

Dated, 12th November, 2019

REF: ETL/BSE/Q1UFR/FY19-20

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

Dear Sir,

Sub:- Un-audited Financial Results as on 30th September 2019

We submit herewith the Un-audited Standalone and Consolidated Financial Statements and Auditors Limited Review Report with unmodified opinion on financial results for the quarter and period ended 30th September 2019 pursuant to the listing agreement read with Regulation 33 of SEBI (LODR) Regulations, 2015 as approved by the Board at the meeting held today, 12th November 2019 at 3.30 PM at the registered office of the Company. The meeting concluded at 5.30 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.

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E-mail : treads@eastern.in

Web : www.easterntreads.com

Factory : Oonnukal P.O, Kothamangalam

Ernakulam, Kerala - 686 693.

Phone : +91 485 2655 448 / 338

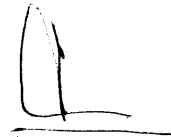
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

SI. No.	Particulars (Refer notes below)	Standalone					
		Quarter ended			Half year ended		Year ended
		30-Sep-19 Unaudited	30-Jun-19 Unaudited	30-Sep-18 Unaudited	30-Sep-19 Unaudited	30-Sep-18 Unaudited	31-Mar-19 Audited
I	Revenue from operations	2,091.23	2,134.54	2,241.33	4,225.77	4,855.39	9,745.88
II	Other income	5.58	7.21	29.25	12.79	36.81	47.63
III	Total revenue (I+II)	2,096.81	2,141.75	2,270.58	4,238.56	4,892.20	9,793.51
IV	Expenses:						
	a. Cost of materials consumed	1,439.68	1,394.08	1,539.55	2,833.76	3,249.76	6,325.24
	b. Purchases of stock-in-trade	26.06	13.94	235.68	40.00	599.05	633.97
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(91.90)	37.52	(139.74)	(54.38)	(366.76)	(83.55)
	d. Employee benefits expense	248.05	249.29	250.31	497.34	497.09	997.91
	e. Finance costs	78.86	76.40	97.83	155.26	178.31	361.33
	f. Depreciation and amortisation expense	62.75	63.93	66.02	126.68	134.73	263.32
	g. Other expenses	341.00	313.05	357.59	654.05	744.74	1,484.47
	Total expenses	2,104.50	2,148.21	2,407.24	4,252.71	5,036.92	9,982.69
V	Loss before exceptional items and taxes (III-IV)	(7.69)	(6.46)	(136.66)	(14.15)	(144.72)	(189.18)
VI	Exceptional items	-	-	-	-	-	-
VII	Loss before tax (V-VI)	(7.69)	(6.46)	(136.66)	(14.15)	(144.72)	(189.18)
VIII	Tax expenses:						
	- Current tax	-	-	-	-	-	-
	- Deferred tax	(7.03)	(1.87)	(3.35)	(8.90)	(6.76)	(18.41)
IX	Loss for the period/year (VII-VIII)	(0.66)	(4.59)	(133.31)	(5.25)	(137.96)	(170.77)
X	Other comprehensive loss (net of tax expenses)						
	Items that will not be reclassified to the statement of profit or loss	(4.96)	(4.96)	(1.63)	(9.92)	(3.25)	(19.84)
XI	Total comprehensive loss for the period (IX+X)	(5.62)	(9.55)	(134.94)	(15.17)	(141.21)	(190.61)
XII	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20	523.20	523.20
XIII	Other equity						258.38
XIV	Loss per equity share:						
	(a) Basic: (₹)	(0.01)	(0.09)	(2.54)	(0.10)	(2.63)	(3.26)
	(b) Diluted: (₹)	(0.01)	(0.09)	(2.54)	(0.10)	(2.63)	(3.26)
		not annualised			not annualised		




STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Particulars (Refer notes below)	₹ in lakhs	
	Standalone	
	As at 30-Sep-19 Unaudited	As at 31-Mar-19 Audited
A ASSETS		
1 Non Current Assets		
(a) Property Plant & Equipment	1,570.62	1,675.35
(b) Capital Work in Progress	17.38	18.08
(c) Intangible assets	9.74	11.98
(d) Financial Assets		
(i) Investments	2.59	2.59
(ii) Trade receivables	0.30	2.49
(iii) Loans	4.75	2.00
(iv) Other financial assets	79.32	84.97
(e) Other non current assets	29.30	32.60
Total - non current assets	1,714.00	1,830.06
2 Current Assets		
(a) Inventories	978.17	860.88
(b) Financial Assets		
(i) Trade receivables	2,564.08	2,652.68
(ii) Cash and cash equivalents	131.14	95.35
(iii) Other bank balances	32.98	21.53
(iv) Loans	91.41	28.49
(v) Other financial assets	32.44	27.38
(c) Current tax asset (net)	28.77	28.07
(d) Other current assets	8.59	18.97
Total - current assets	3,867.58	3,733.35
TOTAL ASSETS	5,581.58	5,563.41
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	541.18	541.18
(b) Other Equity	243.21	258.38
(c) Non-controlling Interest	-	-
Total Equity	784.39	799.56
2 Liabilities		
Non current liabilities		
(a) Financial Liabilities		
(i) Borrowings	770.63	796.26
(ii) Other financial liabilities	8.68	8.25
(b) Provisions	106.16	101.38
(c) Deferred tax liabilities (net)	118.66	131.40
(d) Other non- current liabilities	4.86	9.08
Total - non current liabilities	1,008.99	1,046.37
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,199.15	1,947.03
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	1.03	64.34
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	1,198.18	1,202.12
(iii) Other financial liabilities	315.96	393.51
(b) Provisions	8.11	7.19
(c) Other current liabilities	65.77	103.29
Total - current liabilities	3,788.20	3,717.48
Total Liabilities	4,797.19	4,763.85
TOTAL EQUITY AND LIABILITIES	5,581.58	5,563.41

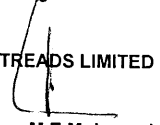
STATEMENT OF UNAUDITED STANDALONE CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2019			
Particulars	(₹ in lakhs)		
	Standalone		
	Half year Ended 30-Sep-19	Half year Ended 30-Sep-18	Year Ended 31-Mar-19
	Unaudited	Unaudited	Audited
A Cash flow from operating activities			
Net Loss before tax	(14.15)	(144.72)	(189.18)
Adjustments for:			
Depreciation and amortisation expense	126.68	134.73	263.32
Finance costs	155.26	178.31	361.33
Bad debts written off	-	-	31.96
Provision for doubtful debts	1.44	37.07	59.19
Provision for inventory	-	-	0.66
(Profit)/ Loss on sale of Property, plant and equipment	0.54	(0.79)	(2.46)
Provision on employee benefits	(8.05)	(1.20)	5.52
Interest income	(4.57)	(2.76)	(7.16)
Operating profit before working capital changes	257.15	200.64	523.18
Adjustments for working capital changes:			
(Increase) in inventories	(117.29)	(497.21)	(48.71)
Decrease/ (Increase) in trade receivables	89.36	(86.36)	(173.39)
(Increase) in other receivables	(50.60)	(19.01)	(27.58)
(Decrease) in trade and other payables	(188.64)	(240.32)	(99.08)
Cash generated from operations	(10.02)	(642.26)	174.42
Net income tax paid	(0.70)	(0.29)	(1.06)
Net cash (used in)/generated from operating activities (A)	(10.72)	(642.55)	173.36
B Cash flow from investing activities			
Payments for purchase of property, plant and equipment	(22.68)	(91.84)	(141.99)
Payments for purchase of intangible assets	(0.13)	-	-
Proceeds from sale of property, plant and equipment	2.45	2.56	16.56
Movement in other bank balances	(11.45)	(32.63)	22.32
Payment for purchase of equity shares of subsidiary company	-	-	(2.59)
Interest received	3.78	2.40	8.70
Net cash used in investing activities (B)	(28.03)	(119.51)	(97.00)
C Cash flow from financing activities			
Long-term borrowings (net of repayments)	(50.46)	(93.74)	(170.22)
Short-term borrowings (net of repayments)	252.11	981.21	366.71
Interest paid	(127.11)	(147.43)	(299.75)
Net cash generated from/(used in) financing activities (C)	74.54	740.04	(103.26)
Net increase in cash and cash equivalents (A+B+C)	35.79	(22.02)	(26.90)
Cash and cash equivalents at the beginning of the year	95.35	122.25	122.25
Cash and cash equivalents at the end of the period	131.14	100.23	95.35

