



## 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 per share data)

Statement of Unaudited Financial Results for the quarter and nine months ended 31 December 2017						
Sl. No.	Particulars (Refer notes below)	Quarter ended			Nine months ended	
		31-Dec-17 Unaudited	30-Sep-17 Unaudited	31-Dec-16 Unaudited	31-Dec-17 Unaudited	31-Dec-16 Unaudited
I	Revenue from operations	2,131.85	2,123.61	2,339.06	7,158.98	6,905.20
II	Other income	7.74	4.48	3.47	14.69	51.06
III	<b>Total revenue (I+II)</b>	<b>2,139.59</b>	<b>2,128.09</b>	<b>2,342.53</b>	<b>7,173.67</b>	<b>6,956.26</b>
IV	<b>Expenses:</b>					
	a. Cost of materials consumed	1,408.15	1,129.31	990.53	3,875.17	2,739.34
	b. Purchases of stock-in-trade	15.90	518.99	650.74	1,438.54	1,980.20
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	9.21	50.41	(86.26)	119.84	(175.23)
	d. Excise duty on sales (refer note 4)	-	-	135.49	100.84	401.02
	e. Employee benefits expense	215.90	209.86	195.19	642.32	585.44
	f. Finance costs	81.87	76.24	79.15	237.50	198.80
	g. Depreciation and amortisation expense	53.02	63.43	55.43	165.06	149.67
	h. Other expenses	364.44	234.99	303.15	922.25	888.58
	<b>Total expenses</b>	<b>2,148.49</b>	<b>2,283.23</b>	<b>2,323.42</b>	<b>7,501.52</b>	<b>6,767.82</b>
V	<b>(Loss)/Profit before exceptional and taxes (III-IV)</b>	<b>(8.90)</b>	<b>(155.14)</b>	<b>19.11</b>	<b>(327.85)</b>	<b>188.44</b>
VI	Exceptional items	-	-	-	-	-
VII	<b>(Loss)/Profit before tax (V-VI)</b>	<b>(8.90)</b>	<b>(155.14)</b>	<b>19.11</b>	<b>(327.85)</b>	<b>188.44</b>
VIII	Tax expenses:					
	- Current tax	-	-	12.83	-	82.73
	- Deferred tax	(5.56)	(15.46)	(9.74)	(26.40)	(23.81)
IX	<b>(Loss)/Profit for the period from continuing operations (VII-VIII)</b>	<b>(3.34)</b>	<b>(139.68)</b>	<b>16.02</b>	<b>(301.45)</b>	<b>129.52</b>
X	(Loss)/Profit from discontinuing operations	-	-	-	-	-
XI	Tax expense of discontinuing operations	-	-	-	-	-
XII	<b>(Loss)/Profit from discontinuing operations (after tax) (X-XI)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XIII	<b>(Loss)/Profit for the period (IX+XII)</b>	<b>(3.34)</b>	<b>(139.68)</b>	<b>16.02</b>	<b>(301.45)</b>	<b>129.52</b>
XIV	Other comprehensive loss (net of tax expenses)	-	-	-	-	-
XV	<b>Total comprehensive (loss)/income for the period (XIII+XIV)</b>	<b>(3.34)</b>	<b>(139.68)</b>	<b>16.02</b>	<b>(301.45)</b>	<b>129.52</b>
XVI	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20	523.20
XVII	<b>Earnings/(loss) per equity share (not annualised):</b>					
	(a) Basic: (₹)	(0.06)	(2.67)	0.31	(5.76)	2.48
	(b) Diluted: (₹)	(0.06)	(2.67)	0.31	(5.76)	2.48



**Notes:**

- 1 The Company has adopted, Indian Accounting Standards prescribed under Section 133 of The Companies Act 2013 (Ind AS) from 1 April 2017 and accordingly these financial results and all the period presented have been prepared in accordance with the recognition and measurement principles laid down in IND AS 34 - Interim Financial Reporting read with relevant rules issued thereunder and the other accounting principles generally accepted in India and discloses the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (LODR) regulation 2015 and amendment thereon. The opening Balance sheet as at 01 April 2016 and the results for the subsequent periods would be finalised and will be subject to audit at the time of annual financial statements for the year ended 31 March 2018.
- 2 The Company has availed the exemption in respect of submission of Ind AS compliant financial information for the previous year ended 31 March 2017 along with the Statement, in accordance with the SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016. The financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 were reviewed by the predecessor auditors and differences in the accounting principles adopted by the Company on transition to Ind AS have been reviewed by the Statutory Auditors.
- 3 The reconciliation of net profit as previously reported (referred to as 'previous GAAP') and the total comprehensive income as per Ind AS for the quarter and Nine months ended 31 December 2016 is as per table below:

Particulars	(₹ in lakhs)	
	Quarter ended 31 December 2016 (Unaudited)	Nine months ended 31 December 2016 (Unaudited)
Profit after tax as reported under previous GAAP	27.67	163.40
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost		
- Long term borrowings	(0.66)	(1.91)
- Issue of preference shares	(16.95)	(50.85)
- Security deposits paid	(0.02)	(0.07)
- Loans given to franchisees	0.14	0.46
- Security deposits received from employees	0.02	0.03
(ii) Revenue from credit sales recorded at fair value	0.49	(0.85)
(iii) Deferred tax impact of above Ind AS adjustments	5.83	18.40
(iv) Others	(0.52)	0.91
Profit after tax as reported under Ind AS	16.02	129.52
Other comprehensive income (net of tax)	-	-
Total comprehensive income as reported under Ind AS	16.02	129.52

- 4 According to the requirements of SEBI (Listing and Disclosure Requirements) Regulations 2015, revenue for three months and nine months ended December 31, 2016, nine months ended December 31, 2017, are reported inclusive of excise duty. The Government of India has implemented Goods & Service Tax (GST) from July 01, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per IND AS 18, the revenue for the three months ended September 30, 2017 and December 31 2017 are reported net of GST
- 5 The above unaudited results were reviewed by the Audit Committee on February 12, 2018, which were approved by the Board of Directors in the meeting held on February 14, 2018 and the limited review of the same has been carried out by the statutory auditors.
- 6 As the Company has only one operating segment, representing manufacture and trading of quality Tread Rubber, Rubber Compounds, Bonding Gum & BVC, disclosure under Ind AS 108 on "Operating Segment" is not applicable.
- 7 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.

Kochi  
14th February 2018



For Eastern Treads Limited

M.E Mohamed  
Managing Director



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## Independent Auditor's Review Report on 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

### To the Board of Directors of Eastern Treads Limited

1. We have reviewed the accompanying statement of unaudited financial results ('Statement') of Eastern Treads Limited ('the Company') for the quarter ended 31 December 2017 and the year to date results for the period 1 April 2017 to 31 December 2017 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. 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 applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 (as amended) ('Ind AS') and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognised accounting practices and policies 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Chartered Accountants

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

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4. The Company had prepared separate financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016, in terms of the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with applicable accounting standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 and other accounting principles generally accepted in India. The financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 were reviewed by the predecessor auditors, who had issued an unmodified report dated 9 February 2017 on such financial results. These financial results have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been reviewed by us in respect of financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016. Our report is not modified in respect of this matter.
5. The Company has availed the exemption in respect of submission of Ind AS compliant financial information for the previous year ended 31 March 2017 along with the Statement, in accordance with the SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016. Hence, the Statement does not include the comparative financial information for the aforementioned period.

*Walker Chandiook & Co LLP*

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

*Aasheesh Arjun Singh*  
per **Aasheesh Arjun Singh**

Partner

Membership No. 210122

Bengaluru

14 February 2018

