements which describes the uncertainties associated with recovery of market operations post COVID-19 and the Management's evaluation of its probable impact on the Company's operations as at the reporting date, the extent of which is dependent on ongoing as well as future developments, which are highly uncertain. Further, as stated in the same note, the Company has received a letter of financial support from the chairman and promoter director of the Company to mitigate the aforesaid impact on the Company. Our opinion is not modified in respect of this matter

Responsibilities of Management and Those Charged with Governance for the Statement

6. This Statement has been prepared on the basis of the standalone annual 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 profit/loss and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 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.
7. 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.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

9. 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.
10. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, 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.



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- 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 an 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 Board of Directors' 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.
11. 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.
12. 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.

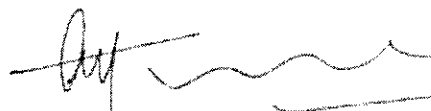
Other Matter

13. The Statement includes the financial results for the quarter ended 31 March 2022, 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

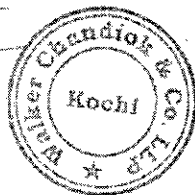


Krishnakumar Ananthasivan

Partner

Membership No. 206229

UDIN: 22206229AJXOFK8553



Place: Kochi

Date: 30 May 2022



EASTERN TREADS LIMITED

CIN: L25119KL1893PLC007213

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 2022						
Sl. No.	Particulars (Refer notes below)	Quarter ended			Year ended	
		31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
		Audited	Unaudited	Audited	Audited	Audited
		Note No 2		Note No 2		
I	Income					
	(a) Revenue from operations	2,128.22	1,559.73	1,889.37	7,227.54	6,559.57
	(b) Other income	5.51	11.05	15.28	33.96	49.28
	Total income	2,133.73	1,570.78	1,904.65	7,261.50	6,708.85
II	Expenses					
	(a) Cost of materials consumed	1,368.95	1,056.95	1,370.47	4,966.83	4,252.04
	(b) Purchases of stock-in-trade	0.03	1.98	14.30	60.64	20.23
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	146.78	94.91	(113.96)	238.32	96.14
	(d) Employee benefits expense	263.46	235.29	234.24	971.62	810.32
	(e) Finance costs	72.81	84.73	80.82	320.48	331.41
	(f) Depreciation and amortisation expense	42.96	44.20	51.18	183.23	212.22
	(g) Other expenses	618.54	280.76	314.40	1,509.40	1,075.92
	Total expenses	2,533.63	1,798.82	1,951.46	8,250.82	6,798.28
III	Loss before exceptional items and tax (I-II)	(399.90)	(228.04)	(46.80)	(989.32)	(89.43)
IV	Exceptional items	-	-	-	-	-
V	Loss before tax (III-IV)	(399.90)	(228.04)	(46.80)	(989.32)	(89.43)
VI	Tax expenses:					
	- Current tax	-	-	-	-	-
	- Deferred tax credit	(3.13)	(5.12)	(16.12)	(21.19)	(32.02)
VII	Loss for the period / year (V-VI)	(396.77)	(222.92)	(30.68)	(968.13)	(57.41)
VIII	Other comprehensive income					
	(a) Items that will not be reclassified to profit or loss (refer note 8)	515.33	1.86	9.50	518.12	3.72
	(b) Income tax relating to items that will not be reclassified to profit or loss (refer note 8)	(129.71)	(0.46)	(2.39)	(130.41)	(0.94)
IX	Total comprehensive loss for the period / year (VII+VIII)	(11.15)	(221.52)	(23.57)	(580.42)	(54.63)
X	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20	523.20
XI	Other equity				(492.90)	85.50
XII	Loss per equity share:					
	(a) Basic: (₹)	(7.58)	(4.26)	(0.59)	(18.50)	(1.10)
	(b) Diluted: (₹)	(7.58)	(4.26)	(0.59)	(18.50)	(1.10)
		Not annualised				



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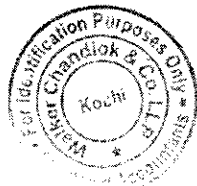