Notes:

- 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.
- 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.
- The Company has adopted Ind AS 116, "leases", effective 01 April 2019 as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards), Amendment Rules, 2019 using modified retrospective method. The adoption of this standard did not have any material impact on results of the current period.
- The company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the deferred tax liabilities as on 31 March 2019 have been re-measured. The resultant impact is being recognised over the current quarter.
- The cash flow figures for the corresponding half year ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
- Prior period comparatives have been regrouped/reclassified wherever necessary to correspond with the current period classification.
- The above unaudited standalone results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 12 November 2019. The same has been subjected to limited review by the Statutory Auditors of the Company.

 Place : Kochi
 Date : 12 November 2019


For EASTERN TREADS LIMITED


M.E Mohamed
 Managing Director
 DIN: 00129005

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Walker Chandiook & Co LLP
6th Floor, Modayil Centre Point,
Warriam Road Junction,
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Kerala, 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 30 September 2019 and the year to date results for the period 01 April 2019 to 30 September 2019, 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. Attention is drawn to the fact that the cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
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'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. 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.



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 its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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) (Cont'd.)

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, the SEBI Circular, 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.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

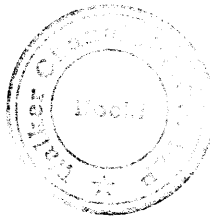


Krishnakumar Ananthasivan

Partner

Membership No.: 206229

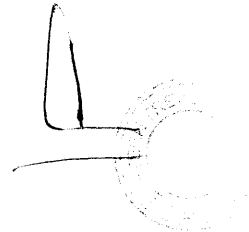
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Place: Kochi


Date: 12 November 2019

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019					
Sl. No.	Particulars (Refer notes below)	Consolidated			
		Quarter ended		Half year ended	Year ended
		30-Sep-19 Unaudited	30-Jun-19 Unaudited	30-Sep-19 Unaudited	31-Mar-19 Audited
I	Revenue from operations	2,097.96	2,138.45	4,236.41	9,745.88
II	Other income	3.98	6.05	10.03	47.03
III	Total revenue (I+II)	2,101.94	2,144.50	4,246.44	9,792.91
IV	Expenses:				
	a. Cost of materials consumed	1,439.68	1,394.08	2,833.76	6,325.24
	b. Purchases of stock-in-trade	26.06	13.94	40.00	633.97
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(91.90)	37.52	(54.38)	(83.55)
	d. Employee benefits expense	252.53	253.04	505.57	1,002.85
	e. Finance costs	79.61	76.85	156.46	361.60
	f. Depreciation and amortisation expense	63.45	64.61	128.06	264.30
	g. Other expenses	351.56	320.79	672.35	1,488.68
	Total expenses	2,120.99	2,160.83	4,281.82	9,993.09
V	Loss before exceptional items and taxes (III-IV)	(19.05)	(16.33)	(35.38)	(200.18)
VI	Exceptional items	-	-	-	-
VII	Loss before tax (V-VI)	(19.05)	(16.33)	(35.38)	(200.18)
VIII	Tax expenses:				
	- Current tax	-	-	-	-
	- Deferred tax	(7.06)	(1.93)	(8.99)	(18.66)
IX	Loss for the period/year (VII-VIII)	(11.99)	(14.40)	(26.39)	(181.52)
X	Other comprehensive loss (net of tax expenses) Items that will not be reclassified to the statement of profit or loss	(4.96)	(4.96)	(9.92)	(19.84)
XI	Total comprehensive loss for the period (IX+X)	(16.95)	(19.36)	(36.31)	(201.36)
	Net loss attributable to:				
	Owners of the Holding Company	(6.89)	(9.98)	(16.87)	(176.68)
	Non-controlling interest	(5.10)	(4.42)	(9.52)	(4.84)
	Other comprehensive loss attributable to:				
	Owners of the Holding Company	(4.96)	(4.96)	(9.92)	(19.84)
	Non-controlling interest	-	-	-	-
	Total comprehensive loss attributable to:				
	Owners of the Holding Company	(11.85)	(14.94)	(26.79)	(196.52)
	Non-controlling interest	(5.10)	(4.42)	(9.52)	(4.84)
XII	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20
XIII	Other equity				252.47
XIV	Loss per equity share:				
	(a) Basic: (₹)	(0.13)	(0.19)	(0.32)	(3.38)
	(b) Diluted: (₹)	(0.13)	(0.19)	(0.32)	(3.38)
				not annualised	



CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars (Refer notes below)	Consolidated	
	₹ in lakhs	
	As at 30-Sep-19 Unaudited	As at 31-Mar-19 Audited
A ASSETS		
1 Non Current Assets		
(a) Property Plant & Equipment	1,572.24	1,676.84
(b) Capital Work in Progress	17.38	18.08
(c) Goodwill	16.02	16.02
(d) Intangible assets	12.16	15.51
(e) Intangible assets under development	60.53	24.95
(f) Financial Assets		
(i) Trade receivables	0.30	2.49
(ii) Loans	4.75	2.00
(iii) Other financial assets	79.32	84.97
(g) Deferred tax assets	0.11	0.01
(h) Other non Current Assets	29.30	32.60
Total - Non current assets	1,792.11	1,873.47
2 Current Assets		
(a) Inventories	978.17	860.88
(b) Financial Assets		
(i) Trade receivables	2,564.52	2,652.68
(ii) Cash and cash equivalents	131.51	95.45
(iii) Other Bank balances	32.98	21.53
(iv) Loans	-	1.72
(v) Other financial assets	32.44	27.38
(c) Current tax asset (net)	28.77	28.07
(d) Other Current Assets	9.50	18.97
Total - Current assets	3,777.89	3,706.68
TOTAL ASSETS	5,570.00	5,580.15
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	541.18	541.18
(b) Other Equity	225.68	252.47
(c) Non-controlling Interest	(25.34)	(15.82)
Total Equity	741.52	777.83
2 Liabilities		
Non current liabilities		
(a) Financial Liabilities		
(i) Borrowings	770.63	796.26
(ii) Other financial liabilities	8.68	8.25
(b) Provisions	106.16	101.38
(c) Deferred tax liabilities (net)	118.66	131.40
(d) Other Non- current liabilities	4.86	9.08
Total - Non current liabilities	1,008.99	1,046.37
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,222.44	1,970.41
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	1.03	64.34
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	1,199.36	1,204.78
(iii) Other financial liabilities	317.67	403.88
(b) Provisions	8.11	7.19
(c) Other current liabilities	70.88	105.35
Total - Current liabilities	3,819.49	3,755.95
Total Liabilities	4,828.48	4,802.32
TOTAL EQUITY AND LIABILITIES	5,570.00	5,580.15

