

Scrip Code : 531346

Dated, 11 August, 2021  
REF: ETL/BSE/UFR/FY2021/21-22

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

Dear Sir,

**Sub:- Financial Results as on 30 June 2021**

We submit herewith the Unaudited Standalone and Consolidated Financial Statements and Auditors Limited Review Report on financial results for the quarter and period ended **30 June 2021** pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015.

The Meeting of the Board of Directors of the Company held today, 11 August 2021 at 2.30 PM at the registered office of the company and approved the financial results.

The meeting concluded at 5.15 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 7161 100  
E-mail : [treads@easterntreads.com](mailto:treads@easterntreads.com)  
Web : [www.easterntreads.com](http://www.easterntreads.com)

Phone : +91 485 2855 448

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**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 Review Report on Standalone Unaudited Quarterly 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**

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Eastern Treads Limited ('the Company') for the quarter ended 30 June 2021, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. 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 reporting date, the extent of which is significantly dependent on future developments. Our conclusion is not modified in respect of this matter.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Krishnakumar Ananthasivan**

Partner

Membership No. 206229

UDIN: 21206229AAAADL8409

**Place:** Kochi

**Date:** 11 August 2021



# **EASTERN TREADS LIMITED**

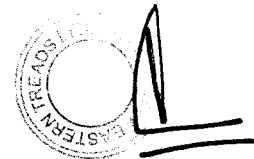
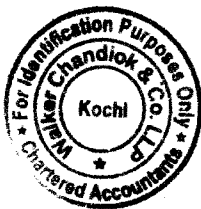
CIN: L25119KL1993PLC007213

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

(₹ in lakhs, except earnings per equity share)

## **STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2021**

Sl. No.	Particulars (Refer notes below)	Quarter ended			Year ended
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	Unaudited (Refer Note 2)	Unaudited	Audited
I	<b>Income</b>				
	(a) Revenue from operations	1,475.16	1,889.37	1,273.49	6,659.57
	(b) Other income	6.32	15.28	6.19	49.28
	<b>Total income</b>	<b>1,481.48</b>	<b>1,904.65</b>	<b>1,279.68</b>	<b>6,708.85</b>
II	<b>Expenses</b>				
	(a) Cost of materials consumed	1,197.12	1,370.47	682.75	4,252.04
	(b) Purchases of stock-in-trade	27.06	14.30	1.55	20.23
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(199.94)	(113.96)	172.98	96.14
	(d) Employee benefits expense	224.35	234.24	156.59	810.32
	(e) Finance costs	75.51	80.82	83.57	331.41
	(f) Depreciation and amortisation expense	49.48	51.18	59.31	212.22
	(g) Other expenses	262.43	314.40	212.36	1,075.92
	<b>Total expenses</b>	<b>1,636.01</b>	<b>1,951.45</b>	<b>1,369.11</b>	<b>6,798.28</b>
III	<b>Loss before exceptional items and tax (I-II)</b>	<b>(154.53)</b>	<b>(46.80)</b>	<b>(89.43)</b>	<b>(89.43)</b>
IV	<b>Exceptional items</b>	-	-	-	-
V	<b>Loss before tax (III-IV)</b>	<b>(154.53)</b>	<b>(46.80)</b>	<b>(89.43)</b>	<b>(89.43)</b>
VI	<b>Tax expenses:</b>				
	- Current tax	-	-	-	-
	- Deferred tax credit	(5.99)	(16.12)	(7.19)	(32.02)
VII	<b>Loss for the period / year (V-VI)</b>	<b>(148.54)</b>	<b>(30.68)</b>	<b>(82.24)</b>	<b>(57.41)</b>
VIII	<b>Other comprehensive income / (loss)</b>				
	(a) Items that will not be reclassified to profit or loss	0.93	9.50	(1.93)	3.72
	(b) Income tax relating to items that will not be reclassified to profit or loss	(0.23)	(2.39)	0.48	(0.94)
IX	<b>Total comprehensive loss for the period / year (VII+VIII)</b>	<b>(147.84)</b>	<b>(23.57)</b>	<b>(83.69)</b>	<b>(54.63)</b>
X	<b>Paid-up equity share capital (face value of ₹ 10 each)</b>	523.20	523.20	523.20	523.20
XI	<b>Other equity</b>				85.50
XII	<b>Earnings / (Loss) per equity share:</b>				
	(a) Basic: (₹)	(2.84)	(0.59)	(1.57)	(1.10)
	(b) Diluted: (₹)	(2.84)	(0.59)	(1.57)	(1.10)
		not annualised			