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STANDALONE AUDITED BALANCE SHEET AS AT 31 MARCH 2022		
Particulars (Refer notes below)	₹ in lakhs	
	As at 31-Mar-22 Audited	As at 31-Mar-21 Audited
A ASSETS		
1 Non-current assets		
(a) Property plant and equipment	1,599.34	1,194.89
(b) Capital work-in-progress	16.61	23.91
(c) Intangible assets	3.29	5.48
(d) Financial assets		
(i) Investments	-	2.59
(ii) Trade receivables	0.35	0.35
(iii) Other financial assets	24.32	32.62
(e) Other non-current assets	3.83	5.45
Total non-current assets	1,647.74	1,255.27
2 Current assets		
(a) Inventories	749.30	1,042.52
(b) Financial assets		
(i) Trade receivables	1,999.25	2,565.77
(ii) Cash and cash equivalents	80.43	44.23
(iii) Bank balance other than cash and cash equivalents	78.26	79.92
(iv) Loans	0.50	230.62
(v) Other financial assets	45.89	32.69
(c) Current tax asset (net)	37.61	33.44
(d) Other current assets	64.76	15.40
Total current assets	3,056.20	4,044.58
Total assets	4,703.94	5,309.86
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	541.18	541.18
(b) Other equity	(482.80)	85.50
Total equity	48.38	626.68
Liabilities		
2 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,557.25	788.63
(b) Provisions	164.40	115.59
(c) Deferred tax liabilities (net)	210.21	100.99
(d) Other non-current liabilities	-	0.03
Total non-current liabilities	1,931.86	1,005.24
3 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,712.69	2,529.09
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	14.49	0.47
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	737.95	900.11
(iii) Other financial liabilities	140.93	158.44
(b) Provisions	48.69	29.76
(c) Other current liabilities	59.09	60.07
Total current liabilities	2,723.70	3,677.94
Total liabilities	4,655.56	4,683.18
Total equity and liabilities	4,703.94	5,309.86



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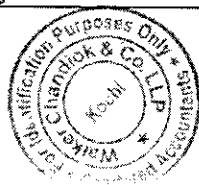
STATEMENT OF STANDALONE AUDITED CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Particulars (Refer notes below)	₹ in lakhs	
	Year ended 31-Mar-22	Year ended 31-Mar-21
	Audited	Audited
A Cash flow from operating activities		
Net loss before tax	(989.32)	(89.43)
Adjustments for:		
Depreciation and amortisation expense	183.23	212.22
Finance costs	320.48	331.41
Bad debts written off	-	4.21
Provision for doubtful debts	313.96	42.18
Provision for inventory	2.46	-
Loss / (profit) on sale of property, plant and equipment	2.11	(10.56)
Provision on employee benefits	28.10	13.52
Interest income	(26.16)	(20.80)
Provision for impairment	2.59	-
Operating profit before working capital changes	(157.55)	482.75
Adjustments for working capital changes:		
Decrease in inventories	290.76	7.73
Decrease / (increase) in trade receivables	247.58	(29.89)
(Increase) / decrease in other receivables	(64.55)	24.80
Decrease in trade and other payables	(172.29)	(36.11)
Cash generated from operations	143.93	449.28
Direct taxes paid	(4.37)	(3.35)
Net cash generated from operating activities (A)	139.56	445.92
B Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital advances)	(27.71)	(19.90)
Proceeds from sale of property plant and equipment	20.18	44.88
Decrease/(increase) in other bank balances	12.85	(20.32)
Repayment of loan by / (loan given to) erstwhile subsidiary	230.12	(83.93)
Repayment of loan given to others	-	2.72
Interest received	26.16	20.91
Net cash generated from / (used in) investing activities (B)	261.58	(55.64)
C Cash flow from financing activities		
Proceeds from long term borrowings	1,001.00	559.68
Repayment of long term borrowings	(170.15)	(174.90)
Repayment of short term borrowings	(928.43)	(471.05)
Interest paid	(269.36)	(278.97)
Net cash used in financing activities (C)	(364.94)	(365.15)
Net increase in cash and cash equivalents (A+B+C)	36.20	25.13
Cash and cash equivalents at the beginning of the year	44.23	19.10
Cash and cash equivalents at the end of the year	80.43	44.23
Components of cash and cash equivalents	As at 31-Mar-22	As at 31-Mar-21
	Audited	Audited
a) Cash on hand	1.61	2.45
b) Balances with bank in current accounts	78.82	41.78
Cash and cash equivalents	80.43	44.23

Reconciliation between the opening and closing balance in the balance sheet for liabilities arising from financing activities

Particulars	As at 31 March 2020	Cash flows	Non cash changes	As at 31 March 2021
Non current borrowings (including current maturities)	936.11	384.78	49.34	1,370.23
Current borrowings	2,418.55	(471.06)	-	1,947.49

Particulars	As at 31 March 2021	Cash flows	Non cash changes	As at 31 March 2022
Non current borrowings (including current maturities)	1,370.23	830.65	47.60	2,248.68
Current borrowings	1,947.49	(926.43)	-	1,021.06



