



EASTERN TREADS LIMITED

CIN: L25119KL1903PLC007213

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

(₹ in lakhs, except earnings per share data)

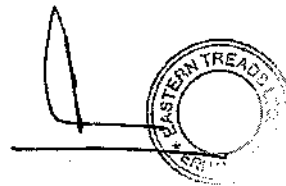
Statement of audited standalone financial results for the quarter and year ended 31 March 2020						
Sl. No.	Particulars (Refer notes below)	Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Unaudited (Refer Note 2)	Unaudited	Unaudited (Refer Note 2)	Audited	Audited
I	Revenue from operations					
II	Other income	1,520.77	1,996.78	2,503.62	7,745.32	8,745.88
III	Total revenue (I+II)	11.95	7.92	3.82	32.66	47.53
IV	Expenses:	1,532.72	2,006.70	2,507.24	7,777.98	8,783.51
	a. Cost of materials consumed					
	b. Purchases of stock-in-trade	1,072.98	1,337.15	1,527.22	5,243.89	6,325.24
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.90	0.91	15.24	41.81	633.97
	d. Employee benefits expense	(116.06)	6.78	182.71	(163.66)	(83.55)
	e. Finance costs	251.60	233.22	243.85	982.16	997.91
	f. Depreciation and amortisation expense:	85.78	82.36	102.39	323.40	361.33
	g. Other expenses	57.13	63.37	64.12	247.18	263.32
	Total expenses	242.71	316.30	403.08	1,213.06	1,484.47
V	Loss before exceptional and taxes (III-IV)	1,595.04	2,040.09	2,538.61	7,887.84	9,962.69
VI	Exceptional items	(62.32)	(33.39)	(31.37)	(109.86)	(189.18)
VII	Loss before tax (V-VI)	-	-	-	-	-
VIII	Tax expense:	(62.32)	(33.39)	(31.37)	(109.86)	(189.18)
	- Current tax	-	-	-	-	-
	- Deferred tax	-	-	-	-	-
IX	Loss for the period/ year (VII-VIII)	17.06	(5.54)	(9.11)	2.61	(18.41)
X	Other comprehensive loss (net of tax expenses)	(79.38)	(27.85)	(23.26)	(112.47)	(170.77)
	(I) Items that will not be reclassified to profit/loss					
	(II) Income tax relating to items that will not be reclassified to profit/loss	12.91	(7.23)	(20.74)	(7.71)	(27.49)
		(3.34)	1.82	5.77	1.94	7.65
XI	Total comprehensive loss for the period/ year (IX+X)	(69.81)	(33.26)	(38.23)	(118.24)	(190.61)
XII	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20	523.20
XIII	Other equity				140.14	258.38
XIV	Earnings/(loss) per equity share:					
	(a) Basic: (₹)	(1.52)	(0.53)	(0.44)	(2.15)	(3.26)
	(b) Diluted: (₹)	(1.52)	(0.53)	(0.44)	(2.15)	(3.26)
		Not annualised				



[Handwritten signature]