**EASTERN TREADS LIMITED**

CIN: L25119KL1993PLC007213

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**Notes:**

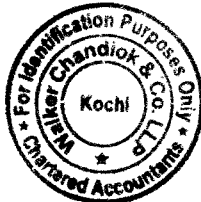
- 1 These unaudited financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rule 2015, as amended, as specified in Section 133 of the Companies Act 2013.
- 2 Figures for the quarter ended 31 March 2021 represent the balancing figures between the audited figures for the full financial year and the unaudited year to date figures upto 31 December 2020, which were subject to limited review.
- 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 restrictions 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 led to a reduction in gross profit margin of the Company for the quarter ended 30 June 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. The Company has performed an assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets including loan granted to subsidiary Company 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 Prior period comparatives have been regrouped/reclassified wherever necessary to correspond 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 11 August 2021 and the same has been subjected to limited review by the statutory auditors.

Place : Kochi  
Date : 11 August 2021



For EASTERN TREADS LIMITED

M.E Mohamed  
Managing Director  
DIN: 00129005





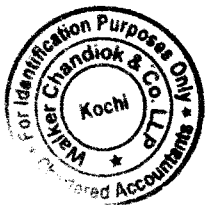
# **EASTERN TREADS LIMITED**

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 UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2021					
Sl. No.	Particulars (Refer notes below)	Quarter ended			Year ended
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	Unaudited (Refer Note 2)	Unaudited	Audited
I	<b>Income</b>				
	(a) Revenue from operations	1,703.49	2,164.31	1,406.65	7,440.59
	(b) Other income	1.20	10.47	2.84	33.68
	<b>Total income</b>	<b>1,704.69</b>	<b>2,174.78</b>	<b>1,409.49</b>	<b>7,474.27</b>
II	<b>Expenses</b>				
	(a) Cost of materials consumed	1,197.12	1,370.48	682.75	4,252.05
	(b) Purchases of stock-in-trade	27.06	14.30	1.55	20.23
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(199.94)	(113.96)	172.98	96.14
	(d) Employee benefits expense	236.21	247.05	160.89	841.77
	(e) Finance costs	77.83	79.49	84.02	335.64
	(f) Depreciation and amortisation expense	49.69	51.60	59.67	213.74
	(g) Other expenses	501.40	595.88	336.88	1,844.98
	<b>Total expenses</b>	<b>1,889.37</b>	<b>2,244.84</b>	<b>1,498.74</b>	<b>7,604.55</b>
III	<b>Loss before exceptional items and tax (I-II)</b>	<b>(184.68)</b>	<b>(70.06)</b>	<b>(89.25)</b>	<b>(130.28)</b>
IV	<b>Exceptional items</b>	-	-	-	-
V	<b>Loss before tax (III-IV)</b>	<b>(184.68)</b>	<b>(70.06)</b>	<b>(89.25)</b>	<b>(130.28)</b>
VI	<b>Tax expenses:</b>				
	- Current tax	-	-	-	-
	- Deferred tax credit	(5.98)	(16.18)	(7.17)	(32.04)
VII	<b>Loss for the period / year (V-VI)</b>	<b>(178.70)</b>	<b>(53.88)</b>	<b>(82.08)</b>	<b>(98.24)</b>
VIII	<b>Other comprehensive income / (loss)</b>				
	(a) Items that will not be reclassified to profit or loss	0.93	9.50	(1.93)	3.72
	(b) Income tax relating to items that will not be reclassified to profit or loss	(0.23)	(2.39)	0.48	(0.94)
IX	<b>Total comprehensive loss for the period / year (VII+VIII)</b>	<b>(178.00)</b>	<b>(46.77)</b>	<b>(83.53)</b>	<b>(95.46)</b>
	<b>Net (loss) / profit attributable to:</b>				
	Owners of the holding company	(165.13)	(43.45)	(82.16)	(79.88)
	Non-controlling interest	(13.57)	(10.43)	0.08	(18.36)
	<b>Other comprehensive income / (loss) attributable to:</b>				
	Owners of the holding company	0.70	7.11	(1.45)	2.78
	Non-controlling interest	-	-	-	-
	<b>Total comprehensive income / (loss) attributable to:</b>				
	Owners of the holding company	(164.43)	(36.34)	(83.61)	(77.10)
	Non-controlling interest	(13.57)	(10.43)	0.08	(18.36)
X	<b>Paid-up equity share capital (face value of ₹ 10 each)</b>	<b>523.20</b>	<b>523.20</b>	<b>523.20</b>	<b>523.20</b>
XI	<b>Other equity</b>				<b>35.03</b>
XII	<b>Earnings / (Loss) per equity share:</b>				
	(a) Basic: (₹)	(3.16)	(0.83)	(1.57)	(1.53)
	(b) Diluted: (₹)	(3.16)	(0.83)	(1.57)	(1.53)
not annualised					