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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 standalone financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended.
- 2 Figures for the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between audited figures for the financial year and the reviewed year to date figures up to the third quarter of the respective financial years.
- 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 An offer of rights issue was made to the Company by Shipnext Solutions Private Limited ("Subsidiary") on 4 September 2021 which was renounced by the Company in its board of directors meeting held on 13 September 2021. Subsequently, the capital base of the Subsidiary was increased by way of private placement of equity shares to other investors on 30 November 2021. Consequently, the shareholding of the Company has reduced to 14.53% resulting in loss of control in Subsidiary and Shipnext Solutions Private Limited became an associate as per Ind AS 28 "Investments in Associates and Joint Ventures" with effect from 1 December 2021. Further, due to various actions taken by the management of the Company including amendment in shareholders' agreement, Shipnext Solutions Private Limited ceased to be an associate of the Company with effect from 15 February 2022.
- 5 The Company has reported a net loss of Rs. 988.13 lakhs during the current year and has accumulated losses amounting to Rs. 1,795.16 lakhs as on 31 March 2022. The spread of COVID-19 has impacted the normal operations of the Company during the period. The country has witnessed several disruptions in normal operations. 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 timely collections from customers during the period. The extent to which the COVID-19 pandemic 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. The Company has performed an assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, including overdue receivables from various state road transport corporations, 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. The Company has received a letter of support from the chairman and promoter director of the Company, wherein he has confirmed to provide all financial support to the Company to meet the shortfall in its fund requirements for payment of timely dues to banks & other parties and to meet the operating expenses, if required, for a period of not less than 12 months from the date of financial closure. In view of the above letter of support and various performance improvement measures undertaken, the Management believes that the Company will be able to meet its operational and other commitments as and when these become due in the foreseeable future. Hence the financial statements have been prepared on a going concern basis.
- 6 Trade receivables as on 31 March 2022 includes certain overdue debts amounting to Rs. 1,035.13 lakhs (net of expected credit loss allowance of Rs. 90.54 lakhs). As directed by the Board of Directors in their meeting dated 31 March 2022, the management has made a detailed assessment of carrying value of all receivables and an additional allowance for expected credit loss amounting to Rs. 318.95 lakhs, including allowance for certain specific debts, has been made in the financial statement during the current quarter.
- 7 The Audit Committee and the Board of Directors of the Company at their respective meetings held on 31 March 2022 approved adoption of revaluation model as permitted by Ind AS 16 "Property, Plant and Equipment" for measurement of carrying value of the land owned by the Company. Fair valuation of the land was carried out by a registered valuer and the fair value of land was estimated at Rs. 720.51 lakhs and consequent revaluation gain of Rs. 430.26 lakhs (net of tax) has been recognized in other comprehensive income, during the current quarter.
- 8 Prior period comparatives have been regrouped / reclassified wherever necessary to conform to the presentation in the current period and are compliant with Ind AS. The management has exercised necessary due diligence to ensure that the financial results give a true and fair view.
- 9 The above standalone results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 30 May 2022 and the audit of the same has been carried out by the statutory auditors.

Place : Kochi
Date : 30 May 2022



For EASTERN TREADS LIMITED

**M E
Mohamed**

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Mohamed
Date: 2022.05.30
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M.E Mohamed
Managing Director
DIN: 00129005

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I.	1	Turnover / Total income (Rs. Lakhs)	7,261.50	Not Ascertainable
	2	Total Expenditure * (Rs. Lakhs)	8,229.63	
	3	Net Profit/(Loss) (Rs. Lakhs)	(968.13)	
	4	Earnings Per Share (Rs.)	(18.50)	
	5	Total Assets (Rs. Lakhs)	4,703.94	
	6	Total Liabilities (Rs. Lakhs)	4,655.56	
	7	Net Worth (Rs. Lakhs)	48.38	
	8	Any other financial item(s) (as felt appropriate by the management)		

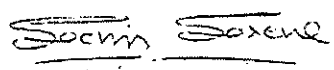
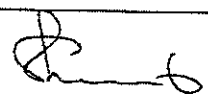

*Including Tax

II. Audit Qualification (each audit qualification separately):

Sl No:	Particulars	Remarks
a	Details of Audit Qualification:	As described in note 6 to the accompanying Statement, the Company has certain overdue trade receivables as at 31 March 2022 aggregating to Rs. 1,085.13 lakhs, (net of expected credit loss allowance of Rs. 90.64 lakhs). As further stated in the said note, the management has assessed the recoverability of all trade receivables outstanding as at year end and created an additional allowance for expected credit loss amounting to Rs. 318.96 lakhs, including on certain specific debts, during the current year. However, in absence of sufficient appropriate audit evidence to support aforesaid accounting estimate made by the management as required under the principles of expected credit loss enunciated under Ind AS 109, Financial Instruments, we are unable to comment on the adequacy of such allowance made against aforesaid overdue trade receivables as at 31 March 2022, and the consequential impact thereof on the accompanying Statement for the year ended 31 March 2022.
b	Type of Audit Qualification :	Qualified Opinion
c	Frequency of qualification:	Appeared first time

d	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	Not Ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same:	The management is following up for recovery all overdue amount and favorable response is expected. The Company has also performed an assessment of recoverable values of its receivables including overdue receivables. Based on various estimates and assumptions used in business forecast and fund flow projections, the management expects to recover its receivables.
	(iii) Auditors' Comments on (i) or (ii) above:	Included in the Auditor's Report

