



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/HALF YEAR ENDED 30th SEPTEMBER 2023

Sl. No.	Particulars (Refer notes below)	Quarter ended			Half Year ended		Year ended
		30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Income						
	(a) Revenue from operations	1,544.32	1,452.89	1,325.40	2,997.21	3,012.52	5,984.14
	(b) Other income	2.66	1.01	0.36	3.67	3.53	8.43
	Total income	1,546.98	1,453.90	1,325.76	3,000.88	3,016.05	5,992.57
II	Expenses						
	(a) Cost of materials consumed	950.83	1,002.36	1,034.34	1,953.18	2,265.29	3,980.85
	(b) Purchases of stock-in-trade	1.77	1.12	0.76	2.89	2.56	2.14
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	42.95	(69.44)	-115.06	(26.50)	(130.79)	133.08
	(d) Employee benefits expense	241.54	238.30	236.17	479.84	474.64	997.31
	(e) Finance costs	79.19	79.61	78.46	158.80	139.54	323.04
	(f) Depreciation and amortisation expense	32.88	37.76	41.35	70.64	83.51	165.01
	(g) Other expenses	290.24	289.56	265.07	579.80	581.46	1,158.75
	Total expenses	1,639.39	1,579.27	1,541.09	3,218.66	3,416.21	6,760.18
III	Loss before exceptional items and tax (I-II)	(92.41)	(125.37)	(215.33)	(217.78)	(400.16)	(767.61)
IV	Exceptional items	-	-	-	-	-	-
V	Loss before tax (III-IV)	(92.41)	(125.37)	(215.33)	(217.78)	(400.16)	(767.61)
VI	Tax expenses:						
	- Current tax	-	-	-	-	-	-
	- Deferred tax credit	-2.03	(2.03)	(4.93)	(4.06)	(11.97)	(44.72)
VII	Loss for the period / year (V-VI)	(90.38)	(123.34)	(210.40)	(213.72)	(388.19)	(722.89)
VIII	Other comprehensive income / (loss)						
	(a) Items that will not be reclassified to profit or loss	-4.71	-4.71	3.79	-9.42	-	(18.85)
	(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-0.95	-	-	-
IX	Total comprehensive loss for the period / year (VII+VIII)	(95.10)	(128.06)	(207.56)	(223.14)	(388.19)	(741.74)
X	Paid-up equity share capital (face value of ₹ 10 each)	523.20	523.20	523.20	523.20	523.20	523.20
XI	Other equity						(1,227.16)
XII	Loss per equity share:						
	(a) Basic: (₹)	(1.73)	(2.36)	(4.02)	(4.08)	(7.42)	(13.82)
	(b) Diluted: (₹)	(1.73)	(2.36)	(4.02)	(4.08)	(7.42)	(13.82)



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Standalone Unaudited Balance Sheet as at 30th September 2023

Particulars (Refer notes below)	(₹ in lakhs)	
	As at	As at
	30-Sep-23 Unaudited	31-Mar-23 Audited
A ASSETS		
1 Non-current assets		
(a) Property plant and equipment	1,402.31	1,427.88
(b) Capital work-in-progress	-	-
(c) Intangible assets	0.98	1.07
(d) Financial assets		
(i) Investments	-	-
(ii) Trade receivables	0.35	0.35
(iii) Loans	-	-
(iv) Other financial assets	0.22	0.22
(e) Other non-current assets	2.09	46.09
Total non-current assets	1,405.95	1,475.61
2 Current assets		
(a) Inventories	795.41	725.49
(b) Financial assets		
(i) Trade receivables	1,345.58	1,306.38
(ii) Cash and cash equivalents	74.27	48.07
(iii) Bank balance other than cash and cash equivalents	104.35	80.07
(iv) Loans	0.50	0.50
(v) Other financial assets	36.54	43.94
(c) Current tax asset (net)	39.40	37.83
(d) Other current assets	33.10	39.18
Total current assets	2,429.15	2,281.46
Total assets	3,835.10	3,757.07
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	541.18	541.18
(b) Other equity	(1,444.38)	(1,227.16)
Total equity	(903.20)	(685.98)
Liabilities		
2 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,250.42	1,064.68
(ii) Other financial liabilities	-	-
(b) Provisions	77.31	88.94
(c) Deferred tax liabilities (net)	161.43	165.49
(d) Other non-current liabilities	-	-
Total non-current liabilities	1,489.15	1,319.11
3 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,086.62	2,025.47
(ii) Trade payables	-	-
(A) total outstanding dues of micro enterprises and small enterprises	51.54	28.17
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	921.56	587.89
(iii) Other financial liabilities	100.81	360.13
(b) Provisions	53.72	62.41
(c) Other current liabilities	34.89	59.87
Total current liabilities	3,249.15	3,123.94
Total liabilities	4,738.30	4,443.05
Total equity and liabilities	3,835.10	3,757.07