*[Handwritten signature]*

**EASTERN TREADS LIMITED**

CIN: L25119KL1993PLC007213

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

**CONSOLIDATED SEGMENT WISE REVENUE AND RESULTS FOR THE QUARTER ENDED 30 JUNE 2021**

Hitherto, the business performance of the Group was reviewed by the Chief Operating Decision Maker (CODM) at an overall group level. However, with effect from 1 April 2021, the Group's 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 subsidiary company, Shipnext Solutions Private Limited, is engaged in the business of providing online freight broker service (logistics). Accordingly, information has been presented along these business segments viz., 'manufacture and trading of tyre retreading materials' and 'online freight broker service'.

Financial information on our consolidated reportable operating segments for the quarter ended 30 June 2021 is set out as below:

Sl. No.	Particulars	Quarter ended		Year ended	
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	Unaudited	Unaudited	Audited
I	<b>Segment revenue</b>				
	(a) Manufacture and trading of tyre retreading materials	1,475.16	1,889.37	1,273.49	6,659.57
	(b) Online freight broker service	228.33	276.76	133.16	782.84
	<b>Total</b>	<b>1,703.49</b>	<b>2,166.13</b>	<b>1,406.65</b>	<b>7,442.41</b>
	Less: Inter-segment revenue	-	1.82	-	1.82
	<b>Revenue from operation</b>	<b>1,703.49</b>	<b>2,164.31</b>	<b>1,406.65</b>	<b>7,440.59</b>
II	<b>Segment results</b>				
	(a) Manufacture and trading of tyre retreading materials	(84.14)	29.18	(9.21)	226.38
	(b) Online freight broker service	(22.71)	(19.75)	3.98	(21.02)
	<b>Total</b>	<b>(106.85)</b>	<b>9.43</b>	<b>(5.23)</b>	<b>205.36</b>
	Less: Finance costs	77.83	79.49	84.02	335.64
	<b>Loss before tax</b>	<b>(184.68)</b>	<b>(70.06)</b>	<b>(89.25)</b>	<b>(130.28)</b>

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

**Notes:**

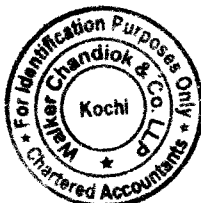
- These unaudited consolidated financial results of Eastern Treads Limited ('the Holding Company') and Shipnext Solutions Private Limited, its subsidiary, together referred to as the 'Group', have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting 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 2021 represent the balancing figures between the audited figures for the full financial year and the unaudited year to date figures upto 31 December 2020, which were subject to limited review.
- 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 restrictions 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 led to a reduction in gross profit margin of the Group for the quarter ended 30 June 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. The Group has performed an 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.
- 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 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.
- Prior period comparatives have been regrouped/reclassified wherever necessary to correspond with the current period classification.
- The above consolidated results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 11 August 2021 and the same has been subjected to limited review by the statutory auditors of the Holding Company.

For EASTERN TREADS LIMITED



M.E Mohamed  
Managing Director  
DIN: 00129005

Place : Kochi  
Date : 11 August 2021



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**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 Review Report on Consolidated Unaudited Quarterly 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**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Eastern Treads Limited ('the Holding Company') and its subsidiary, Shipnext Solutions Private Limited (the Holding Company and its subsidiary together referred to as 'the Group') for the quarter ended 30 June 2021, 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), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review report of other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 3 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 reporting date, the extent of which is significantly dependent on future developments. Our conclusion is not modified in respect of this matter
6. We did not review the interim financial results of one subsidiary included in the Statement, whose financial information reflects total revenues of ₹ 228.33 lakhs, total net loss after tax of ₹30.16 lakhs and total comprehensive loss of ₹ 30.16 lakhs, for the quarter ended on 30 June 2021, as considered in the Statement. These interim financial results have been reviewed by other auditor whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the review report of such other auditor and the procedures performed by us as stated in paragraph 3 above. Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditor.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Krishnakumar Ananthasivan**

Partner

Membership No. 206229

UDIN: 21206229AAAADM5243

**Place:** Kochi

**Date:** 11 August 2021