

Dated, 08 February, 2021  
REF: ETL/BSE/BM4/20-21



Scrip Code : 531346

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

Dear Sir,

**Sub:- Un - Audited Financial Results as on 31 December 2020**

We submit herewith the Unaudited Standalone and Consolidated Financial Statements and Auditors Limited Review Report on financial results for the quarter and period ended 31 **December 2020** 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, 08 February 2021 at 2.30 PM at the registered office of the company and approved the financial results.

The meeting concluded at 4.15 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, EasternCorporate 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 3001 445

E-mail : treads@eastern.in

Web : www.easterntreads.com

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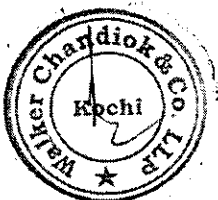
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Warriam Road Junction,  
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Kochi - 682 016  
India

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## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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 31 December 2020 and the year to date results for the period 01 April 2020 to 31 December 2020, 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.



Chartered Accountants

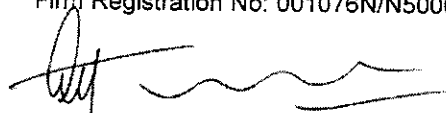
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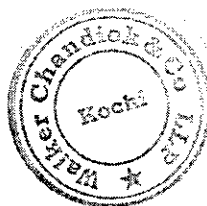
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5. We draw attention to Note 3 of the accompanying Statement which describes the uncertainties due to the outbreak of COVID-19 pandemic and the management's evaluation of its impact on the Company's operations and accompanying standalone financial results 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: 21206229AAAAAE1131



Place: Kochi  
Date : 08 February 2021



# **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 STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020** (₹ in Lakhs, except earnings per equity share)

Sl. No.	Particulars (Refer notes below)	Quarter ended			Nine months ended		Year ended
		31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Income						
	(a) Revenue from operations	1,902.81	1,593.90	1,998.78	4,770.20	6,224.55	7,745.32
	(b) Other income	18.64	9.17	7.92	34.00	20.71	32.66
	<b>Total Income</b>	<b>1,921.45</b>	<b>1,603.07</b>	<b>2,006.70</b>	<b>4,804.20</b>	<b>6,245.26</b>	<b>7,777.98</b>
II	Expenses						
	(a) Cost of materials consumed	1,233.17	965.65	1,337.15	2,881.57	4,170.91	5,243.89
	(b) Purchases of stock-in-trade	0.68	3.70	0.91	5.93	40.91	41.81
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(27.85)	64.97	6.76	210.10	(47.60)	(163.66)
	(d) Employee benefits expense	213.04	206.45	233.22	576.08	730.56	982.16
	(e) Finance costs	65.13	101.89	82.36	250.59	237.62	323.40
	(f) Depreciation and amortisation expense	42.57	59.16	63.37	161.04	190.05	247.18
	(g) Other expenses	306.25	242.91	316.30	761.52	970.35	1,213.06
	<b>Total expenses</b>	<b>1,832.99</b>	<b>1,644.73</b>	<b>2,040.09</b>	<b>4,846.83</b>	<b>6,292.80</b>	<b>7,887.84</b>
III	Profit/(Loss) before exceptional items and tax (I-II)	88.46	(41.66)	(33.39)	(42.63)	(47.54)	(109.86)
IV	Exceptional items	-	-	-	-	-	-
V	Profit/(Loss) before tax (III-IV)	88.46	(41.66)	(33.39)	(42.63)	(47.54)	(109.86)
VI	Tax expenses:						
	- Current tax	-	-	-	-	-	-
	- Deferred tax (credit)/charge	(5.40)	(3.31)	(5.54)	(15.90)	(14.45)	2.61
VII	Profit/(Loss) for the period/year (V-VI)	93.86	(38.35)	(27.85)	(26.73)	(33.09)	(112.47)
VIII	Other comprehensive income/(Loss)						
	(a) Items that will not be reclassified to Profit/(Loss)	(1.93)	(1.92)	(7.23)	(5.78)	(20.49)	(7.71)
	(b) Income tax relating to items that will not be reclassified to Profit/(Loss)	0.48	0.49	1.82	1.45	5.16	1.94
IX	<b>Total comprehensive income/(Loss) for the period/year (VII+VIII)</b>	<b>92.41</b>	<b>(39.78)</b>	<b>(33.26)</b>	<b>(31.06)</b>	<b>(48.42)</b>	<b>(118.24)</b>
X	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20	523.20	523.20
XI	Other equity	-	-	-	-	-	-
XII	Earnings/(Loss) per equity share:						
	(a) Basic: (₹)	1.79	(0.73)	(0.53)	(0.51)	(0.63)	(2.15)
	(b) Diluted: (₹)	1.79	(0.73)	(0.53)	(0.51)	(0.63)	(2.15)