Standalone audited balance sheet as at 31 March 2020

Particulars (Refer note below)	₹ in Lakhs)	
	As at	As at
	31-Mar-20	31-Mar-19
A ASSETS	Audited	Audited
1 Non-current assets		
(a) Property plant and equipment	1,426.02	1,675.35
(b) Capital work-in-progress	16.04	18.08
(c) Intangible assets	7.37	11.88
(d) Financial assets		
(i) Investments		
(ii) Trade receivables	2.59	2.59
(iii) Loans	0.29	2.49
(iv) Other financial assets	-	2.00
(e) Other non-current assets	53.02	84.97
Total non-current assets	33.91	32.80
2 Current assets	1,539.24	1,830.66
(a) Inventories		
(b) Financial assets	1,050.25	860.88
(i) Trade receivables		
(ii) Cash and cash equivalents	2,574.23	2,652.68
(iii) Other bank balances	19.10	95.35
(iv) Loans	59.60	21.53
(v) Other financial assets	149.41	28.49
(c) Current tax asset (net)	7.14	27.38
(d) Other current assets	30.08	28.07
Total current assets	18.32	18.97
Total assets	3,988.13	3,733.35
B EQUITY AND LIABILITIES	6,447.37	5,563.41
1 Equity		
(a) Equity share capital		
(b) Other equity	541.18	541.18
Total equity	140.14	258.38
2 Liabilities	681.32	799.56
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings		
(ii) Other financial liabilities	819.90	796.26
(b) Provisions	6.68	8.25
(c) Deferred tax liabilities (net)	108.37	101.98
(d) Other non-current liabilities	132.07	131.40
Total non-current liabilities	1.51	9.08
3 Current liabilities	1,068.53	1,046.37
(a) Financial liabilities		
(i) Borrowings		
(ii) Trade payables	2,418.55	1,947.03
(A) total outstanding dues of micro enterprises and small enterprises		
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	0.31	64.34
(ii) Other financial liabilities	892.12	1,202.12
(b) Provisions	301.39	393.51
(c) Other current liabilities	27.18	7.19
Total current liabilities	57.97	103.29
Total liabilities	3,697.52	3,717.48
Total equity and liabilities	4,766.06	4,763.86
	5,447.37	5,563.41



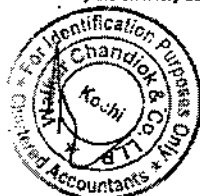
Statement of audited standalone cash flows for the year ended 31 March 2020		
Particular (Refer note below)	₹ in lakhs	
	Year ended 31 March 2020 Audited	Year ended 31 March 2019 Audited
A Cash flow from operating activities		
Net loss before tax	(109.87)	(189.18)
Adjustments for:		
Depreciation and amortisation expense	247.18	263.32
Finance costs	323.40	361.33
Bad debts written off	0.03	31.96
Provision for doubtful debts	-	59.19
Provision for inventory	-	0.66
Profit on sale of asset	(2.92)	(2.46)
Provision on employee benefits	19.28	5.52
Interest income	(14.73)	(7.15)
Operating profit before working capital changes	462.37	523.16
Adjustments for working capital changes:		
Increase in inventories	(189.36)	(48.71)
Decrease/ (Increase) in trade receivables	80.62	(173.39)
Decrease/ (Increase) other receivables	52.65	(0.81)
Decrease in trade and other payables	(536.47)	(59.08)
Cash (used in)/ generated from operations	(138.19)	201.19
Direct taxes paid	(2.01)	(1.06)
Net cash (used in)/ generated from operating activities (A)	(132.26)	200.13
B Cash flow from investing activities		
Payments for purchase of property plant and equipment	(24.65)	(141.59)
Proceeds from sale of property plant and equipment	35.86	16.66
Movement in other bank balances	(38.06)	22.32
Investment in equity shares - subsidiary	-	(2.59)
Loan given to subsidiary	(119.41)	(26.77)
Interest received	14.84	8.70
Net cash used in investing activities (B)	(131.42)	(123.77)
C Cash flow from financing activities		
Long term borrowings (net of repayments)	(15.97)	(170.22)
Short term borrowings (net of repayments)	471.52	366.71
Interest paid	(268.12)	(299.75)
Dividend paid including dividend distribution tax	(0.05)	-
Net cash generated from/ (used in) financing activities (C)	187.37	(103.26)
Net decrease in cash and cash equivalents (A+B+C)	(78.25)	(26.90)
Cash and cash equivalents at the beginning of the year	95.35	122.25
Cash and cash equivalents at the end of the year	19.10	95.35
Components of cash and cash equivalents	Year ended 31 March 2020	Year ended 31 March 2019
a) Cash on hand	2.75	3.35
b) Balances with bank in current accounts	16.35	91.99
Cash and cash equivalents	19.10	95.35

NOTES:

- 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 notes thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- Figures for the quarters ended 31 March 2020 and 31 March 2019 represent the balancing figures of between the audited figures for the full financial year and published reviewed year to date figures up to third quarters of the respective financial year.
- 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.
- During the month of March 2020, World Health Organisation declared COVID-19 to be a global pandemic. The spread of COVID-19 has impacted the normal operations of businesses in many countries, including India. The country has witnessed several disruptions in normal operations due to lock downs imposed by the Government in the form of restrictions to movement of people, transportation and supply chain along with other stringent measures to contain COVID-19 spread.