STATEMENT OF UNAUDITED CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

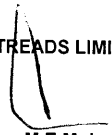
Particulars	(₹ in lakhs)	
	Consolidated	
	Half Year Ended 30-Sep-19	Year Ended 31-Mar-19
	Unaudited	Audited
A Cash flow from operating activities		
Net Loss before tax	(35.38)	(200.18)
Adjustments for:		
Depreciation and amortisation expense	128.07	264.30
Finance costs	156.46	361.60
Bad debts written off	-	31.96
Provision for doubtful debts	1.44	59.19
Provision for inventory	-	0.66
(Profit)/Loss on sale of property, plant and equipment	0.54	(2.46)
Provision on employee benefits	(8.05)	5.52
Interest income	(4.57)	(6.56)
Operating profit before working capital changes	238.51	514.03
Adjustments for working capital changes:		
(Increase) in inventories	(117.29)	(48.71)
Decrease/(Increase) in Trade receivables	88.91	(172.34)
Decrease/(Increase) other receivables	13.98	(28.63)
(Increase) in trade and other payables	(195.76)	(89.76)
(Increase) in short term loans & advances	(0.91)	-
Cash generated from operations	27.44	174.59
Net income tax paid	(0.70)	(1.06)
Net cash generated from/(used in) operating activities (A)	26.74	173.53
B Cash flow from investing activities		
Payments for purchase of property, plant and equipment	(23.09)	(143.37)
Payments for purchase of intangible assets	(35.71)	(24.95)
Proceeds from sale of property, plant and equipment	2.45	16.56
Movement in other bank balances	(11.45)	22.32
Investment in subsidiary	-	(2.59)
Interest received	3.78	8.70
Net cash used in investing activities (B)	(64.02)	(123.33)
C Cash flow from financing activities		
Long-term borrowings (net of repayments)	(50.46)	(170.23)
Short-term borrowings (net of repayments)	252.11	393.86
Interest paid	(128.31)	(300.63)
Net cash generated from/(used in) financing activities (C)	73.34	(77.00)
Net increase in cash and cash equivalents (A+B+C)	36.06	(26.80)
Cash and cash equivalents at the beginning of the year	95.45	122.25
Cash and cash equivalents at the end of the period	131.51	95.45

Notes:

- 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.
- Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time, the Company has published consolidated quarterly results. On 12 November 2018, the Company made an equity investment of Rs. 2.59 lakhs (55%) in Shipnext Solutions Private limited, a company engaged in managing fleet management aggregation in IT Platform. Consolidated results prepared in accordance with Ind AS 110, Consolidated Financial Statements for the period starting from 12 November 2018 and ended on 31 March 2019 were published for the first time during the previous year. Hence, consolidated results for the quarter and period ended 30 September 2018 and consolidated statement of cash flows for the period ended 30 September 2018 are not applicable.
- 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.
- The Group has adopted Ind AS 116, "leases", effective 01 April 2019 as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards), Amendment Rules, 2019 using modified retrospective method. The adoption of this standard did not have any material impact on results of the current period.
- The Group has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the deferred tax liabilities as on 31 March 2019 have been re-measured. The resultant impact is being recognised over the current quarter.
- Prior period comparatives have been regrouped/reclassified wherever necessary to correspond with the current period classification.
- The above unaudited consolidated results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 12 November 2019. The same has been subjected to limited review by the Statutory Auditors of the Company.

 Place : Kochi
 Date : 12 November 2019


For EASTERN TREADS LIMITED


M.E. Mohamed
 Managing Director
 DIN: 00129005

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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 30 September 2019 and the consolidated year to date results for the period 01 April 2019 to 30 September 2019, 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'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. 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

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 its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiook & Co LLP

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) (Cont'd.)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review report of the other auditor referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular(s) 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 did not review the interim financial results of one subsidiary included in the Statement whose financial information reflects total assets of ₹ 66.41 lakhs as at 30 September 2019, and total revenues of ₹ 6.72 lakhs and ₹ 10.65 lakhs, total net (loss) after tax of ₹ (11.33) lakhs and ₹ (21.14) lakhs, total comprehensive (loss) of ₹ (11.33) lakhs and ₹ (21.14) lakhs, for the quarter and year-to-date six month ended on 30 September 2019, respectively, and cash flows (net) of ₹ 0.26 lakhs for the period ended 30 September 2019, as considered in the Statement. These interim financial results have been reviewed by other auditors 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 these subsidiary is based solely on the review report of such other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Krishnakumar Ananthasivan

Partner

Membership No.: 206229

UDIN: 19206229AAAACP6004



Place: Kochi

Date: 12 November 2019