not annualised




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 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.
- 3 The operations of the Company were disrupted during the year due to certain restrictions imposed by the Government of India due to spread of COVID 19 pandemic in the country. The company had to shut down its factory and branches for 24 days in April 2020, following nationwide lockdown announced by the Government. With relaxations of various restrictions by the Government in a progressive manner over last two quarters, the company could also improve the production and sales progressively. During the current quarter, the company has further improved the capacity utilization in its factories to improve the production and have explored new sales opportunities which resulted in increased margin on sales. However there is a significant delay in collection of debts from certain parties as they are yet to restore normalcy in their operations. In the opinion of the management, operations of the company and collections of debts will improve in the upcoming quarters due to increased economic activity in the country. The management has considered the possible effects of the pandemic on the carrying values of assets, financing arrangements and the business forecasts. In developing the assumptions relating to the possible impacts of this pandemic, the management has used internal and external information upto the date of approval of these standalone financial results. Based on various assumptions used in fund flow management and current estimate on business forecast, the management expects to recover the carrying amount of the assets and will be able to discharge the liabilities. The impact of the pandemic on the Company's standalone financial results may differ from that estimated as at the date of approval of these standalone financial results and the management will continue to closely monitor any material changes.
- 4 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.
- 5 Prior period comparatives have been regrouped/reclassified wherever necessary to correspond with the current period classification.
- 6 The above unaudited standalone results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 08 February 2021. The same has been subjected to limited review by the Statutory Auditors of the Company.

Place : Kochi  
Date : 08 February 2021



For EASTERN TREADS LIMITED



M.E Mohamed  
Managing Director  
DIN: 00129005

# Walker Chandio & Co LLP

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6th Floor, Modayil Centre Point,  
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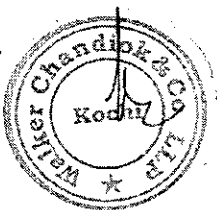
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## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

### 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 31 December 2020 and the consolidated year to date results for the period 01 April 2020 to 31 December 2020, 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 Disclosures Requirements) Regulations, 2015 (as amended), including relevant circulars issued by 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.



Chartered Accountants

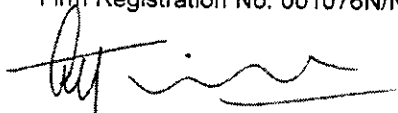
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# Walker Chandiook & Co LLP

4. Based on our review conducted and procedures performed as stated in paragraph 3 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 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 consolidated financial results 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 reflect total revenues of ₹ 185.62 lakhs and ₹ 506.08 lakhs, total net loss after tax of ₹ 14.41 lakhs and ₹ 17.64 lakhs, total comprehensive loss of ₹ 14.41 lakhs and ₹ 17.64 lakhs, for the quarter and nine month period ended 31 December 2020 respectively, 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 this 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 reports of the other auditor.

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



Krishnakumar Ananthasivan  
Partner  
Membership No. 206229  
UDIN : 21206229AAAAAF8094



Place : Kochi  
Date : 08 February 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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020**