The operations of the Company were impacted, due to shutdown of its plant and offices following nationwide lockdown by the Government of India due to COVID 19. The Company has resumed operations in a phased manner as per directives from the Government of India from 24 April 2020. 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 financial results. Based on various assumptions used in fund flow management and current estimate based on business forecast, management expects to recover the carrying amount of the assets and will be able discharge the liabilities. The impact of the pandemic on the Company's financial results may differ from that estimated as at the date of approval of these financial results and the management will continue to closely monitor any material changes.
- 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 quarter/year.
- The company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the deferred tax liabilities as on 31 March 2019 have been re-measured. The resultant impact is being recognised in the statement of profit and loss in the current year.
- Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.
- The above standalone results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 29 June 2020 and the audit of the same has been carried out by the statutory auditors.

Kochi
29 June 2020



(Signature)

For EASTERN TRENDS LIMITED
M.E Mohamed
Managing Director
DIN: 00125005

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
6th Floor, Modayil Centre Point,
Warriam Road Junction,
MG Road, Kochi - 682 016
Kerala, India

T +91 484 406 4541

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)

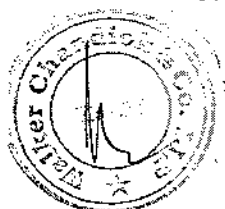
To the Board of Directors of Eastern Treads Limited

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 2020, 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'), including relevant circulars issued by the SEBI from time to time.
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; and
 - (ii) 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 relevant rules issued there under, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive loss and other financial information of the Company for the year ended 31 March 2020.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 the ethical requirements that are relevant to our audit of the financial statements 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 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

Emphasis of Matter

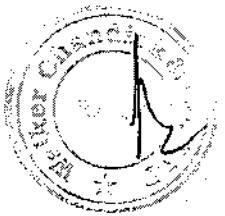
4. We draw attention to Note 4 of the accompanying Statement, which describes the uncertainties due to the effects of Covid-19 pandemic on the Company's operation and the management's evaluation of the impact on the standalone financial results of the Company as at the balance sheet date. In view of these uncertainties, the impact on these standalone financial results is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the standalone annual audited 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 accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder 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.
6. 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.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

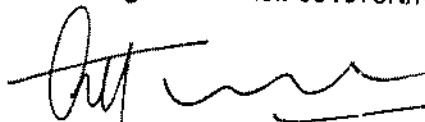
8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit 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.
9. As part of an audit in accordance with the Standards on Auditing, 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 Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.



Walker Chandiook & Co LLP

- 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 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 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.
10. 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.
11. 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**
12. The Statement includes the financial results for the quarter ended 31 March 2020, 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 Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013



Krishnakumar Ananthasivan
Partner
Membership No. 206229

UDIN: 20206229AAAABW2557

Place: Kochi
Date: 29 June 2020





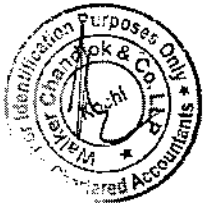
EASTERN TRENDS LIMITED
CIN: L25119KL1993PLC007213

Head. Off: 3A, 3rd floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024
(₹ in lakhs, except earnings per share)

Statement of audited consolidated financial results for the quarter and year ended 31 March 2020