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Statement of Unaudited standalone Cash Flows for the Period ended 30th September 2023

Particulars (Refer notes below)	Year ended (₹ in lakhs)		
	30-Sep-23	30-Sep-22	31-Mar-23
	Unaudited	Unaudited	Audited
A Cash flow from operating activities			
Net loss before tax	(217.78)	(400.16)	(767.61)
Adjustments for:			
Depreciation and amortisation expense	70.64	83.51	165.01
Finance costs	158.80	-	323.04
Asset - Written Off	-	0.44	0.44
Bad debts written off	-	-	-
Provision for doubtful debts	-	-	39.30
Provision for inventory	-	-	-
Loss / (profit) on sale of property, plant and equipment	-	5.99	1.33
Provision on employee benefits	(0.38)	9.06	22.93
Interest income	(0.83)	(0.87)	(5.77)
Provision for impairment	-	-	-
Operating profit before working capital changes	10.45	(302.03)	(221.33)
Adjustments for working capital changes:			
Decrease in inventories	(69.92)	(298.71)	23.81
Decrease / (increase) in trade receivables	(39.20)	426.30	653.57
(Increase) / decrease in other receivables	57.48	67.84	53.37
Decrease in trade and other payables	49.30	(43.96)	(29.78)
	-	-	-
Cash generated from operations	8.11	(150.56)	479.64
Direct taxes paid	(1.57)	(1.08)	(0.02)
Net cash generated from operating activities (A)	6.54	(151.64)	479.62
B Cash flow from investing activities			
Payments for purchase of property, plant and equipment (including capital advances)	(44.98)	(8.59)	(60.69)
Proceeds from sale of property plant and equipment	-	16.03	40.19
Decrease/(increase) in other bank balances	(24.28)	(20.86)	(1.81)
Repayment of loan by / (loan given to) erstwhile subsidiary	-	-	-
Repayment of loan given to others	-	-	-
Interest received	0.83	0.87	5.77
Net cash generated from / (used in) Investing activities (B)	(68.43)	(12.55)	(16.54)
C Cash flow from financing activities			
Proceeds from long term borrowings	-	120.74	125.00
Reserve excluding current year loss	-	-	-
Deferred Tax	185.74	-	(610.19)
Repayment of long term borrowings	61.15	21.70	312.77
Proceeds from short term borrowings	(158.80)	-	(323.04)
Interest paid	-	-	-
Dividend paid including dividend distribution tax	-	-	-
Net cash used in financing activities (C)	88.09	142.44	(495.46)
Net increase in cash and cash equivalents (A+B+C)	26.20	(21.78)	(32.40)
Cash and cash equivalents at the beginning of the year	48.07	80.43	80.43
Cash and cash equivalents at the end of the year	74.27	58.65	48.03
Components of cash and cash equivalents	As at		
	30-Sep-23	30-Sep-22	31-Mar-23
	Unaudited	Unaudited	Audited
a) Cash on hand	1.71	1.90	1.20
b) Balances with bank			
in current accounts	72.56	56.75	46.87
Cash and cash equivalents	74.27	58.65	48.07



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Notes:

- 1 These audited 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 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 Officer ('COO') reviews business performance at an overall company level, disclosure requirement under Ind AS 108 on "Operating Segment" is not applicable.
- 3 The Company has reported a total comprehensive loss of Rs.223.14 lakhs during the current period and has accumulated losses amounting to Rs 2731.76 lakhs as on 30th September 2023.

The net worth of the company has eroded. However, 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.

- 4 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.
- 5 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 07th & 8th November 2023 and the same has been subjected to limited review by the statutory auditors.

For EASTERN TREADS LIMITED

M.E Mohamed
Managing Director
DIN: 00129005

Place : Kochi

Date : 8th November 2023



Independent Auditors' Review Report on review of Interim Financial Results of the Company pursuant to the Regulation 33 Of SEBI (Listing Obligation 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 of Eastern Treads Limited (the "Company"), for the quarter and six months ended September 30, 2023 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), including relevant circulars issued by SEBI from time to time.
- 2 This 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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder 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 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
- 4 Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms 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.

Place: Kochi
Date : 08-11-2023
UDIN: 23228498BGXRDL3461

For G Joseph & Associates
Chartered Accountants
Firm Reg. No. 006310S


Allen Joseph
Partner
M No. 228498