III. Signatories

CEO	
CFO	
Audit Committee Chairman	K S Neelacanda Iyer Digitally signed by K S Neelacanda Iyer Date: 2022.05.30 19:51:27 +05'30'
Statutory Auditor	

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
6th Floor, Modayil Centre Point,
Warriam Road Junction,
M G Road,
Kochi - 682 016
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)

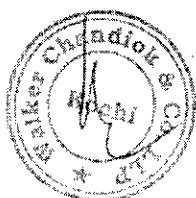
To the Board of Directors of Eastern Treads Limited

Qualified 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'), and its associate for the year ended 31 March 2022, 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').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) includes the annual financial information of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the possible effects of the matter described in paragraph 3 below; 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 the Companies (Indian Accounting Standards) Rules, 2015, 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 and its associate, for the year ended 31 March 2022 except for the possible effect of the matter described in paragraph 3 below.

Basis for Qualified Opinion

3. As described in note 5 to the accompanying Statement, the Holding Company has certain overdue trade receivables as at 31 March 2022 aggregating to Rs. 1,085.13 lakhs, (net of expected credit loss allowance of Rs. 90.64 lakhs). As further stated in the said note, the management has assessed the recoverability of all trade receivables outstanding as at year end and created an additional allowance for expected credit loss amounting to Rs. 318.96 lakhs, including on certain specific debts, during the current year. However, in absence of sufficient appropriate audit evidence to support aforesaid accounting estimate made by the management as required under the principles of expected credit loss enunciated under Ind AS 109, Financial Instruments, we are unable to comment on the adequacy of such allowance made against aforesaid overdue trade receivables as at 31 March 2022, and the consequential impact thereof on the accompanying Statement for the year ended 31 March 2022.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41 Connaught Circus, Outer Circle, New Delhi, 110001, India

4. We conducted our audit in accordance with the Standards on Auditing 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 and its associate, 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 results 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 qualified opinion.

Emphasis of Matter – COVID-19

5. We draw attention to note 4 of the accompanying financial statements which describes the uncertainties associated with recovery of market operations post COVID-19 and the Management's evaluation of its probable impact on the Holding Company's operations as at the reporting date, the extent of which is dependent on ongoing as well as future developments, which are highly uncertain. Further, as stated in the same note, the Holding Company has received a letter of financial support from the chairman and promoter director of the Holding Company to mitigate the aforesaid impact on the Holding Company. Our opinion is not modified in respect of this matter

Responsibilities of Management and Those Charged with Governance for the Statement

6. 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 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 profit or loss and other comprehensive income, and other financial information of the Group including its associate in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 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 of the company included in the Group and its associate 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 its associate, 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.
7. In preparing the Statement, the respective Board of Directors of the company included in the Group and of its associate, are responsible for assessing the ability of the Group and of its associate, 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 either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the company included in the Group and of its associate, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

Auditor's Responsibilities for the Audit of the Statement

9. 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.



10. As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, 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 system 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 associate, 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 associate 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 information of the entity within the Group, and its associate, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the Statement, of which we are the independent auditors. We remain solely responsible for our audit opinion.
11. 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.
12. 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.
13. 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 Matter

14. The Statement includes the financial information of an erstwhile subsidiary, which have not been audited, whose financial information reflect total assets of ₹ nil as at 31 March 2022, total revenues of ₹ 542.09, total net loss after tax of ₹ 84.54 lakhs, total comprehensive loss of ₹ 84.54 lakhs for the period ended 30 November 2021, and cash flow (net) of ₹ 8.73 lakhs for the period then ended, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 2.59 lakhs, and total comprehensive loss of ₹ 2.59 lakhs for the period 1 December 2021 till 15 February 2022, in respect of an erstwhile associate, based on their financial information, which have not been audited by their auditors. These financial information have been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary and associate, is based solely on such unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.