Sl. No.	Particulars (Refer notes below)	Quarter ended			Year ended	
		31-Mar-20 Unaudited (Refer Note 2)	31-Dec-19 Unaudited	31-Mar-19 Unaudited (Refer Notes 2 and 3)	31-Mar-20 Audited	31-Mar-19 Audited
I	Revenue from operations	1,568.91	2,026.49	2,503.62	7,831.81	8,745.88
II	Other income	8.18	5.64	3.56	23.85	47.03
III	Total revenue (I+II)	1,577.09	2,032.13	2,507.18	7,855.66	8,792.91
IV	Expenses:					
	a. Cost of materials consumed	1,072.98	1,337.15	1,527.22	5,243.89	6,325.24
	b. Purchases of stock-in-trade	0.90	0.91	15.24	41.81	633.97
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(116.06)	6.78	182.71	(163.66)	(83.55)
	d. Employee benefits expense	256.65	237.62	247.04	999.84	1,002.85
	e. Finance costs	85.67	83.11	102.90	325.24	351.60
	f. Depreciation and amortisation expense	57.83	64.07	64.77	249.96	264.30
	g. Other expenses	290.43	346.20	405.79	1,308.96	1,488.68
	Total expenses	1,648.40	2,075.84	2,545.67	8,006.04	9,993.09
V	Loss before exceptional items and taxes (III-IV)	(71.31)	(43.71)	(38.49)	(150.38)	(200.18)
VI	Exceptional items	-	-	-	-	-
VII	Loss before tax (V-VI)	(71.31)	(43.71)	(38.49)	(150.38)	(200.18)
VIII	Tax expenses:					
	- Current tax	-	-	-	-	-
	- Deferred tax	16.88	(5.82)	(7.86)	2.27	(18.66)
IX	Loss for the period/year (VII-VIII)	(88.19)	(38.09)	(30.63)	(152.65)	(181.52)
X	Other comprehensive loss (net of tax expenses)					
	(i) Items that will not be reclassified to profit/loss	12.81	(7.23)	(20.74)	(7.71)	(27.49)
	(ii) Income tax relating to items that will not be reclassified to profit/loss	(3.34)	1.82	5.77	1.94	7.65
XI	Total comprehensive loss for the period/ year (IX+X)	(78.62)	(43.50)	(45.60)	(158.42)	(201.36)
	Net loss attributable to:					
	Owners of the holding company	(84.24)	(33.49)	(27.54)	(134.58)	(176.68)
	Non-controlling interest	(3.95)	(4.60)	(3.09)	(18.07)	(4.84)
	Other comprehensive loss attributable to:					
	Owners of the holding company	9.57	(5.41)	(14.97)	(5.77)	(19.84)
	Non-controlling interest	-	-	-	-	-
	Total comprehensive loss attributable to:					
	Owners of the holding company	(74.67)	(38.90)	(42.51)	(140.35)	(196.52)
	Non-controlling interest	(3.95)	(4.60)	(3.09)	(18.07)	(4.84)
XII	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20	523.20
XIII	Other equity	-	-	-	112.14	252.47
XIV	Earnings/ (loss) per equity share:					
	(a) Basic: (₹)	(1.61)	(0.64)	(0.53)	(2.57)	(3.38)
	(b) Diluted: (₹)	(1.61)	(0.64)	(0.53)	(2.57)	(3.38)

Not annualised



Handwritten signature or initials.



EASTERN TREADS LIMITED
CIN: L25119KL1993PLC007213

Regd. 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 2020			
Particulars (Refer notes below)	(₹ in Lakhs)		Audited
	As at	As at	
	31-Mar-20	31-Mar-19	
A ASSETS			
1 Non-current Assets			
(a) Property plant and equipment	1,427.36	1,676.84	
(b) Capital work-in-progress	16.04	18.08	
(c) Goodwill	16.02	16.02	
(d) Intangible assets	8.65	15.51	
(e) Intangible assets under development	96.11	24.95	
(f) Financial assets	-	-	
(i) Investments	0.29	2.49	
(ii) Trade receivables	-	2.00	
(iii) Loans	53.02	84.97	
(iv) Other financial assets	0.34	0.01	
(g) Deferred tax asset	33.91	32.60	
(h) Other non-current assets			
Total non-current assets	1,651.74	1,873.47	
2 Current assets			
(a) Inventories	1,050.26	860.88	
(b) Financial assets			
(i) Trade receivables	2,598.32	2,652.68	
(ii) Cash and cash equivalents	20.76	95.45	
(iii) Other bank balances	59.60	21.53	
(iv) Loans	3.22	1.72	
(v) Other financial assets	7.14	27.38	
(c) Current tax asset (net)	30.08	28.07	
(d) Other current assets	36.35	18.97	
Total current assets	3,805.73	3,706.68	
Total assets	5,457.47	5,580.15	
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	541.18	541.18	
(b) Other equity	112.12	252.47	
(c) Non-controlling interest	(33.89)	(15.82)	
Total equity	619.41	777.83	
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	819.90	796.26	
(ii) Other financial liabilities	6.58	8.25	
(b) Provisions	108.37	101.38	
(c) Deferred tax liabilities (net)	132.07	131.40	
(d) Other non-current liabilities	1.51	9.08	
Total non-current liabilities	1,068.53	1,046.37	
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2,442.08	1,970.41	
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	0.31	64.34	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	928.55	1,204.78	
(iii) Other financial liabilities	310.47	403.88	
(b) Provisions	27.18	7.19	
(c) Other current liabilities	60.94	105.35	
Total current liabilities	3,769.53	3,755.95	
Total liabilities	4,838.06	4,802.32	
Total equity and liabilities	5,457.47	5,580.15	



