



EASTERN TREADS LIMITED

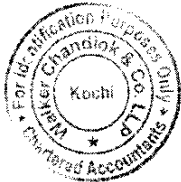
CIN: L25119KL1993PLC007213

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 FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

Sl. No.	Particulars (Refer notes below)	Quarter ended		Year ended	
		30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
		Unaudited	Audited	Unaudited	Audited
I	Income		Note No 2		
	(a) Revenue from operations	1,687.12	2,128.22	1,475.16	7,227.54
	(b) Other income	3.17	5.51	6.32	33.96
	Total income	1,690.29	2,133.73	1,481.48	7,261.50
II	Expenses				
	(a) Cost of materials consumed	1,230.95	1,388.95	1,197.12	4,966.83
	(b) Purchases of stock-in-trade	1.80	0.03	27.06	60.94
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(15.73)	146.78	(199.94)	238.32
	(d) Employee benefits expense	238.47	263.46	224.35	971.62
	(e) Finance costs	61.08	72.81	75.51	320.48
	(f) Depreciation and amortisation expense	42.16	42.96	49.48	183.23
	(g) Other expenses	316.41	618.64	262.43	1,509.40
	Total expenses	1,875.14	2,533.63	1,636.01	8,250.82
III	Loss before exceptional items and tax (I-II)	(184.85)	(399.90)	(154.53)	(989.32)
IV	Exceptional items	-	-	-	-
V	Loss before tax (III-IV)	(184.85)	(399.90)	(154.53)	(989.32)
VI	Tax expenses:				
	- Current tax	-	-	-	-
	- Deferred tax credit	(7.04)	(3.13)	(5.99)	(21.19)
VII	Loss for the period / year (V-VI)	(177.81)	(396.77)	(148.54)	(968.13)
VIII	Other comprehensive income / (loss)				
	(a) Items that will not be reclassified to profit or loss (refer note 6)	(3.79)	515.33	0.93	518.12
	(b) Income tax relating to items that will not be reclassified to profit or loss (refer note 6)	0.95	(129.71)	(0.23)	(130.41)
IX	Total comprehensive loss for the period / year (VII+VIII)	(180.65)	(11.15)	(147.84)	(580.42)
X	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20
XI	Other equity				(492.80)
XII	Loss per equity share:				
	(a) Basic: (₹)	(3.40)	(7.58)	(2.84)	(18.50)
	(b) Diluted: (₹)	(3.40)	(7.58)	(2.84)	(18.50)
		Not annualised			





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Notes:

- 1 These unaudited 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 rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended.
- 2 The figures for the quarter ended 31 March 2022 are the balancing figures between audited figures for the full financial year and the unaudited year to date figures upto the third quarter of the previous financial year, which were subject to limited review.
- 3 The Company is engaged in the manufacture and trading of tyre retreading materials which form part of a single segment product group and is primarily operating in India. As the Chief Operating Decision Maker (CODM) reviews business performance at an overall company level, disclosure requirement under Ind AS 108 on "Operating Segment" is not applicable.
- 4 The Company has reported a net loss of Rs. 177.81 lakhs during the current quarter and has accumulated losses amounting to Rs. 1,972.97 lakhs as on 30 June 2022. The Company's operations were disrupted due to COVID-19 in the previous years, which adversely affected timely collections from customers resulting in overdues. The extent to which such disruptions may further impact the operations and Company's results will depend on ongoing as well as future developments, which are highly uncertain.
The Company has performed an assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, including overdue receivables from various customers, and impact on revenues and costs. Based on estimates and assumptions used in business forecast and fund flow projections, management expects to recover the carrying amount of the assets and will be able to discharge the liabilities.
The Company has received a letter of support from the chairman and promoter director of the Company, wherein he has confirmed to provide all financial support to the Company to meet the shortfall in its fund requirements for payment of timely dues to banks & other parties and to meet the operating expenses, if required, for a period of not less than 12 months from the date of closure of the quarter. In view of the above letter of support and various performance improvement measures undertaken, the management believes that the Company will be able to meet its operational and other commitments as and when these become due in the foreseeable future. Hence, the Statement has been prepared on a going concern basis.
- 5 Trade receivables as on 30 June 2022 includes certain overdue debts amounting to Rs. 1,169.28 lakhs for which an allowance for expected credit loss for Rs. 65.56 lakhs has been recognised by the management. In the opinion of the management, these overdue debts are recoverable.
- 6 The Audit Committee and the Board of Directors of the Company at their respective meetings held on 31 March 2022 approved adoption of revaluation model as permitted by Ind AS 16 "Property, Plant and Equipment" for measurement of carrying value of the land owned by the Company. Fair valuation of the land had been carried out by a registered valuer and the fair value of land was estimated at Rs. 720.61 lakhs and consequent revaluation gain of Rs. 430.26 lakhs (net of tax) was recognized in other comprehensive income, during the previous quarter ended 31 March 2022.
- 7 Shipnext Solutions Private Limited ceased to be a subsidiary of the Company on 30 November 2021 and continued as an associate till 15 February 2022. Hence, consolidated financial results are not applicable.
- 8 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.
- 9 The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 12 August 2022 and the same has been subjected to limited review by the statutory auditors.

Place : Kochi

Date : 12 August 2022



For EASTERN TREADS LIMITED

M E
Mohamed

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Mohamed
Date: 2022.08.12
16:45:31 +05'30'

M.E Mohamed
Managing Director
DIN: 00129005

Independent Auditor's Review Report on Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Eastern Treads Limited

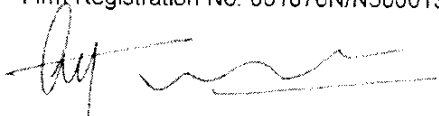
1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Eastern Treads Limited ('the Company') for the quarter ended 30 June 2022, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 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. As described in note 5 to the accompanying Statement, the Company has certain overdue trade receivables outstanding as at 30 June 2022 aggregating to Rs. 1,169.28 lakhs for which an allowance for expected credit loss for Rs. 65.56 lakhs has been recognised by the management as on such date. However, in absence of sufficient appropriate audit evidence to support aforesaid accounting estimate made by the management as required under the principles of expected credit loss enunciated under Ind AS 109, Financial Instruments, we are unable to conclude on the adequacy of such allowance made against aforesaid overdue trade receivables as at 30 June 2022, and the consequential impact thereof on the accompanying Statement for the quarter ended 30 June 2022.

Our audit report on the financial results of the Company for the quarter and year ended 31 March 2022 was also qualified in respect of this matter.

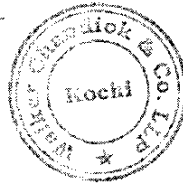
Walker Chandiook & Co LLP

5. Based on our review conducted as above, except for the possible effects of the matter described in previous section, 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.
6. We draw attention to note 4 of the accompanying Statement which describes the uncertainties associated with recovery of market operations post COVID-19 and the management's evaluation of its probable impact on the company's operations as at the reporting date, the extent of which is dependent on ongoing as well as future developments, which are highly uncertain. Further, as stated in the same note, the Company has received a letter of financial support from the chairman and promoter director of the Company to mitigate the aforesaid impact on the Company. 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: 22206229AOWROC4338



Place: Kochi
Date: 12 August 2022