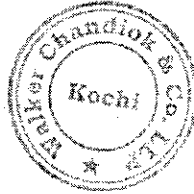
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15. The Statement includes the consolidated financial results for the quarter ended 31 March 2022, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013



Krishnakumar Ananthasivan
Partner
Membership No. 206229
UDIN: 22206229AJXNUJ1704



Place: Kochi
Date: 30 May 2022

Walker Chandio & Co LLP

Annexure 1

List of entities included in the Statement

Entity	Country of incorporation	Relationship
Shipnext Solutions Private Limited	India	Subsidiary upto 30 November 2021
Shipnext Solutions Private Limited	India	Associate from 1 December 2021 till 15 February 2022





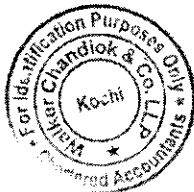
EASTERN TREADS LIMITED

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 CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2022					
Sl. No.	Particulars (Refer notes below)	Quarter ended		Year ended	
		31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-21
		Audited	Unaudited	Audited	Audited
		Note No 2		Note No 2	
I	Income				
	(a) Revenue from operations	2,128.22	1,559.73	1,889.37	7,227.54
	(b) Other income	5.10	11.05	15.28	36.55
	Total income	2,136.32	1,570.78	1,904.65	7,284.09
II	Expenses				
	(a) Cost of materials consumed	1,388.85	1,056.95	1,370.47	4,968.83
	(b) Purchases of stock-in-trade	0.03	1.98	14.30	60.94
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	146.78	94.91	(113.96)	238.32
	(d) Employee benefits expense	263.48	235.29	234.24	971.62
	(e) Finance costs	72.81	84.73	80.82	320.48
	(f) Depreciation and amortisation expense	42.96	44.20	51.18	183.23
	(g) Other expenses	918.64	290.76	314.40	1,509.40
	Total expenses	2,933.63	1,798.82	1,951.45	8,250.82
III	Loss before share of loss of associates, exceptional items and tax (I-II)	(397.31)	(228.04)	(46.80)	(966.73)
IV	Share of loss of associate, net of tax (refer note 3)	-	(2.59)	-	(2.59)
V	Loss before exceptional items and tax (III+IV)	(397.31)	(230.63)	(46.80)	(969.32)
VI	Exceptional items	-	-	-	-
VII	Loss before tax (V-VI)	(397.31)	(230.63)	(46.80)	(969.32)
VIII	Tax expenses:				
	- Current tax	-	-	-	-
	- Deferred tax credit	(3.13)	(5.12)	(16.12)	(21.19)
IX	Loss for the period / year from continuing operations (VII-VIII)	(394.18)	(225.51)	(30.68)	(968.13)
X	Discontinued operations (refer note 3)				
	Profit / (loss) from discontinued operations before tax	-	68.23	(23.25)	12.41
	Tax credit of discontinued operations	-	(0.04)	(0.05)	(0.01)
	Loss for the period / year (IX+X)	(394.18)	(157.24)	(53.86)	(955.71)
XI	Other comprehensive income				
	(a) Items that will not be reclassified to profit or loss (refer note 7)	515.33	1.86	9.50	518.12
	(b) Income tax relating to items that will not be reclassified to profit or loss (refer note 7)	(129.71)	(0.46)	(2.39)	(130.41)
XII	Total comprehensive loss for the period / year (X+XI)	(8.56)	(155.84)	(46.77)	(568.00)
	Net loss attributable to:				
	Owners of the Holding Company	(394.18)	(144.29)	(43.45)	(917.66)
	Non-controlling interest	-	(12.95)	(10.43)	(39.05)
	Other comprehensive income attributable to:				
	Owners of the Holding Company	385.62	1.40	7.11	387.71
	Non-controlling interest	-	-	-	-
	Total comprehensive loss attributable to:				
	Owners of the Holding Company	(8.56)	(142.89)	(36.34)	(529.95)
	Non-controlling interest	-	(12.95)	(10.43)	(38.05)
XIII	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20
XIV	Other equity	-	-	-	(492.80)
XV	Loss per equity share:				
	(a) Basic: (₹)	(7.53)	(2.78)	(0.83)	(17.54)
	(b) Diluted: (₹)	(7.53)	(2.78)	(0.83)	(17.54)
			Not annualised		



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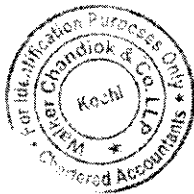
EASTERN TREADS LIMITED