Handwritten signature or initials.



Statement of audited consolidated cash flows for the year ended 31 March 2020		
Particulars (Refer note below)	₹ in lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
	Audited	Audited
A Cash flow from operating activities		
Net loss before tax	(150.38)	(200.18)
Adjustments for:		
Depreciation and amortisation expense	249.95	264.30
Finance costs	325.24	361.60
Bad debts written off	0.03	31.96
Provision for doubtful debts	-	59.19
Provision for Inventory	-	0.66
Profit on sale of asset	(2.92)	(2.46)
Provision on employee benefits	19.28	5.52
Interest income	(5.89)	(6.56)
Operating profit before working capital changes	435.32	514.03
Adjustments for working capital changes:		
Increase in Inventories	(189.36)	(48.71)
Decrease/ (Increase) in trade receivables	56.63	(172.34)
Decrease/ (Increase) other receivables	34.61	(28.63)
Increase in trade and other payables	(503.07)	(89.76)
Cash (used in)/ generated from operations	(165.97)	174.59
Direct taxes paid	(2.01)	(1.06)
Net cash (used in)/ generated from operating activities (A)	(167.98)	173.53
B Cash flow from investing activities		
Payments for purchase of property plant and equipment	(25.06)	(143.37)
Payments for purchase of intangible assets	(71.16)	(24.95)
Proceeds from sale of property plant and equipment	35.88	16.56
Movement in other bank balances	(38.06)	22.32
Investment in equity shares - subsidiary	-	(2.59)
Interest received	14.84	8.70
Net cash used in Investing activities (B)	(83.58)	(123.33)
C Cash flow from financing activities		
Long-term borrowings (net of repayments)	(15.97)	(170.23)
Short-term borrowings (net of repayments)	471.68	393.86
Interest paid	(278.78)	(300.63)
Dividend paid including dividend distribution tax	(0.06)	-
Net cash generated/ (used in) from financing activities (C)	176.87	(77.00)
Net decrease in cash and cash equivalents (A+B+C)	(74.69)	(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 year	20.76	95.45
Components of cash and cash equivalents	Year ended 31 March 2020	Year ended 31 March 2019
a) Cash on hand	2.75	3.36
b) Balances with banks - in current accounts	18.01	92.09
Cash and cash equivalents	20.76	95.45



[Handwritten signature]



EASTERN TREADS LIMITED
CIN: L25119KL1993PLC007213

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

Notes:

- 1 These consolidated financial results of Eastern Treads Limited (the holding Company) and its subsidiary, together referred to as the "Group" have been prepared in accordance with Indian Accounting Standards (IND AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant notes thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2 Figures for the quarters ended 31 March 2020 and 31 March 2019 represent the balancing figures of between the audited figures for the full financial year and published reviewed year to date figures up to third quarters of the respective financial year.
- 3 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. Hence, consolidated results were prepared in accordance with Ind AS 110, "Consolidated Financial Statements" for the period ended 31 March 2019. The consolidated results for the quarter ended 31 March 2019 are as certified by management and have not been subject to a limited review or an audit by the statutory auditors.
- 4 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.
- 5 During the month of March 2020, World Health Organisation declared COVID -19 to be a global pandemic. The spread of COVID-19 has impacted the normal operations of businesses in many countries, including India. The country has witnessed several disruptions in normal operations due to lock downs imposed by the Government in the form of restrictions to movement of people, transportation and supply chain along with other stringent measures to contain COVID-19 spread.