Sl. No.	Particulars (Refer notes below)	Quarter ended			Nine months ended		Year ended
		31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Income						
	(a) Revenue from operations	2,088.43	1,781.20	2,026.49	5,276.28	6,262.90	7,831.81
	(b) Other income	14.68	5.69	5.64	23.21	15.67	23.85
	<b>Total Income</b>	<b>2,103.11</b>	<b>1,786.89</b>	<b>2,032.13</b>	<b>5,299.49</b>	<b>6,278.57</b>	<b>7,855.66</b>
II	Expenses						
	(a) Cost of materials consumed	1,233.17	965.65	1,337.15	2,881.57	4,170.91	5,243.89
	(b) Purchases of stock-in-trade	0.68	3.70	0.91	5.93	40.91	41.81
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(27.85)	64.97	6.78	210.10	(47.60)	(183.66)
	(d) Employee benefits expense	222.85	210.98	237.62	594.72	743.19	999.84
	(e) Finance costs	67.16	104.97	83.11	256.15	239.57	325.24
	(f) Depreciation and amortisation expense	42.95	59.52	64.07	162.14	192.13	249.96
	(g) Other expenses	490.08	422.14	346.20	1,249.10	1,018.55	1,308.96
	<b>Total expenses</b>	<b>2,029.04</b>	<b>1,831.93</b>	<b>2,075.84</b>	<b>5,359.71</b>	<b>6,357.66</b>	<b>8,006.04</b>
III	Profit/(Loss) before exceptional items and taxes (I-II)	74.07	(45.04)	(43.71)	(60.22)	(79.09)	(150.38)
IV	Exceptional items	-	-	-	-	-	-
V	Profit/(Loss) before tax (III-IV)	74.07	(45.04)	(43.71)	(60.22)	(79.09)	(150.38)
VI	Tax expenses:						
	- Current tax	-	-	-	-	-	-
	- Deferred tax (credit)/charge	(5.39)	(3.30)	(5.62)	(15.86)	(14.61)	2.27
VII	Profit/(Loss) for the period/year (V-VI)	79.46	(41.74)	(38.09)	(44.36)	(64.48)	(152.65)
VIII	Other comprehensive income/(Loss)						
	(a) Items that will not be reclassified to Profit/(Loss)	(1.93)	(1.92)	(7.23)	(5.78)	(20.49)	(7.71)
	(b) Income tax relating to items that will not be reclassified to Profit/(Loss)	0.48	0.49	1.82	1.45	5.16	1.94
IX	<b>Total comprehensive income/(Loss) for the period/year (VII+VIII)</b>	<b>78.01</b>	<b>(43.17)</b>	<b>(43.50)</b>	<b>(48.69)</b>	<b>(79.81)</b>	<b>(158.42)</b>
	<b>Net Profit/(Loss) attributable to:</b>						
	Owners of the Holding Company	85.94	(40.21)	(33.49)	(36.43)	(50.36)	(134.58)
	Non-controlling interest	(6.48)	(1.53)	(4.60)	(7.93)	(14.12)	(18.07)
	<b>Other comprehensive income/(Loss) attributable to:</b>						
	Owners of the Holding Company	(1.45)	(1.43)	(5.41)	(4.33)	(15.33)	(5.77)
	Non-controlling interest	-	-	-	-	-	-
	<b>Total comprehensive income/(Loss) attributable to:</b>						
	Owners of the Holding Company	84.49	(41.64)	(38.90)	(40.76)	(65.69)	(140.35)
	Non-controlling interest	(6.48)	(1.53)	(4.60)	(7.93)	(14.12)	(18.07)
X	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20	523.20	523.20
XI	Other equity						112.14
XII	<b>Earnings/(Loss) per equity share:</b>						
	(a) Basic: (₹)	1.54	(0.77)	(0.64)	(0.70)	(0.96)	(2.57)
	(b) Diluted: (₹)	1.54	(0.77)	(0.64)	(0.70)	(0.96)	(2.57)

not annualised



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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 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.
- 3 The operations of the Group were disrupted during the year due to certain restrictions imposed by the Government of India due to spread of COVID 19 pandemic in the country. The holding company had to shut down its factory and branches for 24 days in April 2020, following the nationwide lockdown announced by the Government. With relaxations of various restrictions by the Government in a progressive manner over last two quarters, the holding company could also improve the production and sales progressively. During the current quarter, the holding company has further improved the capacity utilization in its factories to improve the production and have explored new sales opportunities which resulted in increased margin on sales. However there is a significant delay in collection of debts from certain parties as these corporations are yet to restore normalcy in their operations. In the opinion of the management, operations of the Group and collections of debts will improve in the upcoming quarters due to the increased economic activity in the country. The management has considered the possible effects of the pandemic on the carrying values of assets, financing arrangements and the business forecasts. In developing the assumptions relating to the possible impacts of this pandemic, the management has used internal and external information upto the date of approval of these consolidated financial results. Based on various assumptions used in fund flow management and current estimate on business forecast, the management expects to recover the carrying amount of the assets and will be able to discharge the liabilities. The impact of the pandemic on the Group's consolidated financial results may differ from that estimated as at the date of approval of these consolidated financial results and the management will continue to closely monitor any material changes.
- 4 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.
- 5 Prior period comparatives have been regrouped/reclassified wherever necessary to correspond with the current period classification.
- 6 The above unaudited consolidated results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 08 February 2021. The same has been subjected to limited review by the Statutory Auditors of the Holding Company.

Place : Kochi  
Date : 08 February 2021



For EASTERN TREADS LIMITED

M.E Mohamed  
Managing Director  
DIN: 00129005