CIN: L25119KL1993PLC007213

Head. 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 2022

Particulars (Refer notes below)	₹ in lakhs	
	As at 31-Mar-22	As at 31-Mar-21
	Audited	Audited
A ASSETS		
1 Non-current assets		
(a) Property plant and equipment	1,599.34	1,196.09
(b) Capital work-in-progress	16.61	23.91
(c) Goodwill	-	16.02
(d) Intangible assets	3.29	5.45
(e) Intangible assets under development	-	147.08
(f) Financial assets		
(i) Trade receivables	0.35	0.35
(ii) Other financial assets	24.32	32.62
(g) Deferred tax assets (net)	-	0.36
(h) Other non-current assets	3.83	5.45
Total non-current assets	1,647.74	1,428.33
2 Current assets		
(a) Inventories	749.30	1,042.52
(b) Financial assets		
(i) Trade receivables	1,999.25	2,657.08
(ii) Cash and cash equivalents	80.43	52.96
(iii) Bank balance other than cash and cash equivalents	73.26	79.92
(iv) Loans	0.50	0.65
(v) Other financial assets	45.69	32.69
(c) Current tax asset (net)	37.81	45.16
(d) Other current assets	54.76	127.21
Total current assets	3,656.20	4,038.17
Total assets	4,703.94	5,466.50
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	541.18	541.18
(b) Other equity	(492.80)	35.03
(c) Non controlling interest	-	(52.25)
Total equity	48.38	523.96
Liabilities		
2 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,557.25	845.96
(b) Provisions	164.40	115.53
(c) Deferred tax liabilities (net)	210.21	100.99
(d) Other non-current liabilities	-	0.03
Total non-current liabilities	1,931.86	1,062.57
3 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,712.69	2,600.22
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	14.48	0.47
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	737.85	1,015.47
(iii) Other financial liabilities	140.90	182.00
(b) Provisions	48.69	29.78
(c) Other current liabilities	69.09	72.05
Total current liabilities	2,723.70	3,879.97
Total liabilities	4,655.56	4,942.54
Total equity and liabilities	4,703.94	5,466.50



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EASTERN TREADS LIMITED

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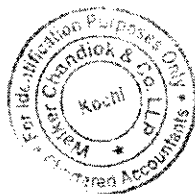
STATEMENT OF CONSOLIDATED AUDITED CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Particulars (Refer notes below)		₹ in lakhs	
		Year ended 31-Mar-22 Audited	Year ended 31-Mar-21 Audited
A	Cash flow from operating activities		
Net loss before tax		(989.32)	(130.28)
Adjustments for:			
Depreciation and amortisation expense		183.23	213.74
Finance costs		320.48	335.64
Bad debts written off		-	4.21
Provision for doubtful debts		318.96	42.18
Provision for inventory		2.46	-
Loss / (profit) on sale of property, plant and equipment		2.11	(10.56)
Provision on employee benefits		28.10	13.52
Interest income		(28.16)	(5.20)
Provision for impairment		2.59	-
Operating profit before working capital changes		(157.55)	463.25
Adjustments for working capital changes:			
Decrease in inventories		290.76	7.73
Decrease / (increase) in trade receivables		247.55	(67.08)
Increase in other receivables		(64.55)	(80.84)
(Increase) / decrease in trade and other payables		(172.29)	45.29
Cash generated from operations		143.93	339.35
Direct taxes paid		(4.37)	(3.36)
Net cash generated from operating activities (A)		139.56	335.99
B	Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital advances)		(27.71)	(20.97)
Payment for purchase of intangible assets		-	(50.97)
Proceeds from sale of property plant and equipment		20.16	44.88
Decrease/(increase) in other bank balances		12.65	(20.32)
Repayment of loan by erstwhile subsidiary		230.12	-
Repayment of loan given to others		-	2.72
Interest received		25.16	5.32
Net cash generated from / (used) in investing activities (B)		261.58	(39.34)
C	Cash flow from financing activities		
Proceeds from long term borrowings		1,001.00	648.96
Repayment of long term borrowings		(170.15)	(189.02)
Short-term borrowings (net of repayments)		(926.43)	(441.29)
Interest paid		(289.36)	(283.10)
Net cash used in financing activities (C)		(384.94)	(264.45)
Net increase in cash and cash equivalents (A+B+C)		36.20	32.20
Derecognition on account of loss of control in subsidiary (refer note 3)		(8.73)	-
Cash and cash equivalents at the beginning of the year		52.99	20.75
Cash and cash equivalents at the end of the year		80.43	52.96
Components of cash and cash equivalents		Year ended 31-Mar-22 Audited	Year ended 31-Mar-21 Audited
a) Cash on hand		1.61	2.45
b) Balances with bank			
in current accounts		78.82	50.51
Cash and cash equivalents		80.43	52.96

Reconciliation between the opening and closing balance in the balance sheet for liabilities arising from financing activities

Particulars	As at 31 March 2020	Cash flows	Non cash changes	As at 31 March 2021
Non current borrowings (including current maturities)	936.11	459.94	48.34	1,445.39
Current borrowings	2,442.08	(441.29)	-	2,000.79

Particulars	As at 31 March 2021	Cash flows	Non cash changes	As at 31 March 2022
Non current borrowings (including current maturities)	1,445.39	830.85	(27.36)	2,248.88
Current borrowings	2,000.79	(926.43)	(63.30)	1,021.06



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EASTERN TREADS LIMITED

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CONSOLIDATED AUDITED SEGMENT WISE REVENUE AND RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2022

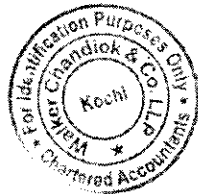
The business performance was reviewed by the Chief Operating Decision Maker (CODM) at an overall level till 31 March 2021. However, with effect from 1 April 2021, the performance is evaluated by the CODM and resources are allocated based on an analysis of various performance indicators by business segments. In accordance with the "management approach" as defined in Ind AS 108 "Operating Segments". The erstwhile subsidiary company, Shipnext Solutions Private Limited, is engaged in the business of providing online freight aggregator service (logistics). Accordingly, information has been presented along the business segments viz., 'manufacture and trading of tyre retreading materials' and 'online freight aggregator service'.