The operations of the Group were impacted, due to shutdown of its plant and offices following nationwide lockdown by the Government of India due to COVID 19. The Group has resumed operations in a phased manner as per directives from the Government of India from 24 April 2020. 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 financial results. Based on various assumptions used in fund flow management and current estimate based on business forecast, 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 financial results may differ from that estimated as at the date of approval of these financial results and the management will continue to closely monitor any material changes.

- 6 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 year.
- 7 The Group has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the deferred tax liabilities as on 31 March 2019 have been re-measured. The resultant impact is being recognised in the statement of profit and loss in the current year.
- 8 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.
- 9 The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29 June 2020 and the audit of the same has been carried out by the statutory auditors.

For EASTERN TREADS LIMITED

Kochi
29 June 2020

M.E Mohamed
Managing Director
DIN: 00129005



Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
6th Floor, Modayil Centre Point,
Warriam Road Junction,
MG Road, Kochi - 682 016
Kerala, India

T +91 484 406 4541

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

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'), for the year ended 31 March 2020, 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'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor on separate audited financial statements of the subsidiary, as referred to in paragraph 13 below, the Statement:
 - (i) includes the annual financial results of the subsidiary, Shipnext Solutions India Private Limited;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; 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 relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive loss and other financial information of the Group for the year ended 31 March 2020.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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, 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 statements 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 and that obtained by the other auditor in terms of their report referred to in paragraph 13 of the Other Matter section below, is sufficient and appropriate to provide a basis for our 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



Emphasis of Matter

4. We draw attention to Note 4 of the accompanying Statement, which describes the uncertainties due to the effects of Covid-19 pandemic on the Group's operation and the management's evaluation of the impact on the consolidated financial results of the Group as at the balance sheet date. In view of these uncertainties, the impact on these consolidated financial results is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. 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 audited 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 after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder 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/ management of the companies included in the Group and 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 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.
6. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, 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/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors/ management of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

8. 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.
9. As part of an audit in accordance with the Standards on Auditing, 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 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, 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 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 results of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. 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.
11. 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.
12. 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 Matters

13. We did not audit the annual financial statements of one subsidiary included in the Statement, whose financial information reflects total assets of ₹ 142.89 lakhs as at 31 March 2020, total revenues of ₹ 87.46 lakhs, total net loss after tax of ₹ 40.16 lakhs, total comprehensive loss of ₹ 40.16 lakhs, and cash flows (net) of ₹ 1.55 lakhs for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditor whose audit report has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the audit report of such other auditor, and the procedures performed by us as stated in paragraph 12 above.

Our opinion 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.



Walker Chandiook & Co LLP

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, 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: 20206229AAAABX1030



Place: Kochi

Date: 29 June 2020

Dated, 29 June, 2020
REF: ETL/BSE/FR/FY19-20/20-21

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

Dear Sir,

Sub:- Declaration under regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 for unmodified opinion on financial results

I, M.E Mohamed, Managing Director of Eastern Treads Limited, having registered office at 3A, 3rd Floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024, hereby declare pursuant to Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 that the independent Statutory auditors of the Company, M/s. Walker Chandio & Co LLP, Chartered Accountants, Firm Registration No.: 001076N/N500013 have issued an Audit report with unmodified opinion on financial results for the quarter and year ended 31 March 2020.

Thanking you,

Yours faithfully,

For EASTERN TREADS LIMITED


M.E Mohamed
Managing Director



Eastern Treads Ltd.

CIN : L25119KLI993PLC007213

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 3001 445
E-mail : treads@eastern.in
Web : www.easterntreads.com
Phone : +91 | 485 2855 448