Financial information on our consolidated reportable operating segments for the quarter and year ended 31 March 2022 is set out as below:

Sl. No.	Particulars (Refer notes below)	Quarter ended			Year ended	
		31-Mar-22*	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
		Audited	Unaudited	Audited	Audited	Audited
I	Segment revenue					
	(a) Manufacture and trading of tyre retreading materials	2,128.22	1,569.73	1,889.37	7,227.54	5,659.57
	(b) Online freight aggregator service (refer note 3)	-	121.07	276.75	541.81	782.84
	Total	2,128.22	1,690.80	2,166.13	7,769.35	7,442.41
	Less: reconciling items					
	Less: Inter-segment revenue	-	-	1.82	-	1.82
	Revenue from operations	2,128.22	1,690.80	2,164.31	7,769.35	7,440.59
II	Segment results					
	(a) Manufacture and trading of tyre retreading materials	(324.50)	(152.52)	29.18	(685.88)	226.37
	(b) Online freight aggregator service (refer note 3)	-	(19.98)	(19.75)	(61.45)	(21.01)
	Total	(324.50)	(172.50)	9.43	(747.33)	205.36
	Less: Finance cost	72.81	84.27	79.48	323.90	335.63
	Add: Gain on loss of control (refer note 3)	-	96.96	-	96.96	-
	Less: Share of loss of associate (refer note 3)	-	2.59	-	2.59	-
	Less: Tax credit	(3.13)	(5.16)	(16.17)	(21.20)	(32.03)
	Loss after tax	(354.18)	(157.24)	(53.68)	(955.70)	(98.24)

Since the information about segment assets and segment liabilities are not reviewed by the CODM, such information has not been presented as a part of its segment disclosure, which is in accordance with the requirements of Ind AS 108.

*Shipnext Solutions Private Limited ceased to be a subsidiary of the Group on 30 November 2021 (refer note 3).



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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:

- These consolidated financial results of Eastern Treads Limited (the Holding Company) and Shipnext Solutions Private Limited, (subsidiary upto 30 November 2021 and associate from 1 December 2021 till 15 February 2022), 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.
- Figures for the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between audited figures for the financial year and the reviewed year to date figures up to the third quarter of the respective financial years.
- An offer of rights issue was made to the Holding Company by Shipnext Solutions Private Limited ("Subsidiary") on 4 September 2021 which was renounced by the Holding Company in its board of directors meeting held on 13 September 2021. Subsequently, the capital base of the Subsidiary was increased by way of private placement of equity shares to other investors on 30 November 2021. Consequently, the shareholding of the Holding Company has reduced to 14.53% resulting in loss of control in Subsidiary and Shipnext Solutions Private Limited became an associate as per Ind AS 28 "Investments in Associates and Joint Ventures" with effect from 1 December 2021. Gain on loss of control in Subsidiary amounting to Rs. 96.96 lakhs was recognised as per Ind AS 110 "Consolidated Financial Statements". The gain on such loss of control net of loss of Subsidiary upto 30 November 2021 amounting to Rs. 68.23 lakhs for quarter ended 31 December 2021 and Rs. 12.41 lakhs for the year ended 31 March 2022 has been presented under discontinued operations in the consolidated financial results.

The breakup of results of discontinued operations included in the consolidated financial results are as follows:

Particulars	Quarter ended			Year ended	
	31-Mar-22*	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
Revenue	-	121.07	276.76	542.09	782.84
Less: Expenses	-	149.60	300.01	626.64	823.68
Add: Gain on loss of control	-	96.96	-	96.96	-
Profit / (loss) before tax	-	68.23	(23.25)	12.41	(40.84)
Tax credit	-	(0.04)	(0.05)	(0.01)	(0.01)
Profit / (loss) after tax	-	68.27	(23.20)	12.42	(40.83)

Further, due to various actions taken by the management of the Holding Company including amendment in shareholders' agreement, Shipnext Solutions Private Limited ceased to be an associate of the Company with effect from 15 February 2022.

- The Holding Company has reported a net loss of Rs. 968.13 lakhs during the current year and has accumulated losses amounting to Rs. 1,795.16 lakhs as on 31 March 2022. The spread of COVID-19 has impacted the normal operations of the Holding Company during the period. The country has witnessed several disruptions in normal operations. The operations of the Holding 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 timely collections from customers during the period. The extent to which the COVID-19 pandemic may further impact the operations and Holding Company's results will depend on ongoing as well as future developments, which are highly uncertain. The Holding Company has taken into account the possible impacts of COVID-19 while preparing the financial results. The Holding Company has performed an assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, including overdue receivables from various state road transport corporations, 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. The Holding Company has received a letter of support from the chairman and promoter director of the Company, wherein he has confirmed to provide all financial support to the Company to meet the shortfall in its fund requirements for payment of timely dues to banks & other parties and to meet the operating expenses, if required, for a period of not less than 12 months from the date of financial closure. In view of the above letter of support and various performance improvement measures undertaken, the Management believes that the Holding Company will be able to meet its operational and other commitments as and when these become due in the foreseeable future. Hence the financial statements have been prepared on a going concern basis.
- Trade receivables as on 31 March 2022 includes certain overdue debts amounting to Rs. 1,085.13 lakhs (net of expected credit loss allowance of Rs. 90.64 lakhs). As directed by the Board of Directors of the Holding Company in their meeting dated 31 March 2022, the management has made a detailed assessment of carrying value of all receivables and an additional allowance for expected credit loss amounting to Rs. 318.56 lakhs, including allowance for certain specific debts, has been made in the financial statement during the current quarter.
- The Audit Committee and the Board of Directors of the Holding Company at their respective meetings held on 31 March 2022 approved adoption of revaluation model as permitted by Ind AS 16 "Property, Plant and Equipment" for measurement of carrying value of the land owned by the Holding Company. Fair valuation of the land was carried out by a registered valuer and the fair value of land was estimated at Rs. 720.51 lakhs and consequent revaluation gain of Rs. 430.26 lakhs (net of tax) has been recognized in other comprehensive income, during the current quarter.
- Prior period comparatives have been regrouped / reclassified wherever necessary to conform to the presentation in the current period and are compliant with Ind AS. The management has exercised necessary due diligence to ensure that the financial results give a true and fair view.
- The above consolidated results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 30 May 2022 and the audit of the same has been carried out by the statutory auditors of the Holding Company.

For EASTERN TREADS LIMITED

M E
Mohamed
Digitally signed by
M E Mohamed
Date: 2022.05.30
19:24:17 +05'30
M.E Mohamed
Managing Director
DIN: 00129005

Place : Kochi
Date : 30 May 2022



Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I.	1	Turnover / Total income (Rs. Lakhs)	7,264.09	Not Ascertainable
	2	Total Expenditure* (Rs. Lakhs)	8,232.22	
	3	Net Profit/(Loss) (Rs. Lakhs)	(968.13)	
	4	Earnings Per Share (Rs.)	(17.54)	
	5	Total Assets (Rs. Lakhs)	4,703.94	
	6	Total Liabilities (Rs. Lakhs)	4,655.56	
	7	Net Worth (Rs. Lakhs)	48.38	
	8	Any other financial item(s) (as felt appropriate by the management)		

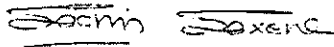

*Including Tax

II. Audit Qualification (each audit qualification separately):

Sl No:	Particulars	Remarks
a	Details of Audit Qualification:	As described in note 5 to the accompanying Statement, the Holding Company has certain overdue trade receivables as at 31 March 2022 aggregating to Rs. 1,085.13 lakhs, (net of expected credit loss allowance of Rs. 90.64 lakhs). As further stated in the said note, the management has assessed the recoverability of all trade receivables outstanding as at year end and created an additional allowance for expected credit loss amounting to Rs. 318.96 lakhs, including on certain specific debts, during the current year. However, in absence of sufficient appropriate audit evidence to support aforesaid accounting estimate made by the management as required under the principles of expected credit loss enunciated under Ind AS 109, Financial Instruments, we are unable to comment on the adequacy of such allowance made against aforesaid overdue trade receivables as at 31 March 2022, and the consequential impact thereof on the accompanying Statement for the year ended 31 March 2022.
b	Type of Audit Qualification :	Qualified Opinion
c	Frequency of qualification:	Appeared first time

d	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
e	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	Not Ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same:	The management is following up for recovery all overdue amount and favorable response is expected. The holding Company has also performed an assessment of recoverable values of its receivables including overdue receivables. Based on various estimates and assumptions used in business forecast and fund flow projections, the management expects to recover its receivables.
	(iii) Auditors' Comments on (i) or (ii) above:	Included in the Auditor's Report

III. Signatories

CEO	
CFO	
Audit Committee Chairman	K S Neelacanda Iyer Digitally signed by K S Neelacanda Iyer Date: 2022.05.30 19:52:40 +05'30'
Statutory Auditor	